

Russo, Stephanie

From: andrea basarich [abasarich@sbcglobal.net]
Sent: Wednesday, December 31, 2008 7:18 AM
To: Russo, Stephanie
Subject: Fw: State bailout for Gary, IN

s

--- On Tue, 12/30/08, nglenn <nglenn@netnitco.net> wrote:

From: nglenn <nglenn@netnitco.net>
Subject: Fw: State bailout for Gary, IN
To: Undisclosed-Recipient@yahoo.com
Date: Tuesday, December 30, 2008, 8:54 PM

----- Original Message -----

From: Maria Sanchez
To: Noras list
Sent: Tuesday, December 30, 2008 9:45 AM
Subject: RE: State bailout for Gary, IN

In regards to Mr. Cohen's email:

" The time is not right to cut budgets,
but rather to raise taxes, for those who can afford it, and budgets."

The above statement is not nice. Why should the people who can **AFFORD** it get killed with higher taxes and never see any work done in their community???

We are paying taxes now and never see any improvements in our street conditions (as you have also pointed out), retrieval or clean up of dead trees behind peoples homes, and many more issues. I can go on and on and make it a very very long list.

Please Mr. Cohen tell me where the Miller Citizens tax money has gone? Tell me what improvements have been made in our community? Im not 100% sure if Miller is the highest tax paying community in Gary, but from what I have heard from my neighbors it is.

Do you honestly think it is correct to pay high taxes and not see any improvements? Gee Whiz..if I saw some improvements Id jump for joy and I would not complain about my current taxes!

What guarantees do the the Miller Citizens have that if Gary gets the extra money we will see our community in better condition? Please advise. And don't you think we pay quite a bit of taxes now?

Cordially,

María

> From: neglenn@netnitco.net
> To: ;
> Subject: Fw: State bailout for Gary, IN
> Date: Mon, 29 Dec 2008 16:31:50 -0600

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>
> ----- Original Message -----
> From: "Cohen, Ronald" <rcohen@iun.edu>
> To: <neglenn@netnitco.net>
> Sent: Monday, December 29, 2008 4:25 PM
> Subject: FW: State bailout for Gary, IN

>> Here is what I have sent to Stephanie Russo about the Gary bailout. I
>> deplore the MCC's opposition to increasing Gary's revenue stream. Gary has
>> serious problems, which will NOT be solved by "starving the beast," as
>> Grover Norquist, the influential conservative Republican, has been saying
>> about the federal government for many years (and look where that has
>> gotten us under Reagan, Bush, and Bush). Mitch Daniels was Bush's head of
>> the Office of Management and Budget, which is partly responsible for the
>> current national economic disaster, and is now in charge of the state
>> budget, which is in serious trouble. The time is not right to cut budgets,
>> but rather to raise taxes, for those who can afford it, and budgets.

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>> I am in STRONG support of Gary Mayor Rudy Clay's petition for a state
>> bailout in 2009. Gary has been crippled by the property tax caps, and now
>> I find that it is almost impossible to drive on the city's road,
>> particularly in the Miller neighborhood, where I live, because of the
>> large potholes and the city's inability to fill them. I have been a
>> homeowner in Gary since 1974 and am very concerned about the city's
>> current financial problems. I believe the Mayor has made a strong case for
>> state financial support.

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>> Cordially,
>> Ronald D. Cohen

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Russo, Stephanie

From: BIRDLADYMI2@aol.com
Sent: Wednesday, December 31, 2008 3:39 AM
To: Russo, Stephanie; nglenn@netnitco.net; Wishfulsun@aol.com; vkolodziej@yahoo.com; wellsam1@yahoo.com; susanbinkley@sbcglobal.net; godschild_7@att.net; abasarich@sbcglobal.net; Beach46403@aol.com; Baxterdesign@comcast.net; CFKRUSAS@aol.com; chawawa1@comcast.net; Captaincoho@sbcglobal.net; CindyJorgensen@aol.com; dnkolodziej@yahoo.com; monroe1716@gmail.com; hoskins_g@msn.com; hoblitzel@att.net; sidecar1969@verizon.net; MDKrusas@aol.com; tempteach@yahoo.com; RAS1221@comcast.net; rclay@ci.gary.in.us; RWBlyther@comcast.net; rya5@comcast.net; Millercritters@sbcglobal.net
Subject: OFCOURSE

It is a very sad situation when Rudy Clay is living the American Dream in Gary and NOT taking care of the citizens of Gary! Oh..unless the are his own. WE HAVE NEVER SEEN the City of Gary and "suburbs" in total disarray as they are in now so where is all the money going? The so called streets are not streets but craters which you have to miss or we lose tires and damage to vehicles. What about those that cannot drive let alone have a vehicle which needs repair work? Oh yes we know...it is our responsibility to handle those debts also. THIS IS A SAD STATE of affairs again Mr. Mayor. I love sending pictures of your clock by the way.

Carole & Company which, again, includes people that do not have computers; cannot afford the newspaper; senior citizens, people on disability. HEY RUDY...what would YOU do if your family needed help?

THAT'S WHAT I THOUGHT. Carole M. Koz

PS...The names of Send To: are not liable at all from what I am sending to you, however, go ahead and laugh this one off also because there are thousands who would put their names on this E~! mail. I remember shaking your hand by Fagen Pharmacy, Miller K Market and it was warm out but your hand was COLD!

BirdLady

One site keeps you connected to all your email: AOL Mail, Gmail, and Yahoo Mail. [Try it now.](#)

Russo, Stephanie

From: susan clay [susansclay@yahoo.com]
Sent: Tuesday, December 30, 2008 5:55 PM
To: Russo, Stephanie
Cc: Christine Clay
Subject: Gary Indiana

Please show understanding and compassion in your decision and give the City of Gary the help that it so desperately needs. You must make the right decision and give Gary the help that it needs. They have no other resources or options at this time. I pray that you do what it morally and ethically right for the people of Gary and extend the life line that is needed at this time.

Sincerely

Susan Clay

Russo, Stephanie

From: Rich Venture [richventure@hotmail.com]
Sent: Tuesday, December 30, 2008 2:16 PM
To: Russo, Stephanie
Subject: Distressed Unit Appeals Board - Opposition Statement - Gary, IN
Attachments: Total Report.doc

Dear Stephanie,

Please submit the following attachment to the DUAB for their review and consideration regarding the request for cap exemption from the City of Gary.

By way of introduction, I hold a Ph.D. in social research methods and was on the faculty of the Carroll School of Management at Boston College and research director for The Center for Corporate Community Relations. I also served two terms in the South Dakota House of Representatives and four years on the Joint House Senate Appropriations Committee. I was an invited guest speaker to the World Business Conference of the United Nations Habitat II Summit meeting in Istanbul in 1996. I hold graduate degrees from Drake University, South Dakota State University and The University of Chicago.

I moved from New England to Gary in 2004 and have been volunteering my time to make Gary a better, more viable city in which to live.

I would oppose any special consideration from the DUAB to remove the cap formula for the City of Gary. It is a matter of mismanagement and poor administrative decisions that have led to Gary's financial problems. More tax revenue will not solve our problems. Many of us believe that it is best for the city to realign its budget priorities and spending and that will only be done when it is forced to do so.

I have supporting documents that I can make available to the Board if you feel it would be helpful.

Sincerely,

Richard Barnes, Ph.D.
739 N Montgomery St
Gary, IN 46403
219 938-7360

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Distressed Unit Appeals Board

A statement and response in opposition to the request by

The City of Gary, Indiana

For Hearings January 5, 2009

Submitted by

**Richard Barnes, Ph.D. and Carole Barnes
Gary, Indiana**

The City of Gary, Indiana, has requested relief from the Distressed Unit Appeals Board by being exempt from legislative tax caps on property taxes.

The City of Gary has claimed that they cannot function under existing law and that they should be exempt from property tax caps due to take effect in 2009.

Meanwhile, property tax payers claim that there Gary municipal government is poorly administered, that cuts in the number of employees and superfluous expenditures have yet to be made, and that increased property taxes, especially in this economy, would have dire effects upon the residents, homeowners and taxpayers of the City of Gary where 25.8 percent already live below the poverty line (compared to the State of Indiana where 9.5 percent live below the poverty line.)

We speak in opposition to any requests for exemption from the City of Gary for relief from the Distressed Unit Appeals Board, to change the tax cap formulas established by state statute.

Gary Sanitary District

The Gary Sanitary District (GSD) is a quasi-independent entity of the City of Gary that provides for the collection and treatment of sanitary wastewater for the Gary municipality as prescribed by Indiana State Statute.

The appeal to the Distressed Unit Appeals Board from the City of Gary states that the "Petitioners have determined that due to the significant large amount of Circuit Breaker credits... they cannot provide the necessary governmental services if all of the credits are effective at once." (sic)

Public records show that receipts of the GSD have become a conduit of funds for operating the City of Gary. Taxes are levied for sewer rates and solid waste collection from homeowners and residents with the money filtering into Gary's city accounts.

Unpaid City of Gary Loans from the Gary Sanitary District

In a letter from United States Attorney Joseph Van Bokkelin and Thomas Easterly, Commissioner of the Indiana Department of Environmental Management, dated March 22, 2007, and directed to Hamilton Carmouche, they state:

"According to former Chairman Wilkerson, the City of Gary borrowed \$16 million from the Gary Sanitary District between approximately September through December 2006, with a promise to repay the funds on January 1, 2007. The City of Gary failed to repay the loan from the Gary Sanitary District when the repayment was due on January 1, 2007. Former GSD Chairman Wilkerson raised the issue of the City of Gary's failure to repay the loans at a Board meeting held after the loan repayment was overdue. Shortly after Chairman Wilkerson raised the issue, Mayor Clay fired Chairman Wilkerson by a letter dated February 21, 2007. During a meeting of the Board of Commissioners of the Gary Sanitary District on February 27, 2007, Mayor Clay then installed his own appointee as President of the Board of Commissioners."

Outstanding inter fund loans due to District as of January 7, 1008, and summarized as follows:

City of Gary General Fund owes District general operating (fund 670)	\$2,000,000
City of Gary General Fund owes District equipment replacement (fund 435)	\$8,997,127
City of Gary General Fund owes District capital equipment (fund 670)	\$1,500,000

Total: \$12,497,127

(Source: Gary Sanitary District)

The letter also informs the City of Gary that they have failed to obtain proper certification to operate the sanitary district services and “Stipulated penalties continue to accrue against both the City of Gary and the Gary Sanitary District for their failure to submit the required certifications for 2005 and 2006.” (Ibid.)

No Fiscal Audit for the Gary Sanitary District

In a “Sewer Rate Report” issued by the Board of Commissioners of the Gary Sanitary District to justify the 87.5 percent sewer rate increase by the GSD at their meeting of March 11, 2008, they write:

“In the course of preparing this Report, we have not conducted an audit of any financial or supplemental data used in the accompanying exhibits and schedules. We have made certain projections of revenues and expenses, based on management’s representations and estimates, which may vary from actual results and such variances, may be material.” (sic)

The GSD reported that customer sales declined 0.15 percent from \$15,222,258 in 2005 to \$14,992,650 in 2006.

<u>Customer Sales / Revenues</u>	<u>2005</u>	<u>2006</u>	<u>Net Decrease</u>	<u>% Decrease</u>
Operating Receipts	15,222,258	14,992,650	229,608	↓ .15 %

Yet, while customer sales accounted for a reduction in revenue, such was not the case for salaries and wages. The same report states:

<u>Salaries and Wages</u>	<u>2005</u>	<u>2006</u>	<u>Net Increase</u>	<u>% Increase</u>
Sewer Collection Operations/Maintenance	805,715	1,033,321	227,606	↑ 28.2 %
Plant Operations & Maintenance	1,975,614	2,532,761	557,147	↑ 28.2 %
Customer Accounts	340,867	406,224	65,357	↑ 19.2 %
Administrative & General	719,186	794,759	74,973	↑ 10.4 %
Pretreatment Facilities	441,532	445,259	3,727	↑ .008 %

Salaries and Wages for GSD personnel continued to spiral and grow in spite of the fact that the GSD has a multimillion-dollar annual contract with White River Environmental Partnership (WREP) to operate the Gary Sanitary District. It is not clear nor could it be known how the expenditures under the contract with WREP would be broken out. Throughout the budgeting process and reporting, the number of employees (FTE's) associated with the listed budget expenditures was not reported.

\$5.5 Million No-Bid Contract - Solid Waste Disposal Revenue

In addition to the 87.5 percent increase in sewer rate fees for citizens living in Gary, Indiana, the GSD has moved into a \$5.5 million annual contract to take over the City of Gary's responsibility for hauling curbside trash.

Some residents note that payment for solid waste curbside collection is already in the current budget and has been paid for by property taxes levied and collected for the current year. Nevertheless, the GSD entered into a no-bid contract with Allied Waste to assume trash collection and residents would be billed an additional \$12 a month (\$144 per year). Allied Waste is charging the City of Gary \$21.00 per month, more than they charge other communities in northwest Indiana.

It is interesting to note that if individual residents do not or cannot pay for the solid waste curbside service of \$12.00, the GSD states that they will shut off water service to that address which may run the risk of causing additional public health problems.

When asked what will happen to the 60 or 70 sanitation workers employed by the City of Gary, taxpayers were told that they would be reassigned in departments throughout the city, some working to pick up litter along the streets and in public areas. Even though there is a \$5.5 million expenditure in new funds, no city employees would be dismissed. They were told they could apply with Allied Waste that has an employment office in Crown Point, Indiana.

\$1.1 Million Tax on Residents - Fire Hydrant Maintenance Fee

The City of Gary recently passed a Fire Hydrant Maintenance Fee for the 1,900 fire hydrants located within the city limits. The 36,000 households would be charged \$2.60 per month and constitute an additional \$1.1 million tax on residents of the City of Gary. This amounts to a tax of \$5,789.50 per hydrant per year, or \$482.46 per hydrant per month.

The Associated Press reported "Saving \$1.1 million by passing fire hydrant maintenance costs onto Indiana American Water Co. customers" but the new tax does not represent a "savings", it is a new tax and does not represent any cost/expenditures efficiencies on the part of the City of Gary's administration.

Unknown Transfer of Assets to City of Gary

Without providing information or disclosing the assets in question, the March 11, 2008 meeting of the Gary Sanitary District Board of Commissioners included:

New Business:

Item 2 d – A Motion to Approve Resolution No. SD08-09, Approving a Transfer of Various Fixed Assets from the Gary Sanitary District's General Ledger Accounts, to the City of Gary's General Ledger Accounts.

When someone in the audience asked what this was about they were told that they were vehicles, snow plows, street sweepers, trucks and cars being given to the City of Gary. This may be another example of how the GSD raises money via property taxes or user fees, and then turn it over to the City of Gary. A list of the "Fixed Assets" involved in the transfer was not available to the public. The motion passed unanimously.

Establishing a Functional Budget

We would recommend that the request of the City of Gary before the Distressed Board be rejected for the following reason(s):

The City of Gary has failed to present a qualifying proposed budget inasmuch as it does not represent the "best efforts" of all of the tools for developing a functional budget.

The City of Gary has not conducted a comprehensive financial audit of city funds.

- An effective budget for the City of Gary should be a **control device** "meant to promote equilibrium between demands for public programs and availability of funds."
- An effective city budget should also serve as a **planning tool** that would establish goals and objectives for the community and designate funds to achieve those objectives.
- Budgets also **make policy statements** telling how a municipality will meet future challenges.
- A functional budget is also a **communications device** that informs the public about its priorities and its financial condition.
- A functional budget is also a **management tool** by which administrator's control and monitor performance. On going program evaluation may indicate changing needs as conditions are modified.

(Executive Summary, Research & Consulting Center, City of Portland, Oregon)

There are resources available that the City of Gary could have used had they consulted other cities, towns and state agencies. The National Advisory Council on State and Local Budgeting Practices (NACSLBP) is an organization with a mission to help political entities administer the finances of their organization.

Their definition of the budget process states:

“The budget process consists of activities that encompass the development, implementation, and evaluation of a plan for the provision of services and capital assets. A good budget process is far more than the preparation of a legal document that appropriates funds for a series of line items. Good budgeting is a broadly defined process that has political, managerial, planning, communication, and financial dimensions.”

(Source: National Advisory Council on State and Local Budgeting, p. 4)

The City of Gary has not complied by providing a “best efforts” in the preparation and presentation of their budget. It is this missing element of the DUAB’s request and requirement that would justify refusing the City of Gary’s exemption from property tax caps.

Without evidence of planning, control, policy statements (in the form of fiscal notes), communication and management tools all needed to secure and administer a sound financial future, the City of Gary is destined to continue wasteful spending and reckless disregard for the law.

We would recommend that the City of Gary has not demonstrated good faith compliance in managing taxpayer’s funds. Because the Mayor of Gary is also the Chairman of the Lake County Democratic Party, decisions by the Mayor to provide privilege and patronage to party leaders throughout the county have been made at the expense of the citizens and taxpayers of the City of Gary.

There is no reason to assume that if tax caps are removed and property taxes for residents of Gary are increased, that this additional money will not stay in Gary but be parceled out for continuing political patronage by the Chairman of the Lake County Democratic Party as it has been done in the past.

When we requested a copy of the proposed city budget, we, along with members of the City Council, were given two summary sheets with no figures and no mention of the number of employees in each department. If you visit City Hall and ask for financial documents they are never available.

Whatever the reason for not having full and complete public disclosure of the operating budgets for the various city departments, the DUAB, in good faith, cannot approve the request for exemption from the City of Gary.

Until such time that a financial audit is conducted for all city operations, one cannot know the true income and expenditures of the City of Gary. To grant the City of Gary the opportunity to collect more tax revenues from Gary residents would only be to allow for future abuse. It will not solve the inherent financial or political issues of the city.

Recommendations for Gary's Financial Problems

An independent board should be appointed to examine and audit all of the financial records and accounts of the City of Gary. Such an audit will show the true state of affairs: income revenue stream, existing debt and current financial obligations.

A thorough and complete report of all employees currently on the city payrolls, consultants, along with contracts with individuals and firms, needs to be compiled. This would be for all full and part time employees during the year 2008.

Health insurance for all employees should be examined to see if there is a duplication of coverage for any city employee. Many employers now have the employee assume part of the health care coverage and are cutting back on health benefits for retirees.

Job Descriptions need to be rewritten and reviewed for all city employees to reorganize city offices, address redundancy, and streamline the city's workforce.

Public Safety personnel and programs that are mandated by the State of Indiana need to be declared a priority for future funding. While the Gary administration has attempted to gain support for their petition to the DUAB by claiming to reduce fire, police and EMT services, such cannot be the case inasmuch as state requirements mandate public safety services.

The need to adopt budget and accounting standards of the National Advisory Council on State and Local Budgeting Practices by all city administrators and department heads. Nothing short of a full reorganization of city departments and city programs can be carried out to address the City of Gary's financial crisis.

Identification of municipal government programs that are vital for providing required services as outlined by the State of Indiana needs to receive top priority for continued funding. The identification of programs that not productive, do not provide benefit using a cost analysis, and not required by state statute should be the first to experience cuts, mergers, and budget reductions. (For example, Rudy Clay Jr.'s \$30,000 contract with GSD to videotape meetings should be declared unnecessary and abolished. Other similar contracts, jobs, and positions should follow.)

A social contract exists between taxpayers and their representative government officials. The people of the City of Gary have agreed to pay their taxes and make these public monies available to their elected officials to responsibly provide for the health and public safety of the community. Unfortunately, one can say that the social contract has been broken, not by the people who continue to pay property taxes as required by law (and agreement), but by city officials who have not properly and responsibly managed those financial accounts.

We should not reward those who have broken the social contract by penalizing the taxpayers who seek nothing more than accountability in their elected officials. The only way to enforce compliance with the social agreements of local government is to require them to live within their means. If they cannot manage to deliver services with the agreed to tax revenue, they should acknowledge that inability and quietly step down delivering that assignment to those citizens who are able to manage, dedicated to govern, and who embrace the virtues of public service.

Respectfully submitted,

Richard Barnes, Ph.D.

Carole Barnes

739 N. Montgomery St.
Gary, Indiana 46403
(219) 938-7360

Supporting Documents

U.S. Department of Justice, March 22, 2007

Letter and Correspondence: Joseph S. Van Bookelen, United States Attorney, to Hamilton L. Carmouche, Corporate Council, City of Gary. (re: United States, et al. v. City of Gary, et al., No. 2:78-cv-99929.RL)

National Advisory Council on State and Local Budgeting Practice

A Framework for Improved State and Local Government Budgeting and Recommended Budget Practices. 2007. New York: 48 pages

Executive Summary

Research & Consulting Center, City of Portland, Oregon. 2007

Botts, Lee

Statement to Gary Sanitary District Board on Proposed User Rate Increase of 85 Per Cent, March 11, 2008. Manuscript. 2 pages.

Gary Sanitary District Resolution No. SD08-05

March 11, 2008.

Seidel, Jon

"Sewer board OKs rate hike of 85 percent", Gary Post Tribune, p. A4.
March 12, 2008

Gary Proposed Budget for 2009

Gary City Hall - 2 pages

City of Gary and Included Taxing Units

Distressed Unit Appeals Filing, Financial Plan. December 5, 2008

U.S. Department of Justice.

Federal Consent Decree relating to the Special Administrator for the Gary Sanitary District, p. 59-73

Gary Sanitary District

Minutes & Agenda, Board of Directors Regular Meeting
Tuesday, March 25, 2008

Gary Sanitary District

Proposed Garbage Collection and Recycling Fee, FAQ's
Source: GSD, November 2008

Byrne, John

"Property tax caps now state law." March 15, 2008: Post Tribune

Engber, Daniel

"What Happens When a City Goes Bankrupt? You stay solvent, San Diego".
Oct 14, 2005

Russo, Stephanie

From: KRISeKRIS00@aol.com
Sent: Wednesday, December 31, 2008 10:15 AM
To: Russo, Stephanie
Subject: Objection to the petition of the City of Gary

Dear Distressed Unit Appeals Board members,

Whatever decision your board makes, some will suffer. It can be the entire city, or it can be the relative few pigs that have been crowding the public feeding trough for decades--these same public servants that have long since forgotten how to serve the public.

When you do nothing to support something wrong, it could then be said that this inaction is doing something right. So please do this right! Don't do anything for the City of Gary. Do not submit to the lies that they presented in their petition. Don't succumb to their blatant fearmongering. Don't capitulate to their undeserving request. Don't fall for a word of it. And don't worry about the citizens, we are the ones that want you to reject it. In their entire presentation, do you see where any concern is devoted to the citizens and taxpayers and their problems? (Besides our mayor's continued threat that our public safety will be threatened?) I don't. It is nothing more than a wholly selfish bailout request submitted by undeserving and incapable managers. Individuals who have time and time again, proven that they cannot see beyond their own selfish snouts. They have no business being the stewards of either our money, or of the public trust. Unfortunately, due to the decades of neglect and lack of oversight, a phenomenon has occurred that has enabled this "politburo" to remain in control and given them the ability to perpetuate their continued corruption, cronyism, nepotism, and general incompetence. What you see now is the manifestation of all of these miscreant behaviors gone unchecked. You are our last chance. You are our last hope as we yearn for some check and balance. Until now, there has been no external check and balance. Just them patting each other on the back as they have run the city into the ground. They may by now really have come to believe their own lie; that they are doing a good job, but they are not. Not by any reasonable standard. If they had to convince anybody but themselves of their performance, they could not. Any objective review would yield a failing grade.

So here now I beg, I plead, as do they; don't give them the ability to continue to overtax us and give us nothing in return. Don't give them continued access to the taxpayer's treasure which they mismanage and draw from to support their corrupt-to-the-bone regime. Don't give them free rein to destroy what little is still left of the city.

Instead, give us (the taxpayers and citizens of Gary) back, our rights as Americans; to govern ourselves; through representation that reflects our wishes, our goals, and our desires. Please...take the power of this local government, which has done nothing that we want, but constantly does everything they want--to the detriment of all others--away from them, and put it back where it belongs...in the hands of the citizens and taxpayers. (I understand that here is where you could say, "You all voted them in. Don't cry to us now." Unfortunately, a somewhat unique phenomenon has enabled the voting majority to be comprised primarily of non-taxpayers--or at the very least, taxpayers all but unaffected by their handiwork, by their malfeasance--and quite often the beneficiaries of it, to the detriment of the minority that is responsible for paying the majority of the taxes. So it therefore perpetuates itself, as the taxpaying minority does not have an effective voice--and can't get one! Surely we've all observed this similar situation in third-world countries. And most often with similar results.)

You are our last line of defense. So please choose to defend the 90,000 in the city that don't draw a government paycheck instead of submitting to the request that only supports the cronies that do--the ones whose irresponsibility is fully funded by us, yet doesn't serve us in any meaningful way as promised to--as obligated to.

And one more thing; Clay has continually and repeatedly threatened that if you do not support his petition, that he will have no choice but to cut public safety as the first order of business. Well besides that decision being ludicrous and irresponsible, since when does Gary, Indiana have public safety? We have the highest murder-rate in the state, if not the country. We have the highest crime-rate in the state by a wide margin. There is virtually no protection as it pertains to property crime. Quite often response time to a police call is measured in hours, and sometimes days in extreme cases. The fire department mechanics aren't allowed to spend money on even the least expensive repair and maintenance items for trucks that cost several hundred thousand to replace. Our fire trucks are running on bald tires and no brakes. This is not something that just happened. It is not something that will happen if you deny their petition. It did not happen because of a lack of tax revenue. It is something that has happened, and will continue to happen as long as priorities are improperly assigned. It was during this same period of the neglect of this costly public safety equipment, that this administration hired every friend they could find and created new positions for them. The mayor has a chauffeur, he has a security detail larger than any government official short of the President of the United States. He hired his son to videotape his every move as mayor of Gary for \$40,000.00. And as if that weren't ridiculous enough, he hired him again separately at the Gary Sanitary District to videotape their activities for another \$30,000.00. This contract was just renewed a month ago. And it was even increased! (He got nearly 70K last year for holding a point-and-shoot video camera.) I could

fill pages with other instances outlining the misuse, if not outright theft of public funds. This is government gone wrong to the nth degree.

So as you contemplate this weighty decision, fear not that your decision will affect the public safety of the people of Gary. Our public safety is threatened daily. And I would speculate the following; if they receive this money for which they ask, it will not automatically improve; and that if they don't receive it, that it won't get any worse. I don't think it could.

It is not your job to prosecute these thefts, misuse, and waste of the public's money. Let's leave that to the US Attorney's office. But it is within your purview to make this theft, misuse, and waste of our money, a lot more difficult for them. Cut them off! Make this tough decision for US. We the citizens and taxpayers of Gary won't let you down--as they have let us down. Just say no. Save OUR city, not theirs. The choice seems to be crystal clear.

Sincerely,
Kris Edwards
Gary, Indiana

New year...new news. Be the first to know what is making headlines.



RUDOLPH CLAY
MAYOR

GERALDINE B. TOUSANT
DEPUTY MAYOR

CITY OF GARY
DEPARTMENT OF PLANNING &
DIVISION OF ZONING

401 Broadway, Suite 303
Gary, Indiana 46402
(219) 881-5090 voice (219) 882-7371 fax

CHRISTOPHER A. MEYERS
DIRECTOR

30 December 2008

Distressed Unit Appeals Board
Office of Management and Budget
100 North Senate, N-1058B
Indianapolis, Indiana 46204

Dear Board Members and Staff:

I am writing today in reference to the City of Gary's tax appeal before you and your staff.

As the City of Gary provides for the public welfare and safety of its citizens through various programs, initiatives, and projects that are based upon tax residuals received from our tax payers, projected tax residuals and associated budgets for the coming years will not allow for the operation of municipal government. Without relief from the Board, unprecedented cuts will have to take place across all departments; thus adversely affecting municipal operations, revenue generation, municipal safety and welfare, and the continued development of our city.

With tax caps that do not reflect a national average on property values and land uses, the City of Gary will be forced to offer sub-standard, skeletal services or possibly even less to our citizens, businesses, and those who possibly will be interested in developing here.

In the City's submission to the Board, it is projected that without any relief, more than half of municipal departments and staff will be terminated and removed from the budget. The City of Gary has a population close to 100,000. Nowhere else in the State of Indiana or our Nation is there a city of comparable size that is currently operating with such minimal staff and restrictive budgetary restraints. With limited projected staffing and municipal budgets, the City will no longer be able to capture development. Moreover, with budgets that allow only for skeletal staff and no local matches, projects will no longer be able to be developed or sought. Projects that bring both short and long-term developmental benefits to the City such as ones that rehabilitate and expand local roadways, that bring new technologies to our departments and public safety providers, that open up our lakefront for new uses, that reuse existing buildings, etc. will no longer be sought. Such losses of various grant programs and infrastructure improvements will further decimated our City.

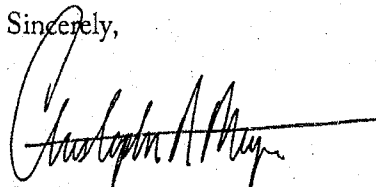
Now is a crucial time for Gary. The Department of Planning & Division of Zoning continually receives interest from developers and assists developers with their intended plans for development. The Department has recently finalized our Comprehensive Plan for the next 20 years. This plan is critical as it lays out development and future land uses. In order for the plan to come to fruition and to court further development of our industrial, commercial, residential, and recreational resources, Gary needs to be able to operate and provide both developmental services and public safety. With the projected lessening of our tax residuals, such operations will not be possible.

For your records, the Department of Planning & Division of Zoning has operated with four employees during the last several years: 1 Director, 1 Zoning Administrator, 1 Administrative Assistant, and 1 Zoning Enforcement Officer. Comparable cities with such duties have larger and more diverse staff including employees for graphic information systems, enforcement, preservation activities, grant writing, etc. Our current skeletal staff does perform many of these tasks and much more. During the first round of tax difficulties in 2001 to 2003, the former administration cut the Planning Department and merged it with Zoning. With current projections developed by Policy Analytics and Controller Celita Green, the department will further be consolidated with the Building Department. Further consolidation, in my opinion, will hamper development, overload existing staff, and create an inefficient municipal arm.

With all of the facts in mind, I humbly request that the Distressed Unit Appeals Board seriously consider measures to protect the municipal operations of Gary. If no relief is offered either through a minimum half percent modification in tax structures listed in HEA 1001 for multi-unit, commercial, and industrial property taxes or via a re-assessment of industrial user taxes, then the State of Indiana will be required to step in and provide services listed under Indiana Code. I hope that for the sake of Gary, its citizens, businesses, and our Region, the Distressed Unit Appeals Board will provide reasonable relief and allow for continued municipal operations during these difficult economic times.

I greatly appreciate the opportunity to present the items contained within this letter and the due consideration of the Board.

Sincerely,

A handwritten signature in black ink, appearing to read "Christopher A. Meyers", written over a horizontal line.

Christopher A. Meyers
Director

Yo Whom it may Concern,

I'm WRITING THIS LETTER BECAUSE I UNDERSTAND THE CITY THAT I HAVE RESIDED IN FOR 58 yrs IS ASKING TO REMOVE SOME OF THE TAX CAP. BELIEVE ME OUR PROPERTY TAXES ARE HIGH ENOUGH, THAT HAVE NOT TRIMMED THE FAT PROPERLY. IF AT ALL, THEIR USING THE POLICE AND FIRE DEPTS AS A FEEL SORRY FOR ME. OUR MAYOR WAS ASKED IF HE WOULD GIVE UP SOME OF HIS PAY FOR MAYOR SEEING HOW HE ALSO HAS A JOB IN THE SANITARY BOARD ALL HE SAID IS GOD IS GOOD! BESIDES THAT THE INSIDE OF THE CITY HALL AND CITY COUNCIL CHAMBERS. WERE TOTALLY OVER DECORATED FOR X-MAS. INSTEAD OF DECORATING THAT COULD HAVE GIVEN THE MONEY BACK TO THE CHILDREN OF THE POOR. - FACE IT WHO SEES THE INSIDE OF THE CITY COUNSEL CHAMBERS. MY CITY IS POOR BUT. - IF YOU GIVE IN TO THEM BELIEVE ME THEY WILL WASTE IT. THANK YOU
P.S. IF YOU GIVE INTO THEM YOU'LL HAVE TO GIVE INTO EVERY CRY BABY over →

WHEN YOU GIVE INTO EVERY CRY
BABY YOU ARE DEFEATING THE
PURPOSE AND LETTING THE TAX
PAYERS DOWN!

Thank You.

Happy Holidays.

Norman W. Bithel
3800 TANEY ST.
GARY, IN.

46408

P.S. I BELIEVE THE GOV. AND
HIS STAFF HAVE SO FAR DID
AN EXCELLENT JOB. THATS
WHY I VOTED HIM BACK IN.
~~you~~ your TRYING TO GET THE
POLITICS IN LAKE CO. ON THE
RIGHT ROAD LETS KEEP IT THAT
WAY,

PLEASE VOTE THEM DOWN

P.S.S. = PLEASE EXCUSE ANY ERRORS IN THIS LETTER
I DIDN'T COPY IT OUT OF A BOOK. IT CAME FROM THE
HEART AND COMMON SENSE

Dec. 28, 2008

Attn; Distressed Unit Appeals Board
Re; Mayor Rudy Clay of Gary, In and his tax plan

As a citizen of Gary for 65 years I am against along with alot of my family and friends at what the Mayor is doing to hurt so many of us. Gary is made up of alot of elderly people and he along with his expensive City Council do not give a damn about us. He only wants money to put into his and their pockets. They still take expensive trips, won't cut their pay and there are so many job positions at City Hall it is just plain silly.

Someone needs to go in and check and see how misused the money they do have is misused. You do not need that many job positions at City Hall if the City is hurting that bad. He doesn't need to be driving a HUMMER. They don't even pay for their own gas.

He is the worst Mayor ever for the City of Gary. Miller has been hit the hardest, we have nothing, no where to shop. We have lost businesses and restaurants. I can't even sell my house because he is Mayor and people are scared they will have nothing when he gets through with the City.

He doesn't even like Miller because we are not afraid to speak up. We don't get our streets main and side streets cleaned during snow or ice storms. Haven't seen a street sweeper in years. He is making us pay for garbage pickup and wants to pay for the fire hydrants and xtra tax on the sewer. We are paying the most for garbage pickup than any other City with the same company.

Do not let him get away with his plans to tax us any more than we already are. Check him and his council out they may be the ones pocketing the money and not using it wisely.

Shirley Flavo Smith

Judy Suiter

Dan Simon

Maureen Dickey

Roy R Smith

May Bischo + Dan Bischo

Russo, Stephanie

From: RICHARD D WATTS [cindydw@sbcglobal.net]
Sent: Wednesday, December 31, 2008 2:51 PM
To: Russo, Stephanie
Subject: Distress Unit Board

I am appealing to the distress Unit Board on behalf of the citizens of Gary. The Gary residents supports the Mayor's Budget cuts. If we do not receive help we will not be able to operate our city in 2009.

We. are asking for ypur help in saving our city.

Thanks in advance.

Cynthia D. Watts

Russo, Stephanie

From: sthjopeg@aol.com
Sent: Wednesday, December 31, 2008 7:51 PM
To: Russo, Stephanie
Subject: Distressed Unit

I run a day center for homeless and at-risk women and children in Gary along with a food pantry and clothes closet. I am very concerned that the huge cut in Gary's budget will horribly affect our clients who have nothing to do with any mismanagement of funds this or any past administration may have been involved in. I think the tax caps were not brilliant without something to substitute. I also realize Lake Co. did not go with an income tax to help which I don't understand. HOWEVER, investigate and prosecute those who waste money, spend it incorrectly or whatever, but not the little people who will suffer even further because of lack of services. PLEASE. Put Gary's government under intense scrutiny, but don't sanction the poor. They will already be sanctioned because of the economy's effect on the state budget which hasn't been kind to them the last few years anyway. I can just see Medicaid funding cut and most who need it don't get it as it is. I can see other benefits cut while politicians and corporate types will not suffer too personally. Please, for the most vulnerable citizens' sake, approve Gary as a distressed unit. Thank you.

Sister Peg Spindler, CSA
Director
Sojourner Truth House
410 W. 13th Avenue
Gary, IN 46407
219-885-2282
sthpspindler@sbcglobal.net

Get a **free MP3** every day with the Spinner.com Toolbar. [Get it Now.](#)

Russo, Stephanie

From: AYoung7550@aol.com
Sent: Thursday, January 01, 2009 9:41 AM
To: Russo, Stephanie
Subject: Editorial in today's Post-Tribune 1/1/2009

Gary officials haven't made case on spending

[Recommend](#)
[Comments](#)

January 1, 2009

On Monday, Gary Mayor Rudy Clay and his financial advisers will face a host of largely Republican-appointed officials to plead for more money for the financially challenged city.

The odds are good there won't be too many sympathetic ears.

It's clear Gary is in distress. In 2008, Clay pared about \$13 million from his city budget and ordered 20 percent pay cuts for employees. The city faces a \$36 million shortfall this year, and the number could rise to \$45 million in 2010, a state report notes.

Gary's leaders believe the state's Distressed Unit Appeals Board will grant them relief. Yet, that relief can only be balanced on the backs of Gary taxpayers. Citizens, primarily from Gary's Miller section, are bombarding the state board with letters of opposition to Gary's bid for relief.

There is some legitimacy in Gary's beef that a 2003 state law that gave tax breaks to U.S. Steel wrecked its tax base. It's likely, however, that the Distressed Unit Appeals Board will be looking for proof Gary is not spending money frivolously. There, the city could have a problem.

There have been numerous documentations of questionable spending and management of money. They include recent Post-Tribune stories on the City Council's special promotions fund, the use of city-owned take-home cars by department heads, and legal wranglings with Majestic Star casino owner Don Barden. Not to mention a mayor who persists in tooling around the city in a Hummer.

It's time for Clay to stop the excuses and lead. Clay and the City Council must let go of all the trappings they're accustomed to. If they stick a finger in the wind, they'll get the idea.

New year...new news. Be the first to know what is making [headlines](#).

Russo, Stephanie

From: Feagin Christine [feaginchristine@sbcglobal.net]
Sent: Thursday, January 01, 2009 10:21 AM
To: Russo, Stephanie
Subject: Indiana Tax Caps

I am a citizen of Gary, Indiana and is totally in opposition with Mayor Rudy Clay to deny the citizens of Gary the benefit of the tax caps that are already in place to lower our property taxes.

Please deny his appeal to increase our property tax for next year.

Thank you,

Christine Feagin

Russo, Stephanie

From: Jim Nowacki [jimnowacki@yahoo.com]
Sent: Thursday, January 01, 2009 10:48 AM
To: Russo, Stephanie
Subject: City of Gary request

12/29/2008

Dear Board Member;

I object to the application of the City of Gary to suspend state law and obedience to Gary taxpayers which you are to consider at your January meeting.

May I request that the Board give full consideration to the notorious evidence of waste, corruption, mismanagement, and neglect in our city government.

The histrionic dramatics of the administration's irrational appeal, in the name of our city, is disgraceful and rejected by our citizens who understand that the discipline imposed by the tax caps is vital to effect prosperity in our city.

Your responsibility to our city and state is clear; DO NOT short circuit State protection to taxpayers in the city of Gary, Indiana.

Thank You,
Jim Nowacki
Gary, Indiana

*Also sent by US Mail

Russo, Stephanie

From: andrea basarich [abasarich@sbcglobal.net]
Sent: Thursday, January 01, 2009 12:42 PM
To: Russo, Stephanie
Subject: Fw: Gary has Chicago by the...Hmmm, what word can I use that won't be offensive?

--- On Thu, 1/1/09, Beach46403@aol.com <Beach46403@aol.com> wrote:
From: Beach46403@aol.com <Beach46403@aol.com>
Subject: Gary has Chicago by the...Hmmm, what word can I use that won't be offensive?
To: [nglenn@netnitco.net](mailto:n Glenn@netnitco.net)
Date: Thursday, January 1, 2009, 11:54 AM

BALLS!

And the best idea that they can come up with is to let go!
The City of Gary, through the Gary Chicago International Airport and its Bi-State Compact agreement, suddenly find themselves in the propitious, lucky, once-in-a-lifetime position of having Richard Daley by the shortest of hairs.

But having landed in this lucky position, the first--and seemingly only--thing that our mayor and airport board members can figure to do, is to let go. Even Blagojevich has never been lucky enough to be on top of Daley. Daley has always managed to keep the upper hand secure with regard to the airports.

But back in 1995, who would have given a thought that Midway would be privatized? Nobody! Not even Daley. So now, in 2009, Chicago needs to be able to modify the agreement they made with Gary in 1995--the one that served only their (Chicago's) needs perfectly back then. They wrote it. They customized it to fit what helped Chicago, little or no concern was given to the effects it had on Gary.

Not so fast!

Hold on just a gosh-darn minute. Let's not rush into this. Yeah, yeah, yeah, it's an emergency...for you guys! But what about us? We got nothin' but time. I read the ordinance. I read the papers. You guys are getting billions, and we ain't gettin' squat! We'll be lucky to get the same paltry 2 million you've been dribbling our way. Am I missing something? You guys need us now. But our mayor, who plans on going to Indy next Monday with all of his lackeys in tow, to beg the State to allow them to take more money than the current laws allow them to from its citizens and taxpayers, doesn't recognize this unique opportunity to negotiate a better deal for the city? Does anyone else find anything strange in this?

The Airport Board also has an application on file already with the State's Distressed Unit Appeals Board, but they have just had a golden goose land in their lap, and what did they do? Shoo...get away!

Obviously, the mayor (Clay) doesn't understand the importance and value of the City's approval that would enable this 1995 agreement to be modified as necessary to effectuate the privatization of

Midway. But rest assured, Mayor Daley does!

I cut and pasted part of a quote by Rudy Clay from Erik Potter's story in today's Post-Tribune. Here it is; "he helps us out; we help him out". After I get done here, I am going to send this quote to Merriam-Webster's people and suggest they use this quote to help define the dictionary definition of "quid pro quo"--Chicago style. They'll probably be needing to update that definition anyway.

The city council can stop this. They do not have to subserviently, obsequiously, go along with Rudy's wishes. Call your councilperson and demand that they don't sign this agreement in its current form. Make them go back to the drawing board. Send them back to the negotiating table. They left millions on the table--go back and get them!

New year...new news. Be the first to know what is making headlines.

Russo, Stephanie

From: The Veld Family [gkdcn@netnitco.net]
Sent: Thursday, January 01, 2009 2:22 PM
To: Russo, Stephanie
Subject: IN Distressed Unit Appeals Board

Whom It May Concern:

Please do not approve the City of Gary's appeal to your Board inasmuch as we do not feel they have done all they can to help itself. They have seen this problem coming for years but have done very little to offset this. They have made threats about firing their firefighters and police to save money while the mayor rides in a Hummer, city officials give money to unnecessary organizations, etc.. Please show them they have to live within their means like thousands of other cities in Indiana.

Thank you!

- Gene and Kathy Veld
DeMotte, Indiana

Russo, Stephanie

From: Katchup2002@aol.com
Sent: Thursday, January 01, 2009 6:11 PM
To: Russo, Stephanie; Katchup2002@aol.com
Subject: City of Gary

Dear Board Members:

By now, I'm sure that most people are familiar with Barack Obama's book, *The Audacity of Hope* -- a book filled with clear thinking, principled ideas, and a "get back to basics" approach to getting this country back on track. Now that the author has been elected president, I think that we should all be heartened and optimistic about our chances to pull together and turn this ship around and get it back on its proper course.

But then I look closer to home and I see a completely different audacity of hope. I see the audacity of the current Gary administration to do absolutely nothing that is in the best interests of its citizens, and hope that no one cares. I see the audacity of the mayor to use scare tactics and gloom and doom prophecies to further his plan to negate the tax relief that we so desperately need, and hope that no one cares.

And the real audacity is the mayor's willingness to drag the city of Gary's name even deeper through the mud by going downstate on his knees, hat in hand, and begging for more money, thereby making a de facto admission that Gary is the only municipality in the state that can't stand on its own two feet, and hope we're all too numb to care!

So it is with this that I implore the Distressed Unit Appeals Board to rule against the mayor's plea, thus forcing the changes necessary for long-term sustainability.

Kathy Robinson
Gary, Indiana

New year...new news. Be the first to know what is making headlines.

Russo, Stephanie

From: nglenn [nglenn@netnitco.net]
Sent: Friday, January 02, 2009 2:43 AM
To: Russo, Stephanie
Subject: Fw: another opinion on the property tax caps -sorry it is so long!

Importance: High

I have also always easily recognized the Bush/Clay comparison.

Everyone needs to read Clay's proposal to save money. All the good stuff, none of which involves any of his bogus family and/or friends, i.e. the dept. of environmental affairs, would be eliminated. Of course, Clay will do away with the cops and fire and emergency personnel asap. We're being held hostage. It's our city--not Clay's.

Clay's on the pipe and it's allowed, and I don't understand how he gets away with it. ng

----- Original Message -----

From: Linda Simon

To: Nora Glenn

Sent: Wednesday, December 31, 2008 9:58 AM

Subject: another opinion on the property tax caps -sorry it is so long!

I strongly disagree with those who support Gary's petition for additional property tax revenue. I am not saying that nothing should be done to help. However, it defies logic and fairness to suggest that Gary's petition should be granted without significant review and amendment. Several writers have linked Daniels with Bush. And although I am glad to blame Bush for most every ill we've been dealing with locally and nationally (he was responsible for my kids' latest cold!), I think another link is relevant -- that between Clay and Bush. Both have expressed, at one time or another, their view of themselves as "chosen", always a scary sign of unwillingness to make needed changes. In addition, both seem happy to appoint friends who are, if not completely unqualified, surely not the most qualified for jobs that we, as taxpayers, are paying for. Because Clay exhibits two of Bush's worst characteristics, I hope the DUAB will take a critical look at his administration's relief petition.

I know that many of Gary's problems are caused by difficult circumstances that cannot be clearly blamed on anyone. And, I am not an anti-government crusader by any means -- I know that we need good government to provide us with good services and I know that we need to pay for those services through taxes.

However, to blithely ignore the plight of our citizens and business owners is quite cruel. We are all faced with the spectre of job loss, pay cuts and a loss of home value and retirement money. Especially in today's difficult economic environment, my family cannot go back to the hell we were in before the property tax caps -- the constant, daily worry of how we would come up with the funds to pay another enormous property tax bill (double the bills of friends with houses many times more valuable in school districts many times more functional!), coupled with the fear that if no relief came, we would be unable to sell our home. Who would think to pay property taxes of 5-6% of assessed value (completely insane and unprecedented)?!

In my view, the solutions to Gary's problems include: (1) cleaning up the city, school, library, transportation, township and airport budgets -- we citizens need to know what we are paying for and our city needs to start living within its reduced means (reduced b/c of significant population loss and loss of wealth); (2) consolidation of government services -- we need to spread the burden of providing services amongst a broader group; and (3) if, and only if, we can see that needed, efficient services cannot be provided with the revenue generated by the capped property taxes, an income tax so that revenue is generated from money actually coming in.

I would greatly likely to see a thriving Gary again. The city has many resources -- human, environmental and industrial. However, if it continues to be a haven for grossly inefficient government, it will never thrive. The property tax caps have been a wake up call and I hope we don't just hit "snooze" again!

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Distress Unit Appeals Board
Office of Management & Budget
100 North Senate, N-1058B
Indianapolis, IN 46204

To the Distress Unit Appeals Board

Gary City Court, The City of Gary, Lake County and the State of Indiana need you to affirm the City of Gary's request for emergency relief with a clause to maintain the functions of Gary City Court. Gary City Court offers many services which directly improve the economic conditions of the community, the City of Gary, and Lake County, while indirectly improving the economic condition of the State of Indiana. Gary City Court provide the following services, which would all be jeopardized without affirmation from the Distress Unit Appeals Board: Mental Health Court, Second Chance Drug Program, "Do or Die" Program, Mediation (Domestic Violence), and Pre-Trial services.

Working as the Court Administrator for Gary City Court and a citizen of the City of Gary, I have a unique opportunity of seeing the positive effects Gary City Court's programs provide for the citizens and their families. Gary City Court programs were enacted to increase treatment for chemically dependent individuals who have committed crimes based upon their direct or indirect chemical dependency. Gary City Court reduces the financial burden and stress of incarceration for Lake County thereby reducing cost for the State of Indiana. Gary City Court produces productive tax paying citizens back into the community.

Our Gary City Drug Court has graduated 503 clients since 1996, positively influencing over 503 families in Northwest Indiana. Gary City Drug Court has helped 9 pregnant women give birth to 9 drug free babies. Gary City Court has provided over 10,000 hours of community service to the citizens of the City of Gary. Gary City Court provides trash collection of vacant lots throughout the City of Gary during the summer. Gary City Court impacts the City of Gary, Northwest Indiana, Lake County and the State of Indiana.

Gary City Court and the citizens of Northwest Indiana need you to affirm the City of Gary's request for emergency relief with a clause to maintain the services of Gary City Court. The elimination of Gary City Court's services should not be an option it will devastate the City of Gary.

Sincerely,

Adoniss Gibson, MBA
3809 Delaware Street
Gary, Indiana
46409

To: Stephanie N. Russo
Executive Assistant to Ryan Kitchell and Chris Ruhl

From: Williams-Citizen of Gary

Date: 12/31/08

Please, please, please! Do not do anything that will make/cause an increase in property taxes for Gary citizens.

The services received in the city do not merit a tax increase. The city needs to remove un-necessary, non-essential items from the budget and learn to operate on a budget that the citizens can afford. That is what individuals/families do.

Your assistance will be greatly appreciated.

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Gary officials haven't made case on spending

(<http://www.post-trib.com/news/opinion/1357078.editorial.article>)

January 1, 2009

On Monday, Gary Mayor Rudy Clay and his financial advisers will face a host of largely Republican-appointed officials to plead for more money for the financially challenged city.

The odds are good there won't be too many sympathetic ears.

It's clear Gary is in distress. In 2008, Clay pared about \$13 million from his city budget and ordered 20 percent pay cuts for employees. The city faces a \$36 million shortfall this year, and the number could rise to \$45 million in 2010, a state report notes.

Gary's leaders believe the state's Distressed Unit Appeals Board will grant them relief. Yet, that relief can only be balanced on the backs of Gary taxpayers. Citizens, primarily from Gary's Miller section, are bombarding the state board with letters of opposition to Gary's bid for relief.

There is some legitimacy in Gary's beef that a 2003 state law that gave tax breaks to U.S. Steel wrecked its tax base. It's likely, however, that the Distressed Unit Appeals Board will be looking for proof Gary is not spending money frivolously. There, the city could have a problem.

There have been numerous documentations of questionable spending and management of money. They include recent Post-Tribune stories on the City Council's special promotions fund, the use of city-owned take-home cars by department heads, and legal wranglings with Majestic Star casino owner Don Barden. Not to mention a mayor who persists in tooling around the city in a Hummer.

It's time for Clay to stop the excuses and lead. Clay and the City Council must let go of all the trappings they're accustomed to. If they stick a finger in the wind, they'll get the idea.

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Russo, Stephanie

From: Mary Ann Torian [torianma@hotmail.com]
Sent: Friday, January 02, 2009 1:19 PM
To: Russo, Stephanie
Attachments: distress appeal board letter.doc

Attached you will find a letter in support of the Gary City Court. It has come to my attention that the City of Gary is proposing to eliminate the functioning of the Gary City Court. This would not be a wise decision for the reasons set forth in the attachment.

Thank you for your consideration.

Send e-mail faster without improving your typing skills. [Get your Hotmail® account.](#)

December 31, 2008

Distress Unit Appeals Board
Office of Management and Budget
100 North Senate, N-1059B
Indianapolis, Indiana 46204

RE: Petition for Relief

Dear Board Members,

Please be advised that I am writing this letter in support of relief for the City of Gary.

I am currently employed by the Gary City Court, as the Program Director for the Drug Court. The Gary City Drug Court was established in 1996 and since its inception it has had a tremendous impact on our community. The Program has allowed countless numbers of people an opportunity to become viable members of our community. If the City of Gary does not get relief, the Drug Court Program will be in serious jeopardy.

The Drug Court Program provides a second chance to many who have the potential to get lost in the criminal justice system. This is not only a matter of saving the lives of potential clients but it is a matter of public safety.

The Gary City Drug Court Program has been nationally recognized and has been used as a model for other Indiana Drug Courts, for other states and internationally. Each component of the program is designed to strengthen the community through enriching the lives of our participants via education, treatment, and employment services. The Court also ensures that participants receive any additional services that they may require.

The Gary City Court also has a mental health component. Our Special Services Court is designed to deal with those offenders that have mental health issues. Due to the deinstitutionalization of our mental health system, this program is gravely needed. If the Court is forced to cut this aspect of its function, this will have a huge negative impact on this city. Once again, this is a public safety issue. Those mentally ill offenders will not have a safety net nor will the citizens have any mechanism to ensure compliance with treatment components. This segment of the population will not only continue to prey upon the public, whether intentionally or not, but will further strain the remaining resources by becoming an economic burden on the criminal justice system and our community. Without the Gary City Court's Special Services Court, these folks will be warehoused within the criminal justice system resulting in no benefit to the community.

As you can see, the Gary City Court is essential to the well being of this city. In addition to the above special programs, the Court provides a minimum of 10,000 community service hours per year. The Court is active in community clean up efforts, ensuring that children have coats in the winter months, and various other activities that benefit the City of Gary.

Please consider the contents of this letter when making your decision regarding the City of Gary.

Sincerely,

Mary Ann Torian
Gary City Court
349 Lake Street
Gary, Indiana 46403
219-881-1271 ext. 1131

Russo, Stephanie

From: clara4561@comcast.net
Sent: Friday, January 02, 2009 1:24 PM
To: Russo, Stephanie
Subject: Distress Unit Appeals Board
Attachments: Ltr to Distress Board.doc

To Whom It May Concern:

I truly hope that God will touch your hearts to help us and everyone here in the City of Gary, Indiana. We are just trying to survive just like everyone else.

Thank You

Clara Castro

January 31, 2009

To: The Distressed Unit Appeal Board

My name of Clara Castro and I am writing to the Distress Unit Appeals Board concerning the financial assistance to the City of Gary.

I am a concerned citizen and understand the reality of financial crisis, as I have been in that situation. And I am just one person, I can't imagine being under hardship for the whole City of Gary. We have a great Mayor and administration that understands the people and works for the people, but he is a human being and can only do so much and needs your help so that he and his administration can move forward to provide the citizens of Gary with the all the services such as education for the children, youth services, Fire and Police, reduce crime rate, school dropout and other programs that are significant to the Citizens of Gary. At the same time, sometimes we need to place ourselves in other people's positions and scenarios to understand what would be the outcome if we did not receive this help. It would be most devastating and tragic and furthermore an unsafe City to live in.

I hope that God touches your hearts that you may approve the help for financial assistance to the City of Gary, so that we can continue our lives in a safe environment for ourselves and our children.

Sincerely,

Clara Castro

Russo, Stephanie

From: Diane Dancy [ddancy@CI.GARY.IN.US]
Sent: Friday, January 02, 2009 10:22 AM
To: Russo, Stephanie
Cc: chrissclay@yahoo.com; Nathaniel Williams
Subject: CITY OF GARY BUDGET
Attachments: image001.jpg

Dear Distressed Unit Board,

I am a citizen of the great City of Gary, Tax payer and an employee of the great City of Gary, I am writing to request that you (The Distressed Unit Board) please give the City of Gary an opportunity to appeal for your financial help. The City is in need of financial help; with the cuts that are being asked to take will put the City in a hardship position. We now have a Mayor that is working for the citizens of Gary, please give him a chance to complete the job. Any/all help will be appreciated.

Diane Dancy
2206 Tennessee St
Gary, IN 46407
219 888-9277

Russo, Stephanie

From: WNewton540@aol.com
Sent: Friday, January 02, 2009 2:02 PM
To: Russo, Stephanie
Subject: Say no to Gary!

Please say NO to Mayor Rudy Clay, I can't handle another round of high property taxes, over \$8000.00 last year for me alone, to be realistic about it, I own nothing that great. So if there is no help for me in this 2% cap, something has to go, so much for my American Dream.

New year...new news. Be the first to know what is making headlines.

January 2, 2009

Dear Indiana Distressed Unit Appeals Board Members: **Happy New Year**

I am writing to you because we need your help in regards to the Appeals Board decision to the City of Gary's Petition for more tax money in 2009. My prayer is that God will give you a compassionate heart to help the citizens of Gary, Indiana.

Our Mayor, the Honorable Rudy Clay along with its Administration are seeking your assistance to keep the operation of city hall functioning properly, financially, adequately, effectively as well as keeping the city, visitors and its residents safe.

I have a personal interest as well as a community concern as to our future. I was born and raised in the city of Gary. I love this city because it is my home, I have roots here. Therefore, my hope and prayer is that we will be given the same opportunities, fairness and privileges that any other city would receive when faced with a similar situation. I hope that no one would possess an attitude to show respecter of person or city, when determining a resolve, of this matter.

I believe that if you look deep within, you would do the right thing after careful review of the City's submittal. The City's Administration has outlined to you the areas that have been cut in an attempt to trim the budget. You will also see that they have striven to make vast adjustments without compromising the safety of the city or its residents.

There is a daily battle, dealing with uncooperative people, but I believe that you should overcome evil with good. There are those that would love to see this city fail because of their negativity, but that's the nature of man, but overall, we have great people living in Gary who are trusting in the Board's ability to make the right decision when deciding this city's future and welfare.

Thus, I pray that you will put yourselves in our place when considering our fete as if you were in our situation and how would you want the Distressed Board to rule on your behalf!

Remember, we were placed in this dilemma because of HB1001, however, I pray that you would vote unanimously to approve our Appeal Petition for relief and allow us the finances and time needed to keep our city afloat.

I thank you in advance for this privilege and opportunity to write and seek your favorable response.

Sincerely,
Thalia Moore, Gary citizen
328 King St., Gary, IN 46406 - (219) 949-3529

Russo, Stephanie

From: mcceaton@aol.com
Sent: Friday, January 02, 2009 1:23 PM
To: Russo, Stephanie
Subject: Gary Property Tax Appeal

To: Distressed Units Appeal Board
Attn: Ms. S. Russo

Dear Ms. Russo,

I am writing on behalf of the Miller Citizens Corporation, a community organization in the Miller area of Gary, which has been involved in local issues for the past 37 years and has been in the forefront of the movement to control property taxes in our city and state.

The Miller Citizens Corporation (MCC) opposes the request of the City of Gary for relief from the property tax caps legislated by the Indiana General Assembly in HB1001 of 2008. We believe it is essential that the tax caps be honored to prevent the complete evacuation of residents and businesses from our city - a process which is already well advanced.

The City of Gary has presented what they claim is a plan for coming into compliance with the caps by 2012. We have some general comments about this plan:

-----Our city has been facing property tax caps for the past five years, and during this period the city has not reduced spending. In fact, city budgets have continued to increase.

-----The city's current cost reduction plan calls for a modest decrease in spending for the coming year and postpones most of the spending cuts until 2012. We don't believe these cuts will actually be made.

-----If the city can eventually operate with the income levels projected for 2012, why wait four years for these cuts - make them now.

-----When the prospect of budget cuts is discussed, the City begins with the need to cut police and fire protection, which everyone agrees are critically important. They do not talk about cutting the other 800 city employees and the contract workers who are less critical.

We do not have the manpower to analyze the budget line by line and point out all the waste and extravagance. We hope you have people on your staff who have the training and the time to perform this important task. However, we would like to discuss the subject of solid waste removal as an example.

In the recent past, garbage collection has been financed by the Gary Sanitary District (GSD) and the Civil City of Gary working together.

The GSD has paid about \$2 million in tipping fees and another \$2 million in salaries for garbage collection employees, who were on the city payroll but were paid by the GSD. Purchasing and maintaining the trucks and other equipment used in garbage collection has been a function of the civil city. The garbage collection service has operated reliably for many years, until 2008, when the city claimed its employees had become undependable and garbage collection became erratic.

The City then signed a no-bid contract with Allied Waste to take over all garbage collection in Gary. Part of the cost of this contract would be paid by a user fee of \$12 per household (\$7 for seniors and the disabled). The MCC is suing the city because the fee was enacted by the appointed Sanitary District Board, not by the elected Common Council; and because the large contract with Allied Waste was not put out for open bidding. The lawsuit is still pending.

Meanwhile, the rate being paid to Allied in the no-bid contract is \$21.17 per household per month, in contrast with a rate of \$15 per household which Allied charges for the same service in surrounding communities, like Lake Station. It looks as though the payments to Allied will total \$5,588,880 per year, with the expectation of an increase in the rate in future years. Meanwhile, 46 former garbage collection employees have ostensibly been laid off, but only 24 positions have been eliminated from the 2009 budget. This is what the City calls "reducing expenses".

There are many other areas which are worth investigation in the city budgets and the budget of the various subsidiary taxing units:

-----Contract services deserve close scrutiny. Contracts to the Mayor's son for taking photos of the mayor have attracted widespread publicity. However, they represent a small portion of the total spent to hire attorneys and consultants. The city seems to have contracts with every lawyer in town. The City Attorney has a very small staff, so he contracts with private attorneys whenever legal services are needed. In addition, every board in the city has its own attorney.

The Common Council has an attorney to argue with the City Attorney.

The Township Advisory Board has an attorney to argue with the Attorney of the Township Trustee. The Airport Board, the Sanitary District, the Park Department, the Public Library and others all have their own attorneys, who do not appear in the salary budget but are paid with personal service contracts.

-----The Common Council is another extravagance. At a time when we are supposed to be cutting budgets, our local member on the council reports that its budget increased from \$1.2 million in 2008 to \$1.3 million in 2009. The nine council members each receive salaries of \$28,000 plus benefits. They are supported by a staff of nine persons, plus an attorney. The support staff includes a video technician and assistant technician, who are also paid to fill video technician slots in the salary budgets of other departments. In addition, each council person receives a substantial discretionary budget to dispense as he sees fit, even making grants to friends.

The City Clerk, who is in charge of keeping records and moving paper, has 44 employees. What can they all be doing?

-----Hundreds of city employees are dispersed among dozens of departments, so that residents have a hard time finding whom to consult with any specific problem and so that no one can be held responsible for anything. A thorough overhaul of the government structure is needed.

In all, the city payroll (even without the contract employees) comes to one person for every 40 adults in Gary. No wonder taxes are high!

//s Douglas M. Grimes
President, Miller Citizens Corporation

P.O. Box 2645

Gary, IN 46403

GP Development
5924 / 60 Industrial Highway
Gary, IN. 46406
c/o
Nat McKnight (Partner)
Box 2874 Miller Station
Gary, IN. 46403

December 31, 2008

Distressed Unit Appeals Board
c/o Office of Management and Budget
200 West Washington Street, Room 212
Indianapolis, IN 46204

RE: City of Gary and included taxing units ("Gary")
Distressed unit filing for 2009

Dear Board Members,

As an affected Gary taxpayer and resident ("GP")
After review of the petition by "Gary" There are points of opposition we are
presenting and request consideration by the Distressed Unit Appeals Board. ("Board")

We request in advance to the court; If "Gary" appeals the decision of the "board".
Additional documentation providing verification of claims and allegations against "Gary"
are allowed in the hearing.

Per IC 6-1.1-20.3-11 Allowing the court to establish its own rules and procedures.
Reasoning: The taxpayer is not afforded the normal procedure of deposition to collect
evidence or data. And, "Gary" will only release information it is comfortable with.
Providing parity to the affected party *The Tax Payer* is the intent of the request.

When House Bill 1001 was adopted, there was special consideration for "Gary" included
in the legislation. "Gary" is provided 25% additional taxing capacity over any other
political subdivisions. 1.5%, 2.5%, 3.5% versus 1%, 2%, 3%. For 2008 payable in 2009.
The intent was to provide "Gary" additional time for budget reduction. In essence "Gary"
Received relief in advance. We "GP" contend "Gary" Has no right of petition for this
tax period based on the intent and direction of the legislation.

"Gary" in appeal to the "Board" requests to extend relief over four years. "GP" contends
the legislation specifies relief by the "Board" is limited to a year to year basis.

(1)

In IC 6-1.1-20.3 There are three references to a "year" It is clear the intent is to correct a problem within one year. Not as "Gary" requests over several years. See 20.3-2 20.3-6 and 20.3-8. By it's creation the "Gary" appeal is designed to request the "Board" to ignore the law and challenge the legislation.

If relief is granted. Under IC 6-1.1-20.3-8 The "Board" assumes the responsibility similar of a bankruptcy trustee. Then the financial plan is then designed and implemented. The "Board" has the authority to hire experts and conduct audits. The financial plan by "Gary"

Is not findings of the "Board" and is not an acceptable course of action based on the legislation.

The data presented by "Gary" concerning assessed valuations and projections are inaccurate, thus the appeal is flawed. Further "GP" contends the assessed valuations Within the political subdivision are inaccurate due to improper application of trending. Many parcels valuation escalated 100% (mis-applied trending) which many are under appeal.

In the presentation The City of Gary states they have 1350 employees of which less than 600 are public safety. In comparison to other political subdivisions (second class cities) Gary is disproportionate. Most required services are out sourced or under another political subdivisions control. There is room for further reduction. A comprehensive audit with side by side comparison of "Gary" units including employees and transfers will reveal the actual ability for large reductions.

"GP" also reminds the "Board" the 2.5% and 3.5% payers usually don't have a vote. Relief (if any) should start with the least percentage payers. They are able to remove responsible administrators from control at the polling place. This is easily accomplished by lowering the homestead credit to \$10,000.00 this will guarantee every household will pay something. Currently many homes in Gary pay virtually nothing. "Gary" refers to need for economic development. The high non residential rate is the primary problem.

The decision of the "Board" will determine the future of the region. Please direct the intent of the law. Provide tax relief and reduce government spending.

Respectfully,

Nat McKnight Partner
GP Development

(2)

Dear Board Members;

I am a business owner and an investor in the city of Gary. As such, I've been forced to pay the full rate all along. Neither my primary business location nor any of my investment properties have qualified for any types of deductions until these caps was put in place. So therefore, I have been forced to pay a tax rate that has been over \$8.00 per hundred of assessed value for years. At one time it was \$11.00 per hundred. And in return for paying these outrageous tax bills, I have received no useful service in return from the city. They don't fix the roads. They don't plow the streets. The police are completely ineffective at providing the slightest bit of protection to business owners' property.

Having this exorbitant tax burden placed on my business and investment properties has made survival a struggle that has been an unbelievable challenge. It is only the light at the end of this dark tunnel that these tax caps have provided that gave me the fortitude to stick it out. If they are not implemented as scheduled, and instead are phased in as the City suggests, it will simply be financially impossible to continue in the city, as in four years the amount of property taxes paid on the investment properties will have far exceeded any potential value they might have. Additionally, the continued strain that it will place on my primary business will be overwhelming.

Please deny the City's petition. They haven't even begun to cut the real fat out of their bloated budget.

Thanks,

Francois Lubin (frank)