

## 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](mailto:nglenn@netnitco.net)> wrote:

**From:** nglenn <[nglenn@netnitco.net](mailto: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: [nglenn@netnitco.net](mailto:neglenn@netnitco.net)  
> To: ;  
> Subject: Fw: State bailout for Gary, IN  
> Date: Mon, 29 Dec 2008 16:31:50 -0600

>  
>  
> ----- Original Message -----  
> From: "Cohen, Ronald" <[rcohen@iun.edu](mailto:rcohen@iun.edu)>  
> To: <[nglenn@netnitco.net](mailto: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.

>>  
>>  
>>  
>> 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.

>>  
>> Cordially,  
>> Ronald D. Cohen

>>  
>>  
>>  
>>  
>  
>  
>

## 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

---

It's the same Hotmail®. If by "same" you mean up to 70% faster. [Get your account now.](#)

# **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.

