

January 2, 2009

City of Gary Appeal

Stephanie Russo
Executive Assistant
Office of Management and Budget

Dear Stephanie Russo,

I support the appeal of the City of Gary as a resident, property tax payer and member of the Board of Trustees of the Gary Community School Corporation. It is my understanding that Gary's appeal will not increase property taxes for homeowners, but will affect corporations and multifamily swelling owners. Basic city services and police and fire protection are essential to our city and must be maintained at effective levels.

I realize that all units of local government have had to cut budgets down to necessities; the Board of Trustees of the Gary Community School Corporation recently cut \$23 Million from our 2009 budget. The city of Gary has submitted their plan to consolidate departments and services and has documented the need for the city to receive relief through the Distressed Unit Appeals Board. Gary's appeal merits approval.

Sincerely,

Barbara D Leek
7300 Maple Avenue
Gary, Indiana 46403

219/938-8217

cc: Deputy Mayor Geraldine Toussant
City Controller Celita Green

Russo, Stephanie

From: Kloss, Craig [ckloss@walshgroup.com]
Sent: Friday, January 02, 2009 4:25 PM
To: Russo, Stephanie
Cc: craig kloss
Subject: Gary, Indiana, Property Tax Appeal

Dear Mr. Russo,

I am writing to you concerning the January 5th, 2009, tax relief appeal hearing for Gary, Indiana. I understand that the mayor of Gary is seeking approximately 30 million dollars in relief funds raised through property taxes or the city will have to start cutting back. I am opposed to ANY increase in taxes for the city of Gary. The politicians running this city's government have wasted tens of millions of dollars thru ineptitude, corruption, and sheer waste and should not any additional funding until they learn to properly manage what they have. Some examples of their blatant mismanagement and misappropriation include:

1. "Borrowing" over 20 million dollars from the Gary Sanitary District with no schedule of repayment. The Gary Sanitary District then raised rates 85% because of a "budget shortfall". Mayor Clay then attempted to have other local municipalities who use these sanitary services pay for this misappropriation by issuing them bills with falsified and inflated sanitary outflow readings. This illegal action is now the subject of a federal criminal investigation.
2. "Renovating" a dilapidated downtown hotel that had been deemed uninhabitable and worthless by the company hired by the city to inspect and appraise the property. This property is to become a nursing home although there is no need for a nursing home in a run down portion of the city without nearby shopping or other amenities. The architectural firm hired to oversee the project has been involved in numerous similar projects that were part of a criminal corruption investigation. Many of these projects were never completed or required costly additional repairs even though millions of public dollars were spent in the process.
3. Entering into a contractual agreement with the owner of the local casino boats to build a roadway to link the casinos to a local highway. Even though a substantial amount of money had been paid to the city to perform this work by the casino owner, the city never even started the roadway. This roadway would have helped the casinos remain profitable amid stiffer local competition. Now the Gary casinos have fallen behind in revenue compared to the neighboring casinos in part due to the lack of infrastructure improvements. In addition, Gary is embroiled in lengthy litigation with the casino owner over this breach of contract. Further improvements the owner might have made to keep up with his neighbors now languish while this matter slowly winds its way through the courts.
4. Questionable contracts to family members and political operatives. One example of this is Mayor Clay giving his son two contracts, one from the city of Gary and one from the Gary Sanitary District, to take photographs. Mayor Clay's son's only qualification for the job appears to be a prior conviction for making illegal Indiana state ID's while operating a storefront in Gary when the mayor was a county commissioner.
5. Illegal salary reduction and shift changes for Gary policemen. Mayor Clay attempted to cut the salaries of Gary policemen and make significant shift changes. Both of these actions were halted in federal court because they would have been a breach of contract. The mayor's action appeared to be simply a scare tactic to get public sympathy for his increase in taxes through the appeals board.

Unfortunately the items listed above are just a few examples of what the overburdened taxpayers of Gary must put up with. These situations have become so commonplace that there isn't even a public outcry anymore. That is why it would be sheer negligence to allow Gary's politicians to get their hands on an additional 30 million dollars. Gary's government needs to learn to live within the means of what Gary's taxpayers can afford to pay. If Gary's citizens must tighten their belt in Recessionary times, so must its government.

Thank you for your time.

Dear Ms. Russo —

I have lived in Gary for over 70 yrs and in all that time the City of Gary has never learned to live within its Budget. 45 million Baseball park plus waste in all departments etc.

As taxpayers we bear the brunt of all the folly and waste in all departments.

My wife + I are opposed to the city of Gary asking for the right to exceed the tax caps in 2009.

Sincerely

Harvey + Edw Gross

1140 St. Joseph St.
Gary, IN, 46403

December 30, 2008

Indiana Office of Management and Budget
200 W. Washington Street #212
Indianapolis, Indiana 46204

Re: Gary, Indiana Bailout

Dear Sir/Ms.,

I am opposed to any bailout for the city of Gary. I do not live in "The Murder Capital" but I do a lot of business in Gary. It is a disgrace how the city is managed and the lack of ability by 90% of the employees...they do not have any idea what they should be doing.

The mayor is a disgrace, all political in everyway and is a poor manager.

I could go on but there is no need to do so. "NO BAILOUT", it is time for a "SWEAT OUT".

Respectfully submitted,



Howard O. Cyrus, SIOR

HC/mt

December 29, 2008

To whom it may concern,

I am protesting the proposed financial bailout of Gary, Indiana. My primary residence is Crown Point, In, but I do also own vacant land in Gary. I am quite certain that all possible avenues of securing money to restore the city of Gary's coffers and eliminate financial waste have not met your criteria. Gary's mayor Rudy Clay has squandered and continues to squander money. For example, immediately following his swearing in ceremony January 1, 2008, he created a public relations position for his son, Rudy Clay Jr. The position's main duty was for the son to take pictures of his dad, the mayor, at various events. The salary was approximately 25,000 dollars for a six month renewable contract. The mayor's son also is paid roughly the same amount within the same time frame to record monthly meetings of the Gary sanitation district. Not only is this a ludicrous amount of pay for this type of job but it certainly is nepotistic.

Please allow me to digress for a minute. My husband and I have 4 children. My husband earns about 60,000 dollars per year with overtime in the mills. We are financially solvent because I am very vigilant with our earnings and practice frugality. How nice it must be to have daddy line your pockets with a lucrative paying and cushy job. Rudy Clay Jr. was also cited a few months ago for being involved in a fender bender and having no current auto insurance (An interesting situation although not germane, I realize.)

Mayor Rudy Clay continues to tool around in a city leased Hummer vehicle and employs several body guards. (yet, declares that Gary is not a dangerous city). Numerous city contracts are given to friends and family. Does anybody remember several years ago there were allegations concerning Mayor Clay and his friend involving the crème of the crop property title liens?? Gary continues its tradition of sweetheart deals and crony-ism. Fat is certainly not being cut where it matters most--- in political pockets.

If you would like documents backing up any or all of my aforementioned allegations, I will certainly provide you with them. Thank you and please tread carefully and thoughtfully, as I know you will, before making your bailout decision.

Sincerely,
Dawn Kirk

Dawn Kirk
225 Oak St.

Crown Point, IN

46307

Home (219) 661-8233

Cell (219) 789-1342

To Whom It May Concern:

In pursuant to House Bill 1001 legislation, a state wide tax relief for taxpayers under IC. 6-1.1-20.6 and the City of Gary set forth a petition of appeal to the Distress Unit appeals Board (**DUAB**) under IC. 6-1.1-20.3-6.

Although the above legislation intent purposed the reduction of taxes for 2 years, the City of Gary struggle to decrease administration and operation costs from its budget, and being mindful of taxpayers need for services as the financial shortfall continues on Lake County's tax levy. This overwhelming mandate for this substantial reduction is uncommon to any private or public operation, and jeopardizes the future of the City of Gary.

The City's plan identifies those ideologies of a continuum work in progress with build in mechanisms for relief and solvency. I encouraged the strength of the DUAB will to align priorities for the city continued operations and services that affects the status quo.

The above mandated requirements attempts grave challenges instantiated by hasty unfavorable results being multiple effects of the ability to sub standard operations for a second class city regarding foreseen and unforeseeable circumstances in a very short time frame. Consequently, with this said not inexorable or shortsighted but concerned regarding taxpayers and citizens quality of life in the City of Gary. The relief will help assist in the ongoing progress to meet state statute.

Nathaniel T. Williams
Precinct Committeeman G4-8
City of Gary

Russo, Stephanie

From: mcceaton@aol.com
Sent: Friday, January 02, 2009 5:54 PM
To: Russo, Stephanie
Subject: Gary Tax Appeal

For the past generation, Gary's government expenditures have been growing even as the tax base was shrinking. Then, in 2002, state legislation greatly accelerated this process, by dramatically reducing the taxes on US Steel and dramatically increasing the taxes on residential property. This resulted in a ruinous tax rate which has destroyed what remained of the sagging local economy.

Because of outcry from Gary taxpayers, and later from taxpayers throughout Indiana, tax caps were enacted to protect property owners. Even this did not cause the city of Gary and its subsidiary taxing units to cut back on spending. As a result, the city is now seeking to impose tax rates which greatly exceed the legislated caps. I urge you to reject the city's appeal.

Remember that Gary taxpayers are already paying more than the capped tax rates. In 2007/2008, homesteads theoretically benefit from a 2% cap, but in Gary a Tuition Support Levy of 1.19% is added to this rate, making the cap 3.19%. In 2008/2009, the Tuition Support Levy disappears and the tax cap is reduced to 1.5%, but all classes of taxpayers will be paying a Debt Service Tax of about .75%, so the real capped rates are 2.25% for homesteads, 3.25% for other residential property, and 4.25% for businesses. These are the actual rates which the city wants you to raise.

I say we can't handle it. The excessive local tax rates have already destroyed our commercial base, and the continuation of the tax differential between Gary and the surrounding communities will prevent any chance of new investment which could improve the quality of life in our city and increase the income of our government.

In the meantime, Gary has not reorganized its operations, has not cut back on spending, has not eliminated waste and inefficiency, let alone graft and corruption. Giving the city more money to operate will only allow the continuation of inefficient and ineffective government. Don't do it!

Only if Gary's tax rates are comparable to those in surrounding communities, is there a chance that the city might once again grow and develop and the current residents might be able to keep living here.

Thomas D. Eaton
8540 Oak Avenue
Gary, IN 46403

mcceaton@aol.com

Russo, Stephanie

From: Nancy Levgard [millerbch@sbcglobal.net]
Sent: Saturday, January 03, 2009 12:37 PM
To: Russo, Stephanie
Subject: City of Gary Petition

Dear Board Member:

I object to the application by the City of Gary for additional property tax. City government has done little to cut the budget except to cut vital services of fire and police protection. Please do not allow this administration to waste more of our tax dollars.

Thank you,
Nancy Levgard

December 30, 2008

Distressed Unit Appeals Board
State House Room 215
Indianapolis, IN 46204

To Whom It May Concern:

As a property owner of more than 20 Gary, Indiana properties, I am distressed to see that Gary is appealing the property tax caps which are going into effect in every other county in the state of Indiana. We need this tax cap to go into effect immediately – with no delay. I have talked with many property owners in Gary and they are in agreement with me.

We have been investing in this community for years. We buy houses, fix them up and rent them. However, Gary's inability to manage its services and budgets like other cities is driving us out of business. We cannot tolerate this tax rate for another year or we will all be out of business.

I want you to imagine owning property and having to pay 8% or more of its total value in taxes every year. This scenario makes it impossible for investors to make any profit and to want to continue to invest and improve the properties in Gary.

In the rest of the state, taxes are capped at 2% of the value of your home. Gary is driving the very people who make the community viable out of business. Why should we have to pay such high taxes for one moment longer. The sad story is that we don't even get decent services for the taxes we do pay. The small business community cannot carry the entire city and pay for all of the mismanagement of funds and expenditures that occur here.

If you have a \$50,000 house under the current rate, your taxes are \$4,000.00 a year. If this rate is retained we will not be able to continue doing business in Gary. You cannot raise rents enough to cover this outrageous tax amount.

Please consider the impact losing all of the investors in Gary property on the community. It cannot in any way make things better. We ask for your sincere consideration of this situation.

We are sending this letter anonymously because we fear retribution if our name is published. It is very difficult to do business in the city now and we are desperate to make things as viable for our company as possible.

Sincerely,
A Gary Investor

Russo, Stephanie

From: Scott Alwin [scottalwin@yahoo.com]
Sent: Saturday, January 03, 2009 1:12 PM
To: Russo, Stephanie
Subject: Pleaes don't grant Gary's application
Attachments: RussoLetter.doc

January 3, 2009

Stephanie N. Russo
Executive Assistant
Indiana Office of Management and Budget
State House Room 215
Indianapolis, IN 46204

Dear Ms. Russo:

We're writing to register our strong opposition to the City of Gary's application for the authority to levy property taxes beyond the tax cap established by the state legislature. You've already received dozens of letters from longtime Gary residents opposed to this application, so we won't reiterate their comments here. But we'd like to pass along two experiences we've had since purchasing our home in February 2007.

1. In less than two years, our basement has flooded numerous times because the pumping stations operated by the Gary Sanitary District stopped operating. Several times, this has occurred when it hadn't rained in weeks; the pumping stations simply went down. Each time we've called the Gary Sanitary District, our concerns have been met with indifference. In other words, it's our problem, not theirs. So much for customer service, despite a recent doubling in sewer fees.
2. Soon after purchasing our home, we called to request a city garbage can. We were told garbage cans were on back order and we'd receive one as soon as they came in. For 16 months, we remained without a garbage can. When we put out neatly-tied garbage bags in front of our home, the city refused to collect them because they weren't in a city garbage can. The only way we finally received a garbage can was by appealing for the intervention of our representative on the Gary Common Council.

Perhaps all of this would be tolerable – or at least understandable – if property taxes were very low or non-existent. But the taxes on our modest Cape Cod-style home soared to nearly \$8,000 last year in a city where the schools are terrible and the roads are even worse. Clearly, money is not the issue.

Please don't reward gross negligence, stunning incompetence and criminal mismanagement. Doing so would only prolong the inevitable change that must occur for the city and its citizens to move forward. By denying the City of Gary's request, you will send the critically-needed message that it's time for new management.

Sincerely,

Scott Alwin and Yvette Shields
8512 Maple Ave.
Gary, IN 46403

Russo, Stephanie

From: Alfreda Peterson [apeterson@garyhousing.org]
Sent: Saturday, January 03, 2009 1:46 PM
To: Russo, Stephanie
Subject: Support of Gary's Appeal

Dear Sir/Madame:

I am writing to solicit your support of the Gary, Indiana's appeal to the Distressed Unit Board. We desperately need you to rule in our favor if we are to operate in 2009. Thank you in advance for your favorable response.

Alfreda M. Peterson
Executive Director, Gary Housing Authority
578 Broadway
Gary, IN 46402
(219) 881-6422
apeterson@garyhousing.org

Russo, Stephanie

From: Grykatrina3@aol.com
Sent: Sunday, January 04, 2009 11:23 AM
To: Russo, Stephanie
Subject: Appeal Tax Cap loss
Attachments: Tax cap appeal ltr -city of gary.doc

Mrs. Russo:

Please find an attached letter of appeal for the tax cap loss for the city of Gary.

Thank you for taking the time to read my appeal and your consideration in this matter.

Katrina Davis

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

January 5, 2009

Indiana Office of Management and Budget
State House Room #215
Indianapolis, IN 46204
Attn: Stephanie N Russo

Re: Tax Cap Loss Appeal
City of Gary

Dear Mrs. Russo:

Please accept this as a formal letter of appeal for the tax cap loss in the City of Gary. I am in total disagreement with the decision to remove the tax cap because of the great economic uncertainty we are facing.

Considering the current conditions in the real estate markets will have a large impact on the valuation process and final assessments. Slight changes in the market can produce significant impact. Due to some of these changes, the original mortgages are valued at one-third its actual value. This is the main reason the tax cap should not be removed. Secondly, this will cause a setback and hardship for those that are elderly, unemployed and on a fixed income. By removing the cap will cause an increase in foreclosures and tax sales of homes. What you will have is more vacant and abandoned houses. Let us take time to consider the people who have worked hard and still working to keep their homes.

I feel other avenues should be considered on how monies can be brought back into the city because this not the solution.

Thanking you in advance for your much-needed consideration of the people in your decision making to allow the tax cap to remain.

Respectfully,

Katrina Davis
Katrina Davis

Russo, Stephanie

From: Megan Cecil & Chris Dilts [cecildilts@sbcglobal.net]
Sent: Sunday, January 04, 2009 10:46 PM
To: Russo, Stephanie
Subject: City of Gary Bailout

Stephanie N. Russo
Executive Assistant to Ryan Kitchell and Chris Ruhl Indiana Office of Management and Budget
State House Room 215 | Indianapolis, IN 46204
Phone: 317.232.5617 | Fax: 317.233.3323 |

Email: srusso@sba.in.gov

Dear Ms. Russo:

My understanding is that a request has been made from my city, Gary, Indiana for additional funds to meet the budget.

As a life-long resident of almost 50 years & both sets of my grandparents arriving in Gary in 1900, I have seen many things happen in Gary and Northwest Indiana. As a proponent of Property Tax reform which was created to encourage business growth in our state and fair & equity property taxes, I should hope that additional funds will not be given to the city.

Whether the intent is purposeful or ignorant, the city is mismanaged. Our governmental taxing units have had ample time to adjust budgets. Opposed to allowing any taxing unit the opportunity to tax citizens, it would make more sense to make them prove that they can manage the funds that they would receive through taxation.

I have travelled throughout the country and have seen economically depressed areas, and it is shameful and embarrassing to see the manner in which this city is kept. I will not blame an individual, group, political party or official. BUT, if contacting this office is one of a few options a citizen has to help stop the neglect, I hope you will listen to us. We can write letters and make phone calls. BUT, only you can stop the bleeding.

I still have hope that my nine year old daughter will raise her family here. Let's hope there will be a reason for her return.

Thank you for your time and consideration.

Sincerely,

Megan E. Cecil, Broker/Owner/Homeowner
Cecil Real Estate, Inc.
8737 Lake Shore Drive
Gary, Indiana 46403
219-938-0786
CecilDilts@sbcglobal.net

Russo, Stephanie

From: nglenn [nglenn@netnitco.net]
Sent: Sunday, January 04, 2009 10:09 PM
To: Russo, Stephanie
Subject: Fw: gary's budget

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

From: [Bill Latoza](#)
To: [nglenn](#)
Sent: Sunday, January 04, 2009 11:20 AM
Subject: gary's budget

I just read Mayor Clay's editorial in the Post tribune today, and learned that the budget for the city is about \$65,000,000 and that the police and fire departments cost the city about \$31,000,000. Now, assuming this is correct, and i have no reason to believe it isn't, these numbers represent an average cost to the citizens of Gary of \$650 a year ($\$65,000,000 / 100,000 = \650). On the basis of these numbers, it doesn't seem too outrageous. However, in light of the \$10,000 a year i pay in property taxes, i just wonder where is this money going? Perhaps someone could explain to me why we have the worst roads, the worst schools, high crime, and a city that resembles Pompeii.

Russo, Stephanie

From: David deLeeuwe [ddmax64@sbcglobal.net]
Sent: Monday, January 05, 2009 12:11 AM
To: Russo, Stephanie
Cc: jseidel@post-trib.com
Subject: no more money for gary's bloater government

Dear Office of Management and Budget

I write in opposition to the City of Gary's request for additional money. The City of Gary has over 1,600 full time employees, an additional 200 part time employees, and at least another 100 individuals hired as consultants or working under professional service contracts. Lake Station, in contrast, has under 70 people on its payroll.

Gary, with an estimated population of 95,000, expends roughly \$6,168 per person annually. Lake Station, with an estimated population of 14,000, expends only \$1,071 per person annually, while Lake Station is an arguably cleaner, safer and more prosperous nearby community made up of similar people.

Differently put, Gary employs more than twenty two times the number of city workers employed by Lake Station, excluding Gary's part time employees and consultants, (Gary's 1600 to Lake Station's 70 employees), even though Gary is only seven times larger than Lake Station.

More spending on yet more Gary staff is *not* the answer and may in fact be part of the problem. Please do not let the property tax payers continue to be skewered by an excessively bloated city government.

Thank you,

David deLeeuwe

Russo, Stephanie

From: LOIS OSBORN [eatatswallow@gmail.com]
Sent: Monday, January 05, 2009 12:46 AM
To: Russo, Stephanie
Cc: jseidel@post-trib.com
Subject: city of gary- don;t give them any money

Dear Office of Mangement and Budget

I write in opposition to the City of Gary's request for additional money. The City of Gary has over 1,600 full time employees, an additional 200 part time employees, and at least another 100 individuals hired as consultants or working under professional service contracts. Lake Station, in contrast, has under 70 people on its payroll.

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Differently put, Gary employs more than twenty two times the number of city workers employed by Lake Station, excluding Gary's part time employees and consultants, (Gary's 1600 to Lake Station's 70 employees), even though Gary is only seven times larger than Lake Station.

More spending on yet more Gary staff is *not* the answer and may in fact be part of the problem. Please do not let the property tax payers continue to be skewered by an excessively bloated city government.

Thank you,
Lois Osborn

Russo, Stephanie

From: Deanne Manojlovic [dee_mano@hotmail.com]
Sent: Monday, January 05, 2009 2:09 AM
To: Russo, Stephanie
Subject: PLEASE say NO to Gary's bailout

To the Indiana Office of Management and Budget,

Please do not grant the petition by Rudy Clay for a bailout for Gary, Indiana. I'll be brief. My family had to move away from Gary in order to provide my children with an acceptable and safe education. I do, however, still own a home in Gary, Indiana, where my elderly father resides. That is why this issue is still very important to me. For this small home in much need of repair, I pay over \$5,000 in taxes. While I understand that part of the reason it is so high is because I do not have a mortgage exemption, I still feel that that amount is grossly unfair. The tax caps may help me from telling my father he will have to find a new place to stay as I cannot continue to pay those inflated taxes.

What really aggravates me is that Rudy Clay continues to bring down the city of Gary and gets away with it. He has not cut the budget everywhere possible. To my knowledge he still has a chauffeur/body guard. Has he dismissed the contract he made with his son to take pictures of him at events? I'm sure there are lots of places to trim the fat, as they say. To me, the fact that he says he will have to cut police and fire personnel for the next two years, tells me that he is playing on people's emotions. Why would the mayor of a crime ridden, gang infested city cut police and fire personnel? Ever? Other service personnel or offices should be the first to go! Please do not grant his request! He will only squander the money on his own agenda, not for the benefit of our city.

Sincerely,
Deanne Manojlovic

Send e-mail anywhere. No map, no compass. [Get your Hotmail® account now.](#)

Russo, Stephanie

From: MERMAIDSYL@aol.com
Sent: Monday, January 05, 2009 7:26 AM
To: Russo, Stephanie
Subject: City of Gary Seeking funds

Hello,

I am a resident of Gary and I am not in favor of giving more to money to Gary or permission for them to raise their revenues through property tax.

Gary needs to be accountable for how they operate. The private sector seems to have to operate this way.

City government needs to be trimmed and not at the Police and Fire level...which is where they always threaten to start.

Thank you,

Sylvia Collins

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

Russo, Stephanie

From: gbbsgar@aol.com
Sent: Monday, January 05, 2009 8:21 AM
To: Russo, Stephanie
Subject: Fwd: The audacity of hope, Gary style!

It's not realistic for any one homeowner in Gary to pay \$10,000 plus in property tax. I concur with the following e-mails.

Gary Gibbs

Gary Indiana

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

From: nglenn <nglenn@netnitco.net>
To: Undisclosed-Recipient::
Sent: Sun, 4 Jan 2009 6:28 pm
Subject: Fw: The audacity of hope, Gary style!

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

From: Beach46403@aol.com
To: nglenn@netnitco.net
Sent: Saturday, January 03, 2009 12:16 PM
Subject: The audacity of hope, Gary style!

This letter was sent to me. I love it. The writer asked that I take their name off before distributing, which I did. It has already been sent to the DUAB in Indy.

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 that 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 in our city.

xxxxx xxxxxxxxx
Gary, Indiana

Russo, Stephanie

From: csmith@ptsc.k12.in.us
Sent: Monday, January 05, 2009 12:38 PM
To: Russo, Stephanie
Subject: VOTE NO to Gary request for assistance

Dear DUAB Board,

I am totally apposed to giving the City of Gary assistance when the city has not eliminated non-essential jobs for its payroll in the city government taxing unit. They have not been fiscally responsible for many years. Without the help of big business taxes (steel companies and BP), the city is in a financial crisis. This is old news. Gary has had several years to clean up the unnecessary spending, but they have not acted responsibly. The mayor of Gary should not be receiving a \$33,300 salary as head of the Gary Sanitary District over and above his salary as mayor. The mayor's son should not have been added to the payroll to take photos for the city. The mayor does not need to be escorted in a Hummer. The list goes on. The citizens of Gary have no confidence in the mayor of Gary, the city council, or other appointed officials. Unfortunately, many of the voters in Gary are on the payroll as employees or as board members on numerous boards. These board members receive stipends stipends for attending meetings. They are beholden to the mayor and not acting in the best interest of the city of Gary. The MCC (Miller Citizens Corporation) is the only board that I am aware of that is totally volunteers who do not receive any form of pay for their service.

The City of Gary's expenditures for unnecessary jobs needs to be seriously investigated before the state of Indiana agrees to assist the city. Our 2% cap has already been increased to 3% due to special action to save our schools. The actions of city government to do not reflect the wishes of the constituents of Gary.

Carol Smith
1151 N. Ripley Street
Gary, Indiana 46403

Russo, Stephanie

From: GHCS Inc [ghcs@email.com]
Sent: Wednesday, December 31, 2008 3:19 PM
To: Russo, Stephanie
Subject: Help for Gary!

As a 4th generation Hoosier, this is an urgent appeal for support needed to help Gary, the "foundation community" of our great state. And the rocks cry out! Sincerely, GHCS

--

Be Yourself @ mail.com!

Choose From 200+ Email Addresses

Get a Free Account at www.mail.com <<http://www.mail.com/Product.aspx>> !

Russo, Stephanie

From: AYoung7550@aol.com
Sent: Monday, January 05, 2009 7:55 AM
To: Russo, Stephanie
Subject: Protest Letter to the Distressed Unit Appeal Board 1/4/2009

1/4/2009

Dear Board Members:

In reading the City's presentation, it is stated over and over, that they have approximately 1356 employees. However, according to their published payrolls; in 2006 they had 1410 and in 2007 they had 1445. I have not heard of a reduction of 89 employees in 2008. I am not familiar with ANY significant staffing reductions in 2008. I am aware of many new hires and numerous new jobs being created. Nearly all of these positions went to friends or relatives of the Mayor. Many of these "reductions" in staffing, if scrutinized, would probably yield that it has been no more than a shell game. A shifting of employees from one department to another, or shifting them to a different funding stream, one that may receive its funding from a source other than property tax revenue. But altogether, there has been no real effort to eliminate superfluous and redundant positions. As we can plainly see, there was an increase of 35 employees between 2006 and 2007. Rudy Clay was the mayor during this period.

There are also many other individuals that could only be described as employees that are not listed. The entire Department of Redevelopment is not listed. None of the employees that are being paid by personal service contracts are listed. There are staff attorneys working on a contract basis. And there are a whole lot of other taxing units in the city whose employees and costs are not listed in the main presentation. It simply can't take this many people to run a city properly. But evidently, this is how many it takes to run a city very, very, improperly!

The City has at least 171 positions that would fall under the category of General Services personnel. Yet, we can't get much general service. The Parks department has 180 employees yet our parks are a disaster. And with 180 of our own employees, why would we possibly need to outsource grass cutting for many of the parks? And why would we possibly have to use a Michigan-based company? And they suggest that they'll close the pools to save money; they haven't had but one or two of the pools open for years. And the ones they do have open sporadically, aren't maintained to any useable standard.

They list three tow truck drivers yet they contract out all of their towing. Eight of their General Service employees are assigned to park maintenance. They list 26 of their 6-Wheeler drivers as GSD. I guess these would be the 26 garbage truck drivers' positions that were supposed to be eliminated when the City outsourced the trash collection and assessed a user-fee to all residents. But none of these positions were actually eliminated. The Mayor found other jobs for them. And with the outsourcing of the trash collection, one would have thought that we would be able to eliminate our fleet of garbage trucks and the costs associated therewith, but alas no, the Mayor stated that those would be retained for, in his words, "extracurricular" garbage pickup. You may not be familiar with this term, but I've researched it and determined it to mean political garbage service. Vote-getting garbage pickup. So while the trash pickup outsourcing was pitched as an idea that would cut costs, we now find, not to anyone's surprise; that it hasn't saved any money or cut any costs at all.

But it has essentially raised every homeowner's taxes as they now have to pay an additional monthly charge of between \$7-12.00. They call it a user-fee, but it is just another tax. And this additional user-fee for trash pickup comes on the heels of an 87.5% increase in 2008 on everyone's sewer bills, another user-fee, above and beyond everyone's tax bills.

With all of the places one could immediately find to begin cutting costs, the ONLY place that the Mayor wants to make immediate and substantial cuts is Public Safety. This is sickening. It is quite disgusting. And when he says it, he says it not in the form of a suggestion, but in the form of a direct threat, that if they don't get this relief they seek, that Gary's citizens' public safety can no longer be guaranteed. This would imply that it IS guaranteed now. Far from it. The "financial plan" which they have submitted to you, while being laced with thinly veiled threats, contains little meaningful financial planning.

After reading their presentation, and after studying their payroll, one could easily get the impression that Gary is one heckuva booming city. Well, that impression would unfortunately be wrong. The true picture would be far less rosy. This patronage-rich, politically driven machine, otherwise known as the City of Gary, is broken down. No amount of money will fix THIS broken machine. This particular machine should be scrapped and a new model ordered. If you can find any components of it worth salvaging, go ahead. But I can't seem to find any. It is wholly broken down. The machine which they strive to maintain, once may have functioned properly. But that was at some point many years ago, when the city was fully occupied. At one point, the city had a population of 180,000. Now it is half of that. The assessed value of the city was greater in the 1950's, and that is without even adjusting for inflation. If we were to adjust the dollars, it would probably have been 10 times greater back then. While nearly all neighboring communities have seen their assessed value increase steadily over the years, Gary's has been on a steady decline, and continues to do so.

Their financial plan, if you want to call it that, is baseless as it is all based on erroneous data. Both the income projections and expenditures are inaccurate; so any financial projections that emerge therefrom are meaningless.

In the live presentation that Mayor Clay hosted at the Genesis Center, he stated that the proposed removal of the tax caps would not apply to residents' property, only to the other classes of property. If this is even possible, if this is in fact the plan, then I think the first order of business necessary would then be to have an accurate breakdown of the net-assessed values of each of the 3 classes of property. We would then need to know exactly what adjustment is necessary to each class to yield the necessary income to satisfy the budget demands.

I would have to assume that the Mayor was just politicking and trying to gain support and quell opposition from the citizenry with this statement.

With the current \$45,000.00 Homestead exemption in place, and with the 1.5% cap, it appears that many, if not most residents will be paying substantially less than 1%. But it seems to only be these taxpayers that he wants to offer relief to. This just widens the disparity between the different classes of property.

Without knowing the actual net-assessed values of each of the 3 types of property to be affected, and how specifically each will be affected, one cannot even begin to consider the City's application. Without knowing WHICH property will be affected, one cannot even begin to calculate HOW, and how much each will be affected. If your decision will further decimate the business community, then I think you need to know this prior to making any decision. If your decision will force investors and landlords that own commercial property into bankruptcy or foreclosure, then I think that you need to know this since this would obviously factor in the ability to collect any to-be-increased property taxes. Quite simply, you have not been provided with adequate information to make a fully informed decision. This application should

therefore be summarily rejected. It alone should be prima facie evidence of the City of Gary's incompetent and irresponsible stewardship on the public's funds.

I would have to hope that it was the intent of the Legislature by this legislation, to finally bring some parity to all Indiana taxpayers; however, as the City of Gary proposes, by its mayor, the proposed adjustments to the legislation will bring with it the widest disparity yet to the city. If homeowners remain unaffected, and if the \$45,000.00 Homestead exemption applies (as well as other exemptions to which many homeowners are entitled), and all other property types are then adjusted upward, then there could easily be an effective disparity of several hundred percent in tax rates of the different classes of property. There can be no surer formula to destroy the city. Most likely, he never gave these outcomes a second thought. He just chose to pitch a plan that would do nothing to threaten his voter base. And according to his plan--his way--this will in fact remain well preserved, but everything else will be destroyed in the process. He should be happy. He must be quite proud of himself.

If the removal of the caps were not to apply to residential property, and only affected the landlord and business classifications, then it would be first necessary to determine if this was even mathematically possible. I would guess that it is not. That is unless the tax rates on these classes were to actually be increased to even higher levels than they are at now. Obviously, this result would contradict the spirit and intent of the legislation as passed.

I believe the gross-assessed values that they use in all of their budget calculations are grossly inaccurate. When the taxing units most recently published their budgets, they based them on a total gross-assessed value of between 1.6-1.7 billion dollars. But the City's calculations show it to be between 2.2 and 2.5 billion. That is quite a difference. And I suspect that the 1.7 number may be inaccurate. No more than 5 years ago, the total assessed value of the entire city just topped 1 billion, and since then, it seems we have been LOSING assessed value at a steady clip. If we really had an assessed value of anywhere near 2.2 billion, then we wouldn't have much of a problem; we could simply multiply that by the average rate of 2.5% and we'd have 55 million. That is nearly enough to satisfy even this current, bloated budget. But unfortunately, the city's assessed value is nowhere near this 2.2 billion figure.

There are several mentions made of "errors" in assessed values which made for some large holes in past budgets. While they have referred to these several times, that have not gone to much trouble to fully explain them. I think that you'd find that the "error" most responsible for this deficit is a wrong assessed value being attached to US Steel. Everybody in Gary--and much to their dismay--knows that US Steel's assessed value is around 115 million for its real property. Then why did the Calumet Township Assessor--who knows this better than anyone--wrongly assess their real property at over 450 million? By doing this, he actually increased everyone else's taxes in Calumet Township. And once this mistake was confirmed, why haven't we heard more about this?

And then there is the wrong implementation of "trending". The proper application of trending seems quite clear and straightforward, yet in Gary and Calumet Township, we find that it has been applied quite haphazardly and randomly. Even in today's real estate market, that has seen steady decline, the Calumet Township Assessor continues to trend property upward. By whose orders? By what data to justify it? And completely randomly with no consistency evident being applied to neighborhoods as is required? So that said, the newest assessed values, at least any that have been trended significantly upward, are meaningless, as surely all of these values will be appealed by their owners.

Then there is the Tax Sale. Over the last several years, many, many thousands of properties in Gary have been sold at County tax sales. It is not yet known what the long-term

effects of this phenomenon will be. And at present, there are several thousand other Gary properties that are in the tax sale "pipeline". The assessed values of these properties cannot be included in any calculations as no tax revenue should be anticipated from this large group of properties. It is quite possible that 25-30% of all taxable property in the city has been cycled through the tax sale over the last decade. You can imagine the devastating effect this has had on the city. And add to that, the local papers have a special section larger than their main section in which they list the legal ads for Sheriff's Sales and foreclosures. As long as the tax rates remain at these high levels, one should expect this damaging trend to continue.

Granted, the city needs help, it just can't come on the backs of the taxpayers. This would not be help at all. The weight of the crushing tax burden must be eased from the taxpayers, not increased.

The answer comes not in increasing the rate to make up for the deficit of assessed value. The answer comes in rebuilding the city's tax base and adding new assessed value to a point that with the caps in place there will be enough tax revenue generated by which all necessary--and no more than necessary--government functions can be delivered. Rebuilding the city's tax base and its attendant assessed value can only be expected if the city's tax rate is in parity or lower than surrounding areas.

Now, how do we increase the actual assessed value sufficiently to make up the difference needed? Well, we sure don't do it by raising everyone's taxes. The 8% and up tax rate that Gary has been the victim of for decades, has done a marvelous job of destroying its tax base. And now it being destroyed, we need some attractive incentives to lure people back to the city. Well, we have terrible performing public schools, so that can't be it. We have the worst crime statistics in the state by a wide margin, so that won't work either. Our infrastructure is collapsing, so that isn't much of a draw. Now we do have a great location, so there's something we can build on. And we are on the Lake. We've got great access to the busiest highways in the country, so that should help.

So we've got a lot of strikes against us, but we have a few things going for us as well. But now we are here considering the one issue that will tip the scales one way or the other; Is the State going to allow the City of Gary to raise our taxes back up?

The only thing that will attract people, businesses, and investors back to the city is affordability. Real estate can be purchased in Gary cheap. But as long as the tax rate is as high as it is, it is still no bargain. The insanely high tax rate in Gary makes for an investment formula that just doesn't add up. It hasn't worked, it doesn't work, and it won't work. When you are subjected to tax rates over 5% of assessed value (Gary has been between 8-11% for many years), you'll be lucky to cover your tax bill with your entire rental income. And that's if you're lucky enough to have tenants. And luckier yet if they pay on a regular basis. Due to the awful economic condition of the city, quite often property owners will discover there is no market for renters. And sometimes no market to sell. Where else in the country, or the world for that matter, could you buy property for \$10.00 per lot and still lose money?

So now what has happened is this; because of the high tax rate; and because of all of the other problems of attracting market-rate developments to the city; nearly all (which unfortunately is not many) developments that do come to the city, require some sort of tax relief to encourage them to locate here. Sometimes they come in the form of tax abatements. Sometimes they are TIFs. And other times they are deals that the City or some other local government entity is involved in so they become exempt from property tax. Whatever method they opt for, the result is the same; there is either no gain, or a minimum gain in net-assessed value, so thereby the costs are further shifted to the taxpaying properties.

And besides all of this, nearly 40% of the parcels in the city pay little or no taxes. So obviously whatever costs there are associated with the municipal services delivered to this huge number of nonpaying parcels, is of course shifted to the remaining 60%. At what point does the camel's back finally break? Unfortunately I think that it already has.

The City owns over 8000 parcels of property. (the City does mention beginning to sell these, but not until 2012. What are they waiting for?) The School City owns several hundred acres of developable property that they won't sell. They own much more than that, and much of it is not being used to anywhere near its full potential. Then there is a long list of other entities which own scads of property that is exempt from tax for one reason or another. There are several hundred churches in the city. Of course they are all tax-exempt. But where most of the assessed value is lost is in the low-value homes.

Of course you are familiar with the \$45,000.00 Homestead exemption. Well, obviously this exemption was designed to affect homes that have a value significantly higher than \$45,000.00. Unfortunately, in Gary, the majority of the residential properties that receive Homestead exemptions have values near or well below this \$45,000.00 amount. So what that means is that every house with an assessed value of \$90,000.00 or less only pays taxes on 50% of its gross-assessed value. 85% of the homes in Gary fall into this category. So there goes 50% of your net-assessed value on 85% of the residences in the city.

Oh, did I mention that as if the City didn't have enough surplus property, that they are still on a buying binge. They recently purchased hundreds of properties at Lake County tax sales that formerly belonged to private entities and citizens? As we sit here, they are still expending money and other resources to gain title to these properties. While in most cases, these properties were tax-delinquent, and most had little chance of being brought current, surely some of them did. Some of them would have paid taxes. Once the City gains title, none of them will; not for the foreseeable future. They even outbid private investors who in most cases would have become taxable owners. They therefore paid for the privilege of not being able to collect taxes from taxpayers. Something is horribly, horribly wrong here. And while all of this is going on; as our mayor threatens to layoff ONLY police and fire department personnel; and now they are here before you lying, telling stories, begging, pleading, swearing that they have done all that they can--that there is just nowhere else from which they can trim. There has been no bigger lie ever told. They can cut anywhere and everywhere you look! There is excess and inefficiency and redundancy everywhere.

And of course they'll lie. They'll stop at nothing to try to get their way.

I think that most of your board members are from downstate and therefore don't read our local papers, so let me fill you in a little if you will. Most recently, the offices of the Gary Sanitary District were raided by the FBI. The investigation is ongoing. A few years ago, the Deputy Mayor, the current head of the Department of Redevelopment, and the former head of the Parks department, were all indicted for lying to the FBI. So what makes you think they'll tell you the truth? There is no law against lying to the DUAB! The GPTC is currently under Federal oversight. One of our former city councilmen is still doing federal time. Our Mayor's closest friend, and former advisor, who was never more than 10 feet away from Mayor Clay during business hours, has still got about 5 years left on his federal bit.

So make no mistake, this is not your typical city. This is a criminal enterprise. It is like the Mafia, only worse. Much, much worse. And far more dangerous. Typically, a Mafia is forced to work within, or just outside the framework of a traditional system of law and order. This provides a system of check and balance. Here there is none. And where the Mafia would have to engage in some activity, illicit as though it may be, it still created its own income. Here, not only must we suffer under the criminal activity, but we must support it with our tax dollars.

That said, I think it is quite fitting, that this enormous, inert, and until now, nearly impenetrable corrupt entity; this dangerous and ever-so-costly criminal enterprise; may get taken down by this newly formed, somewhat unknown and obscure, Distressed Unit Appeal Board. It is somewhat ironic, that after decades of federal investigations. After probably hundreds of indictments, which have done no more than cause brief intermissions in the corrupt and heinous activities of this machine-- little inconveniences; that a small group of regular people who probably know very little about the city's troubled history--who really don't need to know how we got here, but hopefully see clearly how we get FROM here--find themselves in the historic position of solving the problems that have persisted for decades, and will continue for more years if you let them.

The City of Gary, and to a lesser degree, other cities in Lake County, form a machine; probably modeled after Chicago's infamous political machine at some point in the past. This machine, now created, now grown massive, has just two purposes; to produce votes when needed, and to gather money in the process; which unfortunately gets used to get more and more votes; which enables it to get more money; which not coincidentally it uses to get even more votes. It has become a self-perpetuating monster. It's not very hard to buy votes in an economy like the one in Gary. A little goes a long way.

I read the criteria for the DUAB appointments. Just regular people with accounting backgrounds. I trust that all members will base their decisions in a political vacuum. Hopefully, this all boils down to accounting--as it should. So, much like it took an accountant to takedown the notorious Al Capone, you have the power to stop this madness, this madness that terrorizes tens of thousands of your fellow Indiana citizens everyday.

It is as easy as just saying no.

Now certainly not every city employee is a criminal. Probably only a relatively small number are involved in prosecutable criminal activity. I think the mindset that pervades the majority of the employees is something more to the effect that they think of the City of Gary as a company. And many having inherited their jobs without any real skills or education, but getting their jobs and keeping their jobs only through nepotism or cronyism, are pretty much unhireable in the job market. They lack the skill sets to enter the broader job market. This makes for some blindly loyal employees. This otherwise "unhireability", has become their blood oath, their "Omerta". "Company" men and women until the death.

Isn't it a little curious that more municipalities haven't applied for relief? Why didn't Lake Station? Why didn't East Chicago? Why didn't Hammond? Probably because in each of those cities, there is some sense of unity, some sense of community between the city government and its residents. But not in Gary. In Gary, there is a vast disconnect. It is more "Us vs. Them". It is not your typical symbiotic relationship. It is strictly parasitic. Everything they do, comes at our expense. At enormous expense to us. It has created the most dysfunctional of relationships. One wracked with irreconcilable differences.

After analyzing the City's petition, one thing should be pretty clear; they have been playing fast and loose with the taxpayer's money for years. And as such, they aren't quite ready to change their way of doing business. Even in their own petition, try as they might, they aren't able to effectively obfuscate their shoddy fiduciary responsibility.

In their petition, the City uses the analogy that operating the city requires the skills of a magician that is seemingly able to pull a rabbit out of a hat. I think this comparison uses an interesting choice of words, as it is this financial "wizardry", this financial sleight-of-hand, that got us into this mess. Unfortunately though, this wizardry doesn't necessarily translate into expertise in the financial field. Robbing Peter constantly to pay Paul, is not a good business practice. It is however a tried and true method of hiding the true picture of financial health.

One other thing that I hope you'll find quite telling is that it is the Gary residents that are the ones who don't want you to grant any relief to the city. Now if we were really in fear for our lives, as objectionable as higher taxes would be, I think that a human being's survival instinct would overcome their desire to pay lower tax bills. So obviously, we are all far less worried about the effects of this "threatened" reduction in public safety than we are by the definite and immediate destruction which will result if these legislated tax caps are allowed to be removed.

I am sure that somewhere in this state, there may be some taxing unit that--due to some temporary, extenuating circumstance--may need some very temporary relief of some form. But Gary is not one of them. This is not one of those cases. Simply doing a horrible job of managing the taxpayers' money should not qualify them for help that comes at a direct cost to these same taxpayers.

They have not proven their case in the slightest. They have only shown that they know how to misspend, overspend, and waste money. They have not shown that they know how to conserve and save money. If you enable them to get their hands on more of our money, the only thing that is certain is that they will spend it. There is absolutely no certainty that the taxpayers and citizens will realize any direct benefit of this spending. Just say no. Force them to first get their own house in order. And this means more than just cutting their budget. This means also providing the services to the citizens and taxpayers which they have already been paying for, the ones that they should have been receiving all along, but have not.

Sincerely,
Andy Young

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Russo, Stephanie

From: nglenn [nglenn@netnitco.net]
Sent: Saturday, January 03, 2009 5:43 AM
To: Russo, Stephanie
Subject: Fw: Comments to Fw: another opinion on the property tax caps

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

From: Mtc1956@aol.com
To: nglenn@netnitco.net
Sent: Friday, January 02, 2009 7:40 AM
Subject: Re: Comments to Fw: another opinion on the property tax caps

I keep hearing "Gary's difficult circumstances" - what the heck are they?

Where are my tax dollars going? The roads aren't plowed, the streets are potholed, the parks are unkept unless the residents do it themselves, I have to pay extra to get my garbage collected, I have to take major yard/brush pick up to a special location (which costs me additional money out of my pocket).

If you live in Chicago, the mayor would be committing political suicide by not plowing the streets effectively. Many of us work in the "City that works" and we need our city to plow the streets so we can get to our jobs safely.

The ability of any one of us to sell our homes is handicapped by lack of fire, police and ambulance services. We have an airport that stands fairly empty while we give concessions to Chicago to run their airports and make billions.

I'm extremely annoyed every time I watch the budget meetings on the cable channel. There the taxpayers are pleading with lawmakers about the budget while surrounded by Christmas decorations. Even if they were old decorations, did someone donate their time to put them up? Why wasn't that worker out on the street putting salt down or filling potholes? While I'm at it, my visits to city hall have been more than frustrating because someone has taken the time and money and squandered workers time to decorate City Hall with banners and swags of material while leaving the basics, like a working elevator, ignored.

The City Hall elevator has been broken on the several occasions I've visited city hall. I've had five knee surgeries and stairs are not a viable option. And, when I had to visit the legal department, I had no choice but to take the stairs because the legal department is in the attic where there is no staircase... isn't that an ADA violation?

On one occasion I was completely ignored by the receptionist/greeter on the first floor when I stood there while she continued to take a personal call. She didn't even look up and acknowledge that I was standing there and that she needed a moment to finish her call. After 15 minutes of waiting, I left. Call me naive, but as one of the tax paying citizens, I was appalled at the way I was treated in my own City Hall.

BASIC services are being ignored. BASIC maintenance is being ignored. Our tax money should be going to paying for BASICS FIRST before any other program or service offerings. If we can't afford the basics then we'll never attract business and additional taxpayers into the area. Only after we attract new business and taxpayers, should we look to bring back other programs and service offerings.

This is not rocket science. If someone buys a house and ignores the basic maintenance to the structure of the house - instead spending money on overly extravagant furniture and electronics (and in Clay's case, a Hummer) - eventually the house will fall into ruin.

In a message dated 1/2/2009 2:17:24 A.M. Central Standard Time, nglenn@netnitco.net writes:

| 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)?!

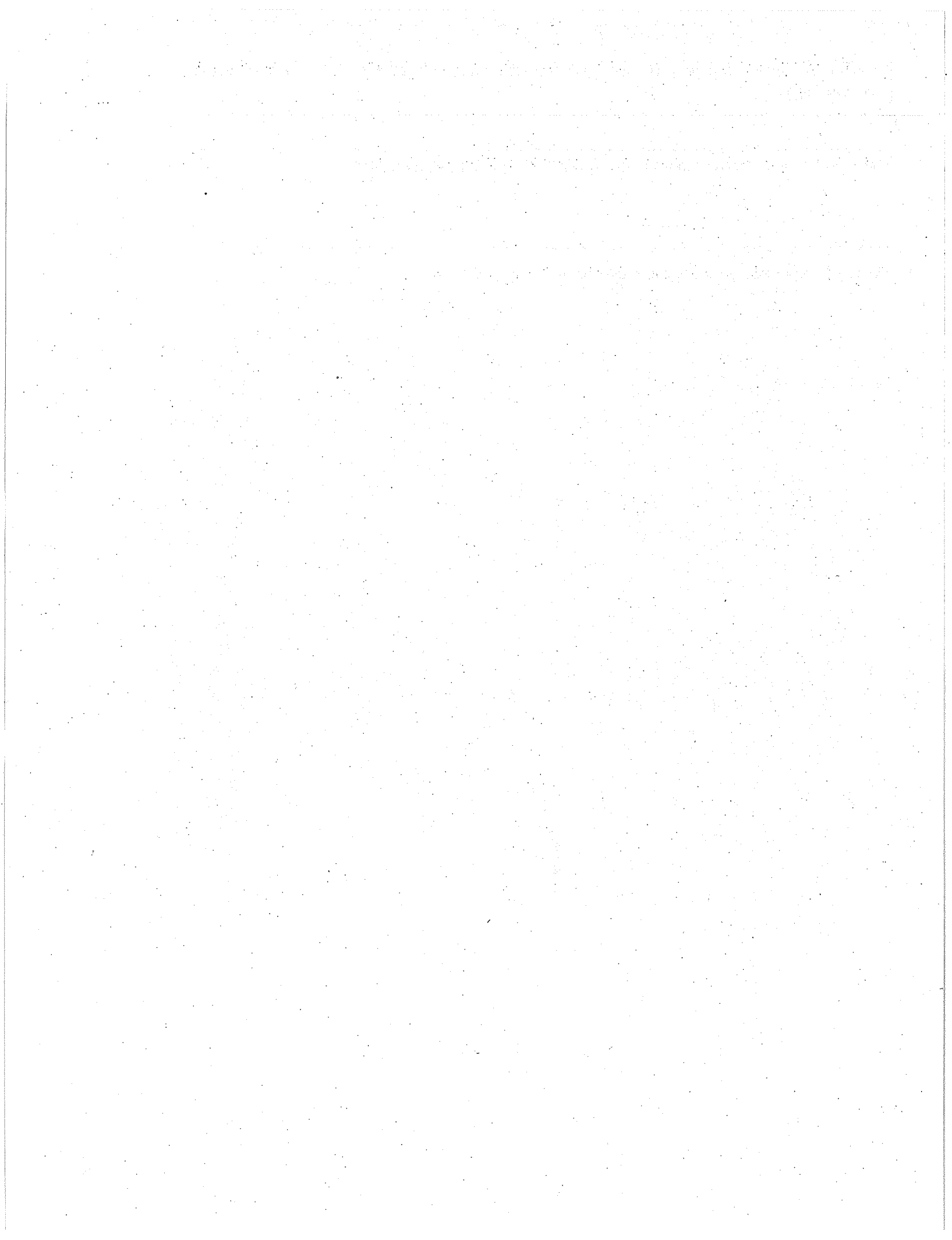
In my view, the solutions to Gary's problems include: (1) cleaning up the city, school, library, transportation, township and airport budgets -- we citizens need to know what we are paying for and our city needs to start living within its reduced means (reduced b/c of significant population loss and 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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Russo, Stephanie

From: nglenn [nglenn@netnitco.net]
Sent: Saturday, January 03, 2009 5:47 AM
To: Russo, Stephanie
Subject: Fw: Fw: another opinion on the property tax caps -sorry it is so long!

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

From: Barbara Leek
To: nglenn
Sent: Friday, January 02, 2009 10:41 AM
Subject: Re: Fw: another opinion on the property tax caps -sorry it is so long!

FYI: The current school board has cut \$32M from the 2009 budget which goes into effect on 7/1/09. Schools are being closed, staff is being cut at all levels including administration, and student populations combined. We are aggressively seeking to adopt secondary reform models such as small learning communities within larger buildings, ties to work skills for high school students, drop out recovery programs, career and theme academies. An early intervention plan for high school students was put in place this school year. Most of the letters about the DUAB appeal by the city cite no reform in the schools. That is not true. The current board is very much in support of reform.

Barbara D. Leek
Gary School Board
First District

--- On Thu, 1/1/09, nglenn <nglenn@netnitco.net> wrote:

From: nglenn <nglenn@netnitco.net>
Subject: Fw: another opinion on the property tax caps -sorry it is so long!
To: srusso@sba.in.gov
Date: Thursday, January 1, 2009, 11:42 PM

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

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To: Nora Glenn
Sent: Wednesday, December 31, 2008 9:58 AM
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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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Russo, Stephanie

From: nglenn [nglenn@netnitco.net]
Sent: Saturday, January 03, 2009 5:43 AM
To: Russo, Stephanie
Subject: Fw: Calls Never Returned by City ?

It really is a mess up here, Ms. Russo.

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

From: Jack Lund

To: nglenn

Sent: Friday, January 02, 2009 3:26 AM

Subject: Calls Never Returned by City ?

Ms. Chary, nicely written! But let me say this in response:

- * I do have *some* knowlege of the history of Gary, having reside here since 1960.
- * At that time, streets throughout the city were clean, traffic lights worked properly and were even *timed*, with flashing countdowns to let drivers know how long they had until the light would turn to yellow!
- * Plowing was well-done, not just in 'my' neighborhood . . . until Mayor Hatcher took over in what, 1968? Starting in the early '70's, snow just sat on most streets other than Broadway, etc.
- * You cite the influence of organized crime in the '60's as evidence that the *city* was dysfunctional? I ask you: What has gambling, prostitution, and clubs operating after hours to do with city workers - yea, entire city departments - failing to return phone calls and do their designated jobs? If you can make that connection - if you can show how crime in Gary in the 60's is the reason for our current lack of city services, our current lack of responsive government - then please re-address me. My knowlege of Gary suggests that the city *worked* back then, albeit that there was tremendous crime and corruption.
- * Past criminality of the county does not justify crime or corruption in this age, although indeed local enforcement has indeed been lax. We have had to rely on the Feds (for decades, now) to prosecute institutionalized crime; the list of big names who have been prosecuted and imprisoned over the last half-century (or more) is long, indeed, and I look forward to the Feds' adding yet more 'big names' to that list. Eventually we may be freed of those whose notion of "service" to the community isn't akin to the type of service afforded to cows by the bulls in their pasture.
- * I have already written to this forum of the article in *Harpers* magazine in which its Washington editor, George Criles, Jr., decried not only that the assessor was corrupt, but also that the job of mayor of Gary was reputedly worth (something in the realm of) "a million dollars a year under the table". It is undisputed that crime has flourished in Lake County, but I only addressed the lack of city services and its lack of responsiveness to its citizens' legitimate requests for information and for the honest services to which they are entitled, as taxpayers.

* Thus, your *Time* article is simply and totally irrelevant to my point (which you may choose to address in your next post).

* I fail to see how you can possibly justify a bloated, inefficient, non-working city administration by alluding to the national economy, or to Governor Daniels, or how you can ask us to downplay Gary's problems with a reference to "the context of the larger world".

"I don't need to work or answer phone calls or fix potholes because of (the economy, the governor, the problems of the larger world") as an excuse for the city's 850 (?) workers . . . just doesn't wash in logic or reason.

* If you suggest that the past corruption of high officials in *any* way justifies contemporary corruption (if and as it may now exist)

I would thoroughly disagree. If you think that current corruption and mismanagement of the city's affairs, ought not to go on (as I hope you are saying), then I would wholeheartedly agree with you.

So again, let's keep score in this thread:

1. Does the City return your calls?
2. Is the City responsive to your legitimate requests for services?
3. Will or will not the city begin to 'work' for the citizens?

At 01:58 AM 1/2/2009, you wrote:

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

From: Lin Kaatz Chary

To: nglenn

Sent: Thursday, January 01, 2009 2:47 PM

Subject: Re: Fw: Calls Never Returned by City ?

Well, if you don't know anything about the history of Gary - not surprising, I suppose - the "good old *non-dysfunctional* (???) days" of Mayor Katz and his predecessors probably look pretty good to you. If you lived in one of the highly segregated areas of the city, of course, and like it goes in Chicago, if the streets were plowed and the garbage picked up in your neighborhood, then, hey, the city was working great! Am I excusing ANYTHING that's going on now - no, not at all, not by a long shot, but the lack of institutional memory not to mention plain old history always affects one's perspective. The inability to see at least some of Gary's problems in the context of the larger world, the national economy, the pervasive cultural assaults on community and honesty in the highest offices, not to mention in the context of your man Mitch's dedication to turning Northwest Indiana in general, and Gary in particular, into the state's largest sacrifice zone, does nothing to arm us to fight for the real, institutional and deep-reaching changes we need to survive.

Friday, Apr. 29, 1966

The Abandoned County

In Chicago these days, the visiting businessman has plenty of time for business. By edict of Police Superintendent Orlando Wilson, the once racy North Side is as dead as Gomorrah. Calumet City, thanks

to another crusading police chief, has only darkened flesh parlors to show for its long career as Chicago's sin suburb. Even Al Capone's Cicero has quieted down. No matter. If he insists on drinking life to the lees, the conventioneer can still find paradise enow an hour away in Gary or East Chicago, across the state line in Indiana's gamy, grimy Lake County.

In traditionally red-lit, back-of-the-barroom pads along Gary's Washington Street at Gus's Lounge, the Club Little Island and the Central Cafe the girls charge \$20 to \$100 and work in shifts to avoid occupational fatigue. Outside, Negro boys, few older than ten, lead the way to Adams and Jefferson Streets, just around the corner, where their sisters stand in the doorways or sit by the windows waving, winking, blowing kisses and tapping on the windows at potential Johns. At the sleazier local hotels, the guests all seem to be named "Mr. and Mrs. Smith."

The Outfit. If the rakehell wants a drink after the legal 1:30 a.m. closing time, he need only walk over to the Variety Lounge on Broadway and knock on the door marked "Family Entrance." There, at 3:30 on a recent morning, a two-man band was in full swing, and 50 people kept two bartenders in constant motion. Gambling? In East Chicago, there are poker games almost any night upstairs over the Nu-Oriental Restaurant, and poker, pinball and betting on the horses at Forsythe Billiards. For a full Baedeker tour of the county's delights, the visiting fireman can stop in Hammond (some gambling and prostitution), Whiting (gambling), or Griffith, where the favorite form of recreation is "Lucky 7s" and "Triple 50s," in which the player puts a quarter or half-dollar into a jar, receives a numbered slip, then waits hopefully for his jackpot.

A hard-boiled area of steel mills and oil refineries with an abrasive ethnic mix, northern Lake County has not only been invaded by thrill seekers from shuttered Chicago; the crime syndicate, known locally as "the Outfit," has also found a cozy haven there. So cozy, in fact, says a local minister, that today Gary, with a population of only 178,000, has "every problem, vice and crime known to man."

Do-Nothing Millions. The fundamental problem is political. The county has been solidly Democratic since 1932, and its politicians have made corruption a way of life. An amenable Gary mayor can figure on an extracurricular income during his four-year term of \$3,000,000 to \$6,000,000 all for doing nothing. The only real mistake that a local official can make is to fail to report his graft on his income-tax return.

Elected as a reform county prosecutor in 1952, Metro Holovachka was later convicted of tax evasion. Former Gary Mayor George Chacharis was also caught on a tax-evasion charge in 1962 for failure to report \$226,686 in kickbacks from contractors doing business with the city. Both could have learned from Chacharis' more astute predecessor. Mayor Peter Mandich, a U.S. attorney told a federal court, "received large amounts of graft payments, but the evidence does not show that he failed to report the payments as income on tax returns." Mandich went free.

The Established Pattern. The current mayor, A. Martin Katz, who ran as the reform candidate in 1963, pleads that "you can't change established patterns of ten, twelve, 30 or 40 years overnight." Gary's police make little effort to do so. Two Democratic Governors since 1961 have been just as reluctant to tamper with the powerful county machine that has guaranteed them the margin of victory against stiff Republican opposition.

The Northwest Indiana Crime Commission, a private organization, has sporadically attempted to clean up the county, but has been hampered by a low budget and the obvious indifference of local and state officialdom. Commission Director Elmer C. Jacobsen, 49, a hard-bitten veteran of 16 years in the FBI, riled Governor Roger Branigin this month when he publicly protested the relicensing of Gary's Boulevard Tap, which he called a "notorious B-girl joint," and complained about a "wave of outlawry unmatched in the memory of living men." Though that may have been overstating the case, Jacobsen is

hardly exaggerating when he says that the county has been "abandoned" by the Governor. "No reformer," adds the crime commissioner, "is going anywhere around here especially me."

- Find this article at:
- <http://www.time.com/time/magazine/article/0,9171,835419,00.html>

See also:

http://gdynets.webng.com/Good_Gov.htm about Gary mayors

At 08:36 PM 12/30/2008, you wrote:

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

From: **Jack Lund**

To: **niglenn**

Sent: Tuesday, December 30, 2008 8:31 PM

Subject: **Calls Never Returned by City ?**

What I find most significant about Maria's letter is the age-old complaint that people call the City's various general services departments *and never get a call back!* That is classic city government here in Gary; it has been going on for decades, mayor after mayor - just how far back I do not know for certain, but I must say that I do not remember that the city was dysfunctional when A. Martin Katz was mayor. That would take us back to approximately 1964, would it not?

I would again invite writers to respond under this topic heading with their own stories of calls never returned . . . not that we haven't already been reading such just about every day, about something such as garbage, plowing, potholes, animal control, police, *etc.*

At 07:54 PM 12/30/2008, you wrote:

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

From: **Maria Sanchez**

To: **Noras list**

Sent: Tuesday, December 30, 2008 9:21 AM

Subject: **RE: Concerned Miller Residents**

Hello All,

I agree with the email below regarding County Line Road and many other streets like: Rush St. off of Maple and Rush off of Oak. Both of those streets need repaving. A temporary fix of just filling the pot holes would be nice, but the solution is repaving. I have tried calling the Gary Board of Works several times and I never receive a call back. Once again, where has our tax money gone if it never has gone into our community. Can someone tell me where has tax money gone????? Can anyone tell me if any tax money has been invested in Miller? Please let me know.

Thank you

María

From: n Glenn@netnitco.net
To: ;
Subject: Fw: Concerned Miller Residents
Date: Mon, 29 Dec 2008 15:54:18 -0600

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

From: KATEPOINT@aol.com
To: n Glenn@netnitco.net
Sent: Monday, December 29, 2008 9:06 AM
Subject: Concerned Miller Residents

Hello everyone,

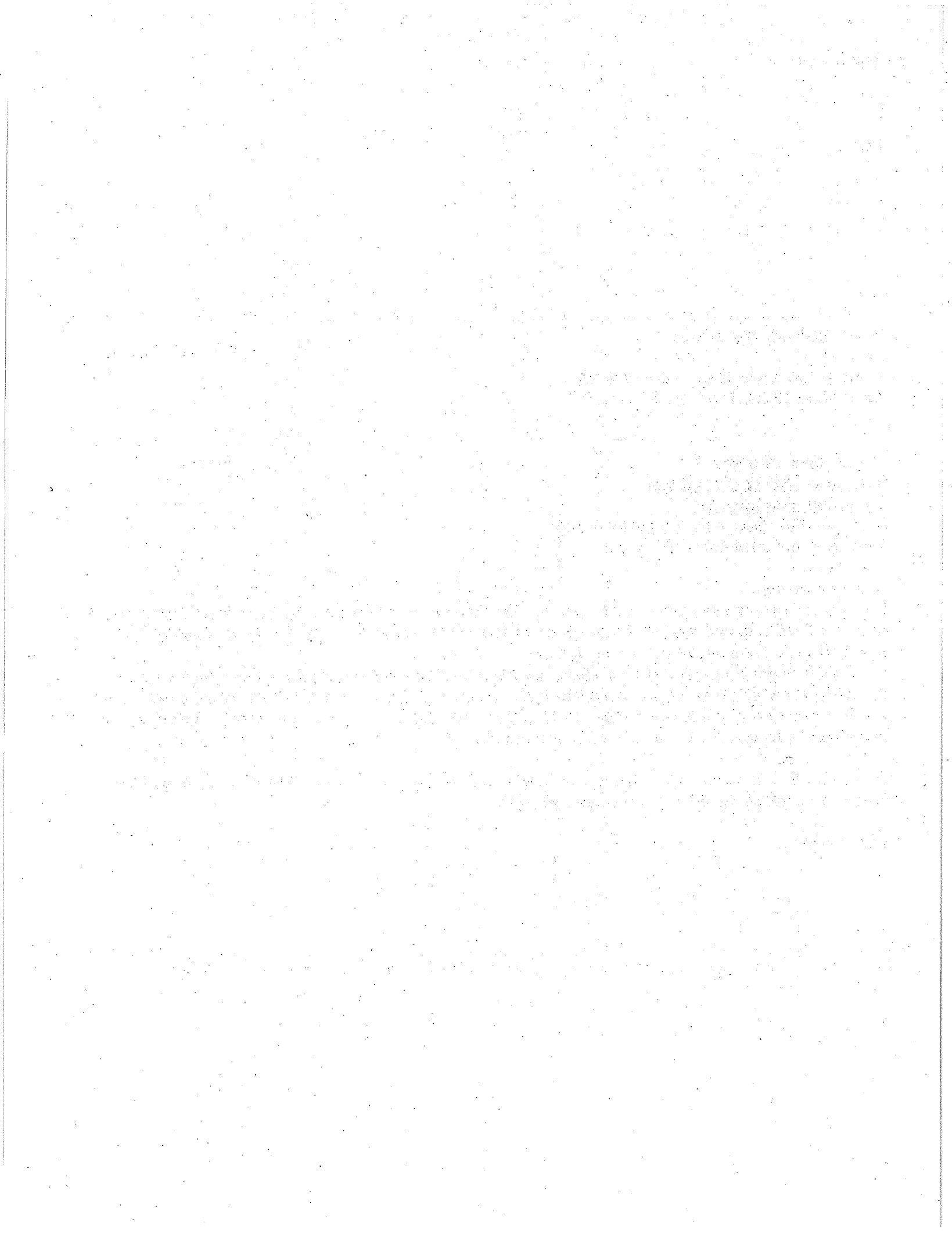
I'm wondering how many more people are out there, beside myself, who are affected by the condition of County Line Road; and unable or unwilling to (1) ruin their vehicle or (2) be involved in an accident trying to avoid the potholes by driving down it?

Well, we're about to ring in 2009 and there the road still sits in major disrepair. I've been trying to figure out for a long time why it is so difficult for two cities to combine their resources and repave this major connection spur between Highways 12 and 20. Wouldn't it be possible for our tax dollars to go for something "concrete," pun intended, that can benefit us?

So for now I, as I'm sure many others, will simply continue to go miles out of our way to get to places County Line Road could lead us to more efficiently.

Just curious.....

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



Russo, Stephanie

From: nglenn [nglenn@netnitco.net]
Sent: Saturday, January 03, 2009 5:41 AM
To: Russo, Stephanie
Subject: Fw: Fw: State bailout for Gary, IN

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

From: Pete
To: nglenn
Sent: Friday, January 02, 2009 9:12 AM
Subject: Re: Fw: State bailout for Gary, IN

Better yet, those in favor of DUAB relief, tell us how the relief money, that will come out of our pockets, won't go to fund more corruption and waste. I agree that the tax caps and HB 1858 haven't helped Gary fiscally. But I go back to the statement, "Who in their right mind would vote to give more money to an outfit that mismanages and steals the money the way the last several administrations have?"

I remember a while back in the Ralston street lagoon discussion, A few were lamenting that "poor" Gary, would now have to pay for the cleanup, and comply with the consent decree. When, in fact, Gary has been given over twice the amount needed to remediate this lagoon from the federal government, specifically comply with the clean water act. Where did the money go? Are the feds tired of sending money to Gary? Think raid on the GSD offices. Think GUEA debacle, I'm sure we could all list many more ways these folks waste and steal our money. DUAB should deny sending any more of my money to our taxing entities until we can have responsible, transparent management of our governments, schools sewer district, etc. Rudy Clay, Jr, should have his contracts revoked before another fireman or cop, has to sacrifice anything.

On Fri, Jan 2, 2009 at 1:33 AM, nglenn <nglenn@netnitco.net> wrote:

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

From: Maria Sanchez
To: Noras list
Sent: Wednesday, December 31, 2008 9:40 AM
Subject: RE: State bailout for Gary, IN

Dont agree!! Tell me what Gary has done to improve our community with the current tax money they receive!

María

> **From:** nglenn@netnitco.net
> **To:** ;
> **Subject:** Fw: Fw: State bailout for Gary, IN
> **Date:** Tue, 30 Dec 2008 20:11:06 -0600

>
>

> ----- Original Message -----

> **From:** "Lin Kaatz Chary" <lchary@sbcglobal.net>
> **To:** "nglenn" <nglenn@netnitco.net>

> Sent: Tuesday, December 30, 2008 4:53 PM

> Subject: Re: Fw: State bailout for Gary, IN

>

>

>>I support what Ron said below 1000%. And I hope all these people who voted
>>for Mitch Daniels are paying careful attention to what is going on with the
>>Indiana Department of Environmental MANAGEMENT (remember, NOT
>>"Protection" - MANAGEMENT, classic BUSINESS approach) which under Daniels
>>(and Easterly, formerly of NIPSCO) has followed the Bush/Cheney/Norquist
>>blueprint right down the line for how to undermine and destroy governmental
>>agencies so that become so inefficient and corrupt that the next step will
>>be a plan to contract out their services to the private sector - talk about
>>the fox guarding the chicken coop! And, once again, I will encourage
>>people to read Thomas Frank's book, The Wrecking Crew, available at
>>Wildermuth, for the playbook Mitch Daniels is following to the letter as
>>did the Bush et al cabal. I too will write to Russo to support the bailout
>>for Gary.

>>

>>

>>

>> At 04:31 PM 12/29/2008, you wrote:

>>

>>>----- Original Message ----- From: "Cohen, Ronald" <rcohen@iun.edu>

>>>To: <nglenn@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 in ability 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

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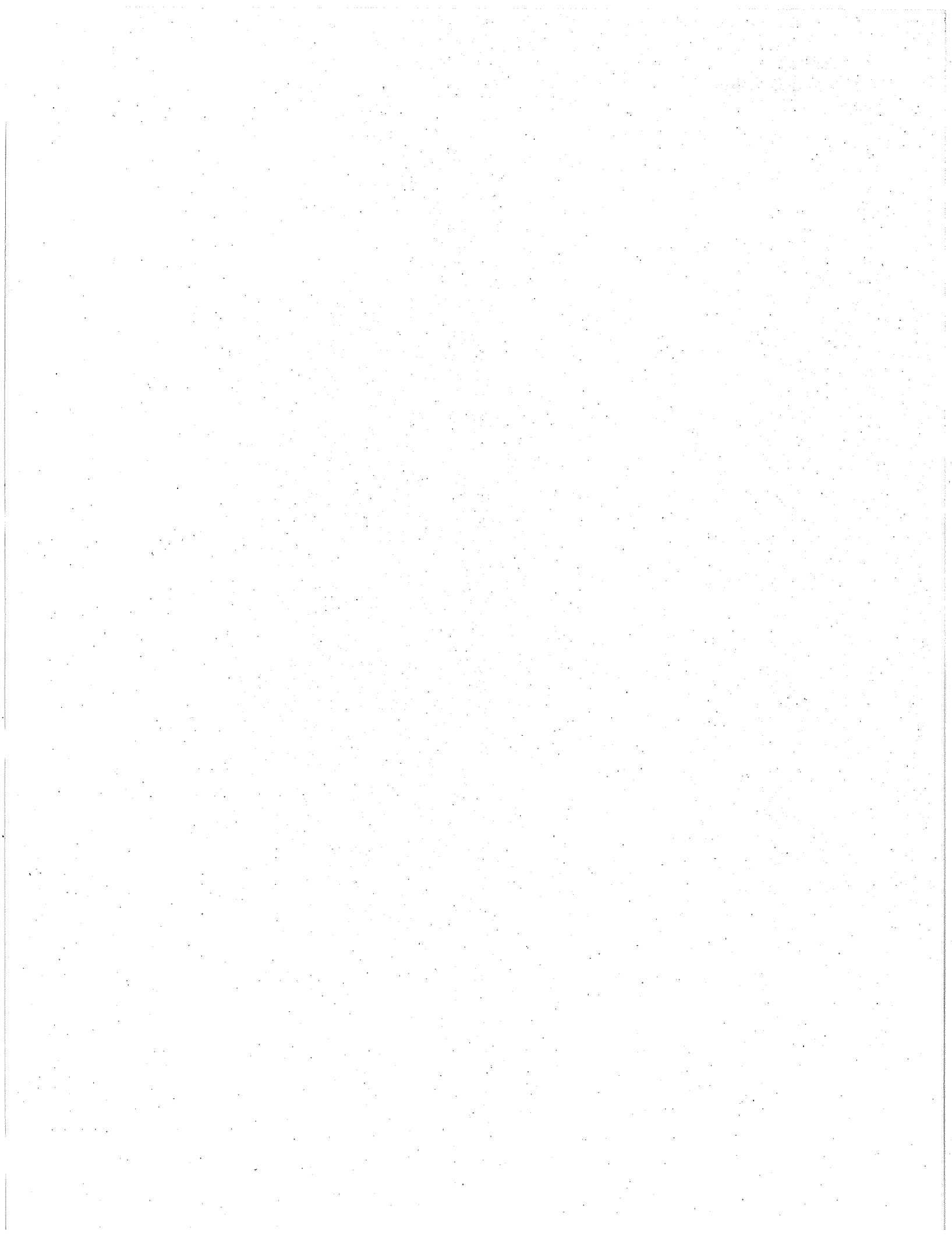
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Russo, Stephanie

From: AYoung7550@aol.com
Sent: Saturday, January 03, 2009 7:17 AM
To: Russo, Stephanie
Subject: Missed golden opportunity for Gary

Chicago gets 3 billion. Gary gets nothing. Gee, that seems fair. And Rudy Clay considers this a good deal.

The reader comments after the article are right on point.

Gary City Council to vote on Midway Airport privatization

[Recommend \(4\)](#)
[Comments](#)

January 1, 2009
By Erik Potter

Post-Tribune staff writer

The fate of Chicago's privatization plans for Chicago Midway Airport will rest in the hands of the Gary Common Council on Tuesday.

Gary is being asked to approve an amendment to its 1995 compact with Chicago establishing a coordinated operation of the region's air service.

Under the compact, both cities must give their approval before any major changes can be made to the Chicago or Gary airports.

Privatizing Midway would be an example of one of those major changes.

When the measure comes before the council at its 6 p.m. Tuesday meeting, the city will seek to protect the financial assistance it receives from the two Chicago airports.

The Gary/Chicago International Airport receives 1.5 percent of the passenger facility charges collected at O'Hare International Airport and Chicago Midway Airport, an amount that has equalled about \$30 million over the life of the compact.

Chicago wants to exempt Midway from that passenger charge, as well as from the requirement that it offer Gary the first chance to purchase equipment that it wants to sell.

However, Chicago has agreed to pay Midway's 1.5 percent share out of city funds, Curry said, and the loss of equipment from Midway is minor, since the Gary airport has bought almost all of its equipment from O'Hare.

The agreement contains no provisions for Gary to share in the billions of dollars Chicago is set to receive from a privatization agreement.

Whether the City Council will sign onto such an agreement isn't clear, but Gary Mayor Rudy Clay calls the deal a good one.

"Without a positive vote, long-term, Gary would lose billions," Clay said, referring to the increased fees he expects to receive from a busier, private Midway, and assistance from Chicago that Clay is seeking in privatizing Gary and bringing in cargo traffic.

"We've got to look at freight, cargo, passenger and private-public partnerships, and the mayor of Chicago is going to help us with that. He helps us out; we help him out."

Earlier this year, Clay and Gov. Mitch Daniels discussed the possibility of privatizing the Gary airport, but no deal has been worked out yet.

The Gary airport is operated by an authority with four of its seven members appointed by the mayor. Porter County and Lake County each has one appointee and the governor has one.

Contact Erik Potter at 648-3120, or epotter@post-trib.com. Comment on this story at www.post-trib.com.

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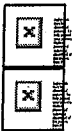
[More Airline Complaints Over Chicago O'Hare Expansion](#)

From Towers and Tarmacs

[Phil Stefani's Tuscany Cafe Open At Chicago O'Hare International Airport \(ORD\)](#)

From eXpect delaYs Travel Delay Blog

The views expressed in these blog posts are those of the author and not of the Post-Tribune.



[Unable to display image]

primus wrote:

The fact that Gary gets nothing in the privatization sale of Midway Airport alone is positive proof that Gary leadership is inept at best. Since the citizens of Gary are incapable of ridding themselves of their sub par leadership the surrounding communities need to wrest control of the Gary Airport away from Gary city leadership. A possible reworking of the RICO act to include consistent underperforming if not criminal leadership.

1/2/2009 9:25 AM CST on post-trib.com

[RecommendReport Abuse](#)

gary watcher wrote:

Again Gary does not maximize its position to benefit itself, when it is a critical part to the benefit of others.

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Here Gary is the critical vote needed for Chicago to immediately gain billions of dollars from the privatizing of Midway airport. For Gary's vote, it gets to maintain the status-quo and future promises of help to privatize Gary airport and help from Daley to attract cargo to Gary.

Wow! What an opportunity loss.

Gary and its airport director are both asking the State Distress Appeal Board to allow them to raise property taxes on Gary residents because they need more money to operate, but they don't negotiate in this deal to get a any of the billions of dollars Chicago is getting up front from their deal for their critical vote to make it happen.

Interesting - insane and a continued demonstration of gross incompetence.

This deal is so one sided and foul that Chicago will not allow Gary a so-called critical partner to benefit in having first chance to purchase equipment that it wants to sell. Dang, this demonstrates a total lack of respect for Gary negotiators their ability and or competence! Gary is not getting peanuts, but only the shells.

Gary's negotiators have repeatedly demonstrated they lack the proper skill sets and savvy in negotiating deals in the best interest of the city, and are perceived as bait thrown to the sharks in the middle of a feeding frenzy.

God help Gary in 2009

1/1/2009 2:31 PM CST on post-trib.com

Recommend (6)Report Abuse

discernment wrote:

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display
image]

Rudy, Do you really think the mayor of Chicago has Garys best interests in mind? Come on. This explains why this airport has sat and done nothing while O'hare and Midway have grown. Gary doesn't want to lose it's 1.5%, so the citizens of this area are not served by having a major airport that, by the way, if developed would bring in more than the 1.5%. This area needs an airport, would support an airport, and should take the money out of the hands of the Gary politicians. As long as they are in charge, it will languish.

1/1/2009 10:24 AM CST on post-trib.com

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

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Russo, Stephanie

From: CHUCK GRUNSTEIN [cgrunstein@msn.com]
Sent: Saturday, January 03, 2009 12:26 PM
To: Russo, Stephanie
Subject: Gary, Indiana Distressed Unit Appeal; Taypayer Response

Indiana Distressed Unit Appeals Board Members:

Please do not allow Mayor Rudy Clay to change, alter, remove, or manipulate in anyway the State's property tax cap on Gary, Indiana residents. I am strongly opposed to the City of Gary's appeal to the Distressed Units Appeals Board. Many Gary residents have already paid more than the 2% tax cap on our last property tax statement. We paid 2.4 % our gross home value and I'm still not sure how or why this happened. Gary homeowners and businesses once again pay more property taxes than our Indiana neighbors only to receive a failed school system, awful public services, and inadequate personal safety. Removing Gary's property tax cap will only allow the fools in charge to continue to waste our money and make life in Gary financially worse for those who still live here. Please deny Gary's appeal to the Distressed Unit Appeals Board.

As a long time Gary resident and taxpayer, I am surrounded by self-serving incompetent leaders who consistently waste our tax dollars and flaunt elaborate phony pork projects in our faces. Gary is a poorly managed and grossly corrupt city that needs a long overdo clean-up by the State, not another "special privilege." It is just one scandal after another here in Gary; extend hand out and release into pocket.

Besides the waste and theft of our tax dollars, Gary citizens are finding it increasing difficult to remain residents. It is well documented that our schools are the worst in the State, our streets and structures are crumbling and abandoned, our business are few and far between, our public services are a disgrace, our neighbors are killing and robbing each other, and our taxes are the highest in the State. These problems did not occur overnight and our leaders have done little over the years to improve our bleak existence here in Gary. Throwing more money at these problems by increasing our property taxes again will not improve our situation. Feeding the beast will only make it more hungry.

Gary needs a responsible committed government that can professionally operate within its budget, not a bunch of cronies with their own personal agendas. There are many ways Gary can help itself if it chooses to without threats to our public safety and increases to our property taxes. I would strongly support the State's intervention in helping Gary help itself. Gary is a shrinking city that needs to adjust its financial responsibilities accordingly. It also needs to find alternative solutions to its problems that do not involve raising property taxes so that those who contribute to the tax base can still afford to stay residents of the city.

On a personal note, I own a 1956 ranch style 3 bedroom home (worth \$98,000) with a total net property tax for last year of \$2,759.62 along with a 75' x 125' side yard with a total net property tax for last year of \$1,027.82. We qualified for the 2% cap tax and received some relief. Without a cap, my tax rate in Gary is above 10%. Simply, I cannot continue to live in Gary without a responsible reasonable property tax cap, and I cannot continue to support a corrupt government and a failed school system. Change must come to Gary, Indiana but not at the expense of the few taxpayers left in the city. Until Gary helps itself, no special exceptions should be awarded. Once again, please deny the City of Gary's appeal to the Distressed Unit Appeals Board.

Thank you for taking a moment to read my words, ponder my thoughts, and then vote **NO** on January 5, 2009. Please contact me with any questions and have a joyous new year.

Sincerely,
Linda M. Grunstein
8890 Indiana Boundary
Gary, IN 46403

(219) 938-8862
Cgrunstein@msn.com

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John Key's Message To
The Distressed Unit Management Commission of Indiana
On Behalf Of Gary, Indiana
January 5, 2009

The decision of whether the City of Gary should be provided more time before being subjected to the implementation of greater mandatory budget reductions is important and likely to be felt statewide. Gary's proximity to Chicago and its position along Lake Michigan's apex, combine with its sizable population and airport to underlie its undeniable significance to South Shore development. Consequently, as your Commission deliberates, I rise to opine that it is in the best interests of the state and Northwest Indiana to ensure that Gary does not enter bankruptcy or lose integral solvency.

Requiring Gary to meet the stability destroying timelines imposed by recent legislation would expedite the destruction of the local regional economy, have a mushrooming effect at the state level and cut against the tide of the domestic economic matrix of the incoming Obama Administration.

Clearly, the three year old decision by the General Assembly to shift the majority of the tax burden from the natural resource rich steel industry on to the fiscal backs of residential and small property owners in Northwestern Indiana is the true driving force behind the current economic dilemma facing Gary and other Northwestern Indiana municipalities. So, contrary to what has been said by some state leaders and conventional pundits, it is important to denote that The City of Gary, as currently run, did not create the fiscal albatross it is working to free itself from. Does this mean that there are not additional self-help solutions available to cities like Gary, Whiting and Hobart? No. Of course, not. However, Gary's should be given considerable credit for having already trimmed \$37 Million from its budget in the last 34 months. This aggressive cost cutting was accompanied by staff reductions and other warranted cost

saving actions and constituted an average monthly budget reduction ratio of over \$1 Million per month for a three year period.

As a Gary native, who has lived in three states and multiple municipalities, I write from the perspective of a current suburbanite who still holds Gary in high regard and as one who recognizes Gary's connectedness to the Region at large.

Subsequently, I urge the Commission to consider the impact a loss of hundreds of jobs among Gary police and fire professionals and their civilian counterparts will have upon regional retailers who depend heavily upon Gary consumers.

Additionally, the Region's service sector intensely relies upon North Lake County consumers. Reductions in sales in these areas will not only further cripple the Region's economy but will also be felt at the State level through reductions in sales tax revenue. This is acutely relevant in lieu of budget shortfalls at the state level and necessitates review and a rescinding of any earlier propensity to force municipal budget cuts without regard to widespread impact.

Moreover, local communities in Indiana can best benefit from state policies that mirror policies promised by the incoming Obama Administration. These imminent federal policies are designed to provide economic stimulation at the local level and are divergent from outlying economy stifling measures passed by the General Assembly a few years ago.

As a resident living within Gary's economic footprint, I wish to add my name to the cadre of Northwest Indiana citizens who advocate for a financially strong and solvent Gary. Additionally, our Region's flagship city must have a robust public safety complex equipped to manage and respond to citizen needs in manners reminiscent of world class cities of similar size and resources.

Furthermore, with its aforementioned under developed lakefront, airport and proximity to Chicago, Gary promises to do for the economic bedrock of Northwest Indiana what amateur sports and the City of Indianapolis has done for the Marion County Region. Now would be a most inopportune time for Gary's partner in development, the State of Indiana, to pull the fiscal rug from underneath the City.

With the advent of a new presidential administration, the Chicago Olympics and a properly focused and principled RDA and regional development apparatus seeking to partner "as equals" with Gary, real development could potentially be possible in Northwest Indiana. Gary is a central part of this equation and must not be allowed to financially disintegrate. Such disintegration may appear attractive in the short term to some who seek to disassociate from Gary's Branding challenges or, who seek greater autonomy. Notwithstanding any short term appeal, the lingering repercussions of allowing the most populated City in Northwest Indiana to lose police and fire protection and the loss of commerce that will accompany huge job losses in Gary's governmental sector will prove fateful to surrounding local economies as well.

Finally, there is hope that Lake County leaders will heed the advice of Gary municipal and county level leaders and relieve itself (Lake County) of the dubious distinction of being the last county in Indiana without a self-imposed county income tax. This county wide income tax would provide greater economic equity since most of the active steel jobs in Gary are held by persons living outside of the City and who spend their wages outside of Gary. This means that Gary residents not only lose out on jobs generated within their own city but they cannot even force non-residents who have the jobs to contribute to the city in which they work. So, some non-residents reap double benefits while Gary residents lose twice at the table of economic parity. Add to this formula, the fact that the steel

industry pollutes Gary without even paying its fair share of local taxes and it becomes apparent why Gary is before the Distressed Unit Commission in the first place.

In addition, too little attention is paid to a decade of high revenues and excessive spending when many are assessing how Gary arrived at its current predicament. In truth, some who may have left Gary fiscally high and dry seemingly just walked away and are now allowing others to face the administrative consequences. As the Commission considers Gary's ability to assist itself today, I hope it will also incorporate factors originating during the most immediate preceding period ending in March of 2006. Otherwise, those who may have committed fiscal nonfeasance may be spared scrutiny, while the spotlight is unduly shined on those who were not even present at the time of any possible missteps.

Nevertheless, Gary deserves a fair hearing from the Commission on January 5th and the chance to have more time to prepare for the coming property tax relief that will so drastically impact the City's bottom line. As a resident of South Lake County, I urge the State of Indiana to give the City of Gary this deserving and necessary opportunity. In essence, when Gary is given assistance, all of Northwestern Indiana is provided relief.

Finally. I thank the Commission in advance for ensuring that any decisions made be based upon actual facts and contributing factors.

Thank You!

John Key
Crown Point, Indiana
219-310-8950

Russo, Stephanie

From: christopher1965@sbcglobal.net
Sent: Sunday, January 04, 2009 1:43 PM
To: Russo, Stephanie
Subject: Gary Tax Situation

Dear Ms. Russo,

I am sending you this e-mail to let you know that I am NOT in favor of the city of Gary, Indiana receiving relief from the tax caps that are in effect under state law. I have lived in Gary for 6 years now and have seen very little progress in the quality of services offered for our tax dollars. In fact, the services offered for our money are just as poor as ever.

Now, you would think that with about 4 years of crisis weathered (3 years with our current mayor, Rudy Clay), that it would be enough for Gary to get its financial house in order, but we don't see that from this end. In other words, the city has known that it needed to change its spending habits for a long time now. While a small amount of budget cuts have happened, they have not been enough to lower my taxes! I have not seen a decrease in taxes below the state mandated 2% mark! In fact, this year my taxes are more than 2% because of the bond issues and they would be almost \$6,000 (about 4%) without the cap. (I bought my house 6 years ago for just less than \$150,000. I am a teacher and make \$43,000 a year. I also own a car that is close to 2 years old. My taxes have ranged from about \$3300 to about \$6,000. Do the math: It is very difficult for me to budget for a 100% increase in taxes and still take care of my house properly. The money has to come from somewhere and it often comes from what I would like to put into my house. This clearly cannot go on forever.)

What I am telling you is that there is a link between high taxes and the deterioration of this city. Many other taxpayers in this city, whether they are homeowners, landlords, or businesses, have to make choices about what they will do with their properties. Often they cannot rent, sell, or do an adequate business to deal with the high taxes that we have here. So not only do we have the taxes, crime, and (very often) poor school achievement to deal with, but we have deterioration of the properties because of the weight of taxes.

The onerous burden of taxes on the backs of the people in Gary must be lifted for this city to thrive. When U.S. Steel was paying the tax, many people didn't pay attention to it because they didn't have to pay for it. However, the corporation went downstate and worked on changing a law it saw as a burden on their business. Now for the last 4 years or so the other taxpayers have noticed it because we have shouldered the burden. It is breaking the backs of many people in Gary and not improving our quality of life. If we lived in a city that looked good, had exceptional schools and was safe, I could say that we were at least getting our money's worth. But I cannot say that here. We are paying exorbitant amounts of money for what seems like very little. This has consequences.

Lots of taxpayers have left Gary because of taxes: homeowners, landlords, and businesses. When the DUAB meets with Mayor Clay and listens to his appeal for lifting the caps, I hope it thinks about these questions: How long will the taxpayers of Gary have to keep paying 200%, 300%, even 400% (or more for the businesses) of the average Indiana tax percentage before they can't handle it anymore and they leave? When will Gary be forced to live within what it can REASONABLY tax its citizens?

Lifting the caps will only hurt the taxpayers of Gary and postpone the inevitable day when Gary actually has to function as a sensible entity, not a land of infinite taxes that has little progress to show for it.

Sincerely,

Christopher J. Pletka
7217 Locust Avenue
Gary, IN 46403-1252

Russo, Stephanie

From: nglenn [nglenn@netnitco.net]
Sent: Sunday, January 04, 2009 10:04 PM
To: Russo, Stephanie
Subject: Fw: Today's Post Editorial

Importance: High

another ransom note
----- Original Message -----

From: Barb Hansen
To: nglenn
Sent: Sunday, January 04, 2009 6:29 AM
Subject: Today's Post Editorial

Gary has made cuts but needs relief from more

Recommend
Comments

January 4, 2009
BY RUDY CLAY

Americans are well-acquainted with our country's historic ability to meet great challenges at pivotal times. Today is no different as our state prepares to do more with less, increase efficiency and yet maintain services vital to citizens' survival. Nowhere has recognition of this reality been more acute than in Gary, which has cut an average of more than \$1 million per month from the city's budget during my tenure as mayor. While we have managed to maintain public safety and critical services during this aggressive streamlining, time now dictates a fair and honest assessment of Gary's demonstrated commitment to eliminate waste in government.

Gary's fiscal fate hangs in the balance as the city awaits a response from the state regarding our appeal for relief to the Distressed Unit Appeals Board.

State leaders have indicated that great consideration will be given to a local unit of government's actions concerning cuts that can be made at the local level prior to the granting of any relief. Gary is pleased to learn that such deliberations will prevail, since the city has earnestly cut its budget to the fiscal bone.

For example, almost immediately after I became mayor, we were mandated to cut \$11 million due to an error made by a preceding administration.

We subsequently cut another \$14 million shortly thereafter, and even more recently cut another \$12 million.

These cuts amount to about \$37 million in fewer than 34 months. For context, it is relevant to consider that Gary's annual general fund budget is about \$65 million. We believe we have demonstrated an undeniable willingness to fiscally constrain ourselves.

Additionally, Gary was an early convert to the fiscal belt-tightening revolution, as my administration moved to cut my salary and the salaries of city employees by 20 percent across the board.

What's more, these wage reductions were accompanied by mandated reductions in fuel usage, departmental cuts, travel restrictions and other cost-saving strategies. Consequently, we believe Gary has presented one of the strongest cost-reduction cases of any governmental unit.

We have done our best to reduce costs and remain open to additional savings. Furthermore, as mayor of one of Indiana's largest cities, I join with Gov. Mitch Daniels in promoting the importance of public safety as a vital artery of community life in our state and appeal to state leaders to give Gary needed time to generate new revenue from non-taxing sources, while ensuring the safety of law abiding citizens. **If Gary is not afforded relief from the state at this time, the city will be unable to guarantee adequate public safety, since we will immediately be forced to drastically reduce the scope and size of our public safety apparatus.** This is easily

understood when one considers that out of the \$65 million budget referenced earlier, police and fire budgets account for nearly \$31 million.

In a few short days, state leaders and local citizens in Gary and throughout Indiana will face decisions that can determine the futures of Hoosiers for generations to come. Again, a fair assessment will reveal that Gary has done its part to help itself with respect to making necessary cuts and reductions in spending.

Gary is not asking for a handout from the state and other taxpayers but simply an opportunity to develop our city and enhance Northwest Indiana without having our fiscal hands tied behind our backs.

Rudy Clay is mayor of Gary.

Russo, Stephanie

From: renthig3@comcast.net
Sent: Monday, January 05, 2009 12:40 AM
To: Russo, Stephanie
Subject: Fwd: Letter to the Governor's Office

My name is Arentia L. Green and I am the
I am writing to address the Distressed Unit Appeals Board in request for financial assistance to the

I am aware of the tax reductions that exist due to
decades of loss revenue from Steel Companies, property tax caps, foreclosures
city wide, and losses in business tax revenues.

However, there is a significant reality that still
exists: The children and families of Gary
must survive this financial crisis. **Our
children, if they are our future, must be provided with the necessities of life.**
For example, education, community services (Police and Fire) as well as Youth
Services are needs that must not be compromised during these tough economic
times. If we are to reduce the crime rate (juvenile delinquency, homicide, etc.) School
dropout rate, and other social ills we must receive financial assistance for
the City of Gary.
Our children must be educated and feel safe and secure in their community.

Sincerely,

Quilla Young, Director

Youth Service Bureau