

The regular meeting of the Hammond Common Council of the City of Hammond, Lake County, Indiana was held on October 27, 2014 in the Hammond City Council Chambers.

Council President Michael Opinker presided.

Council Coordinator Carmen I. Balboa facilitated.

PLEDGE OF ALLEGIANCE was recited by all.
Invocation by Councilwoman Venecz.

ROLL CALL

PRESENT: Markovich, Spitale, Venecz, Kalwinski, Uylaki, Higgs, Emerson, Hinojosa, Opinker

ABSENT: None

TOTAL: 9

Council President Opinker read letter inviting public to a Community Meeting & Panel Discussion about the Hammond Police Department Roles and Responsibilities in our Community on Wednesday, November 5th from 5:30 p.m. to 7:30 p.m. at the Hammond Civic Center at 5825 Sohl Avenue.

READING OF THE MINUTES

Councilman Spitale, supported by Councilman Kalwinski, moved to accept the minutes of September 22, 2014 and October 2, 2014 and place on file. AYES: ALL

APPROVAL OF CLAIMS

Councilman Markovich, supported by Councilman Higgs, moved to accept the claims from September 17, 2014 through October 22, 2014. Claim #4986 through claim #5666, inclusive.

Councilman Markovich, supported by Councilman Higgs, moved to amend in claims:

#5667	New Zion Temple	Mayor's Gaming	\$500.00
#5668	American Museum of Military Vehicles	Mayor's Gaming	\$500.00
#5669	Pulaski Citizens Club	Mayor's Gaming	\$320.00

ROLL CALL VOTE (amend in claims)

AYES: Markovich, Spitale, Venecz, Kalwinski, Uylaki, Higgs, Emerson, Hinojosa, Opinker

NAYS: None

ABSENT: None

Motion carried 9/0/0 CLAIMS AMENDED

APPROVAL OF CLAIMS cont.

ROLL CALL VOTE (as amended)

AYES: Markovich, Spitale, Venecz, Kalwinski, Uylaki, Higgs, Emerson, Hinojosa, Opinker

NAYS: None

ABSENT: None

Motion carried

9/0/0

CLAIMS APPROVED
(as amended)

PUBLIC HEARINGS

None

COMMUNICATIONS

Councilman Higgs read letter from Mrs. Burns thanking him for his thoughtfulness.

Councilman Higgs read letter from Ophelia Steen Family and Health Service Center requesting a donation for their Senior Citizens program.

Councilman Higgs responded for clarity to things that were said on WJOB radio stating that he was a very active councilman in his district and the fact of him stating racism.

COMMITTEE REPORTS

Council as a Whole Committee - Councilman Emerson - Brought out 14-33.

ORDINANCE 3RD READING - FINAL PASSAGE

14-33 Ordinance to Approve Transfer of Funds to the General Fund

Councilman Emerson, supported by Councilman Spitale, moved for final passage.

Councilman Higgs - As I stated previously in caucus, initially when this ordinance was brought before the council it was approximately \$400 thousand from my district. Other districts I can identify one, was from Councilman Uylaki's district was \$1.7. So actually what this ordinance is doing is changing it so it's divided equally amongst all the districts and it's \$500 thousand. Am I correct? Heather?

City Controller Garay - Yes, that's correct.

Councilman Higgs - So, that's basically what happened, instead of us actually giving different amounts throughout the city and districts as well as the mayor, its' now equally divided.

Councilman Emerson, supported by Councilman Spitale, moved to amend in 14-33A in its entirety.

Council Coordinator Balboa read 14-33A in its entirety.

ORDINANCE 3RD READING - FINAL PASSAGE cont.

Councilman Hinojosa - Just so everybody knows, this is the first year since I've been councilman for the past 11 years, this is the first year, 2014, that last year when we passed the budget in 2013 for this year 2014, this is the first time, besides taking half our casino money to offset the budget, this is the first time that the city comes back and says we need more money. The original amount was \$4.4 million and if we could have the City Controller tell us, sum it up, why for 2014 now we need another \$4.4 million but now that amount from \$4.4 is reduced to \$2.2 million and how that came about?

City Controller Garay - It's not the first time that we've actually asked the council to transfer money to the general fund. Different amounts are transferred in the budget each year. In the past that amount has been as high as \$16 million, off the top. This year \$10 million was transferred originally, and as we discussed throughout the numerous budget hearings this is something to help us shore up the budget deficit that we're having. We're exploring every avenue we can and one of those things is to approach the council and ask that they give back a portion of their gaming revenues to help us shore up the budget deficit for the general fund. The number you see in the amended version, I believe it actually was you, Councilman Hinojosa, who recommended at the budget hearing that we should be doing this equitably, we should split it between each district giving the same amount of money as opposed to having one giving a huger sum and another giving a smaller sum. So because not every district has the means to give their half a million share this year, we are asking that that amount be spread out between the budget years 2014, 2015 and 2016. So the original amount that all districts were asked to contribute remains the same except for the districts two and four, because their amount was reduced. For everyone else, the remaining balance from the five hundred will be split between 2015 and 2016. That is giving you the number that we have today, the \$2.2 million because that is what people have available to contribute this year.

Councilman Higgs - My only problem with that is that is the fact that, you know, there are other areas in the city that's huge projects are going on. Certainly if I had as much going on in the 1st District in the 3rd, I wouldn't have but \$22 thousand as well. What do we do to try to make sure that all areas of our city are taken care of in regards to casino dollars? Each councilman makes the decision as to which projects they want done in their districts annually. Initially when I came on this council it was \$2.6 million. The funding is steadily dwindling down. How many more times is the Controller gonna approach this council for additional funding to offset the budget?

Mayor McDermott - I want to address something that Councilman Hinojosa brought up. I've gone through my head how many times since I've been Mayor we've approached the council midyear because something went wrong in the budget. Immediately after we took office, Councilman Markovich, Councilman Higgs and Councilman Kalwinski were there, one of the first things we had to do when we took over was, I got sworn in and I got briefed from the City Controller and the people in the city and I was told that if we didn't have \$6 to \$7 million within like thirty days we couldn't pay medical claims. It was billed as a self insurance bail out at the time. I know this is the third time we've approached in regards to casino gaming since I've been mayor and two times we used TIF dollars in the midyear. We used TIF dollars, we closed out a TIF District and used the proceeds from the TIF District to help with the city budget. I got five times off the top of my head that we've come in here midyear. Maybe things are different now because councilman has different ambitions but that doesn't change history. If you go back and look at what Councilman Hinojosa just said is completely false. We've been here two times with TIF, this is our third time with gaming. This is nothing new.

ORDINANCE 3RD READING - FINAL PASSAGE cont.

Councilwoman Venecz - All of us sat in the budget hearings. All of us sat through the meetings and heard the discussions that every year our property tax revenue has steadily decreased. If my memory serves me correct, eleven years ago the property tax revenue that we received was somewhere in the neighborhood of \$42 million. Now we receive \$22 million. Every year the casino revenue has steadily declined. Where do we make up this money from? I don't understand the discussion here this evening. Because we've had the discussion.

Mayor McDermott - This is in response to Councilman Higgs' question. I never got to address. Councilman Higgs knows the way that gambling revenue is divided up in the city, and it's always been divided up this way, is each council district gets 10% of the casino gaming revenue the city receives, the mayor gets 30% of that. When I took over as mayor, with the small Empress Casino, we made about \$34 million a year on the small boat, alright, which was one of the most lucrative boats in the state of Indiana at the time. It was jam packed when we went on there. Horseshoe decided in time that they were gonna invest in the new boat, which we have now, and in 2008 that boat was open. 2009 gambling revenues to the city \$42 million, right around there, times were good. Next year it took a little drop, and then it took a little drop, and then the economy got worse, and then people stopped gambling. Then Chicago started doing things like opening new casinos, Councilman Higgs. Then Illinois started doing things like allowing slot machines in bars. What they're trying to do is take gambling revenue away from the city of Hammond, and they have been successful. Our gambling revenues this year are projected to be 30 to 32, maybe as high as 34 but we're anticipating the worst, which could be 30. It's not because Mayor McDermott made a decision to reduce gaming revenue and some big conspiracy to deny the district councilmen money. It's because people are going elsewhere to gamble. People don't gamble as much and people can gamble in a bar in Chicago and never come to Horseshoe Casino when they couldn't when you took over, Councilman Higgs. 2004 that was one of the only places you could go to gamble. So there's a lot of reasons you don't have as much revenue available to spend in your district, Councilman, as when you took over. But it's not a decision by the mayor of Hammond, that's for sure.

Councilman Emerson - I just wanted to say that in the internal workings of 14-33, and Controller Garay, thank you for mentioning part of it was District 4 and District 2 I felt the original plan it was unfair and I want to thank everyone on the council and the Mayor and everybody else that heard me and at least we're making this fair, I feel, across the board. So, that's my comment about this.

Councilman Higgs - I guess, certainly, I want to applaud Councilman Emerson's efforts in sending the letter. Had you not sent the letter, we probably would have been spending much more but by you bringing it to the forefront that gives you a voice in speaking in terms of not being receptive to the amount that was going to be taken from your district.

Councilman Hinojosa - I just want to set an example here, I did have \$353,794 left in my district. I would have had less than that but I usually tend to watch my money and spend it on my district. I had \$353 plus and I was gonna spend an additional \$200 something thousand which wouldn't have left me very much. So, I'm watching my money for my district and I believe last year I had \$59 thousand left over, so I spent everything I could for my district and that's what we're all supposed to do. But as far as ... I'll just go back a couple of years, this is the first year in a couple years, quite a few years that we have to come back and give additional. We have money in our

ORDINANCE 3RD READING - FINAL PASSAGE cont.

Councilman Hinojosa cont. - budget, we have money in our casino, our 10%, and we have to put extra money. This is the first time. You know, monies always going into the general fund but this is the first time that we have to put additional money. You know, I'm putting up \$153 thousand right now. Their gonna want a half million, I'm gonna have to make payments for the next two to three years. But once you make payment for the next three years what is that gonna leave my district or just about all the districts except for maybe the 2nd and the 4th. It's not gonna leave very much to do anything.

Councilman Higgs - Just to echo Councilman Hinojosa's comments, just one street project can be over a million dollars. For instance, from Calumet to Columbia on Kenwood is \$1.3 million. Not to mention the engineering and design. Once you get it engineered and designed, the project, then there's still a wait. So there are a number of streets that are in deplorable condition that have to be taken care of immediately. My question is, is if we don't have the funds to do it what are we going to do? I know that there was conversation in regards to some of the street projects saying that maybe we could possibly do overlays but I would prefer to do the entire street versus just doing the overlay for any street in my district. I understand some of them may have just a few pot holes or whatnot but in reality it's better that we do it all than to half do it. So that's my sentiments as it relates to that.

Mayor McDermott - Just to address councilman's concern that this is the first time that gaming revenue has been asked for. In 2013 we used \$12 million of gaming funds to shore up our budget. We used \$10 million this year. Prior to 2013, Councilman Hinojosa is correct in this, we didn't use gaming on a year to year basis. We used, I think, three years worth of TIF Districts. We got rid of three TIF Districts and I know the councilmen that were on the council remember this. We used revenue from the TIF District after it collapsed as revenue for our city. So, Councilman Hinojosa, I think he's mistaken in that we used TIF revenue as a bail out to the city in those years. We didn't use gaming but we've used gaming since I've been mayor at least three times. We used TIF a couple times. So, this is nothing unusual. Maybe the only thing that's unusual is next year's election year. I think that's the only real thing that's really changed, so.

Councilman Higgs - I don't know but it doesn't make a difference to me whether it's election year or not, I am simply interested in the people of the city of Hammond. So, I don't know where that comment came from but in reality, I mean, I, of course, am running for re-election, I will say that. But it's important to me 365 days a year. If my constituents need something I'm gonna be there for them.

ROLL CALL VOTE (amend in 14-33A)

AYES: Markovich, Spitale, Venecz, Kalwinski, Uylaki, Higgs, Emerson, Hinojosa, Opinker

NAYS: None

ABSENT: None

Motion carried

9/0/0

AMENDMENT ADOPTED

ORDINANCE 3RD READING - FINAL PASSAGE cont.

ROLL CALL VOTE (as amended)

AYES: Markovich, Spitale, Venecz, Kalwinski, Uylaki, Higgs, Emerson, Hinojosa, Opinker

NAYS: None

ABSENT: None

Motion carried

9/0/0

ORDINANCE NO. 9271 PASSED
(as amended)

INTRODUCTION OF ORDINANCES

14-35 An Ordinance Appropriating the Proceeds of the Annual Action Plan and dealing with other matter pertaining to the Expenditure of Plan Proceeds for the Program Year 2015

Councilman Spitale, supported by Councilman Kalwinski, moved the proposed ordinance to 1st and 2nd reading by title and referred it to the Council as a Whole Committee with a public hearing set for November 17, 2014.

AYES: ALL

14-36 Appropriating the Proceeds Derived from the Sale of Revenue Bonds heretofore authorized to be issued to Procure Funds to be used in the Exercise of the Powers of the city for the Payment of City Debts, together with Expenses Incidental thereto

Councilwoman Venecz, supported by Councilman Spitale, moved the proposed ordinance to 1st and 2nd reading by title and referred it to the Council as a Whole Committee.

Councilman Hinojosa - Just so the public knows, there's a lot of ordinances and resolutions that are gonna be coming up. The resolutions are passed today, yes or no. The ordinances are put in 1st and 2nd reading for public hearings that the public can speak on. I know this 14-33 went down about \$2 million but now you're gonna see all these ordinances and resolutions coming up that first we were gonna borrow \$30 million from projected money that's comin from Chicago Heights from the water deal that we have. Which is good. But I heard that we're gonna get \$5.6 million of that the city of Hammond will get \$4.4, the Water Department will get \$1.2. I think you said that it's gonna go up to \$8 million. What I'm referring to is yet 14-33 that was passed already went down \$2 million. But the original amount that the city of Hammond was gonna borrow from the Water Dept. to buy some bonds was \$30 million. Now we're borrowing \$36.5 million. Why are we borrowing another \$6.5 million? What are we gonna pay with that \$36.5 million? Is that part of that dog park? Is it part of the Dowling Park that I believe we're paying for now? What is that? I think that the citizens as this ordinance is gonna go in 1st and 2nd reading and we're gonna be discussing it in the next meetings, I think the public needs to know where this \$36.5 million is gonna go to. \$36.5 is just from the water money that's coming in, then we're gonna borrow another \$7.3 million for the Park Department, that's almost \$44 million that we're gonna borrow. I don't know what the debt is already for the Sanitary District, Water Department, City of Hammond, from Lost Marsh Golf Course, from the lawsuit from River Park Apartments, which originated I think it was like \$23 million, those payments for twenty years were \$2.6 million. If we're gonna borrow close to \$44 million what are the payments gonna be now for this amount if you add those two up? Is it gonna be ... I'm calculating about \$5 million in

*Prepared by
Robert J. Golec
Hammond City Clerk*

INTRODUCTION OF ORDINANCES cont.

Councilman Hinojosa cont. - bonds. Now these bonds are gonna be bought, if we can find a buyer for a cheaper rate because right now our S&P rating went down from a "A" went down two notches to a "BBB". We have bad credit now. Are we on the road to bankruptcy? The way I see this right now, we're spending too much money. I want to know what this dog park gonna... I mean a dog park would be nice, do we have money to buy a dog park? We haven't even received the money from the water department. We're just now starting to receive it and we're spending like crazy. What's going on here? I can remember seeing a meeting not too long ago where Councilman Kalwinski and Councilwoman Venecz was talking that we need to save money. That we need to cut. You're spending money like crazy. How many contracts do we got here? How many consultants do we have here? The city of Hammond needs to know what are we spending. I think we're spending too much money. We're gonna borrow close to \$44 million, we want to know where this money's gonna go to. We already know where the Park Department money's gonna go to, it's in the ordinance. Of course it'll be coming up. But \$36.5 million from \$30 million to \$36 million, what's going on? I think we're spending too much money. If we're gonna get, I hope that figure's right that we're getting \$8 million from the Water Department. That's good. Why don't we use that money to pay the debt? Why do we got to keep spending all this money and get ourselves in debt? Just imagine yourself, you got a \$40 thousand job and you're gonna go out there and borrow, you already owe for your house, you already owe for your car, and you're gonna go borrow another \$50 million, an outrageous amount? Something's has to stop.

Mayor McDermott - There was a lot of just complete misunderstandings and lack of knowledge in this little diatribe that Councilman Hinojosa just went on. First off, let's go back to the very beginning. When I took over as mayor we had our water customers buying water from the city of Hammond and selling it in Illinois and they were making a profit. Munster and Dyer both. We stopped that over the years. Okay. We secured the border for the Hammond Water Company. Which means the only people that could sell water into Illinois is the Hammond Water Company. The way it should have been. It wasn't like that when I took over as mayor. After that, contracts expired in Illinois and we renewed contracts at significantly higher rates than we paid before. Literally from .55¢ per thousand gallons in Chicago Heights and Calumet City to \$2.20 which is where we are now. Soon to be \$3.20, January 1st, 2015. We got sued in federal court, we defended the city and the water department and prevailed. Now we took a revenue stream that when I took over as mayor was \$1 million a year. Because of some good thinking and hard work by some of the consultants and lawyers that Councilman Hinojosa is criticizing right now, we've turned a \$1 million revenue stream into a \$5 million revenue stream. Next year that revenue stream could go up to \$8 million. However, what we're proposing now is because of debt that by the way, debt that we all know is there. That Councilman Hinojosa has been a councilman for 12 years, he's approved almost every single budget since he's been a councilman. He approved this year's budget. This \$30 million we're talking about right now, is built into the budget he just voted for in the last meeting. Okay, this \$30 million is built into the budget to clear up debt in the city of Hammond. Once we clear up this debt we're not gonna have to worry about carrying debt forward anymore. We're gonna secure a lot of the debt that Councilman Hinojosa is complaining about. A lot of the expenses that we been carrying year after year that he knows full well about because he voted for these budgets and he's been a councilman for twelve years. So you have to assume he knows what he's talking about. But the fact of the matter is, it was hard work and ingenuity on behalf of the city that turned a \$1 million revenue stream into what could be an \$8 million revenue stream. So what is this. He wants to put it in terms that say if you've got a \$40 thousand a year job and you went out to get a \$50 thousand

INTRODUCTION OF ORDINANCES cont.

Mayor McDermott cont. - loan. No, what about this, what if you have a \$40 thousand a year job and you got a contract that guarantees you for eighteen years to make \$250 thousand a year. Could you go out and get a bigger house? That's absolutely what we are doing. We know that for the next eighteen years the city of Chicago Heights is going to buy water from the city of Hammond at at least \$2.20, most likely even higher than that in the coming years. So based on these revenues that we will have coming into the city of Hammond unless people stop buying water. Based on that future revenue they're giving us a debt right now up front that would be paid so in the future we're not gonna get all of that revenue stream. We'll get a lot of it still. So if you want to talk what we've took over. I took over we made \$1 million a year. Now we make \$5 million. Next year because of the rate increase, even with taking this \$30 million, \$5 million a year. You're not even going to see a cut in revenues to the city. Why? Because of provisions we built into the contract with our customer communities that said every two years we could raise the price of water to 85% of what Chicago charges. So right now Calumet City and Chicago Heights are paying \$2.20 for a thousand gallons. Next year, which is already written into our contract, they're gonna pay \$3.24. Even with this \$30 million infusion of cash into a city that needs to clear up debt. Even with that infusion of cash you're gonna be still seeing about \$5 million in revenue next year because of that stepped price increase. This water revenue does not touch the streaming in Calumet City at all. This revenue only concerns the sale of water to Chicago Heights and next year that price is gonna go up by \$1 per thousand gallons. As far as casino revenues, and River Park Debt and all that other stuff, I have no idea how Councilman Hinojosa jumbles all this stuff together. This is about a \$30 million cash infusion to our city because of hard work and ingenuity that we did, the council and the mayor, and it's gonna help immediately and he just voted for the budget last week. In the last council meeting you had he voted. With that \$30 million in there. Unless he didn't know what he was voting on, he's voting one way and then pandering to the crowd differently in the very next council meeting. It's either one or the other. Either he didn't know what he was doing or he's totally being a politician. You decide. Could I have Kevin come up here and explain the disparity between the 36 and the 30 that seems to be confusing Councilman Hinojosa.

Atty. Kevin Smith - Directing my comments to Councilman Hinojosa and the question regarding the difference between the \$30 million and the \$36 million. Often times, councilman, you will see in bond issues there is a ... and this is of course in the authorizing ordinance you have before you today, there is a number that bond council generally hedges a little bit on because there's all kinds of variables. I can tell you for example, Councilman Hinojosa, in many bonds there is a requirement of a debt service reserve. A bond holders and investors require this so that they get some additional, I mean look at it I think Corporation Kantar called it a security deposit, kind of look at it like that. You're getting first and last months rent to the landlord which in this case happens to be the investors and the bond holders. So they require that to be about one year of annual payment, so that's approximately \$3 million. So there's \$3 million of the six, okay. There's also of course issuance cost which are minimal. I should say minimal as compared to the entire bond. Usually somewhere between \$100-\$150 thousand. Then the rest is a little bit of wiggle room just in case rates go up or other items like that. So, just because you see \$36.5, Councilman Hinojosa, that doesn't mean that's what the bond issue will be. I think the goal here is to keep it around \$30 million and then the rest of it would be for debt service reserve as well as issuance cost. I hope that addresses your question.

INTRODUCTION OF ORDINANCES cont.

Councilman Hinojosa - Like I said, originally it was supposed to be \$30 million and I heard from heather that there was gonna be uh \$4.5 to \$5 million left over. If it's originally \$30 million, why are we borrowing \$30 million if we're gonna have \$4.5 to \$5 million? Why don't we just borrow 25? Now the case is that number went up to \$36.5 million and I understand what you said, but if we're gonna have \$5 million left over why are we borrowing \$36.5 million? Why don't we just borrow 31.5 and reduce the \$5 million? But I don't think I have my questions answered yet. If we're gonna be getting \$5 million and of course we're only gonna get \$4.4, the Water Department's gonna get the \$1.2 and, Mr. Mayor, you said we're gonna clean up the debt but you haven't answered my questions, where is all this money going to? Is it going to the dog park? Is it going to the Purdue fields? How much more do we have to get in debt? \$36 million, that's a lot of money. If we owe \$178 million in total debt for the whole city of Hammond and we're gonna borrow another \$44 million? I think that's a lot of money.

Controller Garay - Councilman Hinojosa, I think what I explained to you all at the budget hearing meetings was that every year there is a difference of \$10 million. What we're bringing in as revenues and property taxes and what we're spending as a city and we have to find a way to close that gap. Now in past years because the property taxes were higher, because we had more gaming revenue, it was easier to close that gap. Now with the property tax caps in place our tax revenues are falling and we have \$10 million every year. If we do not do something about that, that will just roll into the debt and that is what has been done in the past. So what I tried to give you this year was a budget that was very realistic. I didn't say we were gonna get \$80 million in property tax revenues because we're not. I gave you what we will realistically get in property tax revenues and that left us with that gap that we have to close and how are we approaching closing that? With water revenues? With gaming revenues? So, if we have this opportunity to get this water bond and yes, we will hopefully end 2015 with \$4.5 to \$5 million in the bank. That means we only have to close a \$5 million gap that year instead of a \$10 million gap. So what we're trying to do is make the situation so that we don't have to come to the council and take gaming monies every, every year. As far as the dog park comment, I mean, that's not really gone anywhere yet. There is a very small budget on that that has absolutely nothing within the range of the millions that we're asking for for the water revenue bond. This is all the things that we talked about in the budget hearing and as I explained this is something that we have to start addressing otherwise we're going to just end up with this rolling debt going forward on and on.

Councilman Higgs - I guess my question would be to you, Heather, if you could please remain there? My question would be to you as it relates to the optional income tax. How much money do you actually think Hammond will be getting from that option income tax?

City Controller Garay - I don't have the numbers in front of me. I believe the local option income tax brought us to about \$4 million. That is where we shifted some of the cost for the insurance from the police and the fire departments. That was in.... I'm sorry, I didn't bring the budget with me, I'm sorry Councilman. But if you take a look, and I think I did explain this as well in the budget hearings, that number, that \$63 million it's reduced by the number that we shifted to those other funds. So, if we were gonna say, oh well we could use the local option income tax money for some of this debt, well then you have to consider that we threw \$4 million back on top of the general fund. So now our \$63 million becomes a \$67 million. So, we're still in the same exact place we were it's just calling it something different.

INTRODUCTION OF ORDINANCES cont.

Mayor McDermott - I want to point out that local option income tax was passed in Lake County as Controller Garay properly pointed out the city does receive \$4 million a year, but I'd like to point out we all know how much property tax revenue we've lost since we've been in office. When Councilman Hinojosa first took over as the 6th District Councilman the city of Hammond received \$42 million in property tax revenue that year, in 2004. How much property tax revenue we get this year?

City Controller Garay - We will be lucky if we get 23.

Mayor McDermott - \$19 million in property tax revenue we have lost. When Councilman Hinojosa took over as councilman in the 6th District, January 1st, 2004, we had about \$32 to \$34 million in gaming revenue. We got about 30 to 32 gaming revenue, we took a \$17 million hit in property taxes and then Councilman Higgs says well the local option income tax should make that up. We'll be lucky if we get \$5 million from that. We're missing \$15 million a year and you wonder where your gaming revenue went. You know, the bottom line is we have to make fundamental changes in our expenditures if we're going to get rid of that debt. If we're not gonna get rid of that debt we're gonna continue to use water revenue, our gaming revenue, to shore up our budget every year. It's a fact.

Council President Opinker - All in favor? All opposed?

AYES: ALL

14-37 Amending Ord. 8547, known as Sec. 72.016, as it pertains to Administrative Towing Fees

Councilwoman Venecz, supported by Councilman Emerson, moved the proposed ordinance to 1st and 2nd reading by title and referred it to the Council as a Whole Committee.

AYES: ALL

Councilwoman Venecz - This increases the Administrative Towing Fee from \$20 to \$75, that is in line with what Lake County charges and we have not had an increase since 2004.

14-38 Creating a New Fund (Fund #018) for purposes of Acquiring and Demolishing Blighted Residential Structures in accordance with the Indiana Housing and Community Development Authority Blight Elimination Program

Councilman Higgs, supported by Councilman Hinojosa, moved the proposed ordinance to 1st and 2nd reading by title and referred it to the Council as a Whole Committee.

AYES: ALL

Councilman Higgs asked to be added as a sponsor.

14-39 Concerning the Issuance and Sale of Bonds of the Park and Recreation District of the City, the Appropriation of the Proceeds of the Bonds, and other matters connected therewith

Councilman Spitale, supported by Councilman Kalwinski, moved the proposed ordinance to 1st and 2nd reading by title and referred it to the Council as a Whole Committee.

INTRODUCTION OF ORDINANCES cont.

Councilman Spitale - Pat Moore, in charge of the Park Department, along with his attorney, Lisa Berdine would like to express exactly what this ordinance is about.

Mayor McDermott - We also have the Chancellor of Purdue if anybody has questions in regards to this. This is about a Hessville project. It's Dowling Park in Hessville, right by the Jean Shepherd Center for those of you that aren't are. This is a project that we undertook with Purdue University Calumet. A few years back, speaking strategically as the mayor has to do. Purdue is one of Hammond's largest employers. As we all know Purdue recently has built two dormitories right on 173rd. They're expanding their athletics programs and we decided to partner with Purdue. We're in the process right now securing the terms. We're hoping possibly to sell this land to Purdue. We're working through the details as we speak right now. But if anybody hasn't been to Dowling Park recently in Hessville, it's looking really good. Purdue should be playing on those fields next spring, baseball, softball, tennis. Men's and women's soccer will be next year. I think it's important to secure Purdue to the city of Hammond. I think this is the type of project that is going to do it. It's gonna make Purdue Calumet sports one of the premier collegiate sports venues in the entire Midwest. I think that's good for the city of Hammond, I know it's good for Hessville. So anyway, I know that Lisa and Pat are both here to answer any questions. I just wanted to give you the big picture. We made a decision to proceed forward with the bond on this and we're working through the details of the sale with Purdue right now but I could tell you that this is gonna get it to completed parking lots, completed fields, walking path around the entire complex, relocated sled hill. As far as the perks, that will take place after this. This is gonna get it to what we consider a finished product. As far as what happens after this I think, hopefully, by that time Purdue will and the city of Hammond will have some type of sale agreement moves forward with maybe the press box, and score board and lights and stuff like that. But this gets it to a finished state and I want to remind the council that we've done Optimist Park, Hessville park, Robertsdale Park, Hermits Park. We've spend a few million dollars on those projects in the past. This is very consistent with how we've done other complexes around the city.

Councilman Hinojosa - \$7.3 million is ... of course we're gonna get bonds for this and we're gonna make payments. I know for 2014, Mr. Mayor, you had about \$4 million because you got 30%. Next year for 2015, you're only gonna have a half a million dollars just like the rest of it. So is the bond payments gonna be made out of the \$36.5 million?

Mayor McDermott - Of the gaming revenue? No, this is gonna be paid off the taxpayers of the city of Hammond. \$9 dollars for a \$90 thousand dollar home. \$9 a year for a home owner in the city of Hammond.

Councilman Markovich - I request we have a public hearing on November 17, 2014 just like on the other bond issue for this. A couple questions I had on the other one. I don't want to wait until the next council meeting. On 14-36, from what I understand it says July 15, 2015 that's when it's done and over with but usually in the past when we do a bond we have a break down of the costs, pay back schedule, bond counsel fees and the term, the length. I don't see any of these things here. So, I would just request ...

Mayor McDermott - For sure, absolutely Councilman.

INTRODUCTION OF ORDINANCES cont.

Councilman Markovich - I mean, there's nothing in here. It doesn't say how long it's going to be, the term and so forth. I think by the next council meeting for 14-36 and 14-39 we have a breakdown of all of that.

Mayor McDermott - You will have it by the public hearing. I was just informed by the attorney. I don't know if the Chancellor Keon wants to say anything. I don't want to put him on the spot. But I think we should extend the opportunity. This is Rick Costello the Athletic Director for Purdue University Calumet also.

Purdue Calumet Chancellor Thomas E. Keon - I'd like to thank you all for considering this. We believe that Hammond is our home and for the time that I have been chancellor I've done nothing but do more in Hammond and work more closely with Hammond because we know that for Purdue Calumet, and soon to be Purdue Northwest, to be successful Hammond must be successful. We believe that we add to the city and we believe that the city adds to us. This particular project I think is particularly beneficial not only to the university but the plan is for the city and members of the city who are wanting to use the facilities when we are not in session. The city will have those available to them. So although you'll be looking at this as a strong collegiate set of athletic fields it will also be a wonderment in terms of what will be available to the city of Hammond. So I appreciate your thinking positively about this bond issue. Thank you. If you have any questions I'd be glad to answer.

Mayor McDermott - I want to point out also this tax levy was contained in the budget that was passed recently by the Hammond City Council on a 9-0 vote. This was something we talked about during the last council meeting as well. All nine Hammond Councilmen voted for this and it's tax levy was contained within that budget and it was properly pointed out.

Council President Opinker - All those in favor? All opposed?

AYES: ALL

14-40 An Ordinance of the Common Council of the City of Hammond, Indiana, Authorizing the Issuance and Sale of Revenue Bonds of the City of Hammond, Indiana, in an Aggregate Principal Amount Not to Exceed \$36,500,000, to Procure Funds to be used in the Exercise of the Powers of the City or for the Payment of City Debts, together with Expenses in Connection with the Issuance of the Bonds

Councilwoman Venecz, supported by Councilman Kalwinski, moved the proposed ordinance to 1st and 2nd reading by title and referred it to the Council as a Whole Committee.

Councilwoman Venecz - This is actually part two of 14-36. 14-36 was an appropriating ordinance and this is an authorizing ordinance. So it is with regard to the water bonds.

Councilman Hinojosa - I hope there's a plan for you know, 2015 and 2016 doesn't look good for the districts. We're probably gonna have \$350 to \$400 thousand in my district probably and I'm sure most of them. But what is the plan to get back up there where we could have at least \$1.3 to \$1.4 million. We went from \$2.6 million to \$1.3 million, now we're down to half million or less. Where's the plan because I just done a street on California, just to do a two block street \$1.2 million. There's a lot of streets still to do out there in the districts and there's a

INTRODUCTION OF ORDINANCES cont.

Councilman Hinojosa cont. - lot of lights. A lot of people are asking for lighting. Why don't we spend it out there in the community? That's what I gotta say. Why don't we spend it on the community? Let's put some lighting out there. Let's do some more streets. Let's spend it in our districts. Let's spend it on Hammond.

Councilwoman Venecz - In due respect to my colleague, we are talking about bonds here that are going to free up the casino funding so you will be able to do your streets.

Councilman Hinojosa - Mr. President I have ambitions.

Mayor McDermott - It seems that Mr. Hinojosa is throwing a temper tantrum about the fact that people aren't gambling as much and that there's more competition in Chicago. I could throw a temper tantrum. I could get really mad about it. I could yell at Rahm Emmanuel and I could yell at the Illinois legislature for passing gaming laws that compete with us but it's not gonna get things done. When you're a leader you realize the hand you're dealt and you move forward. The fact is things have changed, Councilman Hinojosa, since you took over as Councilman. The fact is people don't gamble as much and there's more competition which puts a strain on that budget. I agree with Councilwoman Venecz, by passing this revenue bond and freeing up a lot of that dept it's gonna give the district council people more money so they could do those lighting projects and those street projects. This is a relief for the gaming revenue. It's not gonna hamper the gaming revenue and as far as what we could do about people gambling less, Councilman Hinojosa, I suggest you talk to Rahm Emmanuel, Governor Pat Quinn and the Illinois Legislature and ask them not to pass laws that compete with our gambling boat. Because that's about the only thin that's gonna change it. Either that or encourage more people to go gamble. Because that's what you're talking about. Gambling revenue is going down and if I had to make a prediction I think it's gonna continue to go down. I think every single year we're gonna have more competition and eventually they're going to build a casino that's literally within two miles of Hammond's border. They're gonna do it. It's gonna happen. When that happens, you think this is bad, you're gonna take another hit on your gambling revenue. The future of the city of Hammond is not in gambling boats. That's true statement. The future of Hammond is water. That's where we're making money. That's our future and it's bright because of the actions that this administration is taking securing that border and making it so that only one city in Indiana can sell to Chicago. Hammond, we're the only city that could sell water to Chicago. The future is not casino revenue, Councilman Hinojosa, the future in Hammond is water. And we've done everything we can do as an administration to make it so that we're one of the only players in the game other than Rahm Emmanuel. To give you a perspective, Rahm Emmanuel's Chicago Water Company pulls a billion gallons a day out of Lake Michigan. Hammond, 50 million. There's a need for what we offer, water. It's a need in Illinois and we've done a great job over the last eight years of shoring up these contracts and making it so that there's only one player in the game outside of Rahm and the Chicago Water Company, it's the Hammond Water Company. I'm proud of what we've done. We wouldn't have \$30 million in revenue coming to the city right now were it not for the hard work and action of this administration. I would just appreciate it if you just said thank you, Chico, because you did nothing to help us solve this problem. We did and now you're whining about it. I would appreciate just a simple thank you.

Council President Opinker - All those in favor? All opposed?

AYES: ALL

RESOLUTIONS

14R-27 Authorizing the Filing of an Annual Action Plan Application and Designating Signatories
Payment Voucher of Letters of Credit for the Annual 2015 Annual Action Plan Programs

Councilman Spitale, supported by Councilman Higgs, moved for adoption.

Councilman Spitale - This is making application for the CDBG and the ESG Programs.

ROLL CALL VOTE (adoption)

AYES: Markovich, Spitale, Venecz, Kalwinski, Uylaki, Higgs, Emerson, Hinojosa, Opinker

NAYS: None

ABSENT: None

Motion carried

9/0/0

RESOLUTION NO. R27 ADOPTED

14R-28 Renewing and Extending the Term of the Hammond Urban Enterprise Zone

Councilman Kalwinski, supported by Councilman Spitale, moved for adoption.

Council Coordinator Balboa read resolution in its entirety.

Councilman Hinojosa - I'm sure that this is good that we renew this but... and by the way it was put together by Reardon Consulting Services, if I'm not... I mean, correct me if I'm wrong, I believe Pat Reardon was let go a while back when we made cuts and everybody was talking about, we need to make cuts, and we need to make cuts, and the Redevelopment Department, I believe, let Pat Reardon go. So now we're hiring Pat Reardon as a consultant. I'm sure this resolution could have been done by the law office that we presently have. So my question is, if we'll answer it, is how much is the contract for Pat Reardon Consulting? If anybody can answer that. We're hiring consultants, after consultants, after consultants, we're supposed to be making cuts since way back and now we're hiring more consultants. Reardon Consulting Services, how much are they being paid? What is their contract?

Mayor McDermott - When I took over as mayor we had, I think three full time employees working for the Urban Enterprise Association. We have zero now. I guess it's true that Mr. Reardon is a consultant. I don't think it's very much. I couldn't tell you off the top of my head. But I know Councilman Higgs sits on the UEA Board so he'd probably know more than I do. Councilman?

Councilman Higgs - I have no idea because currently we're non-existent as it reflects Hammond.

Mayor McDermott - Right. But I could tell you that Mr. Reardon worked for the city for a long time. Multiple administrations. He reached retirement age, did retire. Even though technically he wasn't a city employee we granted him retirement as though he was.... because Urban Enterprise is basically an arm of the city. I only imagine it's got to be very, very small. I couldn't tell you off the top of my head, Councilman Hinojosa. I would imagine \$10 thousand or less. Because as Councilman Higgs indicated, UEA is not as active as it once was. The

RESOLUTIONS cont.

Mayor McDermott cont. - state laws have changed. But, you pointed that out. It's a fair critique. So, I can find out if you want me to research that more. But I can tell you off the top of my head it's not a lot because there's not a lot going on in the UEA.

ROLL CALL VOTE (adoption)

AYES: Markovich, Spitale, Venecz, Kalwinski, Uylaki, Higgs, Emerson, Hinojosa, Opinker

NAYS: None

ABSENT: None

Motion carried

9/0/0

RESOLUTION NO. R28 ADOPTED

14R-29 In Support of Returning Ownership of the Indiana Toll Road to the Citizens of Indiana

Councilwoman Venecz, supported by Councilman Kalwinski, moved for adoption.

Councilwoman Venecz read resolution in its entirety.

Councilman Emerson - I really agree with this resolution. I wouldn't mind being co-sponsor. But be that as it may, the line primarily used to construct and repair bridges and roads in Southern Indiana Counties that do not benefit the cities of Northern Indiana who are actually paying the tolls. I remember it caused me to write a letter to the editor when this all went down I don't know how many years ago it was and I mentioned that my suggestion was that we tax the Covered Bridges in Brown County so I could get ornamental lights on my street and everybody seemed to like it. But I'm glad to see that line in there, councilwoman, it's great and I totally agree with it.

Councilman Markovich - You know that there's a saying out there that careful what you wish for because you might get it. From what I understand the \$3.8 billion is already probably spent that the state used all that money to do roads and like was stated earlier down in the south end of Indiana and we're the ones paying for all of this. I know there's been a couple articles in the paper about bankruptcy and so forth and all of that. I mean, that's a procedure that they go through and if somebody's planning on getting this thing, you know, pretty cheap then so be it. But from what I understand is that there's all kinds of these maintenance problems and everything and all of that this could cost a lot more money then probably even what this lease is really worth. Maybe if we could get some further dialogue or your outlook or what you feel on it Mayor I would appreciate it.

Mayor McDermott - You know, I think this goes back to, at the time when this was being discussed, Councilman Markovich, the Governor was Mitch Daniels. Governor Daniels at the time strongly indicated that should the private operator of the toll road ever go bankrupt, literally used these words, that the toll road would revert back to the state. He said it a lot and it was picked up by other members of his party and the general assembly members that approved this lease for 75 years. By the way, I totally agree with a lot of what everybody said up there, as far as how the money was used, I think that was the worst part of this. If we're gonna privatize it that money should have been used in the north, where the tolls are being paid. But what really irks me the most about this resolution is Governor Daniels literally used that language that if the toll operator goes bankrupt the toll road

RESOLUTIONS cont.

Mayor McDermott cont. - will revert back to the state. Who would have thunk that the toll road owner would go bankrupt? Well, what happened was they started off with a \$4 billion dollar debt and then they played something called an interest rate swap. Which is a financial derivative, and it went against them. They lost \$2 billion on top of the \$4 billion so they're looking at a \$6 billion debt. There's no way a \$6 billion will ever be satisfied with the toll schedule as was proposed, which is why they're filing for bankruptcy. Which leads the question, if Governor Daniels was telling the truth when he said this multiple times, the toll road should revert back to the state. I believe, obviously, if you take on a road, I agree with you Councilman Markovich, there's cost that comes with that. But there's also a higher toll now. I know the toll road made \$200 million a year before the tolls were raised, revenue. How much does it make now with the higher tolls? The tolls are gonna go up each and every year because it was part of the 75 year deal. So, I think there is money to be made if the state of Indiana would jump back into this. I don't think they want to though. For some reason. Maybe what we were being told at the time wasn't true. Maybe even though the governor said it at the time and even though the members of the general said that if they file bankruptcy it reverts back to the state, maybe that wasn't true. But I think what you're asking through this resolution is if that were true, Governor Daniels, Governor Pence, Atty. General Zeller, if that were true then why don't we get back the toll road on the cheap? They files for bankruptcy. So, I appreciate you bringing that up though.

ROLL CALL VOTE (adoption)

AYES: Markovich, Spitale, Venecz, Kalwinski, Uylaki, Higgs, Emerson, Hinojosa, Opinker

NAYS: None

ABSENT: None

Motion carried 9/0/0 RESOLUTION NO. R29 ADOPTED

14R-30 Authorizing the Hammond Police Department to Apply for Two 2015 Indiana Criminal Justice Grants

Councilman Spitale, supported by Councilwoman Venecz, moved for adoption.

Councilman Spitale - Currently there's two grants available for the Hammond Police department. One is Operation Pull Over grant for \$62 thousand. The other being Pedestrian Bicycle Safety grant for \$10 thousand.

Mayor McDermott - You have to admit this is very horrible timing for this grant to be going forward. I just want to address it instead of letting everybody wonder. This grant, you have the right as a council to say no to any grant we get from the federal government. Okay. So you can say no and that's fine. But just because you say no doesn't mean that there's not gonna be seatbelt enforcement or any other type of traffic enforcement. This federal money that we use to offset the cost of the police department. So, you have to admit this is horrible timing, this took place a long time before recent events and if we do vote it down it's not like the Hammond Police Department's not gonna be conducting seatbelt checks and jaywalking checks and things like that. It's just we're gonna be doing it with Hammond taxpayer money instead of federal money. And by the way, we use federal money often when we do seatbelt checks and jaywalking and things of that nature. So like I said, it just so happens that we have a deadline coming up which is why it's pending right now before you. If I could have

*Prepared by
Robert J. Golec
Hammond City Clerk*

RESOLUTIONS cont.

Mayor McDermott cont. - picked any other day I would have picked it. But we have a deadline and that's why it's pending before you today. It's horrible timing I agree but if we don't use this federal money the Hammond Police are still gonna conduct these checks. They'll just be doing it on taxpayers money instead of federal money.

Councilman Higgs - The reality of it is, Mr. Mayor, it's a federally funded, it's gonna help the police department and any resources that are available I believe should be utilized to the full extent as it relates to helping the officers as well as the fire. I've always stated that. They are the number one priority when it comes to this city.

Mayor McDermott - Thank you, Councilman. I agree.

Councilman Markovich - Like the mayor said, it's free money so why would you vote no?

Mayor McDermott - In response, Councilman Markovich, there's some that feel that this is not a good use of money and maybe we shouldn't be focused on that. There are people that feel that way and I understand people have that right to feel the way they do. I just wanted to address the fact that this is really horrible timing to be bringing this grant up and I wanted to just clear that up. If we're gonna get this grant we have to apply a.s.a.p. so if it's deferred or its voted down... you know.

Councilman Markovich - Well, I know two years ago they had the Friday night at Pirogi Fest two years ago, doing it on Indianapolis Blvd. I guess they run maybe one every five cars. Well, that's how they do it fairly.

Mayor McDermott - I know when you're doing road blocks and stuff like that you have to follow a certain constitutional ...

Councilman Markovich - I guess I was car number four so I got lucky. So then I went home and came back and then I sat there and watched for two hours to see what was going on and how

Mayor McDermott - Or you could wear your seatbelt, I mean.

Councilman Markovich - Well, that's how it works and all of that. So I mean they did have some warrants. They did tow some cars and everything so it's a good thing. Like I says, it's free money, so.

Mayor McDermott - Thank you, I appreciate it.

ROLL CALL VOTE (adoption)

AYES: Markovich, Spitale, Venecz, Kalwinski, Uylaki, Higgs, Emerson, Hinojosa, Opinker

NAYS: None

ABSENT: None

Motion carried

9/0/0

RESOLUTION NO. R30 ADOPTED

NEW AND UNFINISHED BUSINESS

Councilman Higgs - I want to personally thank the directors of the Ophelia Steen Health and Service Center. Recently I had a health and fitness work shop held at Ophelia Steen Health and Service Center where some of the residents were able to come out and get informative information as it relates to health insurance and other resources that are available. So I certainly want to thank Carolyn Jackson and the board of directors of the Ophelia Steen Health and Service Center.

Councilwoman Venecz - As I do at every council meeting I would like to announce some of the upcoming community and crime watch meetings in our city:

Wed., Oct. 29	Jefferson C.W.	Jefferson School	6:30 p.m.
Mon., Nov. 10	Columbia C.W.	Columbia School	6:30 p.m.
Cancelled	Edison C.W.		
Fri., Nov. 7	Edison on the Road	Golden Manor Senior Bdg	1:00 p.m.
Fri., Nov. 7	Irving C.W.	Irving School	9:15 a.m.
Thur., Nov. 13	Whiting/Roberts C.W.	Calumet College	6:30 p.m.

That is how change happens, one person, one gesture, one moment at a time.

Councilman Higgs - I recieved correspondence from a concerned citizen concerning alleged police brutality by the Hammond Police Department.

Councilman Higgs, supported by Councilman Hinojosa, moved to lance an investigation regarding any allegation of alleged excessive force by the Hammond Police Officers past and current and all findings made public within sixty days.

Council President Opinker - Who's this going to? Police Department?

Councilman Higgs - I would assume or the mayor, administration, whoever needs to address the concerns.

Mayor McDermott - First off, in regards to the Jones arrest which I imagine what the councilman's referring to. That's true, right Councilman Higgs?

Councilman Higgs - Mayor, this is from concerned citizens...

Mayor McDermott - No, I'm asking you ...

Councilman Higgs - ... addressing concerns. It doesn't necessarily ... If you want to address it as such that's fine. If that's what you want to center this around. These are requests that are being made to your administration as it relates to any incidents that have occurred past and present.

NEW AND UNFINISHED BUSINESS cont.

Mayor McDermott - Okay. I want to let the council know and I'm sure most of you are aware of this already, just in case you're not though, immediately after the Jones arrest which is where a lot of the criticism came from, quite frankly I didn't hear a lot of criticism before the Jones arrest outside of a few people here and there that were arrested. Sometimes when people get arrested they feel a little violated. However, after the Jones arrest a lot of the bad press that the city of Hammond received during that whole ordeal... first off, the F.B.I. was in contact with the chief of police in regards to this incident and is it safe to say it's pending? Pending investigation by the Feds? Currently Washington, D.C. Which obviously we complied 100% with, of course. Secondly, during this ordeal I reached out to Governor Mike Pence. I was gonna reach out to the Sheriff because I respect the Sheriff's office very much and I didn't think that was appropriate given the Sheriff and my close relationship. And the fact that I was a former chairman and the Sheriff is the current chairman, I felt that trying to have the Sheriff conduct an independent investigation even though I think he would have done a great job. I trust the Sheriff's Office 100%. It was the perception more than anything that I was worried about that if we do have this problem that bringing in the Sheriff, even though the sheriff may find nothing wrong doesn't really help because the perception is the Sheriff and I are good friends and I called up my good friend Sheriff Buncich to come and do this investigation. So instead of calling the Sheriff, I did talk to the sheriff a number of times about this incident by the way and I'm appreciative of the fact that he agreed to serve on our community panel, alright. I called Mike Pence, the Governor. We talked two different times. Not just a quick two minute conversation. In depth conversations both times and I have to say the Governor and I aren't best friends. I'm not on his Christmas card list and he's not on mine. I have to say the Governor treated me with total respect. He cared a lot about the situation we were involved in and promised me in the first conversation he would look into it. The first conversation was literally twenty five minutes long. He said mayor could I call you back tomorrow on this? I said absolutely Governor. My request to the Governor was, I think Governor having the State Police come in and investigate this incident would lead a lot of people let them feel better about the situation because everybody knows Governor Pence and Mayor McDermott aren't on the same team politically so obviously the State Police conducting this investigation, I thought there's no better person to go to in the State of Indiana because we want to get to the bottom of this than to call the Governor. We had a great conversation on the first day. On the second day the Governor called me back like he said he would. We had another twenty, twenty five minute conversation. He was very charming and during that conversation he told me after speaking with the State Police, after speaking with a lot of people in law enforcement, with the usual experience, that he didn't feel that there was a justification to bring the State Police into Hammond, Indiana. That's from the Governor of our state. Now, I appreciate Councilman Higgs, and I know that Councilman Higgs is trying to do his job as a councilman. But I want you to know that it's not like we did nothing. We worked with the Federal Bureau of Investigations and we asked the State Police to come in and do this investigation. I couldn't go to the Sheriff because the Sheriff is my friend and it didn't have a proper perception. So we did everything we thought we should. There is an active law suit in this case. I want to remind everybody and we have to be mindful of the fact that there is an active lawsuit and also there's a pending disciplinary hearing going on within the Hammond Police Department called the Board of Captains. Which involves two of our police officers, two lieutenants that were at the scene, and that's going through the process as we speak. So it's not like nothing has been done internally in regards to this incident. I just wanted to point out everything that we've done and I think we handled a horrible situation about as well as you could. I realize there's things that we could have done better and maybe differently and made people feel better. I acknowledge that there's mistakes I made and I could have done different things but it was a tough situation

*Prepared by
Robert J. Golec
Hammond City Clerk*

NEW AND UNFINISHED BUSINESS cont.

Mayor McDermott cont. - with a national media focused right here in Hammond, Indiana and, you know, we're trying to still heal. That's why we're calling things like the community forum and that's why we're going through the process with the F.B.I. So.

Councilman Higgs - Initially there was a motion and there was a second. As I present these motions it's up to this body to exercise their right to say yes or no. It's simply just requesting some information from the mayor's administration. So, either you want to or you don't.

Councilwoman Venecz - I request that Councilman Higgs restate his request.

Mayor McDermott - With specificity too. I have no idea what he's asking for and I want to remind everybody this is not the law suit and I don't want to compromise the city's position and end up paying a large settlement down the road because ...

Councilman Higgs - Mayor, for clarity. The motion is to launch an investigation regarding any allegations of alleged excessive force by any Hammond Police Officer past and current and all findings made public within the next sixty days. That's simple.

Mayor McDermott - So, does the Board of Captains satisfy your request? Because that's already happening.

Councilman Higgs - Mayor, you can respond however you so choose. The motion was made on the floor and seconded.

Mayor McDermott - Okay, I'm just asking for clarification, Councilman Higgs. Maybe you could clarify and make it a little bit easier to understand.

Councilman Higgs - Clarify it however you so choose to answer the question, I'm fine with it. The reality of it is, Mayor, that we're requesting the information. Now you are the administrator of the city. If you so choose to want to delegate, tell the chief to do it, I don't have a problem with that. It's however you want to handle it. It's a simple motion. It's been motioned and second.

Mayor McDermott - The fact that the F.B.I. is currently investigating, does that satisfy Councilman Higgs' request? Because the F.B.I. is investigating it.

Councilman Higgs - The reality of it is certainly any efforts or anything that's being done in regards. I read the newspaper. I'm educated on every step that you've made in regards to these allegations or whatever took place. I was not there. I'm not a officer. Certainly I am watching it closely and there are people withing the community that are concerned about what took place. So all they're asking of you is to simply answer the questions. If you feel as though you can't answer it then ... you know, the motion's been made and second. So now it's up to this body to move forward and then you have the right to say (unclear).

NEW AND UNFINISHED BUSINESS cont.

*Prepared by
Robert J. Golec
Hammond City Clerk*

Councilman Hinojosa - Mr. Mayor, you answered most of it but what I think they are asking is for you to put it in writing. I mean did the F.B.I. investigating, you're having a November 5th you're having something at the Civic Center, I mean all the above.

Mayor McDermott - So the motion is to put it in writing?

Councilman Hinojosa - Right. You said most of it already.

Mayor McDermott - So if you do this motion I have to write you a memo and say, "Councilman Hinojosa, the F.B.I. is investigating. We're having a community meeting on November 5th and that satisfies the resolution?"

Councilman Hinojosa - You tell me.

Councilman Higgs - As I stated previously, it's so simple. Just like you go on WJOB on Friday morning's, all it's saying is all findings made public within the next sixty days. However you feel you want to answer the question you can answer it on the radio. You can answer it by letter. So, in reality, it's how you want to handle it. As being administrator of the city and Mayor of the city of Hammond, you have the obligation to not only support the residents of the city but to answer questions as it reflects anything and everything that goes on within the city. So in saying that, how you so choose to want to answer these questions is totally up to you. If I was the mayor I could tell you and I could give you suggestions, whether or not you'll listen to me that's up to you. But, the reality of it is how you want to deal with the situation. It's a simple motion. It's been motioned and second.

Mayor McDermott - I can hear my lawyer yelling in my ear right now. I mean what if we discover something that compromises our legal case and we're facing millions of dollars in legal fees and judgement fees because ... I have the floor now, what if we discover something that the lawyers want to come out through discovery and instead it comes out on the floor here and it's on the front page of the times and it compromises our legal case and we're looking

Council President Opinker - I totally agree with you on that, Mr. Mayor. Carmen, on this issue we're gonna have a roll call vote.

Mayor McDermott - I think that you've got to remember that there's a pending case...

Councilman Higgs - Call for the vote.

Mayor McDermott - I think that we've been very clear about the role that I've taken as your Mayor and what I've done in a tough situation and if, you know, I leave it up to you. I want to remind you we're in an active law suit and they're not looking for \$1 thousand. Great point by Corporate Counsel, what if the F.B.I. is not done with their investigation in sixty days. They don't move at our speed, Councilman Higgs, they move at their speed.

NEW AND UNFINISHED BUSINESS cont.

*Prepared by
Robert J. Golec
Hammond City Clerk*

Councilman Markovich - you know everybody has valid arguments. I mean, I just got a copy of this. I gave a copy to the mayor and everything. I mean, we're covering all bases with the F.B.I. and the State Police and with the Governor and everything and like I asked Councilman Higgs, I says you know if you've got a copy give us a copy so we can see what we're voting on and everything. I would just make a motion that we take this whole piece of paper and just forward it to the F.B.I., the State Police and the Governor and then it's done and over with and this way because of the pending law suits we're not impeding any investigation or where it might jeopardize anything in that respect. I guess we all know, like what the Mayor stated as far as money for lawyer fees and so forth and all of that. I mean, who has more power than the City Council other than the Governor, the F.B.I. and the State Police because I sure as hell don't want to be messing with them guys. You know. And let them do their job and they have a findings, we can give them this letter and they can address all of that and they could probably come back to the concerned citizens whoever they may be and they can interview them and talk to them. A lot of people are gonna be afraid to come forth and say anything in public because, well, see what's going on in Chicago, with that one minister. He's being threatened. He's got to move his family out of the house. Because he's endorsing one Governor in a race. I mean that's getting crazy. I mean, you know, things are getting nuts where you know you want to support a candidate and then you're treated like that. I mean, it's not supposed to be that way. Everything is being addressed. It's unfortunate that this happened itself too. But let it run its course or the concerned citizens whoever they may be, I mean, meet with the F.B.I., the State Police, the Governor. If we had some names to go by or anything in that respect. And I agree with you Mayor and Councilman Higgs, you're just doing it, as well as the Councilmen at Large would want to do the same thing.

Councilman Higgs - I feel I disagree with that point of clarity as it relates to Councilman Markovich. There have been several community meetings and I haven't seen you or the other Council Persons at Large at either one of them. So if you're really concerned I would say step to the plate.

Councilman Markovich - Wait a minute. How can you go to a meeting if you're not notified or invited. You were in the same boat. There's been meetings in the 3rd District where you're at that you claimed you were not invited to. So, sometimes everybody that's on the cc list doesn't get anything. You know it, and I know it, we get letters up here, we don't have a meeting for a whole month, correspondence comes here, I miss ribbon cuttings and everything else because it came to the Council Office and you were notified after the fact. I got a letter one time that was two weeks old. My address is 1821 Davis and it went to Clark School 1921 Davis and they sent it to me two weeks later. I mean, thank you, but. It's just the way it is.

Councilman Higgs - Point of clarity, you know I find it ironic that you would state that Councilman Markovich. This year I went out of town and while I went out of town you and Councilwoman Janet Venecz was on Ophelia Steen cleaning it up. Prior to that you call me for everything else, you could have called me and notified me that you were going up to clean up with some kids within my community.

Councilman Markovich - I don't want to get into that, Councilman Higgs. I was called and invited by the Steen center to be there. Councilman Spitale was there and anybody and everybody that wanted to come and help. There's a lot of things that I get invited to and I'm out of town. I can't be there. November 5th, probably one of the biggest meetings in the City of Hammond, that's my wedding anniversary. It's an important meeting and

NEW AND UNFINISHED BUSINESS cont.

*Prepared by
Robert J. Golec
Hammond City Clerk*

Councilman Markovich cont. - everything but you can't be anywhere and everywhere at the same time. There's only one person. You know, I don't have nine lives like a cat where I could split up and go nine different places.

Councilman Higgs - We can go on and on and on and dialogue about that but the reality of it is I pay attention to my surroundings and I have a spirit of discernment whether you know it or not. But the truth of the matter is this is a simple motion. It's been motioned and second. Vote on it. If you so choose to want to vote on it.

Council President Opinker - As Councilman Markovich said, we should put it all together. Make the motion, Councilman Markovich.

Councilman Hinojosa - Point of order. Councilman Markovich said about give this to the F.B.I. let them answer it or whatever it is. If you look at the next couple of motions money is paid out by attorneys for excessive force, it didn't say in the newspapers. I think that's what they want to know. F.B.I. can't answer that. Hiring, hiring is done by the City of Hammond, hiring is not done by the F.B.I. Another motion is about sensitivity training, that's done by the police department, that's not done by the F.B.I. Oversight commission, it would be done by the City of Hammond or the police department, it would not be done by the F.B.I. There's a motion already, let's go through the motions one at a time. Vote yes or no. Call for the vote.

ROLL CALL VOTE (motion for information)

AYES: Markovich, Venecz, Higgs, Hinojosa

NAYS: Spitale, Kalwinski, Uylaki, Emerson, Opinker

ABSENT: None

Motion fails

9/0/0

MOTION FAILED

Councilwoman Venecz - On this recommended motions for Councilman Higgs to put on the council floor 10-27-14, there are five items that the concerned citizens addressing the alleged police brutality would like answers for. I understand the information that's being requested in item number one is sensitive because of the law suit and because of the investigation by the F.B.I. Can we put all of these requests in one motion? Read them and answer them to the best of our ability?

Councilman Higgs - I would prefer to go one motion after another one in sequence.

Council President Opinker - Let's go. Let's have the motion. We're gonna do the next four right in a row.

Councilman Higgs - We can't roll call vote something we haven't read. We haven't read the second one.

Councilwoman Venecz - I would like to read the recommended motions in their entirety. The first one...

Councilman Higgs - Point of order. The point of order is the fact Councilman Opinker, Mr. President, this was addressed to me. I don't need Councilwoman Venecz to speak on my behalf.

NEW AND UNFINISHED BUSINESS cont.

Council President Opinker - I guess she beat you to it.

Councilwoman Venecz - The first motion was motion to launch an investigation regarding any allegations of alleged excessive force by any Hammond Police Officer past and current and all findings made public within the next 60 days. The second one, motion to receive all supporting financial documents regarding all monies paid out to every attorney who defended the city of Hammond against any alleged excessive force cases by any Hammond Police Officer, past and current and all other expenses incurred and all findings made public within the next 60 days. Motion to receive in writing the plan to increase the hiring of additional African American to the Hammond Police Department and all findings made public within the next 60 days. Motion that the Hammond Police Department adhere to the law by implementing an ongoing sensitivity training/diversity program for the police officers and their entire staff within the next 60 days. Motion to develop an oversight commission to administer policy, procedures and performances of every Hammond Police Officer and staff and that a percentage of this commission will reflect the diversity of the city of Hammond and African Americans within the next 60 days. Those are the requests.

Council President Opinker - Do I have a second.

Councilman Hinojosa - Second.

Councilman Hinojosa - These are motions for the second, third, fourth and fifth motions. I'd rather have them separately but as far as the second one what they're talking about here is if one of the lawsuits that was paid out was \$17,500 how much was paid in lawyer fees? Motion to receive in writing about hiring additional African Americans, right now I believe there's less than 5%. I think that's a good motion. The fourth one, that's about sensitivity training, that's good. I hope we do have sensitivity training. I think all police departments should have it. The last one on an oversight commission, I think that's good. Let's come up with an oversight commission and let's keep an eye on the diversity. We did pass a resolution 9 to 0 that should somewhat reflect the diversity of the city.

Council President Opinker - Now the first one we already voted on, it was voted down five to four. Now we're voting. We got a first by Councilwoman Venecz, second by Councilman Hinojosa. Now I'm opening it up for discussion.

Councilman Higgs - The breakdown as of 2014 for the Hammond Police Department for officers is at 153 White males; 9 Black males; 25 Hispanic males; one Asian; one Indian; one Hawaiian; eight White females and 3 Hispanic females.

Mayor McDermott - I called the chief of police up to address this issue. I do want to point out that we already hired a class of nine officers that are coming in on January 1st, 2015. These officers were hired prior to any of the controversy that we're dealing with now. These officers were hired six months. Out of this class of nine that are coming in there's one African American Female, one Hispanic female in that class. I mean, not that that makes people feel great but that's fact. So, let me ask a question. So if we're gonna take Councilman Higgs'

NEW AND UNFINISHED BUSINESS cont.

Mayor McDermott cont - recommendation do I call up those seven Caucasian police officers that were already hired and say, "Sorry, can't hire you"? I mean isn't it the most important thing about who scores the highest on the test and who does the best job as a Hammond Police Officer? Are we gonna say, "Sorry, seven Caucasian police officers"?

Councilman Higgs - If I can address this, Mayor. As it relates to officers and fire, we all know that there are certain criteria that's required as it relates to being a officer or fireman. We're not taking that to the back door and saying as though you must hire African Americans, that's a must. There are criteria and standards in being an officer just like an EMT or a fireman. We understand that. But the reality is at some point or another maybe you need to try to find a resource to try to attract more people of my color. Because that's what I'm hearing. Now how you do that, you have to come up with that idea. That's up to you. You're the mayor of this city. If I was the mayor I could give you.... (unclear).

Police Chief Doughty - I could respond briefly to the hiring practices of the Hammond Police Department. We want diversity within our Hammond Police Department. We could use more than we have. I would like to have more than we have. Everyone knows that I am a resident here. Grew up on Bauer Street. My neighborhood was diverse and I welcome that and I would like my department to better reflect what the city is now and back then what it was then. Times are changing, the neighborhoods are changing, and I would love my police officers to change with it. We will and we are. But we have restrictions. We have testing. We work with a company out of Indianapolis to make sure that it's fair for everybody across the board. We go to job fairs and we do specifically try to recruit minorities to come to the Hammond Police Department and go through our testing process. I don't have anything to do with the grading of those tests, it's all handled by Indianapolis. That keeps us out of lawsuits. It keeps us out of jail. Okay, because I'm not gonna do anything wrong to skew those test results. I can't help the way that falls. I would rather have a better population of a better pull of people coming to want to be an officer in Hammond that offered us the diversity we seek. Right now it's not happening.

Councilman Higgs - As I stated before. This is not something that just been in the forefront. This is something that has been addressed in previous years. Certainly, I applaud your efforts. I appreciate the fact of you coming out and looking at the community. I don't know if that was your son, or whose son it was, but that shows me that you're concerned and I appreciate that. Because to be the only African American city councilman is not an easy task. Especially when you have your own ethnic group sometimes fighting against you instead of helping you. So, in saying that it's important that I address the concerns of all my constituents and address them in a professional manner so that everyone is clear. I understand there are standards to being a officer. I understand there are standards to be a EMT. There are standards to be a fireman. But there are also other departments within the city that we qualified individuals that are prepared to take on the task and be in professional positions and somehow they are overlooked. So, in saying that you can look at it two ways but the reality of it is what is being said is that the community.... the reality of it is we would like to see more African Americans on the police force.

Police Chief Doughty - And I am in agreement with you.

NEW AND UNFINISHED BUSINESS cont.

*Prepared by
Robert J. Golec
Hammond City Clerk*

Councilman Hinojosa - I know Hammond is not the only city that has 25% African Americans or 50% or 75%, but I bet those departments did something. We pay all kind of money in consulting fees for this and that. That the police department consult on other cities on how they brought up their diversity, their numbers to somewhat reflect the diversity of the city. Did we? I don't think we have, 5% is poor. Now as far as those recruits that you have already going to the academy, we're spending money on them already. I mean there's only one African American out of the ones in the academy. What was it nine or ten of them. They need to go through. I mean they're ready to go for Hammond. Unless you have another plan.

Councilman Higgs - I'm 'on say this and I'm 'on be done. Mayor, I pay attention to some of your dialogue and conversation. You said that as it relates to African Americans it was 20%.

Mayor McDermott - I don't remember. I don't know what you're talking about.

Councilman Higgs - Well, that's what was said and if you look at the numbers as it relates to African Americans, it's nowhere near 20%.

Mayor McDermott - Okay.

Councilman Hinojosa - I believe Chief Doughty, or the Mayor said that these recruits are going to the academy already as of maybe six months ago but I believe the resolution that we passed that the city of Hammond that the employment of the city should somewhat reflect the diversity of the city, I believe that was passed like seven or eight months ago so this is way before six months ago, so, you failed.

Mayor McDermott - Again I ask, so, let's say when we get done with our testing you've got the top nine candidates. I've noticed in the past I have a strong desire to hire Hammond residents for our police officers. It's something that's important to me and I get very frustrated because a lot of times the highest scoring people on the test aren't Hammond residents. So what's the answer? Do you skip over those nine to go maybe down to maybe number twenty nine or number thirty to the person that's the highest scoring Hammond resident? I mean, the fact is when you are doing testing for the police officers you get the ones that score the best and you take them and you hire them. Are we gonna call these nine and say, "Sorry nine Hammond police officers, you were the highest scoring, you're gonna be a great police officer one day we just can't hire you in the city of Hammond because Councilman Hinojosa doesn't believe that you're gonna be a good police officer."

Councilman Higgs - The reality of it Mayor, that's a decision that you would have to come up with. If you feel....if everybody passed and the scale is one to ten and everybody passed the test and they're all in the pool and those individuals you interview them, I would hope that even after they pass the test there's an interview process I would hope. I don't know 'cause I'm not a officer. But the reality of it is I do have arrest rights though. But the reality of it is that if they're in the pool of people that are qualified then maybe you need to interview them.

Mayor McDermott - Me?

NEW AND UNFINISHED BUSINESS cont.

*Prepared by
Robert J. Golec
Hammond City Clerk*

Councilman Higgs - Whoever's in charge.

Mayor McDermott - I've never interviewed one person for the police department. Because it's completely not political. It's the highest scoring individuals get hired. I've never talked to one prospective police officer until they were already chosen to be police officers. That's how political this process is. It's not political at all. It's about the best person that scores the best gets hired. What you're asking, Councilman Higgs, is something different. You want me to skip over the best and go down to number twenty nine or thirty because...

Council President Opinker - Enough discussion. Roll call vote.

ROLL CALL VOTE (Motion 2-5 for information)

AYES: Markovich, Venecz, Higgs, Hinojosa

NAYS: Spitale, Kalwinski, Uylaki, Emerson, Opinker

ABSENT:

Motion failed

9/0/0

MOTION FAILED

Councilman Higgs - It just gives you an opportunity to see where my colleagues are at. I mean, if it's open and there's nothing in particular just requesting information, I don't see why it would be a major concern for them to get the information. After all we do serve you all so I would say next year, hey. I don't know what else to say.

PUBLIC EXPRESSION

Carlotta Blake King - Amazed by charade she just witnesses with this vote. Everybody knows a safe vote. Be for real and vote your conscience. The safe votes are disheartening. Officials are not attending meetings and always have excuses.

Ola Smith - We've had this conversation relentlessly. It's been an ongoing conversation. We elected you but you do nothing for us. 2nd and 3rd were designated precincts for demolishing houses by the Indiana Hardest Hit program for blighted properties. I want to spend dollars in my community not have to go to Calumet City or Merrillville, although we have no busses.

Carolyn Jackson - Thanked Councilman Higgs for his continued support of the Ophelia Steen Center. Wanted to clear up a misconception about the clean up day at the Ophelia Steen Center. I went out to clean up some trash one day and Councilwoman Venecz came to inform me that she and several others were gonna be coming up there to do some things. The director at the time did not inform the board. I had no idea. I do want to say thank you. But due to the fact that the proper channels were not gone through we did not know. Safe Haven Academy has joined the Ophelia Steen Center.

Alvin Cheeks - He is troubled by the things going on in his community. Has gone up against the police but has showed them respect. We have to find a way to fix this problem. The F.B.I. asked me for documents by the Hammond Police Department. Police officers are watching Councilman Higgs. People feel Councilman Higgs life is in danger. I watched a police officer give Mr. Warner a ticket for visiting Councilman Higgs. The police are following Rev. Polk.

PUBLIC EXPRESSION cont.

*Prepared by
Robert J. Golec
Hammond City Clerk*

Mayor McDermott - It would be reckless if I didn't come in and address Mr. Cheeks allegations. If there is anybody that is suggesting in any way, shape, or form Hammond Police Department is following anybody that has anything to do with demonstrations or anything belonging to the city, I categorically deny everything that is being said. There is no way that is true. I just want to point that out. I mean it's easy for Mr. Cheeks to come up here and drop allegations like this at the end of a meeting. I want you to know that no discussion has ever taken place. No actions have ever taken place that could ever prove that that is true. It's reckless to say these things but you can do that as a member of the audience. But as the Mayor I want to make it clear, that is not tolerated, has never been practiced ever, not one time since I've been mayor nor will it ever as long as I hold office.

Councilman Higgs, supported by Councilman Hinojosa, moved to return to New and Unfinished Business.
AYES: ALL

Councilman Higgs - I would be remiss if I didn't acknowledge that my pastor is in the audience and Rev. Polk thank you so much for coming out this evening.

Councilman Hinojosa, supported by Councilman Higgs, moved to go back to New and Unfinished Business.
AYES: ALL

Councilman Higgs, supported by Councilman Hinojosa, moved to adjourn. AYES: ALL

Councilman Hinojosa, supported by Councilwoman Venecz, moved to adjourn. AYES: ALL

Michael Opinker, President
Hammond Common Council

ATTEST:

Robert J. Golec, City Clerk

Minutes approved at the Hammond Common Council Meeting of November 17, 2014.

Time: 8:15 pm
cb

*Prepared by
Robert J. Golec
Hammond City Clerk*