

The regular meeting of the Hammond Common Council of the City of Hammond, Lake County, Indiana was held on August 28, 2017 in the Hammond City Council Chambers.

Council President Janet Venecz presided.

Council Coordinator Carmen I. Balboa facilitated.

PLEDGE OF ALLEGIANCE was recited by all.

Moment of Silence was observed.

ROLL CALL

PRESENT: Markovich, Spitale, Kalwinski, Emerson, Rakos, Venecz

ABSENT: Torres, Higgs, Woerpel

TOTAL: 6

PRESENTATION BY THE School City of Hammond.

Presentation by:

Dr. Walter J. Watkins, Superintendent of Schools

James Burgraf, Executive Directors of Buildings and Grounds

Kristopher Rivera, Assistant to the Superintendent - Human Resources

Theresa Mayerik, Assistant Superintendent for Academic Services

Theophilus Boone, Assistant Superintendent for Business Services-Chief Financial Officer

Carl Sender, Financial Advisor

Alesia Pritchett, Executive Director of Business Services

Councilman Woerpel and Councilman Higgs are present.

Councilman Woerpel - When you say the exempt debt goes away, does the referendum take care of the exempt debt we're carrying now? The part of the referendum covering the exempt debt that we have now, that makes it go away in 2020?

Ms. Pritchett - No, the impact of the referendum, it doesn't cover that. It's just, by law, that's automatically taken off of the taxpayers bill. We were only exempt through 2019 to request that extra levy from taxpayers

Councilman Higgs - In regards to the referendum, I see you have some scheduled dates of pursuing it and getting it out to the public. Generally, how is the response, or how do you feel in terms of the public and the city of Hammond? How are they responding to the referendum?

Mr. Boone - Dr. Watkins and some of our school board members have attended community sessions and we find that it's been very receptive with the community. I think it's been very positive.

Councilman Markovich - How many total employees do you have?

PRESENTATION by School City of Hammond cont.

Mr. Rivera - Full time, I think there are approximately 1700, and then we have subs and whatnot.

Councilman Markovich - Total. Subs, part time, whatever.

Mr. Rivera - Over 2000.

Councilman Markovich - And how many students do you have?

Mr. Boone - 13,800 and that's including pre-school.

Councilman Markovich - So how is it that you provide 26 thousand meals a day if you only have 13,800 students?

Mr. Boone - Breakfast and lunch. Sometimes a third meal.

Ms. Mayerik - We actually provide the elementary schools, we provide free breakfast and free lunch. We also have a partnership at a number of our schools with the YMCA daycare and because of that we also provide to a number of children who stay in the daycare a supper also.

Councilman Markovich - How many total of these lunches are free and how many total are reduced, lunches?

Ms. Mayerik - All of our lunches in the elementary school, all of the breakfasts and lunches are free because we have such a high rate of free lunches at the elementary level we are able to get subsidized from the government.

Councilman Markovich - So, what percentage of your total students are on that program?

Ms. Mayerik - 75% is our poverty rate. That's the total of free and reduced lunches.

Councilman Higgs - Is that for the entire city?

Ms. Mayerik - Yes.

Councilman Markovich - How many of the students live outside the city that attend Hammond schools?

Mr. Boone - Roughly, right now, we're at (unclear).

Councilman Markovich - 352 attend school here but don't live in the city?

Mr. Boone - Correct.

Councilman Markovich - Okay, and then how many employees live outside the district?

PRESENTATION by School City of Hammond cont.

Mr. Rivera - 1,042 live in and approximately 1000 live out.

Councilman Markovich - So, half then.

Councilman Markovich - How many of your administrators live outside the city.

Mr. Rivera - I don't know off the top of my head.

Councilman Markovich - Do you have a list like that?

Mr. Rivera - Sure, yea, of course we keep that information.

Councilman Markovich - I got a question on these fact sheets. Maybe I'm not reading it right. But like for \$100 thousand home, how do you figure \$67,250 for a Homestead deduction? How do you come up with that figure?

Ms. Pritchett - You have your Homestead I can put it in but the way the formula works... The Homestead deduction by itself is \$45 thousand plus the Homestead supplemental is the difference between the actual Homestead, your actual cost of your home, minus the \$45 thousand, times 35%, that comes to the Homestead supplemental. Then you have the \$3 thousand for your mortgage if you have a mortgage of \$3 thousand or more. That's how you come up to the deduction.

Councilman Markovich - So on \$100 thousand home you're saying somebody's going to get \$67,200 of a Homestead deduction?

Ms. Pritchett - If they live in the house, yes.

Councilman Markovich - I'm not getting that kind of deduction off of my tax bill.

Ms. Pritchett - If you go out to county and file the papers, you have to go out to the county and file the papers.

Councilman Markovich - File what papers?

Ms. Pritchett - The papers for the Homestead.

Councilman Markovich - I have all of that. Mine doesn't total no \$67 thousand though.

Mr. Boone - I recommend you go into the tax calculator and fill it in and it'll show you what yours should be and then compare it to your bill.

Councilman Markovich - I think that maybe what your examples that you gave, I think maybe you should do that and list that and put that out as a flyer for people to see that.

PRESENTATION by School City of Hammond cont.

Ms. Pritchett - We have that. I went through, actually talked to Mike W. this evening, we went through to make sure as far as the information as to how the deductions come up and that's exactly how the calculation is done. So, I don't know exactly, you know, looking at your tax bill, what happens to your tax bill, to actually see what's on your tax bill and come up with the calculations.

Councilman Markovich - I would like on this tax impact sheets for \$100 thousand, \$150 thousand, the breakdown for the \$84,750 and \$67,250, exactly what deductions, to make it easier.

Ms. Pritchett - Okay, okay.

Councilman Markovich - I heard you on the radio the other day and it's hard to give out facts and figures over the radio when people don't have nothing in front of them.

Ms. Pritchett - It is.

Councilman Markovich - Because I know when you invited us to your School Board Meeting, Mr. Sender rattled off a bunch of figures and you put your thing on the screen and nobody could see it because they said it was too small or whatever in that respect.

Ms. Pritchett - I actually brought my laptop in case someone wanted to use it to actually

Councilman Markovich - For each one of these Homestead Deductions, I mean a Homestead is usually \$45 thousand but then you're listing \$67,250.

Ms. Pritchett - The Homestead by itself is \$45, the supplemental is an additional portion of what you get as a deduction.

Councilman Markovich - Most people don't understand that and so, like, if you can do that like Mr. Boone said about on a computer where you can list that out then that would be a lot helpful.

Ms. Pritchett - I will, I will.

Mr. Boone - (Unclear) as what's on your tax bill currently.

Ms. Pritchett - We can do the calculation for you for how the formula works.

Councilman Higgs - The reality of it is, I mean, it's not their responsibility to tell you to file for all your exemptions, Councilman Markovich. She's only explaining what you're eligible for.

Councilman Markovich - I don't need anybody to tell me what examples or exemptions I'm entitled to or whatever.

PRESENTATION by School City of Hammond cont.

Council President Venecz - Councilman Markovich, you have had several opportunities to ask questions. I would like to see if there is anyone else up here that would like to ask any questions.

Councilman Spitale - My question is, (unclear) assessed value going up is going up in our city, how is (unclear).

Ms. Pritchett - Currently, this year, the assessed value went down.

Councilman Spitale - (Unclear) How's that figure into the figures that you have (unclear). You don't know where it's going to be (unclear).

Mr. Boone - It does go up slightly. What it really does mean is the values of the homes have gone up slightly. The taxes will be spread over a variety of homes.

Councilman Spitale - How is that gonna (unclear)?

Ms. Pritchett - But it still, in 2020, there will be no additional tax, in 2020.

Councilman Spitale - So the figures that we have really aren't true because of the assessed value will be (unclear).

Ms. Pritchett - Well, the rate, if your house goes from \$80 to \$100 thousand, you still have the same, the example of the \$100 thousand then would still fit in to that's how much a person would pay. It depends on what's the value of your home. You could drop any value of your home into the calculator to say this is, based on this rate, this is what you're gonna pay. The rates not changing, so the .44¢ will still be in place.

Mr. Sender - It will, but the capital rate of the .36¢ that the assessed value goes up or least rental amount or paying the debt service is fixed. So if the assessed value goes up between now and 2020, that rate will come down. So that will be even more of a tax savings, again, when the exempt debt falls off. So it will be a benefit. Ms. Pritchett is correct that the .44¢ is a fixed rate and that would stay in place.

Councilman Kalwinski - You know we have a large stock of rental property in the city of Hammond. So, for the \$100 thousand home that is a rental property, what are your numbers for that? Any ideas?

Mr. Sender - We did not run on other numbers, but again, if you would take the assessed value, you know, again, times .80¢, in 2020, but again, everyone's gonna see a decrease. So, you're gonna see about a .38¢ decrease in 2020. Now, '18 and '19, again, you just multiply, if the \$100 thousand is your assessed value, times .44¢ per 100, that would be what your increase is gonna be in '18 and '19, a little higher in '19. But in '20 you're going to see a decrease of .38¢.

Councilman Markovich - So, with the example of \$150 thousand, correct me if I'm wrong, what is the taxes being paid now for \$150 thousand home with your so called \$84,750 deductions, what are the taxes being paid right now on that house?

PRESENTATION by School City of Hammond cont.

Mr. Sender - I don't think, unless it's in, is it in your example, I don't know that it's in your.... it's just the increase. But again, you're presuming you're at the 1% rate.

Councilman Markovich - No, my question is, what is the taxes being paid right now on \$150 thousand home, minus your so called deductions. So you're saying an assessed value of \$65,250, what are the taxes right now on that house for the School City?

Mr. Sender - Councilman Markovich, the property taxes calculations is a little more complicated than that. You pay the lesser of either the gross rate on your net assessed value or on your gross assessed value times 1%. So, times 1% of , you know, \$150 thousand, you're probably looking at \$1,500 per year plus the exempt rate.

Councilman Markovich - So somebody right now is paying \$1,500 for school taxes on that house?

Mr. Sender - Not for school, that's for all taxes.

Councilman Markovich - No, no, I'm asking what is the person paying for a house just for the school alone. Not the total bill of \$1,500. What are they paying right now for the school portion? You had to have that figure.

Mr. Sender - You have to also understand that the tax credits, the tax cap credits are shared by all the taxing units, but I'm guessing the school's probably makes up about 40% of it. Would that be about right?

Ms. Pritchett - Yes, it's about 38% from what the calculation that I got from Mike W.

Mr. Sender - So, 38% of \$1,500.

Councilman Markovich - So, you can't figure that out? You don't have that figure?

Mr. Sender - I'm sorry I didn't bring it with me tonight. We can certainly have handouts ...

Councilman Markovich - Well, let's just say it's \$600, then. Is that a fair thing, on a \$1,500 tax bill, you're saying it's 40%, so it's just \$600 just for the school city alone, correct?

Mr. Sender - Correct.

Councilman Markovich - So now if we take this tax impact for \$150 thousand home in the year of 2018 there's gonna be an additional tax of \$287 added on to that \$600?

Mr. Sender - But you're also gonna save...

Councilman Markovich - No, that's my question. Is that what's gonna happen?

PRESENTATION by School City of Hammond cont.

Mr. Sender - Yes.

Councilman Markovich - So then in the year 2019, so now we're up to \$600 plus \$287, so we're up to \$887, so then in the year 2019 we're gonna add another \$309 to that? Is that correct?

Mr. Sender - Sounds right?

Councilman Markovich - Okay, so just after the year 2019 on \$150 thousand home the taxes paid to the school is gonna be \$1,196, \$1,200 total, just for that house, just for the schools, correct?

Mr. Sender - Approximately.

Councilman Markovich - Yea, so that's what it is, \$1,200 you're gonna be asking. So, then, if you're gonna have 2018 and 2019 you're gonna have the \$287 and the \$309, let's just call it \$310, so \$597 additional taxes to be paid on that house. Correct?

Mr. Sender - Are you adding both years together?

Councilman Markovich - Yes.

Mr. Sender - Okay.

Councilman Markovich - So, it's gonna be \$600 additional tax is just for those two years then.

Mr. Sender - Okay.

Councilman Markovich - So you're talking \$1,200 total just for the School City alone on \$150 thousand home.

Mr. Sender - For those two years and then you go to 2020 and then you're gonna see when they

Councilman Markovich - Well, what happens, how much is it gonna drop? Is it gonna go from \$1,200 to \$900 then? What's it gonna be?

Mr. Sender - Well, the total savings is gonna be .38¢ and that includes all the debt. I guess we don't have it separated but the school rate will probably be around .70¢., the regular debt rate portion..... We'll have to get you exact numbers.

Councilman Markovich - All I'm doing is asking questions that people are asking me and I don't know, and if I'm asking you and you don't know, then who knows?

Mr. Sender - Okay.

PRESENTATION by School City of Hammond cont.

Councilman Markovich - The bottom line is after 2019 there's gonna be an increase of \$600 if somebody's tax bill is gonna be \$1,200 just for the school itself. And you're gonna say after the year of 2020 there's gonna be a reduction, well what is that reduction gonna be?

Ms. Pritchett - On \$150 thousand house it's \$771.19 comes off for the exempt debt portion.

Councilman Markovich - So it's gonna be ...

Ms. Pritchett - \$771.19 comes off for the exempt debt portion.

Councilman Markovich - Off of the \$1,200 dollars, the \$1,196?

Ms. Pritchett - Yes, \$771.19 comes off for a \$150 thousand house.

Councilman Markovich - Well, you need to put those kinds of figures out there and explain that to everybody because just to say that it's only gonna be \$287 and then the next year \$309, only, only, only, but they're already paying \$600 a year on top of that. You're not coming across and letting the people know that.

Mr. Boone - We were only showing the impact of the referendum.

Councilman Markovich - Pardon me.

Mr. Boone - We're trying to depict the referendum impact.

Councilman Markovich - Well, yea, I mean, if you're only saying \$600 more over the next two years, that's only \$600 for a new school and upgrades and everything. But you got to tell them also that they're already paying \$600.

Mr. Boone - We're just trying to depict the referendum impact.

Councilman Markovich - But you got to show them the whole picture, not just the referendum. People don't know how much they're paying now for their schools, for their taxes on their \$150 thousand house.

Mr. Boone - It does appear on their tax bill.

Councilman Markovich - People don't really understand it. I talked to a guy today, a senior citizen, he just pays his bill and that's it. He don't know anything about that. That's what you need to explain. You know, that basically your taxes are gonna double, just for the schools alone, with that referendum.

Ms. Pritchett - For two years.

PRESENTATION by School City of Hammond cont.

Councilman Markovich - Well, yea, and then whatever the figure is gonna be, you're saying \$771 or whatever is gonna come off after that?

Ms. Pritchett - And actually they'll see a decrease in 2020, yes. It'll be less than what they are paying currently this year.

Councilman Markovich - So you say.

Council President Venecz - Ms Pritchett and Mr. Boone, I understand you have some public forums coming up and would you like to announce publicly those dates so everyone has an opportunity. For those who have questions, every year a property owner gets a print out of our tax bill. It shows exactly where our taxes go. I would like to point out that of the property taxes that we pay, a portion of it goes to the County, to the Township, to the School District, to the Library and to the City. All are separate taxing authorities. None of them have any authority over each others taxing ability. So when you have these public forums, I urge everyone who is a property owner to pull this out. Go to the School City website and use the calculator. Councilman Kalwinski I did look at the rental properties and the rental properties impact was significant. So, would you like to announce those dates and locations so everyone can plan on attending? Then we will wrap up this portion of our meeting.

Ms. Mayerik announced the upcoming forums.

READING OF THE MINUTES

Councilman Spitale, supported by Councilman Emerson, moved to accept the minutes of August 14, 2017 and place on file. AYES: ALL

APPROVAL OF CLAIMS

Councilman Markovich, supported by Councilman Higgs, moved to approve the claims from August 9, 2017 through August 23, 2017. Claim #4902 through claim #5221, inclusive, along with the re-submission of claim #3597.

ROLL CALL VOTE (claims)

AYES: Markovich, Spitale, Kalwinski, Higgs, Emerson, Woerpel, Rakos, Venecz

NAYS: None

ABSENT: Torres

Motion carried

8/0/1

CLAIMS APPROVED

PUBLIC HEARINGS

None

COMMUNICATIONS

Councilman Higgs read correspondence from the City Environmental Department regarding a soil testing program being initiated with the cooperation of the city by the E.P.A. to test for arsenic and lead in the residential soil.

Councilman Higgs announced the Annual Hammond Fire Department Fire Prevention Open House at the new Fire Station 8, 6550 Parrish Avenue, on Sat., Oct. 7 from 10 a.m. to 2 p.m.

Councilman Rakos read communications from the HUGS Organization (Hispanics United Government Services). On Sat., Sept. 9 they will host their 1st Annual Mexican Independence Pageant at the Hammond Civic Center. Dinner, dance and pageant. Followed by a parade on Sept. 16.

Councilman Higgs announced Mayor McDermott's Employee Dodge Ball Tournament on Sept. 29 from 2 pm to 5 pm at the Jean Shepherd Center.

Councilman Higgs announced an indoor garage sale at the Jean Shepherd Center will be held on Sat., Nov. 4 from 10 a.m. to 3 p.m.

Councilman Higgs announced the City of Hammond Planning & Development and volunteers The Hearts of Hammond Community have applications available at Hammond City hall in Suite 115 if you want to nominate someone for volunteer work throughout the city. The categories are outstanding adult volunteer, outstanding adult teen, outstanding adult organization and advocate for children.

Councilman Rakos announced the ribbon cutting for a park area at 173rd and Cline Service Road tomorrow at 4 p.m. It is across from the Knights of Columbus.

Councilman Higgs asked for a moment of silence for Cookie who passed away and was very active in the city and will be missed.

COMMITTEE REPORTS

Finance Committee - Councilman Woerpel - Brought out 17-19.

Community & Crime Watch Committee - Councilwoman Venecz - Announced upcoming meetings:

Edison C.W.; Wed., Sept. 6; Edison School; 6:30 p.m.

Edison on the Road; Fri., Sept. 8; Golden Manor Senior Apartments; 1 p.m.

Harrison Park; Tues., Sept. 5, VFW on Hohman (not verified)

Irving C.W.; Fri., Sept. 1st; Irving School; 9:15 a.m. (Bilingual Program)

ORDINANCE 3RD READING - FINAL PASSAGE

17-19 An Ordinance creating a new fund (Fund #257) for the City of Hammond, for purposes of Receipting and Accounting for the One-Time Special Distribution of Local Option Income Tax Funds

Councilman Woerpel, supported by Councilman Spitale, moved for passage.

Councilman Woerpel - This is a ordinance that creates a, if I got this right, a one time fund for the community crossing grants which are being used, as an example, 165th St., some reconstruction, I believe this was money that was part of a grant in 2016. Am I correct? You know what, I'm screwing it, can we just let Heather come up and speak on it?

City Controller Garay - You were close, Councilman. This is a fund that is to account for the one time special distribution of LOIT that we received in 2016. Originally we were allowed to put them in our LRS Fund but since that time the State Board of Accounts has issued a memo requesting that we receipt those in Fund #257 so that it is receipted consistently across cities and towns throughout the State. Ours just opened up so that's why we are taking care of it now. Those dollars are restricted to infrastructure projects and ours will be used to apply for matching grant funds on the Community Crossings Grant so our 2016 application was approved and construction has begun. So these dollars will go into the Fund #257 and then be used as a match for that other grant fund.

ROLL CALL VOTE

AYES: Markovich, Spitale, Kalwinski, Higgs, Emerson, Woerpel, Rakos, Venecz

NAYS: None

ABSENT: Torres

Motion carried

8/0/1

ORDINANCE NO. 9382 PASSED

INTRODUCTION OF ORDINANCES

17-20 An Ordinance Amending Ordinance No. 8514, also known as the Hammond Zoning Ordinance, for Purposes of Adopting a Planned Unit Development District Ordinance for the Columbia Business Park Planned Unit Development Establishing the Provisions for the Columbia Business Park Planned Unit Development as a Supplement to the Zoning Ordinance

Councilman Higgs asked to be added as a sponsor.

Councilman Higgs, supported by Councilman Woerpel, moved the proposed ordinance to 1st and 2nd reading and referred it to the Council as a Whole and Building and Zoning Committees with an Intent to Consider on September 11, 2017. AYES: ALL

RESOLUTIONS

None

*Prepared by
Robert J. Golec
Hammond City Clerk*

NEW AND UNFINISHED BUSINESS cont.

Councilman Higgs - After taking a tour through my district there are a number of issues I needed to address so here are a few things that needed to be addressed.

Councilman Higgs, supported by Councilman Woerpel, moved to send a letter to Code Enforcement in regards to 37 Waltham for a Cut & Clean, 40 Waltham for a Cut & Clean, and also for 5806 Erie for a Cut & Clean as well.

Councilman Higgs added two more addresses, 818 Bauer and 911 Bauer, for Cut & Cleans. AYES: ALL

LETTER SENT: AUGUST 29, 2017

Councilman Higgs, supported by Councilman Woerpel, moved to send a letter in regards to the light at pole no. 89/607, the light is on the 5800 block of Rhode. Also, NIPSCO pole light 42673, 5900 block of Tapper, which has been out for six months. AYES: ALL

LETTER SENT: AUGUST 29, 2017

Councilman Higgs, supported by Councilman Woerpel, moved to send another letter to Code Enforcement regarding 1137 Morris, some vacant property that needs a Cut & Clean. AYES: ALL

LETTER SENT: AUGUST 29, 2017

Councilman Woerpel - As you can tell, I'm having brain cramps tonight. During the Approval of Claims, claim #3597 to Ice Miller for \$5 thousand was put back in and just in the interest of keeping the public informed, we had a meeting with the Judge. That claim is part of a \$15 thousand agreement that she has with this firm to help in the transfer of cases with closing the court. She has, to my satisfaction, at that meeting assured us that she will work with this Council, with Heather, and with the Chief of Staff and the Mayor, and she wants to cooperate and close the court properly. So, I saw a quizzical look on a face, like, hey, why's this being resubmitted. But, she did answer our questions and at least to my satisfaction. So, I just wanted to explain why it was put back in.

Councilman Higgs, supported by Councilman Rakos, moved to send a letter to Code Enforcement regarding 19 Webb which needs to be demo'd. The property has been vacant for a number of years and it's just sitting there. AYES: ALL

LETTER SENT: AUGUST 29, 2017

PUBLIC EXPRESSION

Laurie Czulno - Thanked council for its questions to the School Board. There were a lot of questions the School City could not answer. I would hope they would work on making their answers less evasive. You can turn those numbers any way you want, if you tell me something is 40% good then that makes it 60% bad. There is a lot of waste in education, I would urge them to tighten their purse strings.

George Stoya - I was hoping you would let the audience ask some questions. I think this school referendum is more important than the train. Being given information amounts to adequate public discussion. We need some argument and some analysis. This thing needs to be sold. I think a forum where the public participation is at someone else's discretion is ridiculous. I'm not raising this to be negative, but we need some debate. It's a collective endeavor. I fear a civil war, so to speak, between renters and property owners.

Councilman Higgs, supported by Councilman Woerpel, moved to adjourn.

AYES: ALL

Janet Venecz, President /s/
Hammond Common Council

ATTEST:

Robert J. Golec, City Clerk /s/

Time: 7:35 pm
cb

Minutes approved at the Common Council Meeting of September 11, 2017.

*Prepared by
Robert J. Golec
Hammond City Clerk*