

The regular meeting of the Hammond Common Council of the City of Hammond, Lake County, Indiana was held on April 8, 2013 in the Hammond City Council Chambers.

Council President Michael Opinker presided.

City Clerk Robert J. Golec facilitated.

PLEDGE OF ALLEGIANCE was recited by all.

Invocation was given by Anthony Higgs.

ROLL CALL

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

ABSENT: Salinas

TOTAL: 8

READING OF THE MINUTES

Councilman Spitale, supported by Councilman Kalwinski, moved to accept the minutes of March 25, 2013 and place on file. AYES: ALL

APPROVAL OF CLAIMS

Councilman Markovich, supported by Councilman Kalwinski, moved to approve claims from March 20, 2013 through April 3, 2013. Claim #1611 through claim #1814.

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

#1815 Cool Speak Common Council \$200.00

ROLL CALL VOTE (amendment)

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

NAYS: None

ABSENT: Salinas

Motion carried 8/0/1 CLAIMS AMENDED

ROLL CALL VOTE (as amended)

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

NAYS: None

ABSENT: Salinas

Motion carried 8/0/1 CLAIMS APPROVED
(as amended)

PUBLIC HEARINGS

None

*Prepared by
Robert J. Golec
Hammond City Clerk*

COMMUNICATIONS

Councilman Higgs read correspondence regarding a Walkathon by the students of the City Baptist Schools at Lemon Lake Park to raise funds on Tuesday, April 9th.

Councilman Higgs read correspondence from the East Side Community Council regarding the Push for Excellence Competition on Saturday, April 20th at 1 p.m. at the Redeeming Word Church at 6947 Hohman Avenue.

Councilman Higgs read correspondence from the Lakeshore Chamber of Commerce regarding a Crosstown Classic Bus Trip on Tuesday, May 28th.

COMMITTEE REPORTS

Council as a Whole Committee - Councilman Spitale - Brought out 13-19.

ORDINANCE 3RD READING - FINAL PASSAGE

13-19 An Ordinance Amending Ordinances 8880, 8942, 8091, 9016, 9072 and 9124 Creating a Voluntary Retirement Program in 2013 for Certain Eligible Employees of the City of Hammond

Clerk read proposed ordinance 13-19 in its entirety.

Councilman Higgs - I guess my question would be in regards to, I think it's a great ordinance in regards to dealing with the employment rate in the city but my question is, the Shared 10% of the Gaming Funds, is that gonna affect each district councilman in regards to our funds that's allocated per district?

Mayor McDermott - Councilman Higgs, in response to your question, if this year turns out like past years there's gonna be very little employee, it's shocking actually how few employees take advantage of this program. The sort of roll their dice, you know, assuming that they won't be cut. But when you look at departments like the Park Department and the Street Department where 30-40% of the people have been cut, they're taking a gamble by not taking the buyout. So, I think in 2011 we had less than five people participated. If this year is a heavy year we're talking about 10 people, Councilman Higgs.

Councilman Higgs - So, that will be equally divided amongst the district councilmen?

Mayor McDermott - Actually, Shared 10%, I mean, is that the primary source.

Councilman Spitale, supported by Councilman Markovich, moved for final passage of 13-19.

ORDINANCE 3RD READING - FINAL PASSAGE cont.

Councilman Higgs - My question again was in regards to the 10%. I know it may be a small amount of employees throughout the city that may retire but is there approximately a amount of money that will be taken out of the 10% Shared?

Mayor McDermott - I just spoke with the City Controller, he had a great answer as I figured he would. This comes out of the Shared 10% because let's say in the Park Department for instance, four or five people took advantage of the program, that would put an undo burden on one budget like that so it comes out of the Shared 10%. Councilman Higgs that doesn't effect what you do in the 3rd District at all. The Shared 10%, quite frankly, we've been funding College Bound out of the Shared 10% and other federal matches. So this isn't going to effect you or the projects that you have in the 3rd District, Councilman. That's the long and the short of it.

Councilman Markovich - I'm looking up the ordinance for Riverboat Gaming, we can not leave the Shared 10% of Gaming Funds in here. It has to be taken out because according to the gaming ordinance it says, "60% shall be dedicated for each of the city's six councilmanic districts and shall receive 10% for a total of 60%. 10% shall be used as follows: Ten percent shall be used as follows: Up to \$2,500,000 annually of the shared 10% fund will fund the College Bound Scholarship Fund; Wholly or in any of the 6 districts for infrastructure work; A 10% match of sewer improvements or repairs when infrastructure work is being done. The remaining 30% shall be used for 1 or more of the following". And that's what the Mayor uses his 30% for; neighborhoods, city wide economic development, and so forth and all of that. So really we can not leave the Shared 10% of gaming funds in this ordinance because according to our gaming ordinance we are not allowed to use that money for something like this.

Mayor McDermott - Excellent point. First off, Atty. Kantar, I just got done talking to her and it's her birthday so I wanted to say thank you to Atty. Kantar for being here working with the City Council on her birthday. I'm not gonna say which one. But anyway, she said that the way the ordinance was written up, Councilman Markovich, is an amendment to the gaming ordinance just for this tax year, 'til December 31st. So, actually if it's passed you guys are amending the gaming ordinance for, just for 2013. Which has been done before, Councilman.

Councilman Markovich - Really, well, I mean, I guess.

Mayor McDermott - If you pass it in the current form that's what you're doing is amending the gaming ordinance for this year.

Councilman Higgs - So in all due respect, we should have actually amended the gaming ordinance prior to introducing this legislation to the council.

Mayor McDermott - This is all part of the same thing, Councilman. It's not a permanent change to the gaming ordinance. It's not gonna be in the record books of Hammond as a permanent change. You're talking about one time budget change.

ORDINANCE 3RD READING - FINAL PASSAGE cont.

Councilman Higgs - But, in the future you may come back next year and say, "Hey we need to do this retirement again." So it could become a part of our permanent.

Mayor McDermott - Or you guys could also change it and make it come from Self Insurance or something like that, Councilman. The important thing for me and the administration isn't where the money comes from, the important thing is the flexibility you're gonna allow us with this ordinance. So, if you don't feel it should come from Shared 10%, I don't have a problem with that. If you want it to come from Self Insurance or some other fund, I have no problem with that, Councilman, at all. That's not the important thing. The important thing is we need this passed. If you don't feel that that's the proper place for it to come, no problem.

Councilman Higgs - I guess my question would be to the Mayor in regards to you say it's important, and so in essence what are you trying to convey to us as a body, a legislative body, of this city?

Mayor McDermott - I made it very clear last time and I'll say it again, Councilman. It doesn't matter to me, as the mayor, what pot of money funds the buyout ordinance. It doesn't matter. If you don't feel that's proper and your council agrees with you, I respect that. I'm just asking that this, in some form or fashion, get passed to give us the flexibility to reorganize. Which is what we're doing right now and I think that a lot of people on the council will be proud of some of the moves that we're making. It's a very good move, I think, for the city.

Councilman Higgs - So I guess my question would be in regards to that, so if you don't fund it through the 10% Shared where are you gonna get the funds from?

Mayor McDermott - We have to have funds for it, Councilman. I'm saying if you don't want to fund it from the Shared 10%, your fellow Council members agree, then fund it from Self Insurance, fund it from some other fund. I mean, it's not important to that it's funded from Self Insurance, or from the Shared 10%.

Councilman Higgs - I guess the question would be to our Controller as to what would his suggestion be?

Controller Lendi - What was the question, Councilman Higgs, please?

Councilman Higgs - My question is, the 10% Shared is in this particular ordinance, if we were not to pass it with the 10% Shared how would you fund those retirees?

Controller Lendi - It would depend because right now the unknown is the number of employees that are gonna take advantage of the buyout. As the Mayor stated, if we had a department, let's say a smaller department like Engineering, if four out of the ten Engineering employees were to retire, those employees would be eligible for buy out funds and if it came directly from the Engineering budget it would decimate that budget and as such the Engineering Department wouldn't have funds to continue doing the ordinance course of business throughout the year. So there has to be a secondary source of funds to be able to use in that event. In the event that there is some department that has... or you can have a small department, I give you an example, the Planning Department has two employees. They have a \$130 thousand a year budget. One of those employees has been

ORDINANCE 3RD READING - FINAL PASSAGE cont.

Controller Lendi cont. - here for 35 years. If he were to take the buyout and retire, a third of their whole years budget would then go to pay for that employees buyout and they would be without funds to sustain them through the rest of the year. That's the reasoning for having the secondary and supplemental source of funding to fund the buyout.

Councilman Higgs - So, in essence what you're saying if not it could jeopardize those departments.

Controller Lendi - That's correct, and in most cases, Councilman, the Shared 10% won't be touched. In most cases, if you have a budget such as mine in the Controller's office where I have ten employees, if one retires I certainly have room in my budget to be able to absorb the cost of paying for the one buyout.

Councilman Markovich - I brought it up in the caucus and, you know, different things and as far as when somebody comes back, and I brought it up like what's going on in the Town of Munster with their schools where January 1st the Superintendent and several other department heads retired on June 1st and on July 1st they hired them all back, they all took their pension, and they hired them all back as consultants with the same amount of salary with no reduction. They also hired a bunch of well they didn't hire them, they had about thirty teachers that did the same thing. That they retired and then they hired them all back for the same salary. So it wasn't really saving them any money other than the retirement benefits and health insurance. The thing about this is we're assuming that when somebody retires they're at that golden parachute. This used to be called the golden parachute when somebody worked here thirty years or at age sixty five they're gonna collect social security or they're gonna go on medicare and everything. What's been happening though is some of them have been retiring earlier and then they know that they're coming back either as a part time employee or gonna work for a couple days a week or whatever. When somebody retires hopefully, you know, God bless then, you know, they put in their years of service and granted they have a lot of experience. But when somebody retires hopefully somebody that wants to move to Hammond and take with the College Bound if they're gonna raise a family but they also need a job too. So it would be nice that some of these younger people would take the job and work for the city and be able to support a family. So, and I explained all of that and I agree with the Mayor and Clerk Golec hit it right on the head when he had drastic cuts from seventeen to ten employees he had to bring a couple people back and they had all that experience and so that, my original thing was to say that anybody that took this buyout can not come to work for one year. But, Clerk Golec changed my mind. He brings up some very valid points. The only thing, and I agree with the Mayor, and we're doing it now July 1st instead of October 1st, the only thing that I would say is that, you know, if we had an ordinance that says that anybody that took the buyout that when one of these previous employees come back it has to be done by ordinance and at least the department head has to come before the council and he's got to sell it saying, "Hey, you know, I need this employee to come back. I have the money in the budget." Now we're finding out they may not have the money in the budget but, you know, they're gonna take the Shared 10% and you know, they can get this consulting contract too. So, but that's part of the job as the City Council, as far as the budget and so forth and all of that and we're not trying to or I'm not trying to, you know, the Mayor has a big responsibility to run the city and everything else and you know it could be a good deal and we're just trying to you know have some control and know what's going on but you know somebody takes the buyout and then you know one month later they're coming back to work and it's happened in the past and it's because of certain... it's issues that when somebody leaves they leave with a

ORDINANCE 3RD READING - FINAL PASSAGE cont.

Councilman Markovich cont. - wealth of experience and sometimes that experience is needed. I know that like in the Water Department, I think it's Gary Williams, he's probably been gone three or four years already and they hired him back as a consultant, you know, like \$10 thousand and I don't know if that's for the whole year or whatever and so forth and all of that but the guy that took his place I guess is not qualified to hold the proper license to be in that position so they have to hire Gary Williams back because he has that I guess you can call it that sheep skin or that certificate that qualifies him that they have to have somebody to do that. So, because of planning hopefully you know like what they do in industry when somebody is getting ready to retire that somebody has been groomed or taught or educated to take right over so hopefully that's what the plans are for here.

Mayor McDermott - I just want to make a couple quick points and I have to run and I apologize. I want to point out one of the advantages of a buyout. When you're going through reductions and I'm sure you guys can talk to Atty. Berger and you know a lot of you have been on the council long enough to realize this is when you go through reductions and downsizing, as we have been doing over the years and still plan to continue to do so, one of the unfortunate results of the downsizing is litigation. You know, maybe you downsized and you let somebody go and that person felt that they were let go for this reason or for that reason and maybe that person files a lawsuit against you and we all know that that lawsuit has no chance of survival at all but we still have to hire lawyers and defend the city and spend hundreds of thousands of then you get the little blurb at the end of the case that says the City of Hammond won this case. One of the nice things about the buyout is they waive their right to sue the city as part of that agreement and we've been very successful in downsizing without litigation because of things like this, Councilman. It's almost like an insurance policy. If you're gonna take the buyout, you have to sign on the dotted line that says I agree that I retired voluntarily and that saves us money in the long run, Councilman. So, I know how you feel. I appreciate it. I can tell you, and for what it's worth, I don't plan on hiring a lot of the people that retire. I don't plan on it. You know, if we bring one or two back, that happens. But I'll be honest with you, it's not our plan to do that.

Councilman Higgs - I don't think it's our legislative goal to hire and fire. I think that's the administrative staff's position. Our job is to set laws and boundaries throughout our city and so in that essence I speak in terms of addressing the issue in that aspect. On the other hand You look at some people that do come back and benefit from and they make more money as a consultant than they did in their regular positions so that's my question and my concern. But, you know, on the other hand I don't have the ability to hire, neither do I have the ability to fire anybody in the City of Hammond. But the reality of it is that we set the boundaries and the laws that exist. So if there's a particular ordinance that comes up and Councilman Markovich if you want to address it in that form or fashion, I think that would be the appropriate way to respond to something of that magnitude.

Mayor McDermott - Just one quick answer and I'm gonna leave, I promise. I hear a lot of people talk in generalities about people that retire and come back and make big money. Please point this person out for me. Please, point out that person. I'll tell you one person I know in the Sanitary District, happened without my knowledge and I took care of that myself. Okay. I don't like that either, Councilman. I don't like that either. If you retire, go off into the sunset. But if you retire and you plan to come back and make big money, that's stuff I

ORDINANCE 3RD READING - FINAL PASSAGE cont.

Mayor McDermott cont. - have very little tolerance for and I have a track record on that. So, I mean when you speak about the city being that way, please point the person out. Please. I have a lot of people that work for me.

Councilman Markovich - Well, Mayor I know you missed part of the caucus but Bobby Lendi did bring that up.

Mayor McDermott - Well, no I talked about one employee but she wasn't a high ranking employee. She worked literally less than five hours a week, maybe ten hours a week.

Councilman Markovich - But she came back at \$90 an hour instead of \$30 an hour.

Mayor McDermott - No, no. We're not talking about the same person then. The one I'm talking about does book keeping.

Councilman Markovich - No, the one that Bobby brought up was when Barb Cardwell retired when he came in.

Mayor McDermott - But Councilman, that's not fair. She filled in for Bobby when Bobby's wife had a baby and Bobby was gone for the first two weeks he took over. She filled in for two weeks.

Councilman Markovich - Well, he brought it up.

Mayor McDermott - Has she been back since? No. Two weeks at the beginning and you've been Controller for how long? So, four years ago. And she billed for two weeks because Bobby couldn't be there because of his wife.

Controller Lendi - The contract was capped at \$20 thousand.

Mayor McDermott - She hasn't billed since. I mean that's helping us out, Councilman. That helps us.

Councilman Markovich - I mentioned that. I mean I'm not... but you said if anybody and I told you so.

Mayor McDermott - No disrespect to the council but I've got to leave. I appreciate the lively discussion. Have a nice night.

Councilman Hinojosa - My question is to the Mayor or Bobby Lendi, probably Bobby Lendi. What percent, because I'm looking and I'm just throwing a figure out there, let's say, I mean there's 64 eligible employees to take this program, if ten of them in this year takes this program and they average around thirty years, that's 300 years. 300 years times \$1 thousand a year, I believe they're getting a thousand per year, now we're looking at \$600 thousand. My question is what percent is College Bound taking out of the Shared 10%? What did we have last year from Shared 10% coming out of College Bound and what was left over?

ORDINANCE 3RD READING - FINAL PASSAGE cont.

Controller Lendi - Last year College Bound was supplemented in the amount of \$2.5 million from the Shared 10%. Our ordinance caps the Shared 10% at the \$2.5 million figure. Now last year we received in gaming somewhere around \$34 million. So there was additional monies above and beyond the \$2.5 that were in the Shared 10% pot. Those additional monies are normally and usually used as our local match for state and federal infrastructure projects. Some of those last year included the 169th Street rebuild. I'm not sure exactly what the cross streets were on that project. This year we're using part of the 10% match for some of our other state roads that are getting rebuilt. A lot of times the state will build a road and they'll build it to very basic minimum standards and we'll want to do things like decorative lighting. Like on Kennedy Avenue we did that, we put decorative lighting between the expressway and 169th Street. The state won't pay for those sort of things. That's what usually comes out of the Shared 10%. Further, to answer your question regarding the number of employees that potentially may take the buyout, there's 64 on the list. If 10% of those employees take the buyout that's six employees, and that's a lot assuming 10% are going to take it so I'm estimating on the high side. So if six employees take it and each of them have 30 years, there each going to be receiving \$30 thousand or \$180 thousand total. Now for the most part those six employees will most likely come from five or six different departments. Those five or six different departments will hopefully be able to absorb each of those employees that are retiring. The issue may come in, Councilman Hinojosa, if all of those six employees were to potentially come out of one department, such as Engineering. If six out of the eleven Engineering employees retired and took the buyout, the Engineering Department would then be unable to absorb the full cost of paying for the buyout and would then have to look to the balance in the Shared 10% fund to supplant the monies that are going to be needed to be paid out.

Councilman Hinojosa - What I'm looking at is are we at a point right now where the College Bound is taking so much money out of the Shared 10% and I believe if we're gonna fund the College Bound Program that is there's not enough in the Shared 10% to cover the College Bound then it's gonna come on the 6 District Councilmen's amounts. Is that correct? Are we at that point yet where if we take \$180-\$200 thousand out of Shared 10% for this buyout that it's gonna wind up cutting the pot in that Shared 10% and there won't be enough in there for College Bound and it's gonna wind up taking from the councilmen, additional funds.

Controller Lendi - The answer to that would be no. By definition the Shared 10% is 10% of all of the money that we receive from the boat. College Bound can at most take \$2.5 million of those funds. That means, as long as we collect \$25 million from the riverboat every year, College Bound is completely paid for out of the Shared 10%. If we were to drop one year below a collection of \$25 million then that question would be valid and it would be a point. There would be funds that would have to come from someplace else. But since we've gotten casino revenues I don't believe we've ever dropped below \$25 million. As a matter of fact since all of you guys that are up there have been in office I don't think we've ever dropped below \$30 million. In fact we've been in between \$30 and \$42 for the last ten years. Is that helpful?

Councilman Hinojosa - Yes, okay, that answered my question.

Councilman Higgs - And that's fine too but in essence though College Bound, I mean, absorbs quite a bit of casino money and you know a lot of I understand it's important and it helps in terms of those parents

ORDINANCE 3RD READING - FINAL PASSAGE cont.

Councilman Higgs cont. - struggling trying to make sure their kids get a feasible education in a learning environment. But the reality of it is at some point we have to realize that, you know, we have to spend that money in our city to make it better. So, I don't know how many years we're planning on funding College Bound but at some point it has to come to a halt.

Councilman Markovich - The thing that bothers me, what's kind of scary is if we had six employees go from the Engineering Department I would think that from a responsible administrator that we wouldn't let all six of them go. How could you because you'd deplete the whole department and now you wouldn't have anybody there to run the department. But, according to this ordinance they'd hire them all back anyway, part time or as a consultant then to run the department. So I would think that if that should come about that you can't let everybody you know leave from one department or three or four. Because if they are key employees, but if they're key employees according to this ordinance they're gonna hire them back as consultants or part time or whatever. Again, like I said, it's a double edged sword that can come back to haunt us. Because if we really want to try and lay people off, not lay them off but eliminate them, so they could cut back for reduction in workforce, it's not gonna happen that way. The only other thing is if they could only allow one or two people and six want to go I would think the first two people that signed off that want to leave would be the ones that are leaving and the other ones that we're gonna get their services for the following year again. So I mean there's all kinds of holes in this thing and everything and you know. I know I made a discussion in the caucus and at this time I'd like to put a Section D in here.

Councilman Markovich moved to add a Section D. It says, "All past employees must be approved by city council ordinance before rehire."

Motion dies for lack of a second.

ROLL CALL VOTE (passage)

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

NAYS: None

ABSENT: Salinas

Motion carried

8/0/1

ORDINANCE NO. 9207 PASSED

INTRODUCTION OF ORDINANCES

13-20 Amending Ord. No.'s 3947, 4307 and 8383, also known as Sec. 156.20 of the Hammond Municipal Code, pertaining to Plumbing Permit Fees

Councilman Emerson, supported by Councilman Spitale, moved that the proposed ordinance go to 1st and 2nd reading by title and referred it to Council as a Whole. AYES: ALL

INTRODUCTION OF ORDINANCES cont.

13-21 Amending Ord. No. 3947, also known as Sec. 156.11 of the Hammond Municipal Code, pertaining Plumbing Registration Procedures and Fees
Sponsored by Bill Emerson and Dan Spitale

Councilman Emerson, supported by Councilman Spitale, moved that the proposed ordinance go to 1st and 2nd reading by title and referred it to Council as a Whole. AYES: ALL

13-22 Creating a New Chapter of Title XV: Land Usage of the Hammond Municipal Code as it pertains to Limited Criminal Background Checks for Contractor Licenses issued

Councilman Emerson, supported by Councilman Higgs, moved that the proposed ordinance go to 1st and 2nd reading by title and referred it to Council as a Whole. AYES: ALL

RESOLUTIONS

13R-13 Resolution Recognizing and Honoring the Contributions of Cesar Chavez

Councilman Hinojosa, supported by Councilman Higgs, moved for final adoption.

City Clerk read the proposed resolution in its entirety.

Councilman Hinojosa - It's going on twenty years since Cesar Chavez passed away. Since that they've named parks for Cesar Chavez, libraries, schools. They've done this in California, Arizona, New Mexico, Texas. There are state holidays in I believe four states, Colorado and California are two of them. There's also a U.S. Navy Stamp on one of the Navy ships named after him. There's also a petition going around throughout the United States to make March 31st a Federal holiday in memory of Cesar Chavez.

Councilman Emerson - Those of you old enough to remember when you could walk over to a steel mill and get a job, I am, and I did that when I was somewhat younger and while working in the steel mill I noticed a lot of boycott grapes signs and bumper stickers and I asked a crane man because I didn't know, I said, "What does that mean you guys aren't eating grapes, you know, what does that mean?" Well he gave me an education on Mr. Chavez and of course as the ordinance says it really wasn't about not buying grapes so much as it was about people. But he was one of the early pioneers and using the boycott to point out inequities and there were many that were doing it back in the sixties. So I'd like to be a co-sponsor of this if I can. If not, that's fine. I would definitely support this resolution.

Councilman Higgs, supported by Councilman Hinojosa, moved to include the entire Hammond Common Council as sponsors of the proposed resolution.

RESOLUTIONS cont.

ROLL CALL VOTE (adoption)

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

NAYS: None

ABSENT: Salinas

Motion carried

8/0/1

RESOLUTION R13 ADOPTED

13R-14 Authorizing the City of Hammond, by the Hammond Fire Department, to Enter a Lease Agreement for Two Fire Trucks

Councilman Spitale, supported Councilman Emerson, moved for final adoption.

Councilman Spitale - Can I have Chief Smith come up and explain to us the need for these trucks.

Fire Chief Smith - We're gonna replace the two rigs at Station 7 and Station 1, they will become spare rigs and the two spare rigs we are going to get rid of because they are almost twenty years old.

Councilman Higgs - Chief are they in deplorable condition?

Fire Chief Smith - They are nickel and diming us to death. The spare one are. They are twenty years old and they go into service when one of our other ones break down for a short period of time. So we need to replace them. And the two rigs that are going to become spares, I think one of them is eleven years old and the other one is twelve years old. The ones we're getting rid of are almost twenty.

Councilman Markovich - It says lease, are we gonna own these things after the fifty, sixty one, months are up?

Fire Chief Smith - Yes.

Councilman Markovich - It doesn't say that in the resolution. It just says for lease from fire service. I mean most people when they lease a car, after two years they don't own it. We've paid all this money into it so I just hope that there's something in there that this is a lease purchase agreement and I asked our is there a preliminary lease right now or anything? Because I asked our attorney and it probably should have been attached to this resolution.

Controller Lendi - Councilman Markovich, that's a very, very good question and the answer to that is as follows, there's two types of lease that the city can enter into. One of the types of leases is what you normally think of if you were to lease a copy machine where you pay a certain amount of money and you sort of rent it and you never own the equipment. In that case I don't need to come and visit the City Council because the City Council wouldn't be the governing body to enter into that sort of an agreement that would be the Hammond Board of Public Works and Safety. It would just be a normal contractual relationship. The second type of lease is known as a capital lease and a capital lease is a type of lease where you amortize the payment of an asset over a period of time and you're going to own the asset at the end of that period. Okay, and this is that second type of

RESOLUTIONS cont.

Controller Lendi cont. - lease, okay. We're going to enter into an agreement to own an asset after four or five years. That's why I'm coming in front of the City Council because for that type of negotiation I need the Council's approval. Secondly, the terms of the lease haven't been finalized yet, Councilman Markovich. Lease rates fluctuate daily and while we vetted several different banks and gotten quotes on lease rates, depending on the day of the week and the market conditions one bank may be a better choice on one day and another bank may be a better choice on another day. So it's all going to depend on after you guys have approved this resolution, I'll go back to the banks and re-vet them at some point in the very near future to determine which rate is going to be most beneficial to the City of Hammond and the Fire Department.

Councilman Higgs - It's just like buying a house in reality. But I just want this to be quoted and quoted correctly, when it comes to public safety in the City of Hammond, the police and fire are the number one priority. If there's a fire I want to make sure that they have the adequate equipment to get to my house, just like if there's a police officer and there's someone shooting on my street I want to make sure that they have the resources and the availability to get there in a timely fashion. So I have to support whatever it is when they come before this legislative body in terms of addressing their needs.

Councilman Markovich - I've got a question, it says it's gonna be used out of the Ambulance Capital Outlay, can't we just go with a lease directly to the fire, whoever we're buying the engines from, why do we have to have a middle man and pay the interest with the bank? Because if we've got money coming in from the ambulance transport fees why can't we enter into a lease with them directly where we could eliminate the interest rate then? Do we have enough funds coming in that we can just pay them off for the 61 months that we don't have to put a middle man in there and then we got to pay the bank an interest rate then, is that possible?

Controller Lendi - That's a very good question, Councilman Markovich. That's typical in the auto industry. If you were to go buy a Chevy you would finance the Chevy directly with GMAC, the GMAC Financing that's kind of familiar to everybody, unfortunately the manufacturer of fire trucks doesn't have a financing mechanism. So the manufacturer will recommend a financing vehicle for the city but what we're doing is instead of using that financing vehicle which is what many municipalities do, we're going to vet other banks to try and get a better rate than the suggested vehicle and we have. Right now the manufacturer's suggestion they came out with about a 2.9% interest rate and we've gotten rates down to 2.4 to 2.5%. So with a million dollar investment over 5 years there's some significant savings when you can lower the interest rate by just a few basis points.

Councilman Markovich - In other words they want their money up front then.

Controller Lendi - Correct.

ROLL CALL VOTE (adoption)

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

NAYS: None

ABSENT: Salinas

Motion carried

8/0/1

RESOLUTION R14 ADOPTED

*Prepared by
Robert J. Golec
Hammond City Clerk*

NEW AND UNFINISHED BUSINESS

Councilman Higgs - First of all let me speak in regards to the library issue. I know a number of my constituents are present this evening in regards to that particular issue what needs to happen at this present point is that the library board needs to make an approval of a additional appropriation before they come before this legislative body and get e request. Now I have requested my attorney, our attorney and my colleagues attorney, Atty, Berger to work with the director of the library in terms of addressing that concern and I think after analyzing the situation and my colleagues looking into it, I think they are all in agreement that we need to relinquish the money and that's been brought up in caucus and the Mayor as well said that was reasonable. So I'm hoping that in the very near future and hopefully by the next meeting we'll have it on the agenda and we'll be able to move forward and the library will be able to move and do what's necessary for this great city.

Councilman Markovich - On a side note, Thursday, March 28, Councilman Higgs, Councilman Hinojosa and myself met with the Library Director and all of that for about an hour and a half. We explained to them what has to be done. You know, they have a wish list, they want computers, they also have to have the air conditioning condensing unit fixed that has to be repaired, and whatever other items that need to be done and taken care of. It's up to the library board first to go ahead and come up with during one of their meetings and say this is what needs to be done with this rainy day fund of money. So they need to take the first step at one of their library board meetings and then an appropriating ordinance needs to come before the City Council where that money could be moved within the budget. They do have a budget from the previous year even though we did not approve their new budget. They are asking for additional funds for the tax rate on there that was not approved. What had happened they reverted back to their previous last years budget so they do have money to operate. What they do have is like \$1.3 million in a rainy day fund that they can access and use that money to transfer over to buy these computers and fix the air conditioning and whatever else has to be done. I know a lot of you are here today and you're gonna be coming back all the time thinking that they're here for the library, you probably signed in on the public expression, there's no need to do that. I mean you're still welcome to do that and voice your opinion. You're here and we're here to listen to you. But that's basically where it's at and the Mayor brought it up in the caucus. It was like two separate issues, one was increasing the tax rate, they were capped out at how much money they can raise but they do have some money there for the rainy day fund that they can use to buy all these things that they want that they need and use. So that's where we're at and then once the library board does what they're supposed to do and then an appropriating ordinance comes forth then the discussion could be made and the money can be transferred over and they can continue on.

Councilman Higgs - And as I stated before and stated in the meetings, I'm willing to sponsor that particular ordinance but what needs to be done is the attorney or the attorneys from the library board needs to work with our attorney to make sure the legislation body is aware of the ordinance and it be presented for our next meeting and then we can move forward in terms of relinquishing that money so they can operate.

Councilman Higgs read a letter regarding HB 1116 from Angela Grey.

NEW AND UNFINISHED BUSINESS cont.

Councilman Higgs, supported by Councilman Hinojosa, moved to send a letter to Board of Works and Engineering in regards to fixing a light, 97/40 on the 6100 block of McCook and the 6100 block of Alexander there s two lights out and also the 2720 on 162d Place there are lights out and 2624 there are lights out on 162nd Place. AYES: ALL

LETTER SENT : 4-10-13

Councilman Emerson, supported by Councilman Higgs, moved to send a letter to the Board of works regarding a traffic study for a stop sign at Mulberry and Harrison due to increased traffic flow on Harrison. AYES: ALL

LETTER SENT : 4-10-13

Councilwoman Venecz - For those who are interested in doing good in your community and finding out what’s happening in your neighborhood, I’d like to announce some upcoming crime watch meetings:

Tuesday, April 9 th	City Wide Crime Watch	Police Department	6:00 pm
Wednesday, April 10 th	Woodmar Crime Watch	Hammond Housing Authority	6:00 pm
Thursday, April 11 th	Whiting-Robertsdale	St. Joseph’s College	6:30 pm
Friday, April 12 th	Irving Community	Irving School	8:30 am
Tuesday, April 16 th	East Hammond Pullman	Ophelia Steen Center	6:30 pm
Wednesday, April 17 th	Lafayette Neighborhood	Lafayette School	6:30 pm
Thursday, April 18 th	South Hammond	Hammond Housing Authority	7:00 pm
Thursday, April 18 th	Hessville	Jean Shepherd Center	7:00 p.m.

That is how change happens, one, gesture, one person, one moment at a time. I look forward to seeing all of you there.

Councilman Higgs - A lot of my constituents have addressed me with their concerns of home loan and I just wanted to put it out there and certainly if they are watching they can be aware of it what’s available through Redevelopment and that is you loan a loan amount of up to \$37 thousand, eligibility you must own or live in the house, a mortgage only, no contracts, house must be one unit, must meet current income guidelines, responsible credit, family size one \$37,050, two, \$42,350, three \$47,650, four \$52,900, five \$57,150, six is \$61,400, seven \$65,600 and eight is \$69,850. To use to rehab only property must meet upon completion Federal Section 8 Housing Quality Standards and Local Acceptable Codes i.e. Mechanical, carpentry, plumbing, heating HVAC etc., and lead based paint regulations. Payment 50% deferred as long as you own and live in the house, 50% is paid back. 0% interest for the agreed term. Payment of in excess of \$55 per month for a \$25 thousand loan for twenty years. Closing costs will be included in the loan amount. Closing costs with a varied projects credit report is \$21, title search is \$130, appraisal fees is \$275, LPB assessment is \$675, mortgage recording is \$43, and payment book is \$100. Waiting list is one to two years and what do you do while you’re waiting list, do not file bankruptcy, make sure you have a clear title to the property, keep property taxes current, keep homeowners insurance current, reduce credit, debit, and keep your credit report clean and that is basically how you get funded for a home loan.

*Prepared by
Robert J. Golec
Hammond City Clerk*

NEW AND UNFINISHED BUSINESS cont.

Councilman Emerson - I'd like to give some congratulations to the Team Hammond Robotics team which competed in the first Robotics Midwest Regional this past weekend. The Team Hammond team consists of Clark, Gavit, Hammond and Morton High Schools. Their competition was the Duluth Dare Devils out of Duluth, MN and the Iron Wolves Prospectives, the IIT Math and Science Academy High School in Chicago, IL. They won the Midwest Regional, the Motorolas Quality Award, and the best climber and I assume the climbing is done by the robot, not the students. I'm just having some fun with it. But congratulations to them.

Councilman Higgs - Recently there was three people arrested in a brawl at a night club in Downtown Hammond and you know there's a lot of activities that's going on Downtown so certainly we want to make sure the police is protecting the residents and we do have a Charter School down there so I'm making a motion that we have more police presence those hours that they're actually open Downtown Hammond.

Motion dies for lack of a second.

Councilman Markovich -I guess maybe they wanted more police protection during the school hours or was it during the Aquavor hours. See I think maybe that was the problem because usually that place is not open the same time that the school's in session. So maybe there was a discrepancy there.

Councilman Higgs - I think that it's no discrepancy . The reality of it is that there are a lot of things that are occurring down there and regardless if the school open or not we don't want someone to get harmed or endangered in the process of this night club being open, so we are just asking for more police presence. That's just like anything, if there's something at MLK Park and I feel it's gonna put people's lives in jeopardy or is too much going on and they're doing something illegal or whatever the case may be we are gonna put more police down there to make sure that it's taken care of.

Councilman Hinojosa - I agree with Councilman Higgs but this is a privately owned night club. I think it's Aquavor that needs to get more security.

Councilman Hinojosa, supported by Councilman Higgs, moved to send a letter to Aquavor Night Club that they give us the number of security guards that they have at inside of Aquavor, inside and out, and that they tell us how they're gonna relieve future problems at Aquavor by supplying themselves extra security at their night club.

LETTER SENT: 4-10-13

Councilman Hinojosa - I believe the article said that there were 12 twelve squad cars that had to go to aquavor. I believe if something could have been prevented inside with security inside maybe we wouldn't have to have twelve squad cars going over there and it could have been stopped there inside. That's why I made that motion.

Councilman Higgs - Not only that, the number of phone calls that the police have to respond to in a three month period is unbelievable, good Lord.

PUBLIC EXPRESSION

Carolyn Jackson - Glad Councilmen went on Library tour and are now releasing the money allowing them to get on about their business and do the necessary repairs and upkeep. Hoped that the rest of the Council members would follow suit. With the deficit in the city as such why are we spending millions in resurfacing a State Highway (Indpl. Blvd.)?

George Stoya - Urges council to support Michigan because they are the final Big Ten team.

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

AYES: ALL

ATTEST:

Michael Opinker, President
Hammond Common Council

Robert J. Golec, City Clerk

Minutes approved at the Council Meeting of May 13, 2013.

Time: 7:25 pm
cb