

ORDINANCE 3RD READING - FINAL PASSAGE cont.

Councilman Spitale - Those grants are brought before us every year.

ROLL CALL VOTE

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

NAYS: None

ABSENT: Kalwinski

Motion carried

8/0/1

ORDINANCE NO. 9361 PASSED

16-35 Authorizing the City Controller to Transfer Various Funds from one line item to another within Various City 2016 Budgets (\$455,150)

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

Councilman Woerpel - I've heard this ordinance referred to as the housekeeping ordinance. Basically it's line item transfers, I believe, within each department's budgets just to make the different accounts in the departments balance. None of them require the expenditure of more money than was set out in the 2016 budget.

Councilman Markovich - Seeing how this was referred to the Finance Committee, I would like for them to report on each line item and why the money's being transferred. We're transferring \$138 thousand in salaries. We only have roughly two weeks left in the year, why are we transferring \$138 thousand in salaries. Controller's Office, \$27 thousand. Judge's Office, \$10 thousand. Law Dept., \$6 thousand. Engineering Dept. \$58 thousand. Total of \$138 thousand. Are we hiring somebody for \$138 thousand in less than two weeks? What's going on here? I'd like an explanation by the Finance Committee why this money's being transferred to the salaries department. In previous meetings in caucus the Councilwoman Venecz says if there was any extra money left over in any line item it would be sent back to the General Fund. Why are we spending \$138 thousand in salaries with less than two weeks to the end of the year. I'd like an explanation.

Council President Venecz - Councilman Markovich, you misquoted me saying that everything goes back into the general fund. We were in reference, in that discussion, to the promotional money. Prior to 2005 ...

Councilman Markovich - Point of Order, if you're going to be involved in the debate, you need to step down as president then so you can be in the debate.

Council President Venecz - Okay, Controller Garay would you we don't have a Vice President so I can't step down.

Councilman Markovich - You can appoint a Vice President according to Robert's Rules of Order.

Council President Venecz - Councilman, the Controller is at the podium, please.

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City Controller Garay - I can't speak to Council President Venecz's comments on the issue. However, this, as Councilman Woerpel pointed out, is our clean up ordinance. We do it at the end of the year. We wait until the end of the year so we are not having to come back before you multiple times to transfer these amounts. These accounts are ones where we need to shift within the departments, they have the funds available, and it's not that those dollars will all be spent in the next two weeks of the year it's that that is the amount that we believe they need to cover the cost of that line item for the entire year, shifting it from one department to another.

Councilman Markovich - Well, how were you able to misappropriate money for salaries by \$138 thousand?

City Controller Garay - I don't think the term misappropriate is correct here. A budget is an estimate. You cannot expend more than what your budget has been approved for. From time to time things change within departments and so long as they don't go over that amount there are certain line items that can be transferred within the major categories of the budget and some that can only be transferred if they're not within the same category by coming before the council.

Councilman Markovich - Well, you still have a surplus of \$138 thousand.

City Controller Garay - It's not a surplus because those are funds that are needed in other line items of that department.

Councilman Markovich - Well, can you explain the \$27 thousand in the Controller's Office, why you missed your budget line item by \$27 thousand.

City Controller Garay - It's not missing a budget line item. It's a shift from one to another.

Councilman Markovich - I understand a shift, but why wasn't this shift made at the beginning of the year?

City Controller Garay - Because things, as I explained, a budget is an estimate. It is the maximum that we can spend. It is our best guess at what each department will do. Throughout the year sometimes things change and a department can request to have these line items shifted but certain ones require coming before the council to approve and some of them do not require that. This happens every year in December.

Councilman Markovich - How can you miss \$27 thousand in the Controller's Office?

City Controller Garay - It's not missing.

Councilman Markovich - Well, it's not missed but who's getting \$27 extra? That's what I want to know.

City Controller Garay - There were changes to staff and personnel throughout the year.

ORDINANCE 3RD READING - FINAL PASSAGE cont.

Councilman Markovich - Okay, what was that staff and change in the personnel during the year then? What was that?

City Controller Garay - We had a reduction in our part time salaries, they weren't needed as much. We were bringing on an intern at one point that we were going to fill to a full time position that no longer was there. There were Executive Order changes that impacted that number.

Councilman Markovich - Oh, could you please tell us what those Executive Orders were?

City Controller Garay - I believe we've had this conversation numerous times before. If you would like a copy of the Executive Orders I suggest you go to the Executive's Office.

Councilman Markovich - No, I'm asking you for it. In order for you to go ahead and do those changes and make that payment, you were paying people money without the money being in the account.

City Controller Garay - We've done this three times now, I think we can watch the tape. I've told you this is an Executive Order. The department that houses all of the records of the Executive Orders would be the office of the Executive. There are some Executive Orders that do not come to me. So when I give you a pile of the ones I do have and numbers are missing are you going to assume that I gave you everything or are you going to assume that I left things out?

Councilman Markovich - Is your name on the paychecks for all city employees?

City Controller Garay - Yes, they are.

Councilman Markovich - So, how could you write a paycheck for somebody that got raises without any paperwork.

City Controller Garay - I can tell you that this is part of the changes were there that the Executive Department has the file of all of Executive Orders.

Councilman Markovich - But, you knew about it?

Mayor McDermott - I wish Councilman Markovich felt the same at the end of the year when you guys as a routine matter take all extra monies from your budget and put it over to promotion. I don't hear the same outrage, Councilman Markovich when you're doing it in your own office. The fact is, if you want to vote against this you could vote against it, Councilman Markovich. If there's been an Executive Order you can request that from me. Can't give it to you right now. But I trust that Heather does things according to plan and legally. If you don't feel comfortable then vote against it, Councilman Markovich, it's that simple. You could have attended the committee hearing and gotten this information weeks ago too, Councilman. You come in here and grandstand on the night of the council meeting. But, the funny thing is, the last meeting, when you were doing the exact same thing and moving money to your promotional account, there was no outrage.

ORDINANCE 3RD READING - FINAL PASSAGE cont.

City Controller Garay - It's in this one.

Mayor McDermott - Oh, it's this one. I hope you're as outraged about that. You put money in promotional account that you use so you could buy things. Okay, there's no outrage. But when we're wrapping up like we do every single year, I've been Mayor for thirteen years. We've done this thirteen times at the end of the year. You've been a councilman for twenty years, you've probably done it twenty times. But, today you're outraged. You're playing games, Councilman Markovich. Just vote against it so we can move on, okay?

Councilman Higgs - Mayor, do you know what particular Executive Order he is talking about?

Mayor McDermott - I have the ability, legally, under Indiana Law, to give raises, to make changes to departments as long as it doesn't affect the bottom line of the department. So, let's say Heather saved money because she didn't have a contract or something like that and there's an extra \$20 grand, I can bring somebody in under this Executive Order, and I don't remember exactly which this one was. But I could tell you one thing, last year the Controller's Office had two year IRS Audit, two year State Board of Account Audit, plus our normal budget all going through the summer. She needed extra help. That could be what it is. I don't know if you guys ever drive over to City Hall, 7 o'clock at night her car is still here. Okay. Councilman Markovich, you're probably not here at 7 o'clock at night. But let me assure you, when you drive by her light is usually on. She needs help. So if there's an extra \$20 thousand in there, from an Executive Order, I imagine it was me trying to help her out. If you want to vote against it, vote against it. That's fine. But, like, you are playing games and you know it because you've done this twenty times at least, Councilman. And you're gonna do it again when it comes to your promotional but you're not outraged about that.

Councilman Markovich - This is the first time \$138 thousand in salaries has come before the council. Promotional account, you know it and I know it, goes to the taxpayers, citizens and charity groups at the end of the year. It doesn't go to anybody's pocket or anything in that respect. It goes towards donations.

Mayor McDermott - I didn't say it goes in your pocket. It goes for your discretionary.

Councilman Markovich - We get requests for that. You used to have a promotional account of \$25 thousand.

Mayor McDermott - How much is it now?

Councilman Markovich - Yours is \$2,500, right?

Mayor McDermott - I don't even know if it's that much. Is it?

Councilman Markovich - But, you have \$10 million in Gaming money that you use for promotional accounts and that's where a lot of that money's been coming out of.

Mayor McDermott - I have \$10 million in Gaming? I don't know what century you're living in, Councilman.

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Councilman Markovich - You can go ahead and look.

Mayor McDermott - Really?

Councilman Markovich - You can go ahead and look. She'll substantiate it.

Mayor McDermott - Councilman, just vote against it so we can move on.

Councilman Markovich - It's not a matter of voting against it, Mayor. We're doing it according to State Board of Accounts, according to ordinance.

Mayor McDermott - Convince your fellow colleagues. You know what, everybody up here knows you're full of it, Bob. Because we go through this. Everybody up here knows. So watch, you're gonna vote on this and eight of your colleagues are gonna vote against you. Because you're playing games and it's obvious you're playing games. Let's just move on. You're wasting everybody's time. You're playing games. Everybody knows it, Bob. You have no problem when it comes to your money, right, but you want to hold Heather to the letter of the law and she's here working every night until 7 p.m.

Councilman Markovich - Controller Heather and the intern was at a budget hearing for the State Board of Accounts where Councilman Higgs and myself attended. The question was brought up about Executive Orders, that it was passed by the State, but they also said, the lawyers from the State Board of Accounts, no, from IACT, said that if it was any kind of a mayor that when you made an Executive Order you would inform the council.

Mayor McDermott - I guess I'm not a very good mayor, Councilman.

Councilman Markovich - I'm not saying that. But that's what they said. That when Executive Orders were made you

Mayor McDermott - I'll show you Executive Orders.

Councilman Markovich - ...were supposed to go ahead and notify the Fiscal Body, which is this Council and that was not done. Now, there's \$138 thousand in salaries being transferred over but none of us know anything about it. The Finance, the Chairlady, doesn't even know anything about it. Everybody on the Finance doesn't know anything about it.

Mayor McDermott - Did you go to Finance? Did you go there, to the Finance Committee?

Councilman Markovich - When do they have them? We're not notified when they have all the Finance meetings. Mayor, you know what, why don't you let me do my job and ask the questions and don't come here and accuse me of grandstanding. I'm doing what I'm supposed to do, okay. I'm gonna go according what the ordinance says. I'm gonna go with what IACT says and what the State Board of Accounts says. Okay? You can

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Councilman Markovich cont. - go ahead and do that. Yes, I'm gonna vote against it and there will probably be several other councilmen voting against it. But they all took an oath to do the right thing. If they know that there's something wrong here then they don't need to be voting in favor of it and they need to come forth. There's gonna be two resolutions here, 16R-36 and 35 about Internal Controls, reporting of irregular variances, losses, shortages and theft. We had a shortage of \$138 thousand in salaries and now we're gonna go ahead and move the money there.

Mayor McDermott - What's our budget, Councilman? How much money passes through the City of Hammond every year that goes through the Controller's Office?

Councilman Markovich - Millions.

Mayor McDermott - How much?

Councilman Markovich - Probably over \$60 million a year.

Mayor McDermott - How about closer to \$100 million.

Councilman Markovich - Okay. I don't even know why we are having this conversation.

Mayor McDermott - Because you're playing games.

Councilman Markovich - I'm not playing no games. I'm dealing with facts. I can't get a straight answer out of the Controller. I can't get a straight answer out of the Finance Committee.

Mayor McDermott - You didn't even go to Finance Committee.

Councilman Markovich - Nobody's saying anything.

Council President Venecz - The Finance Committee meeting was tonight. You didn't open your mouth.

Councilman Markovich - Oh, I opened my mouth. I was told to shut up because you pulled out some kind of thing that says I'm not allowed to put a Council as a Whole.

Council President Venecz - You're twisting things.

Councilman Markovich - Madame Chairlady, if you want to get involved in the debate you need to step down because you're using your authority to look down at us. You're looking down at us.

Council President Venecz - Councilman, enough.

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Councilman Higgs - You know what? It is the season to be jolly. I mean, let's be realistic and respect one another. You know, I've been on this Council for a number of years. I've seen a lot of things occur. We need to respect one another. We have our own opinions. We can agree to disagree but let's be professional, please.

Councilman Woerpel - I guess my question's for Heather. If we were to deny any of these. We would technically be running a deficit in those departments. Some of these transfers that he's talking about, for salaries, are something as minor as a full time person left and a part-time person stepped up and we wanted to transfer.

City Controller Garay - The way that we do our budget, and because I think it is more transparent for the taxpayers of Hammond, to keep the line items separated and individually show the salaries of employees and everything that goes along with it because we keep it that way instead of putting it into vague categories and estimating the numbers, from time to time changes occur that require us to switch from one line item to another. Some of these have to do with part time going to full time. Some of these going from full time to part time. I would like to point out that I did talk about the Executive Orders during the budget hearings several months ago and I did provide a print out of every department, every employee, by position, and salary, to Councilman Markovich several months ago on this matter. So this is something that everyone's been aware of what the costs were associated and the changes that may need to take place over the year and it is something we do on an annual basis this time.

Councilman Woerpel - For the record, the State Board of Accounts, they make recommendations, correct?

City Controller Garay - They do, but that's gonna be in the past. I don't want any of our line items to be in the red. That is my goal. That was not always the case. So, we can allow things to run in the red in certain line items and the funds will be okay overall but I would like for everybody to have a balanced budget. Sometimes that takes making minor adjustments at the end.

Councilman Woerpel - This isn't sneaking in \$138 thousand. Since I've been hearing about this, since I got here, this is not sneaking in nothing. Correct?

City Controller Garay - This is not additional money. This was not something we could prepare for at the beginning when we did the budget last year. So this is anticipated needs throughout the year. It's a big city and it's \$185 million that goes in and out through this city a year. So things happen and changes need to occur throughout the process. If it is the wish of this council and you wish for me to bring this to you on a more regular basis, I'm happy to do so. It's always been done at the last meeting of December.

Councilman Higgs - Mayor, as being the Mayor of the City of Hammond, you have the authority to do Executive Order at any given time.

Mayor McDermott - As long as it doesn't increase that department. Which is, in some departments, like police, it's a lot easier than other departments. But, Councilman Higgs, using Heather's number of \$185 million that

ORDINANCE 3RD READING - FINAL PASSAGE cont.

Mayor McDermott cont. - passes through the City of Hammond every year, we're talking about \$138 thousand dollars. That is .07% of our budget. Not 1%. Not even close to 1% of our budget. It is .0007, that's how much we're talking about. We're blowing up the Council Meeting over .0007% of our budget. This is a game by Councilman Markovich. This is a game.

Councilman Higgs - I guess my last question would be to you, Mayor, the reason for this money to be shift at the end of the year is because there was a shortage in that department.

Mayor McDermott - I got a great example for you how these things happen, Councilman Higgs. There was a discussion about possibly having a second full time employee in the Council, right. There was a lot of discussion about that just a few weeks ago when we passed our budget. And we made a deal at the time that we would go ahead and pass the budget with one full time employee and one part time and I said I would work with you if it was the Council's prerogative to bring a second employee in. How would we do that? Through Executive Order. Then we would have to come back at the end of 2017, Councilman Markovich, with a wrap up ordinance so that your department wasn't in the red. So you have no problem when it's fine with you guys. But now, when this kind of stuff happens we have... this is a city we're running here guys, we have a thousand employees. We have multiple departments. Things happen during the course of a year. Heather comes in, it's the end of the year, talking about .0007% of the budget and your making it out like she's a criminal. It's embarrassing, Councilman.

Councilman Markovich - I would refer to Ordinance 30-46, appropriation or transfer of funds, this is a city ordinance. For every appropriation or transfer ordinance introduced before the Common Council, the city official requesting the appropriation or transfer of funds shall either appear in person on the 1st and final reading of the ordinance or submit in writing before the final reading, a detailed explanation of the need for passage of the ordinance. With which his or her proposed appropriation or transfer of funds is concerned. We have neither of that. All I'm getting rhetoric that I'm grandstanding. I'm asking for answers that's my job as a councilman. I'm asking for answers. Not being ridiculed. Not being made fun of. Not being saying that I'm grandstanding, Mayor. I don't want to confront you. You don't have to come up and do that. We have a Finance Committee that's supposed to know all these answers. You have a City Controller that's supposed to know all these answers. You don't have to come here and beat up on me or anything like that, Mayor. I respect you. Respect me. But every time I ask a question don't say that I don't know what I'm talking about. You said I've been here for decades. Yes, I have and I've learned. That's why I know this ordinance. It also says such an ordinance shall not come to final passage until the appropriate official has complied with the requirements of the section. Where's the written explanation? Where's the report of the Finance Committee? That's all I'm asking for I'm not asking for anything that's crazy. I don't know how in the hell we're spending.... how could you pay somebody this kind of money all year long and all of a sudden now you need \$138 to balance the book. Yes, it's on a line item. But in the past she talked about part time salaries. It's not part time salaries in the controlled, it's salaries. Who got this extra money? That's all I'm asking. \$58 thousand in the Engineering Dept. What the hell's going on there? Did they create a position for somebody we don't know about. Law Dept., \$6 thousand. Salaries. PERF. \$47 thousand in the IT Department. Did somebody get hired we don't know about. We talk about transparency, transparency? Where's the paperwork. How is this getting done? That's all I'm asking And

ORDINANCE 3RD READING - FINAL PASSAGE cont.

Councilman Markovich cont. - if no other Councilman will ask any questions then you're violating your oath of office for doing your job. You can't sit here and ignore it and vote against me every time I ask for information.

Councilman Higgs - To alleviate this in the next year I would hope that we are all informed of Finance meetings and maybe we need work sessions so that everybody hearts and minds are clear that we're not sitting here going through this. Because I know, sitting on the council, at the end of the year there are clean up ordinances and I've been here long enough to realize that.

Mayor McDermott - Thank you, Councilman. Every year.

Councilman Higgs - I guess his questions are not being answered clearly enough for him to feel confident enough to vote on it. That's the only thing I could think it could be at this point. So, maybe something additional needs to be done so that all minds and hearts are clear in the future so that we're not going back and forth like this. This is just ridiculous the way it is.

Mayor McDermott - .0007 %, that's all I want to say. Taxpayers watchdog. .0007%. But you have no problem coming up and asking me for a second employee in January of 2017 as you've already made clear. Right, Councilman Markovich?

Councilman Markovich - I didn't ask for it. Don't put words in my mouth. I did not ask for that second position. Obviously somebody got some extra position here with \$57 thousand, and \$47 thousand, and \$58 thousand, and we know nothing about it. To me that's what it looks like. It's not part time salaries. These are positions. The thing about it is, how did you pay them all year long when the money wasn't even in that account to pay them? That's what I want to know. That's misappropriations of funds. You can not spend more money than what you have. He didn't have it in that line item. You're putting it in there now. So what, you're gonna give them a lump sum now for \$58 thousand at the end of the year? That Controller had her name on every check. She needs to answer for that.

ROLL CALL VOTE (passage)

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

NAYS: Markovich, Torres

ABSENT: Kalwinski

Motion carried

6/2/1

ORDINANCE NO. 9362 PASSED

Mayor McDermott - Now that the ordinance passed and I intend to sign it, every account that we have in the City of Hammond will be in the black. Every single one. Thank you for passing that ordinance. Which is nice so thank you for passing that. I intend to sign it immediately and we'll transfer .0007% of the money to the appropriate accounts and State Board of Accounts will have nothing to cite us for. So thank you, Council, for passing that ordinance for 2016.

INTRODUCTION OF ORDINANCES

16-36 An Ordinance to Amend Ord. 4487, Ord. 4851, Ord. 6099, Ord. 7429, Ord. 7830, Ord. 8211, Ord. 8471, and Ord. 8845 also known as Chapter 35 of the Hammond Municipal Code as it Pertains to the Hammond City Court and the Orderly Transition of Cases

Councilman Woerpel, supported by Councilman Spitale, moved the proposed ordinance to 1st and 2nd reading by title, referred it to the Finance Committee with a public hearing on January 9, 2016. AYES: ALL

Councilman Higgs - First, let me say that for a number of years the court has been in our city and I appreciate what the court does. As a councilman living in the 3rd District I deal with a number of issues on a day to day basis. Not just criminals but people that go through all types of things, day to day life, like we all do. I feel the court is a valuable resource in the city and that's my stance. I will do whatever it takes to make sure that the court remains here. We need a court in our city. It's needed. It will not only hurt the police officers, but it will also hurt the citizens of our great city. For that, I was elected to represent them and I will stand for what's right and I feel the right thing to do in this case is to keep our court.

Councilman Woerpel - I wasn't exactly elected by the people but I was caucused in and I was also put in this position to do what is right and to do what is fiscally responsible. This isn't an easy decision. We all know that come 2020 we lose ... we are at 1,2,3 on our tax caps right now, but what we have right now is what is known as exempt debt, that doesn't exceed .5%. Come 2020 that exempt debt gets rolled in to our tax caps and we then have to cut our budget. I've heard estimates from everywhere to \$3.5 million of upwards to \$5.5 million. I don't know if that's what I haven't gotten the full figures on the amount we're gonna have to cut our budget. We already supplement our budget with \$12.5 million of gaming money. This isn't personal. I'm not mad at nobody. I don't want to fight with nobody. But if we don't address this now and we kick this can down the road, come 2019 we're gonna be standing here going, "Hey guys, how are we gonna cut \$5.5 million?" By the way, I know before I got on this council there was a lot of discussion about whether to repair this building or build a new City hall, these are issues in front of us. We've got estimates, from what the City Controller has told me is anywhere from \$3.5 to \$5.5 million to cut. There's only four ways you can raise money in government. One is through property taxes. That's what's facing us right now. The second way is through income tax, and we just passed that. Of that 1.5%, 1% goes for property tax relief credits. A quarter of it goes, which actually lowers your property taxes, a quarter of that remaining .5% goes for community, actually, County Economic Development Income Tax. Another quarter of it goes to public safety. So, we could go to the council and say, "Hey, we got to close this deficit." We can go to the County Council and say, "Can you raise the Income Tax?" If that's how we want to close the budget. A third way is User Fees. You guys want \$300 dog licenses? You want \$500 building permits? I don't. I don't want to sit here and impose that on our citizens. The fourth way is bringing up our assessed valuation. We're trying. I commend the Economic Development Department. They're using all the tools. TIF Districts, we're gonna be having a tax abatement come in front of us shortly. But we've got a \$5.5 million budget gap deficit facing us in 2020. We can ignore it, but from the data that I've heard if we close the court it's about a \$1.5 million savings. I know we all received something in our packets that disputed that and if you'd like we could suspend the rules and have her come up and answer some questions about it. But you guys want transparency? That's the reason I'm doing it.

*Prepared by
Robert J. Golec
Hammond City Clerk*

INTRODUCTION OF ORDINANCES cont.

Councilman Higgs - I guess the way I feel about this, I mean, the reality of it is, I think the court generates revenue itself. Not only that, I would rather see taxes go up than to lose the court. When you get done paying, transporting people from Hammond to Crown Point, that's gonna be extra resources that gonna be needed for that. The Hammond Police Department's gonna have to utilize more gas. It's gonna take them an hour and a half. One way is gonna be at least 45 minutes to get to Crown Point. That's without snow. Not only that, there are women, domestic violence cases, the people that don't have transportation, how are they gonna get to Crown Point? You have to take all that into consideration. Not only that, you say 2020, who's to say that we will all be here. God may call us all home by 2020. Let's deal with the issues that are facing us now.

Mayor McDermott - When the tax caps were passed we were given ten years to prepare. We are at 1.5, 2.5 and 3.5 in Lake County and St. Joseph's County. When the tax caps got to 1,2,3 it's gonna cost us \$3 to \$5 million is a safe estimate, Councilman Woerpel. There's no guarantee I'll be Mayor in 2020, absolutely, but does that mean we wait until 2020 to prepare for something we know is gonna happen? It's gonna happen. It's gonna go to 1,2,3, just like in 90 in the 92 counties. Only two counties it's not a 1,2,3, it's a 1.5, 2.5, 3.5 and we live in one of them. When that hits, and it's gonna hit, it's gonna cost us another \$5 million. We already have a situation with our budget and it's only gonna get worse. I tell you what, this is a luxury. Having a city court is a luxury. If you don't have a city court the county must accept our cases. Must. Just like with the Health Department. If you don't have a city Health Department the county must assume those services. Just like the City Sealer that we got rid of. If you don't have a City Sealer the county must provide those services for you. There's other things we do that we don't need to do. One of them is the city jail that has a lot of police officers working in it. Why do have a city jail? It was built one year before I took over as Mayor. That's costing us money too. These are the types of things we have to look at so that when 2020 comes, Councilman Higgs, we're not shocked and chagrined and I'm not hearing from the council saying, "How come we have no money for infrastructure in our districts?" It's because we didn't prepare. This is the kind of stuff we have to decide. I'll be honest, Councilman, there's a lot of people when I was proposing the Health Department, it took me three times to finally propose it and I'll be honest with you, it's running smooth. The only thing we do now that the Health Department used to do is we do mosquito spraying ourselves. That costs us, probably, \$50 thousand a year and we save millions since that decision was made. Can you imagine if we didn't do that we'd have the Health Department, plus the City Sealer, plus a lot of the other things that we got rid of. Ms. Jorgensen is our judge and I respect her and we had a meeting and she's gonna be our judge for the next three years. She was appointed and we're not going to contest it. However, that doesn't change the fact that when judge Kray was over there, and it doesn't change the fact that when Judge Harkin was over there, I had multiple conversations with multiple councilmen over multiple years about this very situation. When Judge Kray was sitting over there we had no idea that Ms. Jorgensen was going to be appointed. I was having conversations with council people, with elected officials, about what happens after Judge Kray is done. Are we going to fold the city court? Then when Ms. Jorgensen took over we moved the plans forward. But this is not the first time this has been talked about. It's been talked about multiple times with many of you, by the way. This is nothing personal, it's a business decision. If we don't have Hammond City Court, we have a court house a mile away, where many of the cases will be filed. If you get charged with a crime, you're probably gonna have to go to Crown Point, you may get lucky and have to go to Russell Street, 75% chance likely you'll end up in Crown Point. I could live with that. Don't get charged with a crime. The Hammond City Court will move one mile away. The staff, that are a great

INTRODUCTION OF ORDINANCES cont.

Mayor McDermott cont. - staff, we're gonna do our best over the next two years to pick up as many of them as possible and place them in other parts of the city as positions become vacant. The proposal before you is an orderly transition. It's not sudden. We've talked to the judge's, we're not gonna slam them with thousands of cases right off the bat. We're not gonna transfer our backlog. We're gonna let Judge Jorgensen take care of that over the next three years. By 2019 hopefully most of the cases will be done and by the end of 2019 Ms. Jorgensen will go on her way and we'll no longer have a Hammond City Court. Many of the ordinance cases that are heard will be heard under the Unsafe Building Act which allows for cities, like Hammond, like South Bend, to have ordinance court and we want to do that. It was a great recommendation and we took it and ran with it, because it's smart. So we'll keep most of our ordinance cases right here. It'll just be less formal than the Hammond City Court is. They have great employees in the Clerk's Office, they have great employees in the Judge's Office. I have two years as vacancies become available to try to pick them up and relocate them to other parts of the city, and we intend to do that.

Councilman Torres - You know we're talking about 2020, but like Councilman Higgs says, some of us might be here and some of us might not, including the Mayor himself. I know he's talked about maybe moving on to higher office or getting promoted, whatever. But, if we are gonna balance the budget by then, we can continue to eliminate services to the taxpayers. From my understand is the money generated by the court only leaves the city with about \$51 thousand. I got some documentation from Court on that.

Mayor McDermott - We don't agree with those numbers at all.

Councilman Torres - Okay, I didn't put a pencil to them so I can't back them up either. Anyway, they do generate money, \$1.5 million. If we're gonna balance this budget, some councilmen are worried about this 2020 tax cap that we're gonna get, we already got rid of the Health Department, Transit, the Sealer, I mean why not start looking at other departments. Just get rid of them all and just let the County take care of us. I'm sure the Commissioner, Mike Repay, would probably assist in running the city. Let's just eliminate the Council, the Mayor's Office, everybody. Let's just give us to County.

Mayor McDermott - Float an ordinance and see if it passes.

Councilman Torres - The Court is an institution that the settlers, when they first settled here, went through a hard time getting. I remember reading a book by Thomas Louer about the trouble they went to get a service like the judicial system we have. They used to travel every now and then when they had a case to Crown Point. Sometimes it would take them a day to get there because of the woods or the back roads or something. Sometimes two days if there was bad weather, snow and rain and all of that. Sometimes they had a traveling judge that would take turns going to Hammond, East Chicago, Whiting and all the other cities. You know, we're beyond that. Other cities face the same problems with their budget and they're not eliminating departments, especially the court system, to solve them. They're just dealing with it and doing the best we can. We are the most populous city in this region and (unclear) Indiana. Echoing Councilman Higgs, it just causes a lot of lack of service and hardships to a lot of people. Not everybody can hop in their car and drive to Crown Point. The time limits that the police officers have to put in there, he says an hour and a half. Well, and court dates, you

INTRODUCTION OF ORDINANCES cont.

Councilman Torres cont. - have to take (unclear) and they have to go to court there, they have to wait there until their cases are heard. So it's an inconvenience to everybody. Again, the court is self supportive. We haven't given the new judge a chance yet to prove herself. She has a lot of reforms. I had the pleasure of talking to her and she has some reforms that she's gonna offer that will probably either be self supportive or not as costly as it is now. I believe we haven't given a chance to this new judge. Also, cutting another service to the taxpayers and they're the ones who have to pay for it one way or another, it's just a disservice.

Councilman Higgs - You know, in thinking back for me getting on this council and being elected in office, you know, there are a number of issues that came up and it's nothing personal but the reality of it is it's just a hardship on people and I hear the stories, I'm out there 365 days a year. I know some of the problems that occur with, you know, of course, people create, cause crime and do that, okay, I'm not saying that it's okay to commit a crime, what I'm saying is there are people that need to have access to a court to their city that they live in. I feel as its gonna be extremely hard and I would hope, Mayor, that you would come up with some other solution or try to find other ways of reducing the budget other than cutting the court. We need a court in the City of Hammond.

Mayor McDermott - I want to address some of the concerns that came up. Councilman Torres indicated that the Hammond City Court is an institution in Hammond. It was established by our forefathers, basically, in 1884. It was a hardship to get to Crown Point in 1884. I agree, in 1884 it was probably really hard to get to Crown Point. Maybe it took a full day at galloping on your horse, I'm not sure. I've never galloped on a horse to Crown Point, okay. But it is not 1884 anymore. It is 2016 and most people in our city have cars and the ability to get to Crown Point. Secondly, cities and towns across Lake County without a town court, city courts are rare in Indiana. Who has them? Hammond, Gary, East Chicago and Whiting, Crown Point and Schererville. Who doesn't? St. John, one of them, funny enough, where our Judge lives, they don't have a city court. Munster doesn't have a city court. Highland doesn't have a city court. Griffith doesn't have a city court. Dyer doesn't have a city or town court. It's funny actually, when you see most of the communities that don't have city courts, they're usually the communities that are strong financially. Funny enough. St. John, for instance, strong financially, they do not have a town court judge ion St. John. Hardship, if you're charged with a DUI or resisting law enforcement, you may have to go to Crown Point, you may. 75% chance you're gonna end up in Crown Point. Maybe you get lucky and end up on Russell Street. I think we all agree if you end up on Russell Street it's not a hardship, right? "Aw man, I really wanted to go to 5925 Calumet, I just don't think I could make it over to Russell Street." There's gonna be a lot of these cases that end up in Downtown Hammond Councilman. If you get charged with a crime and have to go to Crown Point, "Mayor, I've got multiple DUI's and I just can't get down to Crown Point." What's the answer here? Is it to keep on losing money or is the answer to stop getting DUI's. I'm available for any questions.

Councilman Woerpel - I can't believe I'm sitting here listening to two colleagues of mine sit here and say, "I'm not worried about 2020." That's irresponsible. I wasn't here, I was out there over the Health Department and several other issues. When I was asked to be caucused in I didn't say, "Hey, I want to be a councilman but only when it's easy." I didn't say that. The discussion about one in four cases or you got a 25% chance of winding up on Russell Street. I talked to a County Councilman today that said that's basically not a State Law, that's something that could possibly be worked out through the County to lessen the hardship.

INTRODUCTION OF ORDINANCES cont.

Mayor McDermott - There is towns like Munster that has a County Court that locates in Munster and hears all Munster cases. There's no saying that six months from now we don't have a situation like that where they realize that the case load coming from Hammond's heavy and they don't want to make a lot of the Hammond residents go to Crown Point so what they do is assign a special judge, like Judge Cantrell, for instance, that goes to Munster and hears Munster cases. She's a County Court Judge. Is Munster losing money by having a town court? No. They have a County Court Judge come there with County Court Staff and hear Munster cases in Munster. I was an attorney, I practiced there doing this stuff. We don't have that and I don't think they're gonna promise us that because quite frankly, if I'm the County, I don't want Hammond to shove all their cases on us. Then I'm gonna have to spend more money doing Hammond's cases. Just like when we were doing the Health Department, you think the County Health Department helped us at all in that debate? Heck no. They were opposing us. And I heard it all, kids are gonna be dying, restaurants are gonna be dirty, Mayor McDermott doesn't care about your family, mosquitos are going to be out of control. I heard it all. And here we are ten years later and none of that has become a reality. So we're gonna hear this kind of stuff. "Oh, poor people who get a DUI are gonna have to go to Crown Point." I'm gonna hear it all. And I tell you who I feel sorry for is the employees And that's why over three years this is a compassionate plan. Because over three years when we have vacancies, like for instance, there's a vacancies that may be opening up in one of our security staff in city hall. Why wouldn't it be logical to take a bailiff that's probably gonna lose their job in a couple years and transfer him to that position? We could do that over the next couple of years. Maybe there's someone in Clerk Golec's office that may work well in Heather's Office, maybe we transfer them there as positions open up. If we do this over the next couple of years we can make it so that at the end of 2018 when we're done budgeting for the Hammond City Court, there's very, very, few lay offs. Because that's ideal. Nobody wants to let people go, including me. But, having this plan in place gives us three years to get ready for it.

Councilman Woerpel - I have a question for either the Mayor or Heather. I keep hearing about what the court brings in, if that court was on Russell Street and a person got fined, the City of Hammond would still get the money, right?

Mayor McDermott - Thank you Councilman, we're gonna break out accuracy, I don't want to quote an inaccurate number. I could totally tell you that we completely dispute the numbers that you were given today by the judge. I don't know how the judge has a lot of that information because she doesn't have access to what actually goes through the Controller's Office. So, maybe they got those off Courtview based on the total number of cases that comer in. Now if revenue comes into the court you realize that the revenue goes different places. Just because it comes in to the court doesn't mean it fixes our finances. Revenue comes in, some of it gets split out to Law enforcement, some of it gets kicked out to the County, some of it gets kicked out to the State. The fact is this, alright, we're working real hard, we're getting ready for 2020. I realize this is an emotional issue. If I was en employee in the Court or the Clerk's Office I'd probably be standing there in the back of the room looking at me funny too. Because this is your job, this is their job we're talking about. I get that. I understand why they are here. That's why I want to make a commitment right now that I want to minimize the amount of layoffs December 31st, 2018. Positions open up during the year. Changes are made during the year and as that occurs we can cherry pick some of the good employees that Clerk Golec has, some of the good employees that Judge Jorgensen has, and place them in positions that are permanent, that aren't going to go away at the end of 2018.

*Prepared by
Robert J. Golec
Hammond City Clerk*

INTRODUCTION OF ORDINANCES cont.

Councilman Higgs - I just want to respond to Councilman Woerpel when he made the assumption that only when it's easy. I've been on this council and I've dealt with all kinds of issues. I've been attacked, criticized, the whole nine, so it's not just when it's easy. I've dealt with all types of issues sitting on this Council. People sitting in front of my home and all types of things. So, it's not about being easy because I work 365 days a year for the citizens that I represent. I give a 3 on 3 Basketball Tournament, Back to School Giveaway, and I also feed my seniors. Anytime anyone in my district calls on me I am there for whatever reason. I have also helped and assisted in burying people that didn't have the resources or their family didn't have resources to bury them. So I take offense when you say when something's easy.

Councilman Woerpel - If you took offense to that I'm sorry but I wasn't directing that at you. I mean, if I hit a nerve I apologize.

Mayor McDermott - I have also been around here for thirteen years. Councilman Higgs and I have been through a lot of battles together. Okay. Councilman Higgs I know one thing, when it comes to tough decisions like the Health Department, like big cuts, you typically oppose. Just like you're doing now. Way easier to say the Mayor's a bad guy. He's trying to cut your jobs than it is to do the tough decision which is get ready for 2020, in 2016. Getting ready for it because it's coming, like a freight train. If we don't get ready for it you're gonna be screaming at me in 2020 saying, "Where's my gaming money? I can't do any projects in my district." I can see it already. We're getting ready. This isn't the only decision. Like I said, why are we doing city jail? We lose money. We got officers working at the city jail right now that can be out on the street. So why are we doing that? We're losing money. So, we got to take a look at everything. Garbage, do we need to pick up garbage anymore? Right. I can guarantee you we can save money. We've resisted privatization. Things like this we have to look at. If we wait until 2020, Councilman, I may not be the Mayor, you may not be the Councilman, but somebody's gonna be sitting in your chair and they're gonna have ugly, ugly, decisions to make if we don't get ready for it.

Councilman Markovich, supported by Councilman Higgs, moved to refer 16-36 to the Council as a Whole Committee.

Councilman Markovich - As Councilman at Large it affects the whole city. The whole city is my district and I know you mentioned something about councilmen and districts, you know, when it affects their districts they're entitled to go to a meeting, well, Councilman at Large has the whole city so we should be notified and included when these meetings are set.

Councilman Woerpel - I don't have a problem with it as long as the Council as a Whole shows up.

Mayor McDermott - Are there quorum requirements for Council as a Whole?

Council President Venecz - No.

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ROLL CALL VOTE (council as a whole committee)

AYES: Markovich, Spitale, Torres, Higgs, Emerson, Woerpel

NAYS: Rakos, Venecz

ABSENT: Kalwinski

Motion carried

6/2/1

MOTION CARRIED

Councilman Markovich - I would hope that something of this magnitude that we just don't have a meeting at 5:15 p.m. on January 9th or whenever that meeting is to get rid of the Clerk...or the Court's Office, well, part of the Clerk's Office too because that's what's gonna happen, that we have several workshops and give everybody an opportunity to present the information and let's find out if the information is true or false or whatever. So, everybody talks about transparency about the finances and figures, well let everybody come to the table and bring all those figures here and let's go. I mean, now it's a dispute we all received a report of \$56 thousand to keep it open, that's being disputed but I'm sure that people can substantiate those figures. The other side can go ahead and substantiate the figures how much it would really cost or how much of a savings it's gonna be. You know, just bring everybody to the table and this is something that can't be decided in fifteen minutes in that room next door over there. This is something that's going to be of big magnitude. If you look at this building here, you got one end it says justice and the other side it says law, inscribed on the blocks of the building here. This building was built because of justice and law. Basically because of a court. And we would be doing a disservice to this building and to the citizens of Hammond that if we did get rid of it. I mean, the mayor mentioned that there's other places that they probably could cut and look into. I would like to have a copy of the Kernan Shepard Report to see what else has been recommended in that respect. It seems like everybody wants, there's what seventeen townships and cities or whatever here in Lake County and everybody wants their own little fiefdom, you know, that's come out and said well get rid of all the Mayors and Councils and everything and just have one administrator to run it all instead of having three commissioners you have one administrator to run it all. So, I mean, that's what we need to look at. I mean, it's a big decision and probably, um, five people are gonna make that decision for the rest of the citizens of Hammond here. They're gonna make that decision, five people, and that's it. That's it, but yet our forefathers, and Like I mentioned, I'm repeating myself, law and justice, this place was built because of the courts. It wasn't built here for City Hall. City Hall used to be on Hohman Avenue where the water tower is. The tore that down and moved it here. That's where City hall was at one time. But the courts were here first. Well, maybe not first. And the Mayor talked about, you know, all these other places, you know, Dyer, Munster, whatever, they're not cities they're towns. So they don't need that. Yeah, they save money by doing that, by not having a court, but if in fact it is generating revenue and for \$56 thousand a year, I mean, we need to see what it is. If there's other places to cut or raise fees, like Councilman Woerpel said. We didn't raise a lot of fees like Munster. Munster raised like five or six different taxes within the last two years, drainage, wheel tax, referendum, water, sanitary, you know, we didn't do a lot of that. Yeah, we're work, the city that works. I found out, I have to laugh, Mayor Daly in Chicago always said, "That's the city that works." Boy did he bullshit everybody, excuse my language, because now you're finding out they're broke and they're broke big time. Pension-wise and everything else. So at least, I credit the Mayor, you know, we have gaming money, you know, to go along with that and substantiate and support the budget. But, you know what, we're a 2nd class city based on population. We're the largest city in the County and you want to make us a full service city by going ahead and cutting back and not providing all those services where a little

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INTRODUCTION OF ORDINANCES cont.

Councilman Markovich cont. - town like Whiting's got a city court, East Chicago's got a city court, Gary's got a city court. If I'm not mistaken, the Kernan Shepard Report at one point says get rid of Russell Street, get rid of the building in East Chicago and get rid of the County Courthouse in Gary and put everything to Crown Point. I may be wrong.

Mayor McDermott - You are.

Councilman Markovich - Okay, well if I'm wrong but I know we talked about that to move all the courts to Crown Point. That's still a possibility. If the finances are going to get that bad here in the County. We talk about rejuvenating, renovating, you know, Downtown, there's no need for lawyers to have offices here anymore then. They're all gonna be going some place else then. So, you know, you could have a lot more vacant building here because of that. At least it brings some people here. Even though they gotta come here, yeah, I know the lines are long, but you got a couple restaurants. We got two new restaurants that opened up here. They got to come here and go to court or whatever, at least they'll spend some money here and get something to eat. So, I mean, everything's relative. You know, you talk about getting a convention center here to bring in people, Well, hey, you got a court here to bring in people. Maybe they'll spend money and get something to eat. So, it's all relative.

Mayor McDermott - The Kernan Shepard Report mentions nothing about the County Courthouses in Downtown Hammond. The Kernan Shepard has like twenty different parts to it, the only parts that (unclear) to the cities are they want us to get rid of our Health Department, we did that six or seven years ago. They also wanted us to consolidate all city courts into the county. There is some other stuff in there. There's stuff about Townships, I agree. But, the fact is I knew Governor Kernan very well. I respect that man to this day greatly. Justice Shepard gave me an award for pro bono attorney of the year. So these are two people I respect very much and when they got together and they came out with a report, I bought into it. It is on there about city courts. They don't care about County Courthouse Downtown, Bob, it mentions nothing about that so I don't know where you got that fact. Secondly, increasing taxes to pay for these types of services, I guess that's an option Councilman brings up. Cites Munster, Munster passed a wheel tax. Munster passed referendum one. They passed referendum two. We haven't done that in Hammond, I get it. Okay. If we passed referendums and we pass Wheel Taxes, yes, it would make it a lot easier to balance our budget. We've decided not to do that. If we didn't have College Bound, it'd be a lot easier to balance our budget. I don't hear too many people talking about that either, okay. If we didn't give senior and disabled credit, it's be a lot easier to balance our budget. But we do these things for our citizens, okay. Let me tell you something, one thing I've learned as Mayor, when you do something wrong you hear about it instantly. I have to walk into that office every day where we get hundreds and hundreds of phone calls every single day and if I've done something wrong, the people I have working in my office look at me funny. Because I walk in an they're like, "Mayor, we have a hundred messages waiting for you." When we did the Health Department, four days before the election, the Friday before the Tuesday election there was a protest in front of City Hall with about three or four hundred people carrying signs. They were outraged. Let me tell you something about this proposal, it's been on the street now for a couple weeks. I got six messages in City Hall, in the Mayor's Office, six, all supporting us. All supporting us. I don't know who these residents where. Six people called my office. None of them has said, "Mayor, you're screwing up." None of them has said, "That's vital to our city's interest." None. Six of them said, "Mayor, we support what you're doing." For a

INTRODUCTION OF ORDINANCES cont.

Mayor McDermott cont. - variety of reasons. Some people were mad because the Judge doesn't live here. Some people were mad because Harkin's not doing it anymore. Six people called the Mayor's Office, and they were all supportive of the move. There is not outrage on the street. There's outrage amongst a couple of you on the council. There is not outrage on the street.

Councilman Higgs - Mayor, I'm not outraged about anything. Just because you make a decision doesn't mean that you're a bad Mayor. There are some great things you've done for the city and I don't take anything personal.

Mayor McDermott - I appreciate that Councilman, and vice versa.

Councilman Higgs - When I take things personal is when you attack me personally. I was elected to do a job and that's what I'm trying to do.

Mayor McDermott - I got you.

Councilman Higgs - Just because you make a decision or feel that you need to make a cut here or there, that's your decision. You're entitled that. That's what makes America free. We all have a mind of our own.

Mayor McDermott - It's be so easy for me to just ignore 2020 and just keep, "No problem, let's just keep on spending. No problem, let's just ignore it." Then when 2020 comes I can hear the screams already. When 2020 comes and we say, "Sorry, Councilman so and so, we got no money for your district. It's all going towards the budget." I can hear the screams already and then you guys will be like, "Mayor McDermott, you did a bad job with our budget. We have no money left." That's what would happen. So, we're getting ready, and you don't like it. It took me three times through the council to pass the Health Department. Three times. I was rebuffed two times. Finally over a four year period, finally on the third try in the fourth year I got it passed. It was passed days before the election. I almost lost my job over that, but it was the right thing to do and the county has done a great job since they've taken it and I don't hear anybody complaining.

Councilman Torres - You know I agree with Councilman Markovich about having the workshops on this and to have that public hearing on January 9th. This is a decision of great magnitude like he said. The county itself, I understand, has some financial problems of their own and here we're dumping another one on them. I feel that we're, as a City, are not taking the responsibility of meeting our financial problem. We're just trying to dump it on somebody else. And actually, all the Mayor does is propose this thing. It's up to this council to make the final decision with five votes, and of course if he vetoes it, six votes. But it's not his decision this decision of this magnitude, it's the council's. So, whether it be next year or in 2020, that the future elected council has to address this, like I said, he probably won't be here because he's talked about moving on. A lot of us might not be here.

Mayor McDermott - Some may not win their next election, Councilman.

Councilman Higgs - I am.

INTRODUCTION OF ORDINANCES cont.

Councilman Torres - Could be, get beat or decide not to run.

Mayor McDermott - It could happen.

Councilman Torres - I'm not worried about that.

Mayor McDermott - Good.

Councilman Torres - But if you're threatening with an opponent or something already, could be. Well, I'm gonna tell you, the last two Mayor's that we've had, your father included, has contributed something to the city. You're father, of course, is known for the Marina, which he had to fight hard to get. I remember council took itself to court over the decision to grant this. (Unclear) to court (unclear) marina after the council had passed. So, then Mayor Dedelow at least we got the \$50 million golf course. Your legacy is probably gonna be the Mayor that took away everything. Took away Health Department, our Transit Department and now if you succeed in this, the Court. After that who knows what department you're going to decide on. In fact I think you mentioned the garbage, Sanitation. I mean, why be a 2nd Class City and the most populous, well that's called being a town, people, whether it's good or not, 80 thousand, now we're down to 77 thousand. If we lack any more services, why move to Hammond? You know, other cities and towns are offering services.

Mayor McDermott - I'm moving to Hammond, they got a City Court.

Councilman Torres - Yes, (unclear).

Mayor McDermott - If it's between Hammond and Valpo, but they have a city court and Hammond (unclear).

Councilman Torres - I bet people are saying (unclear) move to Hammond because they got a Health Department. But anyway, I think it's a travesty to lose the City Court.

Councilman Rakos - I don't know what time we're going to have this meeting. I will be there. I voted against Council as a Whole because I show up to every Committee Meeting whether I'm on that committee or not. But what I notice is if it's not at 5:15 several of the councilmen here don't show up even though they ask for Council as a Whole. I'll be happy to be there whatever time you want to do that.

Councilman Higgs - I don't know what councilman he talking about but every meeting that's been held for the last twelve years I've been at unless I was sick so I don't know what councilman it is. But the reality of it is I think we do need additional meetings and work shops because some of this information can be discussed at those meetings and we wouldn't have to go back and forth for an hour and a half. But the discussion and dialogue is good.

Councilman Woerpel - Does the sponsor get the last word?

INTRODUCTION OF ORDINANCES cont.

Council President Venecz - Yes, you do.

Councilman Woerpel - I heard someone say something about user fees. We got one coming. It's called a EPA Mandate. So that's on our plate too. And that's what, \$200 million Mayor?

Mayor McDermott - Depends on what the new President thinks it should be.

Councilman Woerpel - But, yeah, we got a user fee coming too. That's all I got to say on it.

Mayor McDermott - That doesn't count the South Shore Expansion, they expect us to contribute \$900 thousand a year for 30 years.

Councilman Higgs - This is my last comment. When I first got on the council I controlled roughly about \$3.5 million, it's dwindled down, and I've been able to work with the resources that we've had, Mayor. And, you know, you have to take the good with the bad. But there's not an area within this city, not within this city, I would say within my district that you haven't seen infrastructure, sidewalks or lighting. Just because I live in a particular area doesn't mean I neglect other areas of my district. I look at the entire district and try to provide the needs of the entire district.

Councilman Spitale - In my packet, I was given this report on court revenue. I don't know who made this up, who's the one that has all these figures that we're talking about.

Councilman Torres - It was made up by court.

Councilman Spitale - So, who's the one that put it in our box and who made the (unclear), I'd like to know? How do we know these figures are right?

Councilman Torres - I received that from the court and I thought that we should all get a copy of it so I put it in the boxes.

Council President Venecz - At the risk of being out of order, I'd like to ask Councilman Markovich what kind of work shop do you want? What kind of information do you want? What are you looking for?

Councilman Markovich - I would figure a whole budget hearing. Just like we do at budget hearings. Open it all up. Bring all the information to us. Let's all sit here and listen to it. I guess you could probably say it's like a court. Everybody present their case with their facts and figures presented to us. Five people are gonna make that decision and you know what, them five people, or six, have already made their decision. But is the facts and figures are there you can not dispute them and if you vote against them then god help you and god bless you then or whatever, you know. It's just like I talked earlier, I showed an ordinance it said "written report" before we pass this. Blow it off. Vote against it. You blew it off. It's an ordinance...

INTRODUCTION OF ORDINANCES cont.

Council President Venecz - Thank you, Councilman, I believe you've answered my question.

Councilman Markovich - ... you violated out own laws that we made, our own ordinance.

Councilman Higgs - I just have a suggestion in regards to the meeting. You are currently sitting as our President of the Council. If you schedule a work shop I would hope that all of us would be here. So, schedule one two hours before the council meeting or an hour before the council meeting, or next week, or Saturday morning, or Sunday morning or whenever. But we need to have an opportunity to hear all sides.

Council President Venecz - Thank you for that suggestion. We have a motion on the floor by Councilman Woerpel, second by Councilman Spitale, for 1st and 2nd reading of 16-36, refer to Finance and Council as a Whole with a public hearing on January 9th, 2017. All in favor. All opposed. AYES: ALL

Councilman Markovich - Roll call vote.

16-37 Amending Ord. No. 8514, Being: An Ordinance Establishing a Zoning Plan for the City of Hammond for Purposes of Amending Title XXIX Overlay Zoning Districts to Establish New Provisions for Small Cell Facilities to Deliver Wireless Service within the Greater Rights-of-Way Overlay Zoning District (GROW-OL)

Councilman Woerpel, supported by Councilman Spitale, moved the proposed ordinance to 1st and 2nd reading by title and referred it to the Building & Zoning Committee. AYES: ALL

RESOLUTIONS

16R-33 2016 Appropriation Reduction Resolution

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

ROLL CALL VOTE

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

NAYS: None

ABSENT: Kalwinski

Motion carried 8/0/1 RESOLUTION NO. R33 ADOPTED

16R-34 Approving the Town of Griffith, Indiana Financing Educational Facility Bonds for Calumet College of St. Joseph

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

Councilman Spitale - I'd like to have Atty. Starkey come up and explain this resolution please.

*Prepared by
Robert J. Golec
Hammond City Clerk*

RESOLUTIONS cont.

Atty. Richard Starkey, Law Firm of Barnes & Thornburg - The resolution before you concerns Calumet of St. Joseph College and their desire to finance, on a tax exempt basis, bonds so that can no longer be on a taxable basis as they are now with the bank. So part of the Federal Tax Code permits banks to buy tax exempt bonds if those bonds are issued by a municipality that has issued \$10 million or less of bonds in any particular year. Earlier in the year, it is my understanding, the City of Hammond assisted a Charter School in a refinancing of certain bonds in the amount of about \$9 million and they also had some tax warrants at about a million and a half. So it put you over the \$10 million threshold under Federal Tax Law that would allow Calumet College to come before you as the body to actually help them issue those bonds. As you probably know, because you helped the Charter School, these kinds of bonds don't present any kind of liability for the city and it's what we call a conduit. It passes through to the entity that actually pays the bond. So Calumet's gonna be paying their own bonds but they get the benefit of tax exemption and therefore a lower interest rate if they go through a certain body. So we approached the Town of Griffith who had not issued any bonds this year. So if we closed these bonds this year with the Town of Griffith the college will get the benefit of tax exempt rates. So that's what this is about and basically because they're located here in Hammond we need your consent for the Town of Griffith to go ahead and issue the bonds. Again, there is no liability of course on the City of Hammond for these. It's just asking your consent to allow Griffith to go ahead and do it and they've agreed to do that. I'd be happy to answer any questions.

Councilman Markovich - Just for point of clarification for our listening audience. With all the problems that Griffith and the Township over there has with their funding. Where Griffith tried to get out of that Township. Please explain that we're not doing anything there that's helping them out that any of this money is gonna be going to the Township where that lawsuit's going on between the Town of Griffith and Calumet Township.

Atty. Starkey - Yeah, so these would have absolutely no affect on that whatsoever. This is basically a financing by the college with a bank and they're getting the benefit of tax exemption because they are issuing through the Town of Griffith.

Councilman Higgs - In seeing that we have reached our threshold, is that the reason you have to go to Griffith to get approval?

Atty. Starkey - That is correct.

Mayor McDermott - I want to point out that we did not, the City of Hammond did not issue bonds. They are bonds that went through the bond bank and count against us in this scenario. So, the Charter School asked we guarantee those bonds, they went through and refinanced, it went through. The City of Hammond did not float these bonds. The bonds went through the bond bank is being counted against us. So, Calumet College went to Griffith who didn't float any bonds and doesn't have a bond bank and asked Griffith if they would sponsor them so that they could get these financing bonds.

Councilman Higgs - Mayor, so how does that affect us when it comes to our bonding ability?

RESOLUTIONS cont.

Mayor McDermott - It doesn't affect us at all. We're doing a nice thing for Calumet College of St. Joseph so that they can pay lower interest payments. They have to come to us because Calumet College of St. Joseph is in Hammond and if another city is going to sponsor them, like Griffith, they need our permission. It doesn't affect us financially at all. It just give Calumet College of St. Joseph a lower interest payments.

Council President Venecz - It's to refinance their bonds.

Atty. Starkey - Correct. They have existing taxable debt with a bank.

ROLL CALL VOTE

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

NAYS: None

ABSENT: Kalwinski

Motion carried 8/0/1 RESOLUTION NO. R34 ADOPTED

16R-35 Adopting Internal Control Standards

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

ROLL CALL VOTE

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

NAYS: None

ABSENT: Kalwinski

Motion carried 8/0/1 RESOLUTION NO. R35 ADOPTED

16R-36 Establishing a Policy on Materiality for Reporting Irregular Variances, Losses, Shortages and Thefts

ROLL CALL VOTE

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

NAYS: None

ABSENT: Kalwinski

Motion carried 8/0/1 RESOLUTION NO. R36 ADOPTED

16R-37 Re-Appoint Gregory Myricks to the Hammond Redevelopment Commission

ROLL CALL VOTE

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

NAYS: None

ABSENT: Kalwinski

Motion carried 8/0/1 RESOLUTION NO. R37 ADOPTED

NEW AND UNFINISHED BUSINESS

Councilman Woerpel, supported by Councilman Higgs, moved to cancel the Common Council Meeting set for December 26, 2016. AYES: ALL

Councilman Torres, supported by Councilman Higgs, moved to send a letter to the City Engineer if he would please engineer the area of Oakley Street from Willow Court south to Douglas and also Sibley Street, State and Willow Court from Oakley to Sohl Avenue. That's the area of the First Baptist Church and unfortunately a lady, two Sundays ago, a senior citizen stumbled and fell and broke her hip and wrist and I guess she was in the hospital last week. I didn't check today. But that area needs to be taken care of as far as whatever needs to be done there. AYES: ALL

LETTER SENT: 12-13-16

Councilman Higgs - I think this past week in The Hammond Times there was an article about some of the projects that's gonna be going on in 2017 in our city and one of the projects for my district is Van Buren from 165th to Conkey. Lighting will take place there in 2017. For all minds, hearts and bodies, so everybody's clear, there will be lighting on that street.

Councilman Markovich, supported by Councilman Higgs, moved to send a letter to the Controller, Law Department, Mayor's Office, Public Works Department, for a copy any and all Executive Orders for the last two years.

Mayor McDermott - I don't think anybody else will have copies of the Executive Orders other than the Executive and I believe I provided those literally within the last month or two to Councilman Markovich. But I gladly do it again. But sending a copy of this letter to Gary Gleason isn't really gonna do much good because Gary Gleason is not an Executive that makes Executive Orders.

Councilman Markovich - Well, discussion with Heather, she said she doesn't have copies. So I don't know how she can write checks with salaries if she doesn't have copies of the Executive Orders and she kept alluding that the Law Department ... I'm just trying to cover all bases. Who's got the Executive Orders, copies of them, that's all.

Mayor McDermott - I have them, because I'm the Executive.

Councilman Markovich - She alluded earlier when you weren't here that the Law Department had them. If it's to the Mayor, then just to the Mayor.

ROLL CALL VOTE (send letter)

AYES: Markovich, Torres, Higgs

NAYS: Emerson, Woerpel, Rakos, Venecz

ABSENT: Spitale, Kalwinski

Motion failed

3/4/2

MOTION FAILED

NEW AND UNFINISHED BUSINESS cont.

Councilman Higgs - I just want to wish all the residents of the City of Hammond and the 3rd District a Merry, Merry Christmas and a prosperous new year and I pray to God that it be better.

Councilwoman Venecz - I would like to say that December 18 is a very auspicious day. It is Clerk Golec's birthday, it is Jake Jacobs birthday, and it is Judge Julie Cantrell's birthday. So Happy Birthday to all.

Councilman Torres, supported by Councilman Higgs, moved to have a letter sent to Redevelopment asking for any CDBG projects that were done in the 2nd District in this past year, 2016. From funds from CDBG and also Redevelopment.

LETTER SENT: 12-13-16

Councilman Markovich - You know, at the beginning of the meeting we pray for people and deceased and so forth, I would just like to say that it's been 33 years ago tomorrow that my mother passed away and I know Christmas is coming and it's supposed to be a joyous time but it's also a sad time because somebody's not sitting at that dinner table that you've always had there. So, this will be the 33rd time for me.

Councilwoman Venecz - Speaking of that, thank you Councilman for reminding me, crossing guard Dee Chynoweth, 17 years on the corner by St. John Bosco passed away suddenly last week and I would just like to just express the sympathy of all of us to her family. She was quite a sweetheart standing on the corner going like that. So, yes, our sympathy to her family.

PUBLIC EXPRESSION

Paul Berkowitz - Represents Teamsters Local 142 - Thanked the council and appreciates working with the Council and the Mayor and look forward to continuing a long and worthwhile mutually beneficial relationship to everyone.

Mary Ellen Slazyk - Happy Holiday but it won't be happy if the court is taken away. The people of Hammond have had a lot taken away. If you don't have a car there's no way to get to Crown Point. Her daughter is a victim of domestic abuse. If you take away the court it hurts a lot of people like my daughter that don't have money, no car, and children, she does work in a grocery store but doesn't make much. How are people supposed to get out to Crown Point?

Alvin Cheeks - Here for Mother Jackson who is in a wheelchair. We clean the handicap ramps in the neighborhood and at 2-3 o'clock in the morning they get re-plowed in. I understand they have to be plowed but there are a lot of complaints. All they have to do is turn the plow the other way or put a shovel in the truck. The kids also have to walk to school through that.

PUBLIC EXPRESSION cont.

Robert Sorge - A Hammond Attorney who has been practicing law in Hammond for 20 years and whose office is in Hammond. It's not all criminals that will be going down to Crown Point. There's a lot of Civil Cases, I believe approaching 5,000 Civil Cases this year at the Hammond City Court and we pay a pretty good fee to do that. My clients like to have a Hammond City Court. When civil files are filed at Russell Street Courthouse three quarters of them will end up in Crown Point. So it's not just the criminal cases it's the Civil Cases.

George Stoya - Regarding plowing people in, I've spoke to various people at City Hall and they've been very responsive. The drivers have been responsive. I favor the court and don't view it as a luxury. I view it as an anchor to the commercial district in Downtown Hammond. I don't know what it actually does bring in. I hope that every effort will be made to locate the cases on Russell Street in the case that the court were abolished.

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

AYES: ALL

Janet Venecz, President
Hammond Common Council

ATTEST:

Robert J. Golec, City Clerk

Time: 8:20 pm
cb

Approved at the Common Council Meeting of January 9, 2017.