

The regular meeting of the Hammond Common Council of the City of Hammond, Lake County, Indiana was held on October 13, 2020 in the Hammond City Council Chambers.

Council President Dave Woerpel presided.

Council Coordinator Carmen I. Balboa facilitated.

PLEDGE OF ALLEGIANCE was recited by all.

Moment of Silence was observed.

ROLL CALL

PRESENT: Alexander, Spitale, Venecz, Kalwinski, Torres, Tyler, Emerson, Rakos, Woerpel

ABSENT: None

TOTAL: 9

MAYOR'S ADDRESS

Mayor McDermott- I wanted to talk about the budget proposal we have submitted to the City Council, for 1<sup>st</sup> and 2<sup>nd</sup> reading today. And I'm also here to discuss the water rate proposal that was given to us, by the Hammond Water Department. I want to point some things out in regards to our budget. We had some headwinds, as everybody knows, in 2020. That's no surprise to anybody. During 2020, because of the impacts of the pandemic, we had a 38% decrease in our gaming revenue today. We've had over \$50,000 decrease in permits and fees, which is a 10% reduction. This year we've had a \$120,000 drop in service, sales and fees, which is a 40% reduction from the forecast budget. We've had a 20% drop in Park revenue, \$120,000, obviously with things like the Sportsplex was shutdown. We're not making money as we anticipated and build into our budget. MVH funds, which were relatively stable source of revenue, which get paid for, ultimately, from gasoline taxes across the State of Indiana, are down over \$600,000 this year, which is a 18% drop in what we anticipated. \$425,000 drop in local option income tax money, that was for Public Safety and Economic Development, which is a 7% drop. These all make sense and these are some of the headwinds that we've been facing this year in preparing the budget for next year. Despite those headwinds, I'm proud to report that we have turned in a budget to you with 2.29% reduction from the 2020 levels, 2.3% reduction. In this budget we've given to you, we've cut 21 positions, city wide, 10 in Police, 5 in Fire, City Hall security guard, 1 in Code Enforcement, the City Council removed a secretarial position and we cut 3 positions in the department of Public Works. With 21 total positions cut, it's about \$2.5 million in savings there. Nobody is losing their jobs, these are positions that we are choosing not to fill. In regards to the Police cuts, this is a continuing cut from last year, we cut positions because if you all remember, we had 16 Hammond Police Officers, fully uniformed Police Officers, working in the Hammond City Jail for decades, forever. We looked critically at it a few years back and when we are paying well over \$100,000, average, to each Hammond Police Officer, it didn't make a lot of sense to me that we had these high paid Police Officers guarding prison inmates, when we can get Correction Officers to do the same for half, if not more, savings. So we hired, ultimately, 16 civilians to replace those Police Officer positions and we eliminated those positions as they became available. Which resulted in our staffing cuts in the Police Department. Hammond Fire Department, we could cut 5 more positions and still maintain our staffing levels. I would also like to point out that College Bound expenses in the 2021 budget, \$1.1 million of it are sited to be paid for by TIF. Which is something we did last year, which saves us about 25% of the cost of the College

MAYOR'S ADDRESS

Mayor McDermott cont. - Bound Program. We've had the Hammond Water Department and the Hammond Sanitary District agreed to pay \$500,000 more each in PILOT payment to us, for a million dollars in new revenue there. They already paid \$1,000,000. So, Hammond Water and Hammond Sanitary have both paid \$1.5 million payment in lieu of taxes each year to the City of Hammond. Hammond Port Authority will only pay \$1 million. We built 2% pay raises into the budget for city employees. Right now we're in the process of negotiating with the Teamsters, the Police Officers, the Firemen and Engineers. I anticipate that if there's no 2% pay raise, that we'll have enough room to accommodate it in the budget and we'll work with the Council to amend the budget, if it becomes necessary. But right now we built 2% pay raises in for the city employees. Interesting facts about our budget, our Public Safety budget (Police and Fire) is \$55 million, we only receive \$33 million with property tax revenue. So our property tax revenue from all the businesses and all the citizens in our city, they pay all their property tax, if we take 100% of that and apply it to the cost of our Police Department and Fire Department, we'd still be \$22 million short. So how do we gap this \$22 million hole? That doesn't pay for one other city employee, it doesn't pay for any of you, it doesn't pay for any of my staff, anybody that works in City Hall, anybody that works in Parks, we still have to pay for all that stuff and we're \$22 million upside down, just with Public Safety. Our largest line items in the budget, Hammond Police Department's \$32 million operation, Hammond Fire Department's at \$23 million operation, our City's Self-Insurance Fund is \$12 million. That's obviously all of the medical claims for all the city employees and their families, that's also insurance settlements, litigations, things of that nature. Our water revenue is slated to increase in 2021, from \$8 million to \$10.5 million, this is water revenue from Illinois communities. They use to go to the Hammond Water Department, one contractor in particular is a Calumet City contract I am working with the Water Department, right now, to make sure that contract, like all other Illinois contracts, comes to the City of Hammond. That results, if the Water Department agrees to that, that will result in a 25% increase in water revenue to our budget. Goes from about \$8 million a year to about \$10.5 million a year. Which I think at 25% increase in revenue is a good thing. Keep in mind, this is something I'm real proud of, this line in particular, when I took over as Mayor we made less than \$100 thousand a year in water revenue from Illinois communities. And it's going to be \$10.5 million in this budget this year. That's something I'm proud of, we got sued in Federal Court and we've stayed tough and did the right thing and we've turned that into a major revenue source for the City of Hammond. Take that \$10.5 million, ten years from now, I bet you Hammond's water revenue is more than Hammond's gaming revenue. That's the future, that's where we need to head! Water revenue is climbing, gaming revenue is shrinking. So, let's keep that in mind. We're real lucky where we live right now. Top resources of revenue to the City of Hammond, \$36 million a year in casino revenue, \$33 million a year in property taxes, \$10.5 million from water. Our two (2) Park bonds paid off of the city budget, for about \$15 million in total, that's the total outstanding debt that we paid for off our budget. Our two (2) Park bonds, \$15 million. And, last but not least, the projected 2021 numbers to the Capital Improvement Board, that we recently created, and I want to thank the City Council for doing that, \$12 million. Mayor's gaming \$2.8 million, six (6) District Councilmen each received \$467,000 each, the Rainy Day Fund gets \$750,000 and the Gaming Advisory Committee get \$750,000. That's a summary of our city budget. I don't know if anybody has any questions.

Council President Woerpel - Would anybody like to ask any questions?

Mayor McDermott - I know you guys are going through 1<sup>st</sup> and 2<sup>nd</sup> and I know you talked about these.

Councilman Emerson - I just have a question about the Council secretary, is there a plan for what happens to our

*Prepared by  
Robert J. Golec  
Hammond City Clerk*

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Councilman Emerson cont. - current secretary, if she needs a vacation or something?

Council President Woerpel - Yes, we're working with Clerk Golec's plan with Carmen. When our Council secretary is off sick or on vacation, Carmen takes her spot. In other words the calls are forwarded to Carmen,

Council President Woerpel cont. - that's the way it's been working, right Carmen?

Councilman Emerson - Ok.

Council President Woerpel - And she's been handling the secretarial duties up til now and so far it's been working.

Councilman Emerson - Ok.

Council President Woerpel - Anybody else have any other questions for the Mayor on the budget?

Mayor McDermott - Mr. President, can I talk about the water proposal that's pending before the City Council as well? It's important to understand a few things when we look at our water bill. I have a lot of my water bills right here, ok. I have a pool in my backyard, the only reason I say that because with my pool I have a feeling I use a lot more water than a typical Hammond resident. I have five (5) people in the summer living in my house and a pool that probably leaks and I'm constantly filling it, alright. My brother who lives in Crown Point told me a story last week, my brother Aaron, he said in like July when it was hot, he was watering his lawn every single day. And he didn't realize that watering his lawn every single day is going to drive up his bill. He was watering, like even when it was raining outside, right, he got a \$400 bill for the month, from his Crown Point water source. Which is amazing to me, because I look at my bill and I have a pool, and I used an excessive amount of water in the month of August 2020. So much so, that the Hammond Water Department thought we had a leak, they came out walked around my house, sure of it, we had a leak because we used so much water that month, ok. I guarantee you I used more water than my brother, guarantee you, my water bill in the City of Hammond, now keep in mind my brother Aaron pays \$400 for this, my water bill for two (2) months was \$34. I guarantee you I used twice as much water as my brother. He pays \$400 and I pay \$34 for two (2) months, so what's the difference? It's the same water, he gets water from Lake Michigan just like we do, it's filtered the same way, it just takes a different path to get to my brother's house then it does to get to ours. In Hammond in 1985 the Mayor and the City Council made a mistake, I love my dad and he did make mistakes, just like I make mistakes. But the Council and the Mayor set water rates in 1985 at \$.44 for a thousand gallons, with no growth quotation on the water rates. So, since 1985 we'd been paying \$.44 for a thousand gallons of water, with no growth. Here we are 2020, thirty-five (35) years later and we're paying \$.44 for a thousand gallons of water. So, how much does my brother Aaron pay for a thousand gallons of water in Crown Point? Close to \$9 for a thousand gallons and we pay \$.44 in the City of Hammond. So, a few years back the Indiana Utility Regulatory Commission, the IURC, which we were under the powers of it at the time, we've recently removed ourselves from the IURC a couple years back. The IURC does a survey of the Hammond Water Department, three (3), four (4) five (5) years ago and how much does it cost to make a thousand gallons of water and they analyzed it, they gave us a big report. The final results of the IURC, it costs Hammond Water \$1.11 for a thousand gallons, it costs them \$1.11 to make a thousand gallons. How much do we charge residents of Hammond, Munster,

## MAYOR'S ADDRESS

Mayor McDermott cont. - Highland, Whiting, Griffith, Dyer, we charge them \$.44. Yet it costs us \$1.11 to make that water, so every gallon we sell to any community in Indiana, we are losing money on, every month, every week, everyday. If the Council and the Mayor in 1985 had simply put in a growth quotation, let's say even if it was 2%. We decided to calculate that out, so let's take \$.44 per thousand gallons, in 1985 and applied 2% inflation to it, if they just did something that simple, it would be over a \$1.00 right now, but we are still paying \$.44. It's important to keep in mind that we make money by selling water in Illinois. When I say we, I'm talking the Hammond Mayor and the Hammond City Council. We make money selling water to Illinois. We get money from Chicago Heights and it helps fund our city budget. It comes in as revenue. We just did it again today, we're talking about another \$2.5 million of revenue coming from Illinois. Hammond Water Utility, right there on Columbia and 165<sup>th</sup>, does not have that revenue. The only revenue the Utility can make is Indiana domestic sales. So basically, the Water Utilities run a lean machine, they're barely making it as it stands right now at \$.44. That goes without saying that if they're barely keeping the plant working, they're barely keeping their bills paid, which is true, when it comes to things like building a new water tower, when it comes to things like investing in the periodic maintenance and reinvesting in the plant, at the electric plant. They don't have the money to do it. I don't need to tell you guys this, we're doing the TIF project, is doing the water tower right now on 165<sup>th</sup> and Columbia, that's our project. We're doing it because water doesn't have, the Water Utilities, doesn't have the money to do it. So here we are, talking about a rate increase for the first time in thirty-five (35) years, and what that number should be. And what that number should be so that the Water Utility is properly funded and the Water Utility could start paying for like needed, badly needed, infrastructure, scary things like this. If the mainline, which is over hundred (100) years old, it leaves the filtration plant and goes through Robertsedale, if that line fails, it's equal to you of having a massive heart attack on your main artery. If we lost that line, it would take us weeks to fix, untold millions of dollars to fix and it would also put us out of water, Whiting, Highland, Dyer, Munster, Griffith, Chicago Heights, all of their neighbors, Cal City and their neighbors. They're taking out water right now, these communities. Indiana communities we're selling them water for \$.44 a thousand and they're charging members of their communities, \$3 and \$4. And their taking that revenue and using it to rebuild their infrastructure. And we're not doing that in Hammond and we are the most important part of the whole system. It's something that needs to be done, I'm the first Mayor in thirty-five (35) years that's bring this issue to you. It's not right that we're paying \$30 for two (2) months of water, when all of our neighbors are paying hundreds of dollars a month for it. I'm saying we need, I think it's important for Hammond residents to have the lowest water rates in Indiana. And by far, we do right now. Even after this proposed rate increase, we still will. It's important, it's imperative it should have been done a long time ago. So, I'm standing before you now, I have studied this issue thoroughly, I've talked to a lot of you about it already and I think it's absolutely imperative that we raise water rates in Hammond, it's time, we have to we don't have a choice. And the money that is raised is gonna go to the Hammond Water Department, the utility so they can start reinvesting in.. When their doing something like the 7000 block of Schneider, which badly needs infrastructure work. And the Capital Improvement Board, I know is going to prioritize this project, because it's threatening the health and safety of the residents in that neighborhood. So when you're looking at that total reconstruction, Councilman Woerpel, instead of you bearing the brunt of the load, like we use to have to do, we can say ok Capital Improvement Board it's a \$2 million project your gonna pay \$1 million, Hammond Sanitary District your work is gonna be like \$400 thousand, Hammond Water your portion is gonna be like \$600 thousand and we'll be able to get these projects down and we'll get more bang for our buck, on the City side. Because our utilities, Sanitary District is doing fine financially, we've help fix them, water needs our help that's why I'm here. I have members of the Hammond Water Utility here today, the leadership team of the Hammond Water Utility, the Board Members of

*Prepared by  
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Mayor McDermott cont. - the Hammond Water Utility, I am well versed in this issue myself, this is an emergency situation. The infrastructure that's needed in our system needs to be paid for and the revenue and utilities not there for it. So, I'm standing before you, ready to answer any questions. And I realize we have time on this as well.

Council President Woerpel - Does anybody have any questions for the Mayor on this?

Councilman Torres - Mayor, what's the average homeowner again, cost is gonna go up a month, is that \$6 or \$7?

Mayor McDermott - My water bill would go up from, and this is with a pool, my total bill would go from \$16.41 to \$71 and we are going to monthly billing, so my bill, another thing we're doing, how my bills do you have, I pay the bills, I've never seen a bill every two (2) months. So we are going to monthly billing from the Hammond Water Department, my total bill would go down, but I realize that it's times two (2).

Councilman Torres - So your bill will go up about \$11?

Mayor McDermott - More than that. It will go up about \$50 a month.

Councilman Torres - You said \$60?

Mayor McDermott - \$16.41 to \$70, basically.

Councilman Torres - But you said \$60.

Mayor McDermott - Nope.

Councilman Torres - Because that's the question I....

Mayor McDermott - I know you will. But giving them water at \$.44 is at fiction. It's a fiction, it costs us twice as much of that to make it. When I took over as Mayor, and I appreciate your concern Councilman this is not an easy issue, when I took over as Mayor, the City of Hammond charged \$5 for garbage collection. And I naively take over as Mayor and I sit down, we do a cost of service study and it came back and it said Mayor it costs us \$13 a month to pickup your neighbors garbage. I'm like, why do we only charge \$5? And at that time I was told, because the residents would freak out if you charge them \$13. Nobody wants to see their garbage rates double or triple, you can't do that Mayor, you'll get voted out of office. We did it and there was people that were pissed, but we charge them what it costs. Now it's like \$16, that's what it costs us. And by the way, now that we do it that way, Hammond residents are employed picking up your garbage and I look at my neighbors, Crown Point just got a new contract to get their garbage collection \$20 a month. We still do it pretty competitively right, but the thing is when we sell people water at \$.44 Councilman, that's not what it costs, it's a fiction. It's like at the very least they should be paying a \$1.20. Which is three (3) times higher, that's at the very least that's what the IURC says. Their not talking about doing maintenance and stuff like that, their just talking this is what it costs you right now. It's not an easy issue, I appreciate your concern Councilman Torres, but it's a fiction that we give

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Mayor McDermott cont. - them that water is so cheap. But like when I left my pool leakin and running and it cost me \$37 and it cost my brother \$400, he's a lot closer what it cost then we are.

Council President Woerpel - Does anybody else have any questions?

Councilwoman Alexander - Mayor, so currently we are at \$.44 correct?

Mayor McDermott - Yes ma'am, for a thousand gallons.

Councilwoman Alexander - For a thousand gallons, and you said we are going to, we're proposing to jump to what per thousand?

Mayor McDermott - A \$1.90.

Councilwoman Alexander - A \$1.90?

Mayor McDermott - Yes ma'am. The IURC says it costs us \$1.11, that's the minimum we can charge. We need to do maintenance in the Hammond Water Department, we need to fix up the water tanks, we need to fix up the mainlines, we need to fix the Filtration Plant, stuff that hasn't been happening. That's the proposal

Councilwoman. And I mean, I'm not trying to be dramatic but we turned in a budget and the water issue at the same time, there sort of intertwined. So I appreciate the Council has a right to do anything they won't, if you do though, this has ramifications on, one has ramifications on another. So, if we adjust one, we have to adjust the other. I'm just pointing that out.

Councilwoman Alexander - And this is going to not just reflect in our residents, this is also reflecting in the water that we're selling as while?

Mayor McDermott - Thank you Councilwoman, that's a great question. The contracts that we have with other communities, they get charged what it costs Hammond residents. So, we're selling water to Munster, Munster gets charged \$.44 for a thousand gallons, they're selling their water to the residents for... I don't want to make up quotes, you guys know off the top of your head? It will take a second, I want to give you the right number. I can tell you the \$.44 we sell it, is the right number. What are they selling it to their residents for?

Kevin Smith - For the first five thousand gallons, \$3.13 per.

Mayor McDermott - For five thousand gallons is \$3.13 per thousand?

Kevin Smith - \$3.13 per thousand.

Mayor McDermott - Right, which is \$2.65 per thousand gallons profit for Munster. They buy it for \$.44 and sell it for \$3.13. So what are they doing with that, when you say it doesn't sound like a lot of money, when you say \$2.65 per thousand gallons. Except for the fact, in a year they're using five hundred million gallons and when you start calculating it out like that, your talking about. So Munster makes millions of dollars off of Hammond

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Mayor McDermott cont. - water. What are they doing with it? They're probably doing great things. I'm not alleging Munster is not doing great things. But, if we made money off our water, we don't lose money, but if we made money off our water we could fix up our system like Munster has as well. I guarantee you, Munster's water distribution system is in far better shape than Hammond's. And Hammond's is the most important out of everybody, everybody should be concerned. The maintenance that we need to do is not happening like it should. But, Munster residents are getting charged \$2.65 per thousand gallons more than they're buying their water for.

Councilman Kalwinski - Just a question? Whatever increase we approve, when it goes into affect, does that increase go into affect to all the cities we give water too? Or do we have to wait til their contracts come up?

Mayor McDermott - Great question, Councilman Kalwinski, it goes into affect January 1<sup>st</sup>. Regardless if their contract is due or not. There's one (1) community it needs to renew a contract with Hammond Water, that's Griffith, we hope that we can renew with Griffith. Griffith's contract will look different than Munster's. Munster's, if we do this rate increase, they'll pay \$1.90 per every thousand gallons of water they use from Hammond Water, which is a significant amount of revenue increased to Hammond Water, which is good right? Griffith, because they have to renegotiate a new contract, the maximum we can charge them is what Hammond residents pay plus 15%. So Griffith would pay 15% more than Munster residents would pay. But the long winded answer to your question, Councilman Kalwinski, is yes it would go into effect January 1<sup>st</sup>, in fact we've already put the communities on notice that we have this issue pending before the Hammond Council and it's already passed the Hammond Water Department. So, I appreciate you asking that question.

Councilman Kalwinski - And that would be true in Illinois communities too?

Mayor McDermott - Thank you Councilman Mark, another great question, Illinois communities are totally separate from this, because we are talking about the utility, Councilman Kalwinski. The Illinois water comes to us, the City Government, and we use that for revenue in our budget. The water money that we're talking about is for the domestic utility. So it's Indiana residents only we're talking about in this case, Councilman Mark.

Council President Woerpel - Just so I'm clear, the rates of the customer communities in Indiana and the rates we're charging the residents brings us up to what it's costing us to produce, plus, like you said with the infrastructure programs, that....

Mayor McDermott - I don't know what your asking Councilman, I'm trying to keep straight with what your saying. Could you rephrase it?

Council President Woerpel - No, I just said that, what your saying is, is the rates that residents charge in the Indiana communities stays with the Water Department and covers the cost of what it costs to produce the water, correct?

Mayor McDermott - The rates that we are paying right now, it barely keeps the lights on. They literally.. We had a situation where water utility was used in Calumet City revenue to help finance our operation, we are cleaning that up this year. Because if we pass this rate increase, City of Hammond, us, the water revenue from Cal City will come to us, ok. Which means Hammond H2O will be 100% domestic water only, ok. Now, god dang I

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Mayor McDermott cont. - forgot where I was going with this, I apologize.

Council President Woerpel - Now my question basically was, the stuff from Indiana and our customers stays with our Water Department for the infrastructure improvements and the cost to produce the water, correct?

Mayor McDermott - I remember where I was going with this. Cal City money was a little bit late, coming into the Water Utility and we were getting nervous about meeting payroll and stuff like that. Everything ended up fine, but the Water Utilities literally.. they're making ends meet. I mean think about it, they're living off \$.44 on all the water they're selling everywhere. And all the big money from Illinois comes to the City Government, because they can't take it as an Indiana utility.

Councilman Kalwinski - Question for Mayor. Do we anticipate losing any Town or City customers for water, with this increase?

Mayor McDermott - Great question! Could you look up the numbers for Indiana American Water, what they're selling it to Crown Point? That's our biggest competition. Please write this down. For fifteen hundred, they're selling to Crown Point for \$13.20, Councilman Mark. Which is like \$8 bucks for a thousand gallons, that's our competition. So, if we go up to \$1.90 that's the number we're talking about, if we go up to a \$1.90, we're talking millions in extra revenue for the City of Hammond, not from Hammond residents, from our customer communities as well. They're going to be paying significantly more to the City of Hammond and we can use that money to fix up our system and make our system stronger. We have some old infrastructure in Hammond and it's time to fix it. Like I said, I think we need to start thinking about our water revenue, the City of Hammond's water revenue, the Hammond Water Department's water revenue as our future. Gaming is nice, but gaming is yesterday, water is forever. People are always going to be drinking water. A hundred years from now I don't know if they're going to be gambling, but if we hold on to this water revenue and we're smart about it, this could be Hammond's life line for the next 50, 60 years. But we need to fix it, we need it to operate the right way. But \$10.5 million a year of revenue, out of nothing, gives you a little taste of what we can do, we can do better. And if we do really well, in the future, we can have another filtration plant and make our footprint even bigger in Illinois. Because they are gonna buy it from us, cause we're cheaper and it's the same water. This is our future guys and I know this is a big hit to ask, I know that, I know it's tough, I know residents don't love to hear... I'm the heavy user of water in this room, I guarantee you I have five (5) people living in my house and a pool and the water department thought I had a leak. And my bill goes up \$50 over a two (2) month period. And I guarantee you it, I realize percentage wise it's a big percentage, but dollars wise... I'm the heavy one, I bet you a typical like senior house, we're talking \$5 to \$10 a month. And I realize a lot of people are close. But, that's what we're talking about, it's a big percentage but not a big number. And going back to Councilman Kalwinski's point, we are the cheapest competitor even if we pass a rate increase, Councilman Mark.

Councilman Kalwinski - Thank you.

Councilwoman Alexander - Mayor, you said that we charge the other city's \$.44, as the same as our residents, is that true?



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Mayor McDermott - Yes ma'am. Maybe plus 15%. Is that plus 15%? 44, thank you. It was reconfirmed.

Councilwoman Alexander - Plus what percent?

Mayor McDermott - The maximum under the IURC we can charge is what we charge our residents plus 15%. But some communities don't even have the plus 15%, Councilwoman. They just have the same rate we have and then they take our \$.44 water and they charge \$2, \$3, \$4, \$5 for the same water they got for \$.44. Which is millions of dollars for their budget. A lot of the same communities that criticize us, by the way, which is funny we get criticized regularly for the state of our budget. This is a way to help our budget, this is the way to lessen the reliance on gaming and make it... everybody's doing what we don't, everybody's doing what we don't. We give them cheap water and they multiple it by eight (8) and sell it to their residents and make millions and we don't. If we want to fix our budget we got to do stuff like this, this is how we do it.

Councilwoman Alexander - One more question?

Mayor McDermott - Yes ma'am. I'll be here next meeting also to answer all you questions.

Councilwoman Alexander - Awesome, one more question. How many cities do we sell water too?

Mayor McDermott - Off the top of my head. We sell water to Whiting, of course Hammond, Griffith, Highland, Munster, Dyer. Those are the Indiana customers. In Illinois we sell water to Lansing, Calumet City, Chicago Heights and the communities around Chicago Heights. The water that we sell in Illinois we are selling for like \$3 for a thousand gallons, the water we sell in Indiana we sell for \$.44.

Councilwoman Alexander - And what is our projected income with the increases.

Mayor McDermott - The City of Hammond, nothing. Half a million dollars in increased pilot payments and help down the road from the Water Department. This isn't something that's gonna help our budget, it's gonna help the Water Department's budget. Increased pilot fees is a half million, Councilwoman, I didn't mean to be brisk. The fact that when we want to do the 7000 block of Schneider we can approach the CEO of the water company and say your portion is a half million dollars and we know they have the money, that helps to, that helps us with our projects.

Council President Woerpel - Just to clarify, pilot stands for payment in lieu of taxes, correct?

Mayor McDermott - Yes, payment in lieu of taxes. It's government agencies that don't pay property taxes, you get pilot payments from them instead. We could do that with things like Purdue, we don't, but government like Port Authority does it, Water, Sanitary, Schools don't do it.

Council President Woerpel - Anybody else have any questions?

Councilman Tyler - Mayor, can you reiterate just to clarify the fact that... you were saying that we can't charge any other city that we are selling water to more then what we charge our Hammond residents plus 16%, right?

MAYOR'S ADDRESS

Mayor McDermott - Absolutely, absolutely true.

Councilman Tyler - Is there...

Mayor McDermott - Councilman Barry, can I clarify that? Indiana communities, in Illinois we're not bound to those restrictions, but in Indiana that's the case.

Councilman Tyler - Ok. I guess my biggest question is giving that, is there a way for us to, like who creates that law that we can't charge more than 15%?

Mayor McDermott - It's State Law Councilman Barry.

Councilman Tyler - Ok.

Mayor McDermott - Yes sir, so we would have to go to the legislature, but yeah. We don't really have that much success with legislative, especially when you talking about increases they really frown upon that. Because they would tell us that we have the tools to do it ourselves, which is true.

Councilman Tyler - My followup question is, instead of going from the \$.44 to the full \$1.90, have we thought about doing a slow increase, instead of jumping from, you know, the lowest we charge now to the highest rate we would charge?

Mayor McDermott - Will we have a proposal from the Water Department and that's the proposal that's pending before us. I'd like to point out that, you know, if we are going to start toying with this issue, like I said it has ramifications, it's true. So like, if we lower that then we would have to lower the recast projections in our budget, would change the numbers in our budget, that's something that's possible. And I'd also like to point out that, I mean at a minimum we'd be tripling the rates, at a minimum. Because IURC said so and I agree. We can't charge less than the cost to make. It's probably \$1.11 to \$1.20 range, we couldn't go lower than that, can we? We are going to raise rates and still lose money, that doesn't make sense to me, it's like it's a fiction. We're telling the residents, use water all you want, it doesn't cost us that much, but it does. And we are, I water my lawn in the rain, it's probably not smart to do, but it costs me probably \$.15. It's harder to go downstairs and turn the sprinkler off then it costs money. So like, we don't have... you know they don't do that kind of stuff in Crown Point and other places, because water to them is expensive. Water is so ridiculously cheap, it's actually bad for the environment what we do. Because we are wasteful, more wasteful than we should be. I understand what you are saying, Councilman. I don't recommend it personally. But if that's the will of the Council then we will have to work together on this. But, you know, I'm gonna pull off the band-aid in one swoop kind of guy.

Council President Woerpel - Are there any further questions?

Mayor McDermott - And you know, one more final I'd like to point out Councilman, Mr. President. We know that when been talking a lot about the pressures on gaming, you know we've been talking about that and we do rely on gaming to much, it's true. This is a move that's going to get us lesser relying on gaming. It's gonna

MAYOR'S ADDRESS

Mayor McDermott cont. - extend our gaming dollars even more, because water and sanitary will be able to purchase a bit more with our capital projects. I know that hard, but lets just keep in mind I'm about the heaviest user we are going to have to worry about. Let me talk about my business real quick, I have a business that uses lots of water also. My business go from \$19 for two (2) months to \$82 for two (2) months, alright. And when you do it every month it divides it by two (2). I mean, it's not a lot of money at the end of the day. I realize that people are close, but at the end of the day, it's a big percentage, but it's a small number. And what the other communities are charging their residents is twice is high. By the way, that was one of the important things when we put this together, when we get to our rate, we're still the lowest in the State of Indiana, still. We're way lower then anybody now, even after the rate increase we'll still be the cheapest water you can buy in Indiana. That's a fact! I'm sorry to drop this on you, but you know, it's a budget and pandemic and water increase. By the way NIPSCO raises rates every single year and nobody loves it, just like they don't love this. But they raise rates every single year, we haven't raised rates since 1985. I was in 10<sup>th</sup> grade the last time the Hammond residents had a water rate increase.

Council President Woerpel - Are there any further questions?

Councilman Spitale - Mayor, when we re-up our contracts the Indiana people that we have, do we increase our years to get them to use more during the contracts?

Mayor McDermott - Thank you Councilman for the question. We always pay real close attention when our contracts are coming up. Right now we are negotiating a new contract with Griffith, Town of Griffith through Mayor McDermott cont. - the Hammond Water Department. Town of Griffith will pay what the Hammond residents pay, up to a maximum of 15% higher. These contracts are entered into are 30, 40 year contracts. So, you got to get it right and if you don't get it right, you have to live with the consequences for a long time. We learned that on the Sanitary litigation, the contracts written in the 1960's, they haunted us 50 years later. So I got really smart people working on this issue Councilman Spitale, looking real close to make sure when each contracts come up, that we're doing the best we can for Hammond residents. Not just now, for 50 years from now.

Councilman Spitale - Thank you, Mayor.

Mayor McDermott - Yes, sir.

Council President Woerpel - Are there any further questions? Are there any further questions?

Councilwoman Alexander - I'm looking at my water bill, now that I'm a homeowner here in the city and I do see the smaller portion of water verses sanitary and garbage. But my real question is, I get about, you're saying that we can't charge 15% over but the other cities that are buying water from us are charging their customers 3, 4, 5, 6, 10 times the amount we are even selling it, how's the even fair for our city?

Mayor McDermott - Good question, thank you. We're considered a wholesaler in Indiana law, Councilwoman, and we're handled to different standards because we are a wholesaler. Once the water turns into retailers it's different rules altogether. Which is unfortunate for us. Believe me I've actually even toyed with the IDF on

*Prepared by  
Robert J. Golec  
Hammond City Clerk*

MAYOR'S ADDRESS

Mayor McDermott cont. - having the filtration plant be one company and the distribution section being another company. It doesn't work, we're wholesalers. And I appreciate your concern on this, we're looked at this, it's every frustrating I agree. But basically, Indiana customers are pegged at what Hammond residents pay. And if we don't charge Hammond residents anything, everybody's smiling except for us. Because their making all the money on their water, our customer communities, they're all selling for much higher. What's the Town of Whiting, could you look that up real quick? City of Whiting, excuse me. We recently hooked up to Whiting, about ten (10) years ago, to give them water at \$.44 they sell it to their residents for \$3.02. Seven (7) times higher then what we sell it to them for. So the millions of dollars the are created out of that, are used for improvements around Whiting. Like, water main improvements, who knows? Pilot fees to the city. And by the way, so lets say the Whiting residents are paying \$3ish for a thousand gallons, Hammond's raising it to a \$1.90, so this isn't gonna affect Whiting residents, we are not going higher then \$3 or whatever. Whiting's gotta... you know in this case figure out how to squeeze \$1 with their residents. So like if you live in Whiting on one side of Atchison you pay \$3 for a thousand gallons of water, if you live on the west side of the street in Hammond you pay \$.44 and it's the same exact water. Isn't that crazy!

Council President Woerpel - Are there any further questions?

Councilwoman Alexander - I'm sorry, I have another question. I just want to make sure that we are doing our due diligence with continuing to explain with those rate increases.

Mayor McDermott - I understand 100%.

Councilwoman Alexander - And that, I understand that, I think you said it, but that the rate increase is going to be used to help us get the proper infrastructure through out our city. So that we don't have flooding issues, whatever else, I just really want to make sure that if there's gonna be an increase, if we do decide on this increase, that the residents are really going to understand that it's going to the proper thing, not that it's just an increase for no reason.

Mayor McDermott - This impact on the city budget, Councilwoman, is minimal on our budget the one that you are responsible for and the one I'm responsible for. The impact on the Hammond Utility itself, is coming to be tremendous. And the utility is gonna spend this money on capital improvements, water line replacements. Now we'll probably coordinate with them when we're doing city projects, so if we're knocking off 119<sup>th</sup>, you know we may as well knock off the water lines while we're doing it as well and water can pay their part. The impact on us is very minimal. That money Councilwoman, I lose sleep at night, sometimes, worrying about the state of our water system. And if something dramatic happened, how desperate things would become, if something happened in the middle of the summer when we are all using water like crazy... like right now, we don't use very much water, our plants probably only doing 35 million gallons today, right. But in the summer in June and July, we're pushing that plant 65 million gallons, if something went wrong, it would suck our water tanks dry in twelve (12) hours. It like keeps me up at night. This is stuff that we need to be investing in and we're not, you know why, it's super expensive. The stuff we're talking about is gonna cost us millions to do the stuff we need to do, but we have too. And by the way, it's smart for us to do it because this is a diamond, the fact that we own this water utility and we are on the northwest corner of Indiana and Chicago pays ten (10) times more then we

MAYOR'S ADDRESS

Mayor McDermott cont. - pay for water, it's an opportunity for us to make money in Illinois. Like, we're lucky. This is an asset we need to invest in and that's why I'm here. I understand that it's a big ask and I understand there's a million questions, that's why I'm here Councilwoman, so I don't mind answering your questions a bit.

Councilwoman Alexander - Thank you, I'm pretty sure I have more by the end of the meeting.

Mayor McDermott - I have no problem with that.

Council President Woerpel - Anyone else?

Councilman Torres - One final question.

Mayor McDermott - Yes, sir.

Councilman Torres - With the repairs on that tank on 165<sup>th</sup>, is it finally gonna get painted?

Mayor McDermott - Yes sir. The tank project, though no fault of the city, we had a contractor come in and damage the tank. And when I say damaged, they damaged the tip top of the tank, like the heaviest tallest part of the tank, like cocked, almost like it's like crooked. And to get that straight they had to put a crane inside and lift it and straighten it all out. It cost us some money, we are actually suing the company that did the damage with a plaintiff's lawyer, we are the plaintiff in this case. We are going to get our money back eventually, Councilman, but that slowed everything down, that tank will be painted by May though. By the way, I don't blame you a bit for asking what's taking so long. But this last July was not our fault though, Councilman. I apologize Mr. President for taking way too long. I promise you I will be available for questions. I'll try to meet with the Councilmen individually, do whatever I have to do to explain this to you and the residents. So, thank you very  
Mayor McDermott cont. - much Councilmen.

Council President Woerpel - Thank you. Just as a house keeping matter, on ordinance 20-25, Exhibit A, once we introduce the ordinance, exhibit A has to be amended. So there will be a motion for the amendment, I've handed the two (2) Council people here present the amendment, so the rest of you Susan has, I'm sorry Liz has copies of it in the Council office that she will get to you, but there will be an amendment to the exhibit A of ordinance 20-25.

Mayor McDermott - Mr. President, may I say one more thing? They just pointed out to me that I missed one thing. The average Hammond resident, we know how much water the average Hammond resident uses, which is five thousand gallons a month, I was way higher than that, if you use five thousand gallons per month as an average Hammond resident, your monthly bill will go up \$7.30. It's a big percentage, but that's what we're talking about, ok. My bill is exorbitantly larger than most people because of my pool and my kids, alright. But the average Hammond bill will go up \$7.30. Thank you again, Mr. President.

READING OF THE MINUTES

Councilman Spitale, supported by Councilwoman Venecz, moved to accept the minutes of September 28, 2020 and place on file. AYES: ALL

APPROVAL OF CLAIMS

Councilman Rakos, supported by Councilwoman Venecz, moved to approve the claims from September 23, 2020 through October 7, 2020. Claim #4617 through claim #4909, inclusive.

Councilman Kalwinski, supported by Councilwoman Venecz, moved to amend claim number 4904. Take out the claimant name Melissa Farrell and replace that with Pulaski Park Neighborhood Association Inc.

ROLL CALL VOTE (amend name 4904)

AYES: Alexander, Spitale, Venecz, Kalwinski, Torres, Tyler, Emerson, Rakos, Woerpel

NAYS: None

ABSENT: None

Motion carried

9/0/0

CLAIMS AMENDED

ROLL CALL VOTE (passage as amended)

AYES: Alexander, Spitale, Venecz, Kalwinski, Torres, Tyler, Emerson, Rakos, Woerpel

NAYS: None

ABSENT: None

Motion carried

9/0/0

CLAIMS APPROVED  
(as amended)

PUBLIC HEARING

20-20            2021 City of Hammond Budget Proposal

20-21            2021 Hammond Redevelopment Budget Proposal

20-22            2021 Sanitary District of Hammond Budget Proposal

George Stoya- This is the first I heard today of the Hammond Budget proposal being brought up to this meeting. It wasn't posted on the agenda or minutes and that's neither here nor there. But can we get a public explanation of the differences at least? At least some basic differences of the finances of what we're dealing with this year and what's gonna be the difference next year? Otherwise, I mean, we have no way to evaluate. I mean, get up here and talk about what? I mean, at least we got an explanation somewhat on the water issue to satisfy some, you know, critical questions, but you know it's impossible to talk about... you know, you're supposed to ... we don't hear anything out of you guys, you know, scrutinizing or evaluating or analyzing some of the budget proposal submitted by Marty and the Sanitary District. You know, it's just like sitting here looking stupid cause we don't know what's going on. I mean, you know, like the \$1.90 on the water. I mean, okay, fine, you know, I

PUBLIC HEARINGS cont.

George Stoya cont. - mean, it's like he said, somewhat. It's like a 400% increase, money wise, a little different, but at least there's an argument there. So, I mean, you know, it's like you just can't, you know, I mean, you can appreciate the relationships, but you know who can even talk to the budget, nobody's saying anything about the Sanitary District.

Council President Woerpel- George, to answer your question, like I explained earlier, Gateway, in order to comply with the DLGF website Budget Form No. 3 had to be advertised ten days in advance of it's introduction and it was advertised on October 2<sup>nd</sup>.

George Stoya- I'm sure it was advertised. It's just not talked about, you know, it's one thing to set out a whole bunch of numbers, but somebody's gotta make sense out of them and draw out the various dimensions of cost and cost of service for one thing. We have no idea what the cost of service is, I'm sure, hopefully, there was a study, but even if there was a study, it's only one study, no one' ... there no... it's not like going before the IURC and getting a contrast or you submit a cost of service study and it can be scrutinized by professionals. We're not professionals. How are we supposed to scrutinize some of the cost of service. I mean it's a joke.

COMMUNICATIONS

Councilwoman Venecz, supported by Councilman Tyler, moved to add the Transmittal Letter to Communications.

AYES: ALL

Councilman Tyler- I just want to remind the public that the annual Trunk or Treat will take place on October 30<sup>th</sup>, at 5pm at the Hammond Sportsplex. And the Hammond Veteran Parade will take place on November 7<sup>th</sup>. Thank you.

Councilwoman Alexander- I usually do this under New and Unfinished but I'm gonna go ahead and do it now. Our current COVID status for the City of Hammond, based off of Lake County Website. We definitely have some increases. In 46320, we have an additional 50 cases; in 46327, we have an additional 36 cases; in 46323, we have an additional 60 cases; in 46324, we have an additional 52 cases; 46394, we have an additional 22. I just want to continue to keep people aware, wear your mask, stay washing your hands, and I understand that the Governor put us in stage 5 and it's Flu season and schools are talking about returning, continue to social distance. It is extremely important as we continue to try to drop these numbers in our city.

Councilman Emerson- As I mentioned last time, the Lake County Solid Waste Mgt. District will be sponsoring a secure document shred event for the residents of Lake County. Residents may bring up to four paper grocery bags of residential material including secure documents. Plastic bags will not be accepted. This will be on Saturday, October 24<sup>th</sup> from 9 am to 1 pm at 601 Conkey Street in Hammond.

Councilman Rakos- Hessville Crime Watch will meet Thursday, October 16<sup>th</sup> at 7pm at the Jean Shepherd Center. Also Mayor's Night Out will be October 21<sup>st</sup>, that will be at 6:30 at the Hess Elementary school, 3640 Orchard Drive.

COMMUNICATIONS cont.

Councilman Tyler- I just checked the (unclear) there's been some back and forth about the Census and there's been some communication that you can no longer complete it. I just checked the website and it's still up, so if you have not completed the Census, I don't have our current completion rate, but anybody in the city that you haven't completed please do as soon as possible, cause I do believe that they'll be closing the application over the next couple days or so, so please complete it if you have not. Just go to 2020census.gov.

COMMITTEE REPORTS

Community & Crime Watch Committee - Councilwoman Venecz - I would like to announce the upcoming Community and Crime Watch Meetings. As Councilman Rakos stated Thursday, October 15<sup>th</sup> the Hessville Crime Watch will meet at the Jean Shepherd Center that will begin at 7pm. The Whiting-Robertsdale Crime Watch will meet November 12<sup>th</sup> at 6:30pm at Calumet College in room 200. And those are the only two that are meeting in person. On October 6<sup>th</sup>, the Hammond Police Department had a virtual Crime Watch meeting on the Hammond Indiana Police Department Facebook page. And Kelly Kearney, Chief of Inspections was our guest speaker and we were able to get some statistics from some of the community policing officers. It's very likely that we're not going to be having any in person meetings in the near distant future. So invite everyone to tune in to the Hammond Indiana Police Department Facebook page the next time we do have a virtual meeting. The next date has not been set yet. I know that it will be the beginning of November, but hopefully I'll have a date for you at the next meeting. And it's not necessary for you to have Zoom to participate in this meeting, you can log on to Facebook and you can make comments there. So I think there's been some confusion. Some people don't have a Zoom account or have not logged onto Zoom. So please tune in, get some information about your neighborhood and safety tips for the safety for you and your family and your neighbors.

Council President Woerpel- Just as a side note, I stated it earlier, but as the Council as a Whole, we picked our selection for the Gaming Advisory Committee and the Capital Improvements Board they were voted on by the Council Members and it was Councilman Spitale, Councilwoman Venecz and Councilman Tyler. And the Gaming Advisory Committee there were five names submitted and we have five appointments, correct?

Mayor McDermott- Since you announced the councils appointees, I was gonna announce the Mayor's appointees. The Chairman, under the Ordinance, is Dean Button. I've agreed to appoint Hammond City Controller Megan Flores as one of my appointees to that board. The Assistant Superintendent of the Water Department Jamie Prieto will be my second appointee to that board. My third appointee, the Head of the Hammond Port Authority, Milan Kruszynski. I think that's seven great members. So I wanna thank the council for putting three great people on there and I think they'll work well with the people I put on and I wish them luck.

Council President Woerpel- For the record, the council has decided that these are for the remainder of 2020 and 2021 appointments.

Mayor McDermott- I agree with you, ours as well.

Council President Woerpel- Mayor, I know the question was asked do we have an idea when the first time the board will meet?

*Prepared by  
Robert J. Golec  
Hammond City Clerk*



COMMITTEE REPORTS cont

Mayor McDermott- I'll have Dean follow that up as Chairman of the Board...

Council President Woerpel- But will it be advertised for the public to attend?

Mayor McDermott- The public is encouraged to attend. It will be in this room. It will be on gohammondvtv. It will be opposite of the council meetings. Now the question is are they gonna be able to get it ready for next week or we're gonna have to wait two more weeks. That's a question I'm not sure of, so I have to punt on that issue until I know more. I'll talk to Dean tomorrow. Phil do you know anything about that November... okay, so it does not appear that it's next week. I'm sure he will be in touch with your appointees real soon. Thank you.

Council President Woerpel- The Gaming Advisory Committee, there were five names submitted and we have five appointments so the Gaming Advisory Committee appointments are Councilman Spitale, Councilwoman Venecz, Councilwoman Alexander, Councilman Torres, and Councilman Kalwinski put in for Melissa Farrell. Without objection, I'll make these our ... as long as no one has an objection, since these were the only five names submitted, I'll make these our appointments to the Gaming Advisory Committee. Okay, those will be our Gaming Advisory Committee Appointments.

Mayor McDermott- To the members of the public that are interested in serving on this board. It's the Gaming Advisory Committee, they're slated to receive, assuming 2021 is not a pandemic year and things operate relatively normal, this committee is gonna have \$770,000 allotted to it under the formula we recreated and they're gonna use that \$770,000 for not for profits, mostly from Hammond, but from all over NWI. Some of them, like the food bank, is not a Hammond Organization, but it helps Hammond residents so some organization are headquartered in Hammond, but that's the purpose of this committee. So if you're interested in serving, I'd ask that you please forward your resume to my Chief of Staff, Phil Taillon, who is gonna be the chairman of that committee. Phil plus five appointees by me, five appointee by the council, and it appears that you filled your five already. So if you're interested in serving please contact Phil. We're trying to make it so that we have equal representation Citywide so that every District is represented. So we want to keep that in mind as well. Thank you.

ORDINANCE 3<sup>RD</sup> READING-FINAL PASSAGE

20-19            INTENT TO CONSIDER - Reclassifying Certain Lands in the City of Hammond for Zoning purposes and Amending Ordinance No. 8514 for Property Commonly known as 1224 177th Street

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

Councilman Emerson- As I mentioned at the last meeting, this resident in Hammond who is wanting to rezone his property to R-1 from S-2, this also happens to be one of the oldest, if not the oldest single family home in Hammond, built in 1890 and it does need some work. But his problem was putting up a privacy fence finding out it was zoned much like Optimist Park, which abuts it and so that is the primary reason for the change and it was approved and affirmed by the Planning Department.

ORDINANCE 3<sup>RD</sup> READING-FINAL PASSAGE cont.

ROLL CALL VOTE (passage)

AYES: Alexander, Spitale, Venecz, Kalwinski, Torres, Tyler, Emerson, Rakos, Woerpel

NAYS: None

ABSENT: None

Motion carried

9/0/0

ORDINANCE NO. 9476 PASSED

INTRODUCTION OF ORDINANCES

20-20          2021 City of Hammond Budget Proposal

Councilwoman Venecz, supported by Councilman Spitale, moved the proposed ordinance to 1<sup>st</sup> and 2<sup>nd</sup> reading by title and referred it to the Council as a Whole Committee with a Committee meeting on October 19, 2020.

AYES: ALL

Councilman Torres- I feel a bit like George over there. In the past Councilmen have gotten briefed on budgets and this time we didn't. Friday I received it. I'm sure everybody else did. And there's a lot of things I don't...I got a lot of questions on. In the past we were briefed by the Controller and also we got to meet with Department Heads to see if we had individual questions and I personally miss that. Being 1<sup>st</sup> and 2<sup>nd</sup> reading I'm gonna reluctantly vote for this but I hope to get a better understanding of this budget on the 19<sup>th</sup>. Thank you.

Council President Woerpel- Like I stated earlier, we're gonna hold the Council as Whole Meeting. I'll be here and whoever wants to come to the Council Chambers can be here, but we'll do it by Zoom too. So are you requesting...

Councilman Torres- I'm going to be here, I was assuming the meeting was here. I don't like Zoom. So are you going to be here?

Council President Woerpel- Yes, no my question is are you requesting anything?

Councilman Torres- Not right now. I'm gonna put down a whole bunch of questions. And I'll have them at that time.

Council President Woerpel- So the public, just like a normal meeting next Monday at 5:30pm.

Councilman Tyler- I wanna echo the sentiments of Councilman Torres, and I think one thing I would want to request is that if we can have the Controller and maybe the Department Heads who submitted their budgets to us at that meeting on Monday the 19<sup>th</sup> to discuss their budgets with us and answers questions that we might have if that could be possible I would appreciate that.

Councilwoman Venecz- I guess I don't quite how to ask it, in the past we had budgets hearings. We'd come here on a Saturday morning 8 or 9 o'clock in the morning until noon. Each of the Department Heads would come here and we would ask whatever questions we had of them. In my opinion, that particular way of doing things was pretty much a waste of time. Because everybody would get up and say well, we've got uh, you know,

*Prepared by  
Robert J. Golec  
Hammond City Clerk*

INTRODUCTION OF ORDINANCES cont.

Councilwoman Venecz cont. - we're level from last year we don't have any increases, we had a reduction here, and there weren't substantive questions that were asked. So I guess my question is, Councilman Torres and Councilman Tyler, do you want Department Heads here? Do we want to compile a list of questions that we have of each department head because their time is just as valuable as our is, not to minimize the whole budget process, but if we have questions, I have questions I call somebody, so I don't know what the objective is here.

Council President Woerpel- Councilwoman Venecz, you are correct, in the past we had that Saturday session, whatever you want to call it and two out of the three I attended lasted under 40 minutes and we decided as a council as a whole that to have the Department Heads stand up in front of us and say do you guys have any questions and one councilman said, "What's your employees names and what do they make?" That was out of line. I guess the question is do we go back to that Saturday meetings where we spent 45 minutes asking people who works for them.

Councilwoman Venecz- I would just like, you know, a substantive conversation. If that's what everyone is looking for. To me they were just a waste of everyone's time. Like I said, not to minimize the whole process at all we all have questions, but we know who to ask too.

Mayor McDermott- My staff will be anywhere you want us to be, and if it's a Saturday meeting, we'll be there. If it's a meeting before the meeting, we'll be there like always, councilman. I know, Councilmen Tyler, this is your first budget. My Department Heads know, they'll be there whenever. If it's a Saturday, we've always done, we'll be there and if we're not going to do Saturday and want them to be there another day we'll be there. And we didn't just pick numbers out of the hat and I want to remind you that this budget is 2.3% lighter than last years budget and 21 positions eliminated

Mayor McDermott- through lots of meetings between us and Department Heads lots of analysis on how we run things. So it's not like we just threw a dart at the dart board and came up with these numbers, you know, obviously whatever route you choose, if it's a Saturday, or if it's next Monday, or whatever, we'll be there. My staff will be there and we'll be ready to answer questions like we are here today. I'm a little frustrated to hear Councilman Torres say that you have questions and no answers. I don't know why there was a miscommunication between you and my office, but you were supposed to be at a lunch today where we talked about the budget for an hour and a half and you weren't there. I don't know if it's my staff's fault or if it's your fault. That's a fact, so like to hear you complain about not hearing about the budget when you missed an appointment where we were talking about the budget is beyond frustrating to me.

Councilman Torres-The reason I missed your appointment, cause I was never notified.

Mayor McDermott- I guess that's my fault Councilman, but that's fine.

Councilman Torres- I didn't know about it. How can I be there?

Mayor McDermott- Okay, no problem Councilman.

Councilman Torres- I would have been there cause I do have a lot of questions.

INTRODUCTION OF ORDINANCES cont.

Councilwoman Venecz- I've been through the council, I mean the budget process now for nine years. And every year I got through the budget line item by line item and compare it to last year. This year included in our budget we have 2020 to 2021 comparison that we can see exactly where the changes have been made. Like I said this is a big budget and I'm not minimizing it at all, but it takes a lot of work certainly on Megan's part and all of the Department Heads and for us to come here with a book and say well, I don't understand it, that's not quite fair.

Councilwoman Alexander- I'm going to echo the sentiments of two of my colleagues. Well, at least Councilman Tyler. We are new here and if we're having a meeting on Monday, it's just so we can definitely get an understanding what all this entails. I understand you all have been here previously, you understand it. Yes, we can set up meetings after meetings, but there's another thing when we're all sitting together to actually talk about it and get an understanding because like I said, if I look at this now, been looking at it, I see there's a comparison of 2020 and 2021, but to get an actual understanding how this budget works so that we can do our due diligence as new Council people. Don't kinda like dilute that as if we're not new, we're new, we wanna understand that's why we're asking questions and we wanna pose the right questions. So to say you've been through a meeting, you've done this before, I think is irrelevant to the fact that you have two new Council people on this council, and we wanna get an understanding. Yes, we can set up a meeting with Megan, but at the same time we can have everybody there and they can give us an actual explanation themselves. I don't think that's too far reaching when you have two new people.

Mayor McDermott- Are you talking to me or are you talking to somebody else? Cause I'm willing to do whatever.

Councilwoman Alexander- I wasn't referring to you Mayor. I was actually referring to Councilwoman Venecz.

Mayor McDermott- You guys tell us where to be and my staff and my Controller and Chief of Staff will be there. You tell us where to go... I don't think it's too much to ask for my staff to show up during a budget hearing and I'll be there. I don't want this related to us at all like we don't wanna be there. I'll be wherever you tell me to be. My staff will be wherever you tell me to be. I agree with the two new council people, this is their first budget. If we have budget hearings, we'll be there if it's on a Saturday, we'll be there, it's on Monday, we'll be there, just tell me where to be we'll be there.

Council President Woerpel- So what's the council's pleasure? I'm not downplaying it at all. I just know what it was when I first got on the council and it turned into, "give me the list of your employees what they make and all their names and addresses".

Mayor McDermott- With all due respect, that person is no longer on the council, right? We do have new Council people and they're eager and diligent. They wanna follow up with questions. I don't think... I'm not trying to minimize that.

Council President Woerpel- I'm not minimizing...

Mayor McDermott- We're talking about history, though that person...

INTRODUCTION OF ORDINANCES cont.

Council President Woerpel- My question is would you guys like to do it on a Saturday, this coming Saturday when will you guys like to do it?

Councilwoman Alexander- Saturday, it can be a Monday, it doesn't matter to me. I just want to be able to get a total understanding of what this is before we make a final decision and have an actual understanding, so if someone ask us, we can actually explain it ourselves as well.

Council President Woerpel- That's fine. I mean, do you guys wanna stick with Councilwoman Venecz proposal on Monday, the 19<sup>th</sup> at 5:30?

Councilwoman Alexander- Yes.

Councilman Tyler- If that works for the Controller and the rest of the Department Heads, then yes.

Mayor McDermott- We'll be here, Councilman Tyler.

Council President Woerpel- So, even though we're gonna introduce these on 1<sup>st</sup> and 2<sup>nd</sup> seperately, I can assume this will pertain to all the way from 20-20 to 20-25, correct?

Councilman Tyler- Correct.

Council President Woerpel- So we don't have to... they'll all be the same motion correct?

Councilwoman Venecz- Yes.

Mayor McDermott- Thank You.

Councilman Torres- You said there was one motion to cover for all of these?

Council President Woerpel- No. I'm just saying that the motion will be made, but it'll cover all these on hearing that day. AYES: ALL

20-21            2021 Hammond Redevelopment Budget Proposal

Councilwoman Venecz, supported by Councilman Spitale, moved the proposed ordinance to 1<sup>st</sup> and 2<sup>nd</sup> reading by title and referred it to the Council as a Whole Committee with a Committee meeting on October 19, 2020. AYES: ALL

Mayor McDermott- The Planning Commission is supposed to be in this room on the 19<sup>th</sup> at 6pm for a meeting we just found out, thankfully someone texted us before you guys did this. Planning Commission in this room on the 19<sup>th</sup> . Now you could bump, I guess, is there anything going on at the Planning Commission, this is obviously more important.

INTRODUCTION OF ORDINANCES cont.

Councilman Tyler- I think I got a email today that the Planning Commission is canceled for next week.

Mayor McDermott- Okay, good news. Thank You Councilman Tyler.

20-22            2021 Sanitary District of Hammond Budget Proposal

Councilwoman Venecz, supported by Councilman Spitale, moved the proposed ordinance to 1<sup>st</sup> and 2<sup>nd</sup> reading by title and referred it to the Council as a Whole Committee with a Committee meeting on October 19, 2020.

AYES: ALL

20-23            2021 City of Hammond Salary

Councilwoman Venecz, supported by Councilman Spitale, moved the proposed ordinance to 1<sup>st</sup> and 2<sup>nd</sup> reading by title and referred it to the Council as a Whole Committee with a Committee meeting on October 19, 2020.

AYES: ALL

20-24            2021 Hammond Police and Fire Salary

Councilwoman Venecz, supported by Councilman Spitale, moved the proposed ordinance to 1<sup>st</sup> and 2<sup>nd</sup> reading by title and referred it to the Council as a Whole Committee with a Committee meeting on October 19, 2020.

AYES: ALL

Mayor McDermott- I just want to update the Council real quick. I'm not sure if this is where Councilman Torres was going, but we're in discussions and negotiations with police and Fire right now and police, we have a verbal agreement. I think its getting memorialized as we speak, is that a fair statement? A four year agreement, which would have 0% pay raises this year, next year, 1% pay raises and in the third year 1% pay raises and in the fourth year. We made changes to the pension of the Police Officers that's going to cost the City a little bit more each year, but what it's gonna do, it's gonna encourage our Police Officers our senior Police Officers, our most expensive Police Officers, our Police Officers with 6 weeks of vacation each encourage them to retire and replace with new Police Officers that are a lot cheaper. I think it's a smart move on our part. It's also good for the quality of life of our retiring Police Officers, but we reached a deal with them and they're aware that part of that deal also had us reducing their staffing, which I talked about earlier. Fire Department, we're in negotiations, same issues. It's a little bit more complicated, the Fire department has manning requirements in their contract which cost us money. Like they require forty Firefighters a shift per day and we've typically only have 38 Firefighters available per day, which means just about every single day we're filling two Firefighter positions with Firefighters that cost time and a half double time on holidays. This is a million dollar a year problem for the City of Hammond, it's costing us 750 to a million a year those two extra spots so with the Fire department they want us to do pension changes that will increase our quality of life tremendously and also allow a lot of turnover in the Fire department, but doing that cost us a lot of money, we're asking them to allow us to lower that forty Firefighters per day down to thirty- eight, which would save the City of Hammond significant amounts of money on overtime every year. We're sort of stuck at that point right now, if Fire doesn't choose our offer, I made an offer that keeps them at forty per day and gives them guaranteed pay raises every year they have two

INTRODUCTION OF ORDINANCES cont

Mayor McDermott- proposals that they're looking at currently that's the latest offer with the Fire department. So they have two proposals one with the pension adjustments and pay raises would be somewhere about what the police raises are which is 0% this year, and if they don't take that they'll probably get the same raise as city employees I'd imagine and they'd be at forty Firefighters a day so they have to decide what's better for them to have a guaranteed forty Firefighters a day with overtime, resulting every year or better pensions when they retire that's sort of a debate that's going on in the Hammond Fire Department right now, but I didn't know where you were going, Councilman Torres. I wanted to point that out.

Councilman Torres- Mayor when is this new contract take effect?

Mayor McDermott- January 1<sup>st</sup>.

Councilman Torres- Okay, for 2021?

Mayor McDermott- Yes sir, 4 years.

Councilman Torres- Okay, what I wanna point out is that a Probationary Fireman starts out at \$48,408 dollars. A Probationary Patrol Officer starts out at \$46,504 dollars. And that's \$1,904 different, so I don't know if that was... we'll I've been bringing this up ever year in the budget. But a starting patrolmen they're both valuable departments for public safety we know that but a patrolman should start the same thing as a Fireman and that's not taking anything from the Firemen and that's not taking anything from the Firemen they deserve every penny they get. But a \$1904 that's... I hope that's negotiated again in your new contract if for some reason that was missed.

Mayor McDermott- Thank you, Councilmen, I negotiated ... I was in a couple of the meetings, quite frankly my negotiating team and police they didn't bring... the FOP didn't bring this issue up once they were very laser focused on the pension that was their main goal was getting pension relief and I don't believe that issue ever came up once to be honest. I'm not saying it's not important, Councilman, but they had to choose what was important to them and Fire and police wanted that pension bad and it was a unanimous vote. They're very happy with the contract, so I don't know if we should be giving away more than ... cause we are, by the way, the pension adjustment we did the police is gonna significantly increase the quality of life for retiring Hammond Police Officers like we're talking...

Councilman Torres- This is not the pension, though this is just starting salary.

Mayor McDermott- I know.

Councilman Torres- Okay, but everything else is almost equal, wanted to point that out.

INTRODUCTION OF ORDINANCES cont

Mayor McDermott- Thank you. I appreciate Councilman Torres. And then I wanted to update the council on the status of the Police and Fire negotiations. I think for the most part, it's going very well with police it was unanimous. With Fire they have two real good offers on their table if it's the man power they wanna protect they have an offer that treats them fair and if they wanna increase the pension like they're asking, they have an offer on them that's fair. It's very similar offer that was unanimously accepted by the police. Thank you very much.

Council President Woerpel - The power to negotiate contracts lies strictly with the executive of the City, and I don't think we should be getting involved as a Council, and contract negotiation.

Councilman Torres- We can get involved in the salary. We have the power to increase the salary.

Mayor McDermott- Councilman Torres is right. I'm not asking you guys to give away money, but he is right, we do have the issue with Fire and police, but when you're talking about a patrolman, there's I don't know 70 of them so you know the adjustments you make in salary is times 70 and with over time it's time 70 plus a half and I mean the police negotiated a fair contract and voted unanimously to accept it. Now if you gave them free money, I'm sure they'd be happy with it, but they negotiated a fair contract and I think it's a very fair contract personally, so I appreciate the Councilman for bringing it up though. As a retired Hammond Police Officer and how important that is to you and I'm not trying to minimize it Councilman.

AYES: ALL

20-25 Amending the Schedule of Rates and Charges for Water Services Furnished by the Hammond Water Works Department

Councilwoman Venecz, supported by Councilman Spitale, moved the proposed ordinance to 1<sup>st</sup> and 2<sup>nd</sup> reading by title and referred it to the Council as a Whole Committee with a Committee meeting on October 19, 2020, with a Public Hearing on October 26, 2020.

AYES: ALL

Councilwoman Venecz, supported by Councilman Rakos, move to Amend in Exhibit A in its entirety.

Mayor McDermott- Keep in mind this Resolution was passed by the Water Board pending before you as a result of your supervisory authority, but this is the rate that was passed by the Water Board. Obviously any changes probably would have to go back to be reaffirmed, stuff like that. So this is what was passed when was it passed by the Water Board at last week's meeting, is pending before the Hammond City Council.

ROLL CALL VOTE (amend in exhibit A)

AYES: Alexander, Spitale, Venecz, Kalwinski, Torres, Tyler, Emerson, Rakos, Woerpel

NAYS: None

ABSENT: None

Motion carried

9/0/0

ORDINANCE AMENDED



INTRODUCTION OF ORDINANCES cont.

ROLL CALL VOTE (1<sup>st</sup> and 2<sup>nd</sup> Reading)

AYES: Alexander, Spitale, Venecz, Kalwinski, Torres, Tyler, Emerson, Rakos, Woerpel

NAYS: None

ABSENT: None

Motion carried

9/0/0

MOTION CARRIED

- 20-26 Creating a New Fund (Fund #260) for FY2021 Lake County Drunk Driving Task Force Grant Funds

Councilman Spitale, supported by Councilwoman Venecz, moved the proposed ordinance to 1<sup>st</sup> and 2<sup>nd</sup> reading by title and referred it to the Council as a Whole Committee with a Committee meeting on October 26, 2020.

AYES: ALL

- 20-27 Amend Ordinance 7661, also known as Sections 160.01, 160.02, 160.03 and 160.99 of the Hammond Municipal Code as it pertains to the General Maintenance Code and its application to all Properties within the City of Hammond

Councilman Rakos, supported by Councilwoman Venecz, moved the proposed ordinance to 1<sup>st</sup> and 2<sup>nd</sup> reading by title and referred it to the Council as a Whole Committee with a Committee meeting on October 26, 2020.

AYES: ALL

Councilman Rakos- This is just clean up Ordinance we passed last year regarding the Inspection Department and how they're trying to get each particular kind of property evaluated basically the same way. And this is just a clean up Ordinance from last year.

- 20-28 Amending Ordinances No. 9461 and 9405, being: An Ordinance Amending Ordinance 8514 for an Amendment to Title XXIX Overlay Zoning Districts to Establish New Provisions for Development within the Oxbow Landing Overlay Zoning District (OxLan-OL)

Councilman Spitale, supported by Councilman Tyler, moved the proposed ordinance to 1<sup>st</sup> and 2<sup>nd</sup> reading by title and referred it to the Council as a Whole Committee with a Intent to Consider on October 26, 2020.

AYES: ALL

RESOLUTIONS

None

NEW AND UNFINISHED BUSINESS

Councilwoman Venecz- I just have a question with regard to these Council as a Whole meetings on October 19<sup>th</sup>, are all of the Department Heads going to be expected to be in attendance to answer any questions. And is this meeting going to be in person or via Zoom?

*Prepared by  
Robert J. Golec  
Hammond City Clerk*

NEW AND UNFINISHED BUSINESS cont.

Council President Woerpel- It was my understanding when the Motion was made that there was a request made for Department Heads and I will be here for the meeting so the public can attend. But the meeting will be on Zoom too. I'm assuming just like we're doing these meetings...

Mayor McDermott- My departments heads will be present. It's easier, we've been working since May, so for us to show up, we'll just keep our mask on and this is a big enough room for all of us.

Councilwoman Venecz- I'd like an email letter sent to all Department Heads advising them of the meeting on October 19, at 5:30 pm and ask for their participation whether be in person or zoom, I personally think we should all be here for that. Just my opinion.

Council President Woerpel- Carmen, with the advertisement for that can we see to it that all letters are sent to all Department Heads.

Council Coordinator Carmen I. Balboa - Yes.

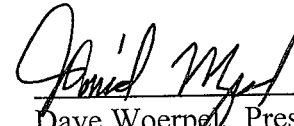
Councilman Torres- I noticed in the Council Budget that, it was mentioned before, that we lost a secretary. One that, I especially, worked a couple of years to get. I know the standing is that the City Clerk will send somebody incase she needs a day off or vacation or holiday off or whatever. I personally, don't like that. We are an independent elected office with the right to hire our people and keep our people. There have been times when various elected offices are in some kind of tiff. I can remember the clerk and the court one time having a tiff and hardly spoke to each other. I can remember the Council and the Executive of the Mayor's Office being at disagreements. So it probably won't happen under this administration, but I hate to put ourselves dependent on another elected office. And we're the one that's supposed to set the budget and if we can't find money for another employee ... well, thank you.

PUBLIC EXPRESSION

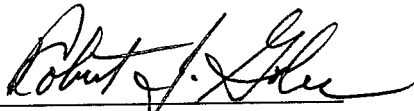
George Stoya- To pick up where I left off, for example, you're mentioning this was on Gateway and all this other stuff. I gotta tell you that's a bit much. I don't know anybody that gets up in the morning and says I'm going to check out Gateway and look down at the DLGF and see what's happening. That's not just realistic. But keep in mind you guys are supposed to represent us, keep that in mind.

Councilwoman Venecz, supported by Councilwoman Alexander, moved to adjourn.

AYES: ALL

  
\_\_\_\_\_  
Dave Woerpel, President  
Hammond Common Council

ATTEST:

  
\_\_\_\_\_  
Robert J. Golec, City Clerk

Time: 7:55 p.m.  
dw

Minutes approved at the Common Council meeting on October 26, 2020.