

The regular meeting of the Hammond Common Council of the City of Hammond, Lake County, Indiana was held on February 22, 2021 in the Hammond City Council Chambers.

Council President Dave Woerpel presided.

City Clerk Robert J. Golec facilitated.

PLEDGE OF ALLEGIANCE was recited by all.

Moment of Silence for the over 500,000 people that have lost their lives to Coronavirus.

ROLL CALL

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

ABSENT: None

TOTAL: 9

MAYOR'S ADDRESS

Mayor McDermott - I just wanted to give a quick update on a couple items of interest involving the Hammond Council, and I'm available to answer any questions if you have any. First, in your packets is the long awaited distribution of the 2020 Gaming Revenues. We said it was gonna be right around \$5 or \$4 million, unfortunately it was closer to \$4 million. We ended 2020 in the black for the first time, literally, with \$4 million in the bank for ... I don't know, as long as I've been Mayor we've never had \$4 million in the bank at the end of the year. We distributed the money according to the ordinance we all approved, where 62% of the left over money goes to the Capital Improvement Board, which is approximately \$2.5 million. Mayor's Discretionary is 15%, which is about \$610 thousand. District's Discretionary money of 15% to each District is \$101.5 thousand. Gaming Advisory Committee gets \$162 thousand immediately. Rainy Day Fund gets \$162 thousand, immediately. This money is available for the Council and the Mayor and for the Capital Improvement Board. At this moment, with regard to the Capital Improvement Board, I know the Council is very involved in this, they have a lot of projects in the queue and they have \$2.5 million, so obviously, we have to figure out payment streams and try to make the projects that we all want to get done, with the actual amount of revenue that you have. I want to remind the Council, again, we're spending backwards, which is great. We did the hard part in 2020 during the pandemic. This is money we're spending that's sitting in the bank. It's gonna take, so like, let's say, for instance, the Mayor's \$610 thousand, I've committed \$100 thousand of that to police cameras, right, but that money's not spent yet. We're in the process of buying them but it's still sitting in the bank account. So even though I have this money and I'm spending this money on a great project, it's sitting in the bank account. Instead of the way we used to do it, January 1st we'd spend that money and it'd be gone before it was even in Megan's bank account. So we did the hard and we're spending backwards. So, you know, the \$2.5 million in the Capital Improvement Board, it's gonna take them a while to spend that \$2.5 million even though they have a lot of great projects. So, by doing it the way we do this now, it's gonna artificially inflate all of our account balance, which makes us look financially stronger, which when it comes to bond review, which when it comes to State Board of Account audits it makes our City look better, and it is better because we have money, literally, sitting in the bank account. Instead of spending money we anticipate getting. Before I move on to the next subject, I wanted to see if the Council had any questions on this. The next distribution will be at the end of the first quarter. I

*Prepared by
Robert J. Golec
Hammond City Clerk*

MAYOR'S ADDRESS cont.

Mayor McDermott cont. - image the number's gonna be significantly higher than this one. I don't know if that's true. I mean, if I did quick math, we do gross about \$30 million of gaming a year, divided by four, that's about \$7.5 million for report, and then of course that's gross and you have to net it out. So I imagine, we'll be getting numbers like this quarterly. I know it's not a lot of money right now, putting \$2.5 million in the Capital Improvement Board but when you keep putting \$2.5 million every quarter into it, it starts making the Board Members jobs a lot easier. So, you'll be getting another report like this. This is the first form. If you guys don't like this format, let's talk about it. Because , hopefully, once we all agree on the format, we just keep on doing them every quarter. So every quarter you should be seeing this report come to you. Megan's been working real hard on this. So, I'm open to answer any questions you have on this.

Councilman Torres - You said next quarter, March?

Mayor McDermott - I mean, the quarter closes out March 31st, so I imagine by April 15th, maybe I that ball park. Sooner than it took this year, Councilman. This is too late this quarter and we're now gonna be two quarters late. The hard part was ... we came up with this. This is the first time we did it. It's only gonna get easier for us, okay. So I imagine a couple weeks into the new quarter, Councilman, you should be getting this report.

Councilman Emerson - I'm wondering if there's any predictions on how the casino will do this year.

Mayor McDermott - Every, you know, they use these routine newspaper articles. I know you still get the paper, probably, I do too. Not everybody does but it seems like just about every month they do an article that compares gaming revenues to the previous years and it's like a routine article that's in there all the time and , you know, I know our boats down, year over year, you know, when you think about last February we were doing better than here this February because we weren't wearing masks, we weren't social distancing. So I imagine, year over year, in January and February we were down. But year over year, in March they shut down the casino, I don't know, mid March, so when we compare year over year, Councilman, we're down this year. But that doesn't mean it's gonna be zero, of course. So maybe instead of getting \$34 million a year, we get \$28 or \$29 million a year. Maybe it's a couple bucks less or a couple bucks more, but we're definitely down, year over year, and hopefully we'll recover from that. But I imagine it will be a little bit lower than we are used to seeing because we are in a pandemic. I know, when I go to the boat, I don't gamble, you know that, but I go there to meet with the CEO and you walk through there and there's people there but I remember it being a lot more crowded back in the day. And then, into the future, the Hard Rock's about to come online and I'm sure they're going to compete well with us. And then, a couple years into the future, casino's in Chicago and the Chicago suburbs are going to open so our future is water, Councilmen. I love the Gaming. I'm not talking it for granted, but our future is water and we're gonna talk about that when we get done talking about this subject.

Councilman Emerson - The only thing I'd add, Mayor, is I did get the paper and now I just do online because it got so exorbitantly high, the cost, the Post too I read online, but sometimes that doesn't work out, but anyway.

Mayor McDermott - Yeah, they don't have tax caps in the media like we have in government. Any other questions on the Gaming report? I do again want to apologize before I move on to the next, this, it took too long,

MAYOR'S ADDRESS

Mayor McDermott cont. - this quarter. It's not gonna be like this all the time. We're figuring it out, brand new. So, next I'd like to report to the Council on something, I know some of you have probably heard. I put the word out through the Council President. Last Friday we settled the water litigation with the customer communities. Hammond Water Department settled the lawsuit. As a reminder to the Council, the Council passed water rate increase. We talked a lot about how it would affect our residents, and it does affect our residents, there's no doubt about it. But it also affected our customer community's contracts because their water rates are set to what the Hammond resident pays. So because we changed the water rate in the City of Hammond it automatically changed our customer community's contracts, and then they filed a lawsuit against us, which was anticipated. We told you guys when we were contemplating the rate, we were probably gonna get sued, and our prediction came true. We were sued by Whiting, we were sued by Highland, we were sued by Dyer, we were sued by Munster, we were sued by Griffith. And then it was Hammond Water against all those communities. You know, these customer communities obviously were very upset about the rate increase and quite frankly we talked a lot about the impact it was gonna have on cities where we would sell to, let's say Highland for instance, we sell highland water for .50¢ for a thousand gallons, and then they charge their residents \$3 plus for the same water. So they're making millions of dollars of revenue, and I'm not saying they're not spending it on infrastructure, they probably are spending a good portion on infrastructure, but you can't tell me that they're not using that in their general fund. I just don't believe them. I think when you're making millions of dollars off of something you're getting for basically nothing that they're using that to help finance their government. Which is fine, god bless, but take that up with your citizens. What Hammond did was charge them a wholesale water rate. And it's a lot higher than what they are used to paying and what that does is it cuts into their profit. The profit that they rely on so that they could run their city. They didn't take it very well, okay. So, we were sued by all the communities I mentioned. We had great attorneys representing the City of Hammond. Led by Corporate Council Kevin Smith, who I want to thank very much. He literally ate, slept, and breathed this case for so thank you, Corporate Counsel. Thank you very much. It's a massive settlement that we had and there's gonna be some actions required of the Council to enact what we call a wholesale rate, which is fair. One of the biggest concerns in the lawsuit was, so Hammond residents are gonna pay \$1.90 for a thousand gallons, okay, when we sell water to Highland, should we charge Highland \$1.90 for a thousand gallons. Even though their residents are paying \$3 plus. Well, Highland pushes back, not just Highland, I'm just saying Highland, in this case the Class pushed back and said, "If you're charging Hammond residents \$1.90, we shouldn't have to pay \$1.90 because a lot of your infrastructure is" ... like Knickerbocker Parkway, where I live, like Highland feels, "We shouldn't have to pay for infrastructure improvements on Knickerbocker Parkway, or on Magoun or on any other residential street in the City of Hammond. That's something that the Hammond Water Utilities should pay for." So one of the big things that came out of this litigation was you need to have a separate rate for customer communities. That's something we had to consider. Now, let me also tell you how that affects you guys and me, as Mayor and as Council Members, as you all know we have contracts with Illinois communities. Hammond Water can't sell water to Chicago Heights, or Cal City or Lansing or any of the other places we want to sell water, it has to be the Mayor. Because Hammond Water Utility is Indiana only. They can't sell water outside of Indiana because they're under Indiana's jurisdiction. So for them to be able to sell water to Chicago Heights, legally the Mayor of Hammond buys water from the Hammond Water Utility at the wholesale rate, which was .46¢, and I sell it to Illinois for \$2.50. And the millions of dollars we make on those water sales comes back to the City of Hammond's General Fund. This became a huge bone of contention in the lawsuit. Dirty, dirty, nasty stuff, and I

*Prepared by
Robert J. Golec
Hammond City Clerk*

MAYOR'S ADDRESS cont.

Mayor McDermott cont. - will never forgive some of the people involved in this. And I'm gonna tell Hammond residents who they are when they want to speak up. I promise you. The Class actually floated a bill with the Republican Supermajority that tried to disgorge all the money that we've ever sold in Illinois for operating a shadow public utility. I know who did it. I know what they were trying to do. If that passed the Republican Supermajority, it would have devastated Hammond. I'm talking \$100 million, Kevin, more? They were literally trying to get every penny that we've ever sold in Illinois, ever. Going back to the '70's, which is when we started selling water in Illinois. Which had been approved by the IURC. Which has been acknowledged by Governor at the time and all that. But, this person floated a bill with a certain legislator who called me immediately. Said, "I got this bill. So and so gave it to me, Mayor. What do you think about it?" I said, "Representative, if you guys pass that bill, Hammond goes bankrupt." You hit us for \$100 million bill. That's how vindictive the customer communities were in this lawsuit. I'm sure Kevin's super uncomfortable that I'm talking about this. But I know who did it. I know what they were trying to do, and they were trying to kill us. So, we reached a deal over the next ten years. Obviously, that bill didn't go anywhere. I'm gonna read off some of the terms of the deal, if you don't mind, and then I'll be available to answer any questions. And then, quite frankly, I'm never gonna talk about this damn case again. Not a god damn time I'm telling you right now. I'm not gonna say a damn word about it. This is the only time. With you guys, my bosses. Okay. Somebody ask me on the street, maybe I'll talk to them on the street. This is it. I'm not talking about it on the record, nothing, this is it as far as I'm concerned. I don't want to talk about this again. Parties have reached a settlement in principle that will resolve the litigation and establish a wholesale rate with our neighboring communities. The agreement is for initial ten year period. All of the communities will be on the same deal, including Griffith who is out of contract. We were very nice, by the way, of keeping Griffith on through this whole thing. They were out of contract for close to two years and we never threatened to cut them off. We were like, "We need to get this done, Griffith. Come on now. You're out of contract." So under this deal, everybody in the Class, Whiting, Griffith, Highland, Munster, Dyer and the Mayor. Because I'm a wholesale buyer also. We all get, well, I never sued you guys by the way. I never sued the City of Hammond as Mayor. But everybody gets new ten year contracts, okay. Then they have a deal where you could get a second ten year contract, also, and it's at a certain percentage and that's into the weeds. So, basically, they have the option to keep buying Hammond water for the next twenty years. Under the agreement the Customer Communities will begin paying nearly double what they had been paying with their wholesale rates. Continuing the increase over time to nearly 70% of the residential retail rate. This rate will also be paid by the City of Hammond, me, to the Water Works for all Illinois contracts. This is an important point. When we set the rate at \$1.90 for the Hammond residents, you set the rate at \$1.90 for all the Customer Communities. They sued us. And on me, as Mayor, when I sell water in Illinois. So now I sell water in Illinois, I buy it for \$1.90, I sell it for \$2.50, the profit that we're used to getting in the Civil City from those sales are gone. All the money is going to the Water Company. Which is fine. So, by setting a new, what we call a wholesale rate, has to be approved by the Council if we're gonna do this. Then if you guys don't, then we have legal issues to work out. But, the wholesale rate, if it's approved by the Hammond Council, would apply to the Mayor for water sales in Illinois, which comes back to the General Fund, on the Illinois water sales. Right now, keep in mind, the residents, so Hammond residents paying \$1.90 for a thousand gallons, the residents in Griffith are paying \$3.78 for the same water. Munster, \$3.13. So when those communities start raising their water rates on their residents they're gonna blame us. They're gonna blame me. "Mayor McDermott made us pay more water rates in Highland and Griffith." No, that's not true. They're gonna say it, but it's not true. What they don't

MAYOR'S ADDRESS cont.

Mayor McDermott cont. - want to say is, "We rely on your money to run our government and it's going away now and we have to figure out how to keep government running." They don't want to say that but they will. If I'm gonna talk about this the last time I may as well make it a doozy, right? The average monthly water bill for Hammond residents or customers remains the lowest in the State of Indiana, \$1.90 for a thousand gallons. The settlement has brought certainty and reduced litigation expenses to our City, permitting Hammond sales to Illinois customers to continue without being questioned. This settlement, every party acknowledges that we sell water in Illinois. Every party acknowledges that they're not gonna contest that with the Republican Supermajority. Every part acknowledges that if they try to compete with us, like they sell water or they let other people in, that they're not going to continue to buy water from us. If the litigation was not settled, the litigation process could have taken years to resolve with almost certain prospect of appeals which would have limited the Water Department's ability to bond for necessary Capital Improvements that we need right now. I think settlement is both Hammond and our neighbors and results in increased revenue for our Water Department that is long overdue. The fact is, if we approve the wholesale rates as we present to you, which is basically mirrored, we literally, over a twenty year period, negotiated every year, one through twenty, with five cities. Being represented by Corporate Council; being represented by Shanna Levinson, who is the Water Department's attorney; being represented by Faegre, Baker & Daniels; being represented by Eichorn & Eichorn. And we were up against all the big boys in Indiana. And I don't mean to be sexist by saying big boys. All the largest law firms in Indiana were representing each Customer Community. All of them against us. The first Zoom we had, it was all by Zoom. We had a mediation on Zoom. There was a screen, it looked like a Council meeting times three with the number of bubbles up there, and everybody on the screen was suing us except for like three or four bubbles. Everybody on the screen was suing the city of Hammond. So, these rates that we're gonna give to you, that we're calling the wholesale rate, have been extensively negotiated. Every year. So, like, obviously, if you have a problem, you have the right to vote against it, but if you're like, "Hey, could we change year four?" If you want to go back to that quagmire I just got out of and like get all these Classes together and say, "Hey, we don't like year four." I mean, you have the right to do that. Of course, you're a Council Member. But I don't want you to think, like, these things haven't been thought out. They've been poured over. Each number that we're gonna give you has been negotiated, each year. It was a pain in the butt, I'll be honest with you. But, at the end of the day, so I'm gonna talk in ten year numbers. The Customer Communities, in ten year numbers, paid us about \$1.5 million a year at the old rate, the .46¢, which is about \$15 million every ten years, right? The retail rate, 100%, after what we passed, if we said, "Forget you Highland, forget you Griffith, forget you Munster, Dyer, Whiting, you're paying 100% of what Hammond residents paid." We could have taken that course. We probably wouldn't be before you right now with a settlement if we did that. I know we wouldn't be. We'd be going to court with Judge Hawkins. And then if we won or lost there, we'd be appealing and going to the Court of Appeals. And then if we won or lost there, we'd be appealing and going to the Supreme Court. Like, this thing wasn't getting settled unless we agreed. If we charged them 100% over ten years, that would have paid \$73 million. So, it would have gone from \$15 million to \$73 million. In Chicago we charge 88%, those are our Illinois bottles. In Illinois why do people buy water from Hammond? We charge 88% of what Chicago does. So Chicago charges you a dollar, we charge you .88¢. You go to us because .88¢ times twelve zeros is a lot of money, which is what we are talking about. If we charged 88%, it would have been \$64 million over ten years. Which is still a major increase. What we agreed on in the wholesale rate was a compromise, was \$43 over ten years. Starts now, year one. Which is three times more than they were making, over the first ten years. Over the

*Prepared by
Robert J. Golec
Hammond City Clerk*

MAYOR'S ADDRESS cont.

Mayor McDermott cont. - second ten years, it's more like, I don't know, five or six times what they were making, in the second ten years. Because in the first ten years it steps up. Like, we knew, we passed a new rate in November. We all know what happens in municipal budgets in November. Well, in September, October and November you're making budgets. So how fair is it that Hammond comes along and says, "Hey, Customer Communities, we quadrupled your rates and you owe us \$5 million instead of \$1 million", right? So we all knew we were gonna have to phase it in. Quite frankly, to avoid litigation we were offering what ended up becoming the settlement. We need to phase this in. Let's just agree with the numbers are over ten years. So, under this proposal, starting January 1st, 2021, going backwards, all the customer communities pay double for the first two years, then it goes higher and higher. Mayor of Hammond, if you accept the wholesale rate we're gonna be approaching you next meeting with a wholesale rate ordinance. If you pass the wholesale ordinance, that would apply to the Mayor as well. Meaning, I would pay .95¢ for water that I used to pay .46¢ for. So I doubled the amount of water revenue I send to the Hammond Water Department but I'm still selling water in Illinois for \$2.50. So we're making more revenue under that scenario as well. So, I know it's very complex, what I just told you. But the litigation was complex and put a lot of work into it and I'm really happy with the result, I'll be honest. We tripled the rate. I'm talking, the money that we used to get is gonna be significantly higher and it's not ever gonna go down again. It's set in stone for the next twenty years. So, when we bring the wholesale rate to you, I hope you keep an open mind. Because it was extensively litigated. If we want to go back to that, it's a fight that could take a few years. That's not gonna be us, this is certainty, like today, for the next twenty years. So, I don't know if anybody has any questions on this. I'm sorry I've taken so long, but I had a lot (unclear) about today.

Councilman Torres - So when are the profits gonna be reflected?

Mayor McDermott - Well, just keep in mind, Councilman, the IURC told us it cost \$1.25 to make a thousand gallons of water. So we're still not gonna be at that rate for a couple of years with our wholesale customers. A couple years. But, it's our own fault. Because we didn't raise rates for 35 years. So, like, the thing is, let's say, if we would have said, "Customer Communities, the first two years are .95¢, under the wholesale rate that we agreed on and that we will be submitting to you guys. If we would have said sorry, \$1.25 has got to be the first two years", I don't know if we'd be here. Maybe we would. I doubt it. Because the first two years were the most sensitive. Like, we doubled the rates, like, with no notice. When I say, "they", we're talking the Customer Communities. Because you double my rates, as a Hammond resident, I paid \$5 bucks extra last month, alright. When you double a rate to a Customer Community, you're talking millions of dollars. And if you go up to Highland and say, "Hey, I know you weren't expecting to give us \$2 million but you owe us \$2 million", it's just not realistic to think that we could drop a bomb in November and get paid like that. So, what we agreed upon, I think, was very fair, Councilman. But it will take a few years to get to \$1.25. You'll see the rate. I'm sorry I don't have it ready but we reached settlement Friday and they're still preparing to documents right now. But, I wanted you all to know what's going on, because obviously it's a major case. And you're paying the bills, the bills are coming through.

Councilman Emerson - The one thing, I was really scared, when you said Republican Majority. But, I'm glad that kind of worked out. That's scary. Anytime I hear that it's scary. But that was really scary.

MAYOR'S ADDRESS cont.

Mayor McDermott - It wasn't just scary, it was mean. It was, like, sadistic, like, we're gonna ruin you Hammond bill. It would have been and I will never forgive this person, never. I swallowed my pride and I bit my tongue, I didn't say crap during this because I couldn't. Because if I piss them off we're not standing in front of you right now. We're going to court. So I swallowed my pride and I bit my tongue, but I know who this person is and I know what they did and I know what the bill said, because the legislator called me right after they got it and said, "This was given to me by so and so, I'm not getting in the middle of this lawsuit. These guys think they are crazy if they think I'm gonna do something with this." And I appreciate that legislator, Representative Soliday. Thank you, Representative Soliday, for reaching out to the City of Hammond and giving us a heads up that somebody is trying to chop our heads off. I appreciate you Representative Soliday for giving me a heads up. He's a stand up person. He was watching out for the City of Hammond, in a Republican Supermajority. He's a Republican from Valparaiso and he watched out for the City of Hammond. Thank you, Representative Soliday, for giving me the heads up. He called me the day he got the bill and I appreciate that. He didn't have to do that. If it starts getting traction in that General Assembly, we got major problems. Because then they're calling in toe question the water sales to Illinois. It's one of the things that our lifeline, guys. This is lifeline for the next hundred years. Our water sales in Illinois, and they're trying to kill us for it. I'll never forgive them, and they are going to be one of our customers for twenty more years. That's the classic part.

Councilman Kalwinski - Mayor, I know that at the beginning of all these negotiations we were talking and you thought it was an error to wait so long to renew contracts, the thirty five years or whatever limit it was, are you concerned at all about these ten and ten maybe being too long as well, or are you comfortable with what you did?

Mayor McDermott - Once you see what we are talking about, and I apologize again, Councilman Mark, I just wanted to give you guys the latest news. We don't have the ordinance ready to go in front of you now. But the first ten years, each, they're pretty, you'll see seven or eight increases in rate in the first ten years, okay. The second ten years is based on a percentage of what Hammond residents pay. And that's in control of the Mayor and the Hammond City Council in a lot of respects. Obviously, we want to do infrastructure studies and things of that nature, okay. The second ten years, if the Hammond residents rate is higher, it's based on a percentage of the Hammond residents rate. Kevin, what's the percentage in the second ten years? 69.5% in the second ten years, Councilman Mark. So, let's say in the second ten years we found ourselves in a similar situation, Councilman Mark, where our residents are way too low, and our Customer Communities rates are way too low, that would be in the control of the Mayor and the Hammond City Council in the second ten years, to rectify that problem.

Councilman Kalwinski - Okay, I appreciate that. It's just hard to hear and follow without the figures in front of you so I'm kinda in the dark here but, okay.

Mayor McDermott - And I apologize again, Councilman Mark, I wanted you guys to know because you guys are my boss and I wanted you to know that we reached settlement but it was just one work day ago we reached settlement. It's a massive case, okay, so, I'm just giving you the freshest news I can give you and I promise you when you see the numbers you'll see what I'm talking about. And I apologize again for not having them, Councilman Kalwinski.

*Prepared by
Robert J. Golec
Hammond City Clerk*

MAYOR'S ADDRESS cont.

Councilman Kalwinski - Thank you.

Council President Woerpel Mayor, you did call me on Friday and I didn't call my colleagues because I didn't understand it. We just had a real brief conversation that you said you were on the brink of it or you had

Mayor McDermott - Councilman Dave, I've been living this, Kevin's been living this. We had a Water litigation team...

Council President Woerpel The question I wanted to ask you, as I understood it is, there could have been a court injunction that wouldn't of even allowed us to raise our rates on our own. I mean, this could have been litigated forever, correct?

Mayor McDermott - Yes, it could have gone on for a couple or few years. But, you know, we had a great team that worked real hard and I want Kevin to recognize everybody so that I don't mess it up.

Atty. Kevin Smith, Corporate Counsel - Thanks, Mayor. I appreciate all the comments by both the Mayor and the Council. Our team was, of course, the folks that represented the Water Works were Shanna Levinson, who is the Water Works Attorney; and the folks down at Faegre, Baker & Daniels which is led by Scott Chinn, who's done all kinds of utility work for the City for some time, including the Chicago Heights litigation several years ago in 2012, his partner Jane Dall Wilson, and their partners Ann Richiuto and their associate Susanne Johnson; also on the City side was represented by myself and David Jensen at Eichorn; and I can't tell you how nice it is to have attorneys with such good utility experience. David Jensen at Eichorn, you know, they were Corporate Counsel, General Counsel, for NIPSCO in the '60's, '70's and '80's and so his knowledge about utility cases and rate cases was substantial. I'd be remiss if I didn't also that Mark McLaughlin and Jaime Prieto at the Water Works as well as all the folks at Water Works that helped, their staff, in the accounting area, the gentleman out at the plant helped get our folks ready for depositions. Carl Sender was our expert and he did a great job as well. I did want to mention just one other thing that Councilman Mark mentioned in his question, and his question to the Mayor was why are these long termed contracts important. I can tell you this, Councilman Kalwinski, from a bonding standpoint, and from the ability for the Water Works to plan, now the Water Works can say to anyone that they need money from to do Capital Improvements, they can say, now we have this set revenue stream. And that's a very, very important thing for the Water Works to do. So, I just want to thank the Council for their support and the Mayor. Thank you.

Mayor McDermott - One more person I want to thank, our former City Controller, Heather Garay. She went through a seven hour deposition the other day. I mean, she did a great job for us too. But, a seven hour dep, that's what I was talking about. And I was trying to go back to something I said to you earlier, was I was telling you about the settlement, but for me it's like we've been living this for the last few months. So like for me to just rattle it off, I think everybody understands what I'm saying because I've been dealing with this everyday.

Council President Woerpel - No, I get it. I just didn't want them thinking I kept anything from them. Because I didn't understand. It was a brief conversation.

MAYOR'S ADDRESS cont.

Mayor McDermott - We have an agreement in principle, the Hammond Council has to ratify it, basically, by setting the wholesale rate. If you don't ratify it, that's your signal that this is not gonna work and we got problems. Not that I won't do my job, but I think just having this before you is really doing my job the best way I could. Just the fact that I have a settlement before you instead of litigating for the next two years is huge, in my opinion. Going back to what Kevin said, for the next twenty years, the Hammond Water Utility needs to do, I don't know, \$50 million in infrastructure, and they have a rate system that allows them to go out and bond and they could do things like the mains that need to be replaced because they are over 100 years old and stuff like that. We have the revenue to do it now. When a water tank breaks down we're not gonna have to go to the City Council and go to a TIF District and try to pay for it ourselves. Those are gone. They're in the past. Water Department is properly financed. Obviously, we have one more step and that's gonna be presenting you, at the next Council Meeting, with the wholesale rate on 1st and 2nd Reading, then obviously two weeks later on 3rd and Final. I want to remind any Hammond resident this has nothing to do with your rates at all. This is all about water sales to our Customer Communities.

Councilman Torres - I just want to thank the Atty. Smith and the team that represented Hammond and of course yourself, Mayor. Thank you for biting your tongue.

Mayor McDermott - It doesn't happen often.

Councilman Torres - And I hope nothing evil happens to Representative Soliday.

Mayor McDermott - No, Representative Soliday did a huge favor for us and I appreciate him He didn't have to call. Not only did he call, he put my mind at ease. Because that bill was scary. It was like one of those bills you're like ugh, I can't believe someone even put this in writing it is so bad. And by the way, this was a person that one day may be coming to Hammond for issues. So I'm just gonna keep on watching and waiting and I promise you when that happens I'm gonna let everybody know. I'll keep biting my tongue until then.

Councilman Kalwinski- This is still water related. So I was just following up to see, have monthly bills now, are they in practice for the Water Department?

Mayor McDermott- I believe so. I know that they have the extra staff hired. Does anybody... they are.

Councilman Kalwinski- Anything new about looking into getting that charge waived for water when you're getting it off your check or debit or bank?

Mayor McDermott- That's happening also...

Councilman Kalwinski- You know, so last meeting you said they were looking into that.

Mayor McDermott- I have no other further update other than it's happening. That's what Kevin said, Megan said it also, that it's happening. I haven't checked myself Councilman but it appears that we're moving forward on that.

MAYOR'S ADDRESS cont.

Councilman Kalwinski- Okay, I appreciate it. Thank you.

Mayor McDermott- Thank you. I know that Councilman Barry and Councilwoman Katrina have talked in the past about people that can't pay their bills. We are working with people and quite frankly, it's not really that common. When it does happen, I have a staff member that's their job. That's one of their jobs is to deal with situations like that, going back to something that Councilman Barry and Councilwoman Katrina brought up in previous meetings. It's really not as big as we anticipated. Like my house was \$5 bucks extra.

Councilman Kalwinski- That's a different issue. I was just saying the charge you get when you debit you, pay by debit or whatever, you know. Now it's gonna be every month if we don't get that fixed or waived.

Mayor McDermott- I will follow up again tomorrow again, Councilman, but Megan is telling me it's done already. So I would be surprised if it wasn't because the Water Department watches the Council Meetings. Everybody pays attention to what's going on here.

Council President Woerpel- I do know that even back to the days before I got here, for like the last 10 years they've been putting automated readers on the water meters. I just got mine the other, last month, when my wife reminded me, first time I ever listened to her, but she reminded me that we never got our meter changed over and that helps with getting the meters read fast, those self reading meters. It didn't cost anything to get them changed over either.

Mayor McDermott- We have a time line, the next few years we wanna get every house in the City done, but yeah mine's been done already also. And they can literally could drive by your house and read your meter without getting out of the car or anything. It's all through WiFi.

Council President Woerpel- Nobody shovels the snow to the backyard...

Mayor McDermott- They don't have to worry about that anymore. So Water Department's Personnel won't have to go in peoples backyards once you get this new meter. Stuff like that. So it's a really good deal.

Councilwoman Alexander- Mayor, when you give us a document will it have, not just the percentage of what the increase is, but will it actually have a dollar amount associated with it like we...

Mayor McDermott- Yeah, sure, no problem, Councilwoman. So if it say's like year one, I have a document that has that. It doesn't have it broken down per Community. It just says all the communities together pay \$.46 cents, these communities will pay us this at the settlement rate. If that's satisfactory, we can make sure that's Is that alright, Councilwoman?

Councilwoman Alexander- Yes, that will work. I just wanna know the actual number that they're actually gonna be paying overall because I think a lot of times we hear these percents of increase, but we don't have that dollar amount to actually associate with it and it makes it look like it's so much more by percent versus an actual dollar amount.

*Prepared by
Robert J. Golec
Hammond City Clerk*

MAYOR’S ADDRESS cont.

Mayor McDermott- Got you, I agree, especially when you start with a real small number like \$.46¢, so I appreciate that, Councilwoman, it will definitely be on there.

Mayor McDermott- I appreciate you letting me speak, Mr. President. Thank you.

READING OF MINUTES

Councilman Spitale, supported by Councilman Tyler, moved to accept the minutes of February 8, 2021 and place on file. AYES: ALL

APPROVAL OF CLAIMS

Councilman Rakos, supported by Councilwoman Venecz, moved to approve claims from February 3 , 2021 through February 17, 2021. Claim #595 through claim # 783, inclusive.

ROLL CALL VOTE (claims)

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

NAYS: None

ABSENT: None

Motion carried

9/0/0

CLAIMS APPROVED

PUBLIC HEARINGS

21-08 An Ordinance Recognizing Rev. John H Parrish Sr. as the First Black Councilman in the City of Hammond and Designating Both the 1000 and 1100 Blocks of Cleveland Street as “Honorary Rev. John H. Parrish Sr. Street”

Councilman Tyler- Before we start the Public Hearing would love for Clerk Golec to read this Ordinance in it’s entirety.

City Clerk Golec read 21-08 in its entirety.

No one spoke.

COMMUNICATIONS

Councilman Tyler- I just want to share that with the recent cold weather temperatures that we’ve had, I’ve had several conversations with Owana Miller from our Community Development Department about the different warming centers. I know we’ve had a lot of people on Social Media asking about places, if they can be open overnight so that some of our individuals in our community who are experiencing homelessness will be able to have a place to sleep overnight. As of right now we don’t have any of those places set up. We do have of course

COMMUNICATIONS cont.

Councilman Tyler cont. - the shelter in Downtown Hammond that is available for individuals. And Owana also reinforced that if anybody knows of someone that does need a place to stay, we have relationships with other shelters across Northwest Indiana that we work with to get people placements for. So even though we don't offer an overnight shelter to ourselves, we do help those individuals find placements in other cities in other locations. So if you know of anybody who needs a place to stay, I know today was a bit warmer but it's still pretty cold outside, at any point, please reach out to the Community Development Office or reach out to me directly or anybody on the Council and we'll definitely help make that connection. I know that we do have people in our City who need that assistance and we're willing to do whatever we can to try and get them a place to stay. Thank you.

Councilwoman Venezc- We all received an email from the firefighters local 556 and I would like that placed on file.

Council President Woerpel- Do we need a motion to place on file, Clerk?

Clerk Golec- If you or the Council would submit the letter to us, we can place it on file.

Council President Woerpel- Okay, we'll get that on file, then.

Councilwoman Venezc- Thank you.

Councilwoman Alexander- I would normally do the COVID numbers, but it doesn't seem like the site has been updated so I won't give a report regarding the numbers, but I do want to just continue to inform people to wear their mask continue to social distance. I know that with the weather being so cold we know a lot of people aren't really socializing as much as possible, but we know with the vaccinations are out, so if you are in that category to be vaccinated look into it if that's something that you want to do. Also as a reminder that there will be a virtual Black History Program coming up this Friday, I believe, if I'm correct, Councilman Tyler, is that date correct?

Councilman Tyler- Yes.

Councilwoman Alexander- Just want to make sure everyone tunes into that on Facebook Live.

COMMITTEE REPORTS

Capital Improvement Board - Councilwoman Venezc- I would like to report on the Capital Improvements Board. We met on February 16th. Ron Novak came before us and gave us some history on the lead remediation in Robertsdale and that was the extent of our business. The next meeting will be March 1st at 4:00 pm. Thank you.

COMMITTEE REPORTS cont.

Youth Committee - Councilman Tyler- We did not have a committee meeting, but last week I was able to serve as a Youth of the Year Judge for the Boys and girls Club of NWI. I just want to congratulate a youth from our City, Jamarion Moon from Morton High School . He is a member of the APA program there, so the Academy of Performing Arts, and he's a wonderful singer. So he was nominated and selected as the Hammond Youth of the Year, which qualifies him to be a finalist for the NWI Youth of the Year, so I got a chance to get to know him a little bit better last week as we interviewed him and the rest of the finalists for that award and he's just an outstanding young man. So in the future I do plan on honoring him with a Resolution, just giving him everything that he's already achieved as a young person. So I just wanted to acknowledge him.

Streets and Alleys Committee - Councilman Tyler - I just wanted to acknowledge that a lot of residents are reaching out with regards to the snow either, their alleys are still being blocked or their driveway is being blocked as plows come down and of course we want to encourage residents to continue to use the 311 App to request assistance there. But just also want to share that our Streets and Sanitation Crew, they're doing an awesome job, keeping our streets clean and the snow has to go somewhere and unfortunately I know in my house that means sometimes it goes in front of my driveway and I might have to go shovel in front of my driveway two or three times after the plow comes through and as of right now it's just the way it's set up. What you can do in terms of trying to prevent that is if you shovel the side of your driveway, then it'll have less snow in front of it. So that's just a note. I know we have a lot of senior citizens and individuals who are disabled who have issues with plowing their snow and I do wanna share that the Greater Hammond Community Services Inc has assistance for senior citizens, I also know that the North Township, they were pretty swamped with this most recent snowstorm, but they also have shoveling assistance too, So you can reach out to either two of those groups and they will come out and help you shovel your snow for you. I also get out as much as I can, so if anybody in the 3rd District or anywhere across the City needs assistance, please reach out to me directly either I'll come out or try and get someone to come out. Thank you.

Council President Woerpel- And I'll just add to that it's been my experience that every time we have snow like that on weekend or a holiday. It's always worse cause there's more cars at home and it's harder to plow streets with all the cars sitting out in front of the houses and I know I got a lot of complaints about plows plowing them in, but when you got that many cars at home all day, it's very hard and I commend our plow drivers.

Councilwoman Venecz- When is the virtual ceremony for the Boys and Girls Club?

Councilman Tyler- That is Thursday at 6:00 pm.

Community and Crime Watch Committee - Councilwoman Venecz- We do not have any meetings coming up in the near future, but I would like to give a couple of tips to our residents when you're at a gas station or you're warming up your car in front of your house don't leave the vehicle running unattended. That is an invitation to a ne'er-do-well to take your vehicle. So please don't leave your vehicle running unattended. When you are out and about try to park in a well lit area and when you are out and about try not to travel alone, bring someone with you. And please practice safety precautions such as looking and observing your surroundings to make sure that there isn't anyone hanging around you and if they are please drive off to avoid any situation. And it's always a

COMMITTEE REPORTS cont.

Councilwoman Venecz cont - good idea to keep your cell phone with you at all times, especially in this weather. And there are a lot of scams out there please be very careful when answering your phone if it's a number that you don't recognize don't answer. If it's an important message, they'll leave a voice mail for you and you can choose whether or not to call them back be aware of any scams that are looking for donations for COVID or advanced loans or something like that under no circumstances should you give any of your information to anyone over the phone and as usual we need to protect ourselves and our family and our community please wear a mask practice social distancing and wash your hands as often as you absolutely can to prevent the spread of this virus. And if you have not already as Councilwoman Alexander said please sign up to get the vaccine as soon as possible. Because community is not just about me it's about us. Thank you.

Council as a Whole Committee - Councilman Tyler - Brought out 21-08.

ORDINANCE 3RD READING - FINAL PASSAGE

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

21-08 An Ordinance Recognizing Rev. John H Parrish Sr. as the First Black Councilman in the City of Hammond and Designating Both the 1000 and 1100 Blocks of Cleveland Street as "Honorary Rev. John H. Parrish Sr. Street"

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. 9497 PASSED

INTRODUCTION OF ORDINANCES

None

RESOLUTIONS

None

NEW AND UNFINISHED BUSINESS

Councilman Emerson, supported by Councilman Torres, made a motion for a Public Hearing on the Reestablishment of the Cumulative Capital Development Fund on March 8, 2021 at 6:00 pm.

AYES: ALL

Councilman Tyler- I just want to I know it's been mentioned a couple of times already, but wanna remind everybody that our City's Black History Program will air this Friday at 10:00 am, of course given COVID it's a all virtual program, but you can watch live as it airs on the gohammond Facebook page. And I also want to just

*Prepared by
Robert J. Golec
Hammond City Clerk*

NEW AND UNFINISHED BUSINESS cont. -

Councilman Tyler cont. - encourage residents, if they're any issues to utilize the 311 App as that is the quickest way to submit those to the council and to the different departments. There was one more thing, but I'm getting old, so I forgot it. Thank you.

Councilman Emerson, supported by Councilman Torres, made a motion for a Public Hearing on the Appropriations of Money into the 2021 Gaming Fund on March 8, 2021 at 6:00pm.

AYES: ALL

Councilman Tyler- I remember what it was. Thank you Councilman Emerson, it was regarding streets. I know we just got our return back in terms of the 1st quarter return for gaming funds. So I want to let the public know that if you do have request for streets or street lighting, please get those to your councilperson or to the Capital Improvement Board, so we can take those into consideration, not just only for this quarter, but for the entire year as we do compile the list of the streets that we would like to fix or improve as well as the streets that need street lights or even tree removal if you have problem trees in your neighborhood. So just want to make sure that you use the 311 App or reach out to your Council Person or Council Person as a whole, to submit that information or request. Thank you.

Councilwoman Venecz- I know it was mentioned before but I think it's worth reiterating. I would just like to acknowledge our Street Department they have been awesome throughout the snow events that we've had. They worked many, many, hours and they did an excellent job keeping our streets clear and safe for residents and those driving through Hammond. I just want to say hats off you guys are all awesome. And I thank you very much for the job that you do. Thank you.

Councilwoman Alexander- Just to piggyback on regarding our Street Department, they are doing an amazing job. And I want to encourage residents that when they're coming down the streets if you can get you vehicle moved so that they can get as close to the curb as possible, that would help them out. A lot of times cars are not moved. We hear them coming. You can you know kinda say hey, can you come back though in a few seconds if we get cars moved to kinda help yourselves out to save you some time. But it's really up to us as a city as a whole. We know snow is coming, we've been dealing with snow in NWI for along time but if you can be out there at the same time kinda help out get that car out the way, so you can get that spot clear. And just know that if you stick something in the street they probably will run it over because it's not supposed to be out there. I know we like to save our spots because we shoveled them out, but at the same time it is a part of an ordinance that we can't have those things in the street. And now that the weather is getting warmer I'm pretty sure that they're going to try and come through again and clean the streets as the snow is melting. So let's help out and do our part as a City.

Councilman Spitale- The Street Department has done one damn good job. I live on a Cul-de-sac and I'll tell you they came up and down three or four times we had cars parked on the side and they were taking their time letting some of the guys move their cars out of the way and they did a damn good job.

NEW AND UNFINISHED BUSINESS cont.

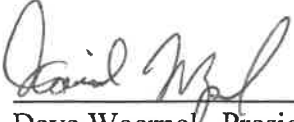
Councilman Kalwinski- The Street Department now is taking the large mountains of snow and using their front loaders and loading up dump trucks and moving those large piles into parks and other areas. So they can begin to eliminate a lot of the large hills that have accrued on corners and etc. but as I stated, I believe on Friday, that's gonna take a while to get through the whole City because they only have 3 front loaders to use across the City to get these large mounds out of the way that's the undertaking that's taking place right now from the information I got from the 1st district foreman. I just wanted to pass that on and again they have a done a great job. Spent a lot of hours over their usual work hours to clear our streets and alleys. And I share frustration with some of our residents that it does get piled back into the area that you just dug out but there's really no way to get around that it seems when we have 2 feet of snow down in just a couple of weeks. So kudos to our guys and girls. Thank you for all you do in the long hours.

Councilman Tyler- I do have one more thing to share. I would be remiss if I didn't celebrate the recent victory by Hammond High Boys Basketball Team they are number 1 in the 3A in the State of Indiana for the first time since the 70s, that's something to celebrate and they actually got a 1st round bye heading into the sectional tournament, which begins next weekend. Along with that they played the last game in the Hammond High Gym over the weekend, so it was great to see so many different alumni there, people who played or coached there, you know, since the 50s and 60s, were there to see the Hammond High Boys play and they won that game the final game at Hammond High they won over Chesterton. It was a really good game and I just wanna celebrate the coaches and the players and the administration for everything they've done successful over the past, like 5 or 6 years. It's exciting. It's bittersweet of course that Hammond High will be no more, but I know that change is necessary and so I'm excited about the new highschool and all the different opportunities that will bring for our students over the years to come. Thank you.

PUBLIC EXPRESSION

Suzette Kulbacki- Tony's Car Wash there has an application for a beverage permit. To turn it into a beer, wine and hard liquor store. This street has 30 residential homes on that block. There is a park nearby. The neighbors on the block will be putting out a petition. We are against this.

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



Dave Woerpel, President
Hammond Common Council

ATTEST:



Robert J. Golec, City Clerk

Time: 7:10 p.m.
cb/dw

*Prepared by
Robert J. Golec
Hammond City Clerk*