

The regular meeting of the Hammond Common Council of the City of Hammond, Lake County, Indiana was held on October 7, 2019 in the Hammond City Council Chambers.

Council Vice President Dave Woerpel presided.

City Clerk Robert J. Golec facilitated.

PLEDGE OF ALLEGIANCE was recited by all.

Invocation by Councilman Higgs

ROLL CALL

PRESENT: Spitale, Venecz, Kalwinski, Torres, Higgs, Emerson, Rakos, Woerpel,

ABSENT: Markovich

TOTAL: 8

READING OF THE MINUTES

Councilman Spitale, supported by Councilman Emerson, moved to accept the minutes of September 23, 2019 and place on file. AYES: ALL

APPROVAL OF CLAIMS

Councilman Rakos, supported by Councilwoman Venecz, moved to approve the claims from September 30, 2019 through October 2, 2019. Claim #5401 through claim #5667, inclusive.

Councilman Rakos, supported by Councilman Higgs, moved to amend in claims:

#5668	Greater Ham'd Community Svcs	City Clerk	100.00
#5669	Madi's Broken Heart	City Clerk	100.00

ROLL CALL VOTE (amendment)

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

NAYS: None

ABSENT: Markovich

Motion carried 8/0/1 CLAIMS AMENDED

ROLL CALL VOTE (as amended)

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

NAYS: None

ABSENT: Markovich

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

PUBLIC HEARINGS

19-20 2020 City of Hammond Budget Proposal

Controller Heather Garay- Good Evening Council. I'm going to speak on the Civil City Budget for you today and prior to the other public hearings we will have the representatives from the Redevelopment and the Sanitary District come and give you a brief summary on those budgets as well then we will proceed to the Public Hearing for anyone who would wish to speak. As you received in your budget books we gave you a brief summary on how the process work, how we met with the Departments, and how we came to arrive at the Mayor's budget proposal for 2020. I'm going to direct you to the page called " Items to note" and we're going to go through some of that which I think hits on some of the key points that are relevant for this upcoming years budget. So for 2020 the total budget for all Levy Funds decreased by \$231 thousand that leaves us with a budget of \$83.5 million the proposed tax rate for all funds is 2.5504% which is a 5% reduction from 2019 proposed rate. This rate will be reduced further when the certified value of the city is used to calculate our certified budget by the DLGF. The inflated rate is used to ensure the rates allow for us to collect our full levy. Our estimated Civil Max Levy for 2020 is \$47.3 million, and our estimated tax cap or circuit breaker loss is \$13 million this is based upon the most recent report by the DLGF on 7/16/2019. Now if we use our average collection rate which is 94% net of the circuit breakers, we estimate total Civil Levy collections of \$32.3 million dollars , so that \$32.3 million is all the property taxes to fund all the levy funds in your budget so that \$83.5 million, is being funded by only \$32.3in property tax collections typically you will see that being one of the biggest revenue sources for the Levy Fund. As the circuit breakers have kicked in fully this upcoming year we have seen more significant losses so this leaves us with a \$51.2 million or 61% of those levy fund budgets to be funded by other sources meaning fees, other tax sources any Gaming Dollars things of that nature. So how did we prepare for the 2020 additional circuit breaker losses. First and foremost Mayor has committed to transfer \$1 million, of his gaming dollars to support the 2020 General Fund Budget. I've worked very closely with the Mayor and Departments Heads for several months coming up with idea on how to maintain adequate staffing levels while balancing the need to reduce our budgets. And we are able to find places especially in Public Works, and other large departments where we can make attrition related staffing reductions resulted in \$600,000 reduction to the budget in 2020. As you all know the final phase of the City Court, is happening at the end of this year we will see changes there we will see a \$ 750,000 reduction from the 2019 figures. College Bound we will be using \$1.1 million of College Bound tax increment financing to fund our College Bound Program, through a partnership with Purdue making them eligible entity and this is allowed under the educational and training programs that are defined in Indiana Code 36-7-25-7. We increased our Pilot Payments from the Sanitary District, Water Department and Port Authority, which will generate an additional \$1.6 million . As you know we passed an Ordinance last Council Meeting to update the inspections and permit fees will generate an additional \$300,000 to 400,000. Lastly all Departments met with me many times and the Mayor several times and they were asked to make cuts where possible and most found ways to do so, helping us to reduce the General Fund budget by a total of \$2.4million. So if we talk about our biggest fund which is in our budget that you approve annually our General Fund decreased from \$2.4 million that is a 3.5% reduction from 2019 to \$ 66,117,556. All Salaries include a proposed 2% raise from current rates. Our large expenses include College Bound which is \$3.5 million which is down because of that transfer of payments to Tif Districts so we are still holding steady at \$4,650,000, as an estimated budget for that department. Insurance which is at \$12.4 million and our Public Safety cost on the General fund alone was \$40.2 million. As far as Public Safety goes they make up \$54.8 million of all budgeted funds, \$32million of that is Police, \$22.8 equals Fire, and they equal 52%of the General Fund Budget. There would be significantly more of our general fund budget if we weren't able to shift some of there expenses to

*Prepared by
Robert J. Golec
Hammond City Clerk*

PUBLIC HEARINGS cont

Controller Heather Garay cont- other funds. The Gaming Budget you have before you, includes \$12.1 million going to support the General Fund reduced from \$12.5 million in 2019. All Districts will receive the same \$1.75 million the shared 10% will receive \$1.5 million, and the Mayor will receive \$5.1 million. The Shared 10% as you know are typically used to match funds for citywide engineering projects due to legislative changes and how we are to use our MVH funds most cities who don't have the luxury of gaming dollars to build roads have to use there MVH funds to do so. The State Legislature enacted a law that states that we have to use half of our MVH distribution on construction projects so this year in the 2020 budget we will be using the 10% \$1.5million to cover the expenses that are not qualified under the restricted MVH funds. That \$1.5million, will be made up in the MVH restricted funds so you will see no difference they will be processed differently. I just wanted to make you guys aware of it. The Revenue our major source does include the property taxes which is \$32.3million that is assuming 94% collections net of the circuit breakers, our gaming which is holding steady at \$36.5 million, and water sales to customer communities. As far as debt is concerned in our budget we retired the 2008 GO Judgment Bond which is previously considered exempt debt in the 2019 budget which held a budget of \$600,000 which took levy dollars away from funds like General fund, MVH and Parks, so that has been retired and eliminated. We do have 2 Levy Bonds outstanding 2014 & 2018 Park Bonds there principal and interest payments combined in 2020 equal just under \$2 million. The other payments that we have that are not technically considered debt that we wanted to bring to your attention is the Energy Project, construction financing payments equal \$1.5 million and the vehicle lease payments equal \$1.2 million annually paid for by the Savings and Fuel, Maintenance, Capital Outlay, Utility Cost and are not considered debt under the Indiana Code. Those are the high notes I have for you . I'm here to answer any questions for you?

Council Vice President Woerpel- Any one have any questions for Heather?

George Stoya- I was hoping to get a breakdown on the Sanitary District what the financial conditions is?

Controller Heather Garay- As I mentioned these are separate public hearings and the will be taking up individually and the representative from each Budget will come up and present a small summary

19-21 2020 Hammond Redevelopment Budget Proposal

Caryn Janiga- Hi, ours is pretty easy over all budget we decreased from the 2019 \$ 523,009 to 2020 \$ 513,932.00

So we decreased by \$9,077.00 the only increase we have is the 2% proposed salary increase, but our tax cap went down \$14,000 so that kind of off set it. So we are still decreased by \$9,000.00. Any questions?

Council Vice President Woerpel- Any one wish to speak on the 2020 Hammond Redevelopment Budget?

No one Spoke.

PUBLIC HEARING cont

19-22 2020 Budget Proposal Sanitary District of Hammond Sewer Maintenance fund 608
Special Sanitary Debt Fund 309

Marty Wielgos- Council, good afternoon just a run down the Hammond Sanitary District also includes the Sewer Department. The sewer department is actually the only department in the Sanitary District that is funded by tax dollars so, that's what we are here to talk about today. As compared to last year. I'll let Rachael get into the real numbers we're about the same he always was about \$3 and a half million dollars is what he needs to fund his department. As I have been talking to the Council for the last year and a half, because of the tax caps we're gonna have to look at being really creative going into 2020. With that being said I'll be coming to all of you within a few weeks to talk about what our plan is for the sewer department. But I'll let Rachael come up and talk about that.

Rachael Montes- So, I did send out a summary to show the changes from last year to this year just to show the changes for each year we are pretty much at the same amount of budget we will have some large reductions due to the property tax caps we will send a distribution to Munster for there portion of the property tax draw. Other than that we didn't have to draw a tax anticipation warrant for 2019 so we won't have that large repayment at the end of the year. For the debt fund there is only one this year because they're all considered nonexempt so, I put the two from last year together so you guys can see that it increased a small amount \$284,000 and that is due to principal payments to the debt service.

Marty Wielgos - We are open for questions?

Council Vice President Woerpel- Any one have questions?

Councilman Higgs- Rachael, you and Marty said you were gonna come before the Council with some creative ideas can you give me any ideas off the top of your head right now?

Marty Wielgos- We are still working on that plan, we really haven't put it together so we can go before the Mayor to let him know what's happening. So, I would assume probably within the next 2-3 weeks I'll have something to show you.

Council Vice President Woerpel- Does anyone else wish to speak on this budget?

No one Spoke.

COMMUNICATIONS

Councilman Higgs- I would like to thank some of my constituents Camille Robinson, Quans BBQ, and Kendall Warner and a number of individuals including First Baptist Church. We had the opportunity on last Thursday to feed the homeless in our City and those that were interested in getting something to eat on last Thursday, and I really appreciate your help and I will continue to do what's needed for not just the disadvantaged but for the entire City of Hammond. So, thank you again for your help and your participation for feeding the homeless.

*Prepared by
Robert J. Golec
Hammond City Clerk*

COMMUNICATIONS cont

Councilman Rakos- Yes, just a reminder we had the lady come before us the last meeting, and I saw that Clerk Golec has given a donation to this. Madi's Broken Heart Benefit is October 12, 2019 from 5-10 p.m. at the Optimist Club, in Hammond, 7015 Kennedy it's only a \$10.00 entry and it includes dinner and a dessert and they have raffles music and for more information contact 219-616-2920. Thank you.

Councilman Higgs- I would be remiss if I didn't acknowledge Smith Bizzel Warner Funeral Home also contributed to feeding the homeless in our City.

COMMITTEE REPORTS-

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

Wed., Oct 9th, Community Watch MT. Zion Pleasant View Plaza ; 2:00p.m.

Tues., Oct 15th, East Hammond Pullman at Ophelia Steen Center 6:30 p.m.

Fri., Oct 11th, Edison of the Road; Golden Manor Senior Building; 1 p.m.

Thur., Oct 17th, Hessville Crime Watch will meet at the Jean Shepard at 7:00 p.m.

Thur., Oct 17th, South Hammond Crime Watch will meet at Hammond Housing Authority at 7p.m.

Thur., Oct 10th, Whiting/Robertsdale C.W. 6:30 p.m.; Calumet College

ORDINANCE 3RD READING- FINAL PASSAGE

None

INTRODUCTION OF ORDINANCES

19-20 2020 City of Hammond Budget Proposal

Councilwoman Venecz, supported by Councilman Rakos, moved the proposed ordinance to 1st and 2nd reading and referred it to the Council as a Whole Committee with a Committee Meeting on October 21, 2019 at 4:30 p.m. AYES: ALL

19-21 2020 Hammond Redevelopment Budget Proposal

Councilman Higgs, supported by Councilman Spitale, moved the proposed ordinance to 1st and 2nd reading and referred it to the Council as a Whole Committee with a Committee Meeting on October 21, 2019 at 4:30 AYES: ALL

19-22 2020 Budget Proposal Sanitary District of Hammond Sewer Maintenance fund 608 (8201)
Special Sanitary Debt Fund 309 (8280)

Councilman Higgs, supported by Councilwoman Venecz, moved the proposed ordinance to 1st and 2nd reading and referred it to the Council as a Whole Committee with a Committee Meeting on October 21, 2019 at 4:30 AYES: ALL

INTRODUCTION OF ORDINANCES cont

- 19-23 An Ordinance Fixing the Salaries and Wages of all City Officials and Employees of the City of Hammond Indiana other than those Fixed by Statute or by Ordinance heretofore Enacted and Fixing the Effective Date thereof

Councilwoman Venecz, supported by Councilman Rakos, moved the proposed ordinance to 1st and 2nd reading and referred it to the Council as a Whole Committee with a Committee Meeting on October 21, 2019 at 4:30 p.m. AYES: ALL

- 19-24 An Ordinance Fixing the Salaries and Wages of all Policemen and Firemen of the City of Hammond Indiana other than those Fixed by Statute or by Ordinance heretofore Enacted and Fixing the Effective Date thereof

Councilman Higgs, supported by Councilman Emerson, moved the proposed ordinance to 1st and 2nd reading and referred it to the Council as a Whole Committee with a Committee Meeting on October 21, 2019 at 4:30 p.m. AYES: ALL

RESOLUTIONS

- 19R-29 A Resolution of the Hammond Common Council Approving the Construction Agreement of the West Lake Corridor Rail Project between the City of Hammond and the Northern Indiana Commuter Transportation District

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

Councilman Higgs- Doing my tenure on the City Council I think this is a great investment not only to the City of Hammond, but also the surrounding communities will benefit from this project and I do wish them well and hopefully all the funding comes through for this project.

Mayor McDermott- Thank you very much Councilman Higgs, that was very nice of you I appreciate that. Today seems like a pretty significant day in the life of this project. The federal funding for engineering this project has been green lighted which is a very very positive sign that eventually the entire project is going to be green lighted as you all remember couple of years ago shortly after Congressman Visclosky, attended a Council Meeting, we about 6 months later we approved Hammond's participation in this train project. Originally they were asking Hammond to do 33% of our CEDIT Revenue which would've been about \$900,000 a year. We would have to commit that for about 30 years, which would have been about \$27 million dollars. I did my math correctly. In return for the \$27 million that was asked for we would be guaranteed a couple hundred million dollars in infrastructure improvement in Hammond. We got that down to 15% of our CEDIT Revenue over 30 years which is \$450,000 our annual commitment from the City of Hammond towards this project. Once the project is green lighted I'm not officially... meaning we have to start paying in 2019 or if it will wait until 2020. Overall our participation in this project it appears shortly if it's not 2019 surely it will be 2020 and we will be obligated to the federal government for the next 30 years for our participation in this project. The good news is it's estimated well over a \$100 million in improvements to our City. If you looked at the math and how much work will be done in our city. I would say its way closer than a Quarter Billion is gonna be done in Hammond

*Prepared by
Robert J. Golec
Hammond City Clerk*

RESOLUTIONS cont

Mayor McDermott cont- through infrastructure work. You have in your packet the agreement we're making with (NICTD) Northern Indiana Commuter Transportation District) which is the South Shore. In that packet you will also see the route the trains will take where the stations will be plans for the stations... it appears that this project is moving forward and we're already committed that we are on the train. I just wanted to put it on the radar that it seems like things are moving forward and we're gonna have to start getting ready to perform our end of the deal. So, I don't know if you have any other questions.

Council Vice President Woerpel- Any questions for the Mayor?

Mayor McDermott- Heather is going to be following up shortly about when Hammond, participation of CEDIT money will take place it was in the 2019 budget its definitely the 2020 budget.

Councilman Rakos- That's already been budgeted for we won't have to take another hit?

Mayor McDermott- No, we anticipated this last year it's in the budget this year obviously if we don't have to pay it this year we can use that for other funding like the Chicago Ave, for instance we can use it as the local match for that project along but it's in our budget we won't have to make any transactions to cover that. I view as a continuance of our promise we signed on the dotted line and this is just a formalization of our agreement it would be bad faith if it didn't pass.

ROLL CALL VOTE (adoption)

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

NAYS: None

ABSENT: Markovich

Motion carried

8/0/1

RESOLUTION NO. R29 ADOPTED

NEW AND UNFINISHED BUSINESS

19-25 BZA-Z-19-16 For Variance of Use from Zoning Ordinance to allow a Parking Lot for a Commercial Facility in an R-1U Single Family Urban Residential District Located at 4938 Columbia Avenue, Within the City of Hammond, Lake County, Indiana
Petitioned by La Hacienda Azteca, LLC

Councilman Torres- , supported by Councilman Higgs, moved for approval.

Councilman Torres- La Hacienda Azteca is a restaurant on a 150th and Columbia Ave. They need additional parking because of the expansion of the business they want to expand the parking they bought a vacated house just North of it and they will expand the parking lot. It's a place rapidly improving because of the quality of food and great service and it will be a good addition, they have limited parking only about 20 spaces and this will greatly help improve and expand the business. They plan further expansion later on. I strongly support and ask my colleagues to support it as well.

*Prepared by
Robert J. Golec
Hammond City Clerk*

NEW AND UNFINISHED BUSINESS cont

Councilman Higgs - Call for the vote.

ROLL CALL VOTE (approval)

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

NAYS: None

ABSENT: Markovich

Motion carried

8/0/1

PETITIONED APPROVED

Council Vice President Woerpel- I know I'm not supposed to say a lot. But I was kinda impressed I saw a young kid sitting on the front row and he was also in Caucus, it's always nice to see younger people at Council Meetings, that are not running against one of us. I commend you for showing up Thank you.

PUBLIC EXPRESSION

Antonio Alvarez- I'm part of a non-profit and we are trying to produce a Region Raffle and are trying to get exposure on the PAV billboard. We would want to post the results of the raffle on the PAV billboard not sure how to go about that? We also own a piece of property in your District Council Woerpel, and looking to do a variance change to put up a billboard up.

Mayor McDermott- And what's the address for this?

Antonio Alvarez- 8013 Indianapolis.

Mayor McDermott- That's Highland.

Antonio Alvarez- I have documentation that our tax bill comes back to Hammond.

Councilman Higgs- I will be interested in purchasing one since I'm running for something else I'll see you after the meeting.

Antonio Alvarez- We own a property in Downtown Hammond, Just off the edge I heard some good things about the plans for the Downtown area just trying to see who the contact person would be?

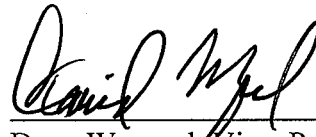
Mayor McDermott- I want to remind the public during public comment the Council isn't being rude by not answering your questions. It's not a public deposition. It's a public comment you come up and comment and we take it under advisement so I want to explain to the gentleman that came up and to anyone else whose speaking. During public comment it's not typical for the Council or the Mayor to respond. But in this case I do want to respond about billboards it's a very controversial issue. I'm trying to think there has been one billboard built since I been Mayor and it's in Purdue Northwest Field in Dowling Park. I can't remember any others going up. So, I wish you luck with that process it's a very arduous process you would start off by going through Zoning and making sure it works that way. There has been a lot of people interested over the years and putting billboards all over our City, and they haven't been successful. Regarding th PAV its all City of Hammond Events. We don't rent out space we've had great organizations from outside of Hammond want to rent out space

*Prepared by
Robert J. Golec
Hammond City Clerk*

PUBLIC EXPRESSION cont

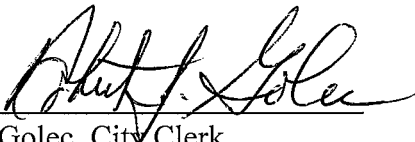
Mayor McDermott cont- and we've said no so, if the gentlemen wants to get something on the PAV Message Board he needs start with the Hammond Port Authority, which isn't controlled by the Council or the Mayor its controlled by the Port Authority.

George Stoya- I took great offense at the Business Insider article about placing cities in Indiana the worst in the Country I was hoping this Council would issue a letter some form of resistance to this article.



Dave Woerpel, Vice President
Hammond Common Council

ATTEST:



Robert J. Golec, City Clerk

Time: 6:50 p.m

dw

Minutes approved at the Common Council meeting of October 21, 2019.