

# Gary finances are shaky

For the first 95 years of Gary's history, US Steel–Gary Works paid a majority of all the property taxes collected by the city. Then, in 2002, the state of Indiana, **with the agreement of all Lake County legislators**, transferred the responsibility for assessing US Steel (and other Lake County industries) from the local assessor to the Department of Local Government Finance (DLGF) in Indianapolis. This had the intended effect of greatly reducing the US Steel tax burden and dumping this burden on other businesses and individual residents, whose collective tax bill doubled in a year. Taxes on private homes soared to as much as \$35,000.

The MCC worked with state government, beginning with Governor Kiernan and continuing under Governor Daniels, to legislate tax caps, which have just become part of the Indiana constitution. The tax caps which have been enacted will limit property tax rates to 1% of gross assessed value for homesteads, 2% for other residential property, and 3% for businesses, with exceptions only for some past debt and future debt approved by popular referendum. For Gary, living within the caps will restrict the city's income to about half of the 2008 level. On the other hand, Gary taxpayers will finally be paying the same rates as the rest of the state.

For the past two years and for 2011, the City has been able to petition the Distressed Unit Appeal Board (DUAB) for "relief" from the legislated tax caps, and it has been granted about \$20 million of additional revenue (paid by us residents) each year. Even with this "relief" the city's income has been greatly reduced, but it has been able to continue operating. However, when we try to interact with the city government, we find, increase-ingly, that city workers have been laid off, without publicity, leaving a hollow shell of departments with managers but few employees.

Recently, the city announced that 34 fire-fighters are being laid off, and this move has initiated a lot of discussion, but the MCC has not yet formulated any official response to the situation. In any case, this is the one layoff which has been widely publicized, along with many layoffs which no one hears about.

**This year, Gary will make a final appeal for "relief" to the DUAB. The hearing will be on Friday, January 7 beginning at 10:00 am (EST) at 1 North Capitol, 9th Floor Conference Room, in Indianapolis. Citizens are entitled to speak (briefly), and the MCC plans to be represented at the hearing.** The MCC will be pointing out that two years of substantial relief have not brought the city any closer to functioning within the tax caps, so we should not expect any more from a third year of higher tax rates. MCC observers have also been frustrated to see that Gary finances have not become more transparent and cuts have not affected many expenses which are seen as extravagant and wasteful.

Regardless of any relief the DUAB grants this year, the city will have to operate within the same tax caps as all other municipalities beginning in 2012, and it is difficult to see how basic services can be maintained in this situation. In anticipation, State Senator Ed Charbonneau has introduced legislation which allows municipalities to declare bankruptcy and to be placed into receivership, with all financial decisions in the hands of an administrator appointed by the state. There would still be a mayor and city council, but they would have no control over spending. This legislation has the support of Governor Daniels and has a good chance of passage, even though the state has previously opposed the bankruptcy option for any local government unit, fearing that it would have a negative effect on the credit rating of the entire state.

Note that putting the city into receivership would not increase the income from property taxes and would not make it any more able to function, but it would demonstrate that ineffective and self-serving local officials are not the city's principal problem. **No matter how prudently the city is managed, it does not have an adequate tax base.** In the background, MCC leaders are discussing how this organization and the Miller community should react if the city is placed into receivership, but no plan of action has been devised.

## Judge Webber rules that garbage fee is legally enacted

During 2009, Judge Francis Webber ruled on several suits which the MCC initiated against the city of Gary concerning the garbage collection contract with Allied Waste and the garbage collection fee which was to pay part of the cost of this contract. In the fall of 2009, the judge agreed that it was within his purview to decide whether the Gary common council actually passed the garbage fee or not. For the next year we did not hear from the judge, but he has finally passed down a judgment, that the fee ordinance was properly enacted.

MCC leaders met just before Christmas with the three lawyers involved in the case – John Reed, Doug Grimes, and Greg Reising. The attorneys all feel that we were correct in challenging the Council vote on the garbage fee, and the judge's decision was wrong. They want to continue pursuing the case, and their first step is to obtain a certified typed transcript of the council meeting made from the video tape of the event. They will then review the transcript and, if it confirms their expectations, they will ask Judge Webber for a "correction of fact" which will give him an opportunity to change his opinion. If he doesn't do this, they will then ask the Court of Appeals to overturn the judge's decision. The attorneys affirmed that the Appeals Court often overturns decisions of lesser judges, so this is a real possibility.

Despite opposition from the MCC and from citizens in general, the Gary Common Council always has the option of reconsidering the tax ordinance and passing it correctly. Therefore, the MCC cannot prevent the city from enacting the garbage collection fee. However, we can influence the starting date for the fee and any penalties which have been imposed for non-payment.

Meanwhile, Allied Waste, etc. has received favorable reviews for its work collecting trash. The MCC objection to the garbage collection contract is its cost, which is much more than the city was spending to perform the same function with its own employees.

## Duly noted . . . .

**RED CROSS BLOOD DRIVE.** The Miller Business Association (MBA) is sponsoring a blood drive at the **Marquette Perk, 900 Shelby Street, on Saturday, January 8 from 7:30 am to 10:30 am.** Contributions are especially needed since a number of blood drives in this region have been cancelled because of severe winter weather. **To schedule a donation, contact Meyer-Wyatt at 938-0800 or the Lake Street Gallery at 938-4566.**

**VISCLOSKY FORUMS.** In keeping with his long-term practice, Congressman Pete Visclosky will be holding a series of 24 town meetings, in all parts of his district, to exchange views with his constituents about current issues. **There will be a town forum in the Miller area on Saturday, January 8, 2011 from 10:00 to 11:00 am at the Woodson Branch Library on Lake Street.** Everyone is encouraged to come and let the congressman know how he can best represent your interests.

**PASSING THE BATON.** Al Sasac, owner of the Marquette Perk coffee shop, has sold the business to his son and daughter-in-law, Jason and Rebecca Sasac. Rebecca will continue her acupuncture and massage practice which has operated at the same location for some time. The new owners would like to hear from customers about additional services and products they would like the Perk to offer. Stop by the shop at Shelby and Locust and chat.

**ELECTING MCC OFFICERS.** In an embarrass-ing moment about 25 years ago, the MCC Board of Directors met to elect officers for the coming year and no one volunteered to serve. Only after awkward silences did candidates come forward to fill the posts of vice-president, secretary, and treasurer. Since then, the MCC nominating committee, which recruits and recommends board members, has been given the added task of lining up a slate of officers. This procedure has worked well, and each year there has been one list of candidates who have been duly elected. There has never been competition for any of the posts, until last year, when three board members expressed an interest in running for one vacant position of vice-president. The MCC executive board set up an election procedure to deal with this unprecedented situation, but the arrangement met with some criticism. Consequently, MCC President Reaves has named a special committee to review the election process and assure that procedures are in place the next time there is competition for an executive position. In the background, Reaves and his predecessor as President, Doug Grimes, have returned to the practice of bringing the officers together as an "executive board" and Reaves has also charged the officers with oversight of the various MCC committees.

**THE NEXT BOARD MEETING OF THE MILLER CITIZENS CORP. WILL BE HELD ON MONDAY, JANUARY 10, AT 7:30 P.M. IN THE MEETING ROOM OF THE MARQUETTE PARK UNITED METHODIST CHURCH ON GRAND BLVD.** Members are invited to attend and participate.

Contact the MCC between meetings at P.O.Box 2645, Gary, IN 46403, or call 938-8831 or e-mail [mceaton@aol.com](mailto:mceaton@aol.com). You can also visit the MCC website at [www.millercitizenscorp.org](http://www.millercitizenscorp.org).

**DEALING WITH DISASTER.** Arelia Denby, International Emergency Management Coordinator, will conduct a seminar on the theme "Will Gary be the next Haiti or Katrina?" on **Friday evening, January 21 from 6:30 to 9:00 pm at the First Floor Conference Room in the city building at 839 Broadway.** Sponsored by the Gary Commission on the Social Status of Black Males, the session will deal with how the community might deal with a major natural or man-made disaster. It begins with the perception that the people planning for response to disaster expect ordinary residents to take care of most needs for themselves, while the ordinary people expect professionals to do most things for them. There is never enough professional assistance, so people have to learn how to do more for themselves. More information is available on the internet at [www.mmmmdisastermanagement.com](http://www.mmmmdisastermanagement.com), or by calling 427-6883.

## RDA committee continues to shape park conservancy

President Eric Reaves represents the MCC on the subcommittee of the Regional Development Authority (RDA) which is working to establish a support organization for the renovated Marquette Park. **The proposed**

**“Conservancy” would help raise funds for maintenance of the park, and would exercise considerable control over its operation.**

Through protracted negotiation, agreement has been reached on the composition of the conservancy board, with a third of the members representing the city and two-thirds representing private organizations and businesses. Work is now nearing completion on by-laws for the proposed organization. In the end, the challenge will be to find board members who care about the maintenance and operation of the park and who have access to contributors who can fund its operation.

Although the RDA has appropriated \$28 million in capital funds for the Marquette Park renovation project, they will not release the money until they are satisfied that a structure is in place to fund and operate the park once the upgrade is completed.