

LAPORTE COUNTY
COUNTY COUNCIL PUBLIC HEARING
December 29, 2008

The LaPorte County Council met for a public hearing on the Local Option Income Tax (LOIT) on the 29th day of December, 2008, in the assembly room of the LaPorte County Government Complex. The hearing was called to order by President Mark Yagelski at 5:00 p.m. Mr. Cooley led those present in the Pledge of Allegiance.

Mr. Yagelski commented that at the last meeting it was asked that representatives be present for public comment and if anyone has something new that is fine; he isn't trying to curtail any public input but the Council has heard a lot of people's comments already.

Bill Worek, Captain of the LaPorte City Police Department and also the local FOP (Fraternal Order of Police) President, commented that in the first couple of meetings it was mentioned that this was a State problem and it was the hope that the State would correct this problem. Capt. Worek stated that we know that the State probably is not going to come through and correct this problem for awhile; the only fact known for sure is that the City of LaPorte is in financial trouble. Capt. Worek stated that the threat of reducing police and fire is not a threat; it is happening already as the police are three (3) officers down and there is a hiring freeze going into 2009 which will probably carry over to 2010. Mr. Worek commented that the County Council has the power to help the citizens of LaPorte, Indiana; he asked that the Local Option Income Tax be passed and if the State corrects the problem, the tax can be rescinded.

Mayor Kathy Chrobak stated that she will try not to be repetitive; she expressed appreciation to the Council for listening. Mayor Chrobak commented that HB 1001 is affecting every town and city in the State of Indiana as well as libraries and schools. Mayor Chrobak stated that the City of LaPorte is a primary economic engine for LaPorte County as well as the City of Michigan City; 60% of the County's population lives within the city limits and the incorporated town limits. Mayor Chrobak reported that the population of LaPorte is 1/5 of the population of LaPorte County. Mayor Chrobak further reported that there are approximately 16,824 jobs in the City of LaPorte which is 34% of the total County job number; there are 28,300 jobs in Michigan City which equals 56% of the total County jobs. Mayor Chrobak stated that the cities combined make up 90% of the job market in the County.

Mayor Chrobak stated that fire, police, the development of roads and transportation systems are needed to meet the needs of residents, industry and business; parks and recreation are provided to support the diverse population along with engineering and planning systems to meet the needs of residents and visitors and to support the growth of our community; water and sewer service is provided as necessary to provide for public health and support the attraction of new jobs and business. Mayor Chrobak commented that when talking about the job base, jobs are provided not only for County residents but for those outside the County also that come into the cities to work; for example the hospitals, school corporations, libraries and post office just to name a few. Mayor Chrobak stated that people in our communities do not locate here just to work; they come here for our quality of life and it is always a challenge to provide all of the necessary funding of services required for citizens in the employment community. Mayor Chrobak reminded that city residents do pay County taxes and support the County.

Mayor Chrobak stated that the City of LaPorte is asking for .5% LOIT; .25% for property tax relief and .25% for public safety. Mayor Chrobak commented that it is evident that HB 1001 will have a negative impact on the overall quality of life in LaPorte County; they are attempting to reduce that.

Mayor Chrobak reported that LaPorte's expenditures per citizen based on the 2009 budget is \$416.69. Mayor Chrobak commented that she understands that this is a very difficult decision but she would appreciate the Council's consideration.

Ken Wojcieszak thanked Mr. Yagelski and Mr. Cunningham for their professionalism on December 8th and to Mr. Cunningham for his strong, hard, fair questions that needed to be asked. Mr. Wojcieszak quoted, "Government of, by and for the people" was stated by Mr. Lincoln 145 years ago. Mr. Wojcieszak commented that he sees, as a citizen, government of the people but not for all of the people; it seems when we have hard times salaries aren't reduced, budgets aren't reduced and there is no plan he has seen from the administration of how they can curtail the expense side except for fire and police. Mr. Wojcieszak doesn't believe this should be the first choice; it's a bad choice since he believes firing people should be the last option anyone should have but there should be a plan put in front of the Council as to how expenditures can be curtailed. Mr. Wojcieszak asked that this matter be tabled for the new Council and let that decision be made by them; there are two (2) individuals on the Council that have an interest and they should excuse themselves.

Robert McKeehan stated that he opposes the LOIT for several reasons; in 2009 the budget can be cut to get by and in 2010 the City can and should go to the Indiana Distressed Unit Appeals Board. Mr. McKeehan commented that using the City's own projected figure, LOIT is not enough to take care of the shortfall in 2010. Mr. McKeehan stated that all of LaPorte County should not be taxed more because of one taxing unit's problems; he believes that the City is talking about public safety as a scare tactic.

Brad Eller, Minneapolis, MN, owns property here in LaPorte County; he appreciates everything the police and fire do but he does think that some of the residents here have actually made a point and the concern is the same thing that has been seen in the bailout that has been happening in federal government. Mr. Eller reported that his property tax doubled; he commented that the relief that happened (HB 1001) actually was for those people who actually live in their homes; not for people that own the property. Mr. Eller asked, "Would he consider buying more property and renting out to more people who can't afford to or get the credit for a home; absolutely not because it is not advantageous anymore because of the property tax." Mr. Eller stated that the fire and police departments shouldn't suffer because of it (HB 1001); what will be the affect in 2009, 2010, etc. and will the City turn around and ask for more money, not for police and fire, but for something else. Mr. Eller commented if the State does provide funding, how or when does the tax get rescinded; taxes typically speaking aren't rescinded and when they are it normally isn't in the fashion the tax were passed in the first place.

Ann Milner, a business woman, who owns a building that she rents stated that it looks like, in Tom Dermody's brochure, that she would be paying 3% for business property. Ms. Milner reported that her income is not that great, about \$4,000.00 per year as she is very lenient with her clients. Ms. Milner commented that there are a lot of businesses that are considered businesses such as agriculture, etc.; are we going to be consistent with 3% for everybody. Ms. Milner

would like some facts and she is not happy with what she has heard so far; she thinks it is a regressive tax and we need to be careful what we are doing to the citizens.

Sierra Sue Jesch commented that after the last County Council Meeting, Mayor Chroback, on WCOE radio news, challenged anyone to come in and get a copy of the City's budget to show where it could be cut. Ms. Jesch went to City Hall and got a copy of the budget but what she was given was a bottom-line budget not a line item budget; there is not enough information to know where to make cuts. Ms. Jesch stated that the City may need to take a scalpel to the budget line by line cutting out unnecessary items instead of taking a chainsaw to the police department. Ms. Jesch commented that the Mayor should quit borrowing trouble from 2010; taxes can't continue to be raised and the City needs to be run like a business.

Dennis Metheny, Coolspring Township Trustee, referred to the December 22nd News-Dispatch; he commented that everywhere you look something is taxed and when you total up the taxes we are paying fifty-four (54) different taxes. Mr. Metheny heard a gentleman talking about it's the State's problem; it is not the State's problem but it is the County's problem. Mr. Metheny stated that he has documentation from the Department of Local Government Finance; in 2004 Assessor's Personal Property was not compliant, in 2006 the Assessor's Real Property was not compliant, we don't have 06/07 completed yet, 08 isn't done and we are into 2009 and that isn't approved. Mr. Metheny reiterated that it is not a State problem but a County problem and it is the Assessor's problem; she isn't doing her job. Mr. Metheny commented that when there are 3,000 appeals before the Appeals Board, it is ridiculous since it is the Assessor's job to run the Appeals Board to get this done but she isn't doing it.

Mr. Metheny further stated, as the Trustee, he deals with people who don't have the finances; they come into the Trustee's Office looking for assistance for gas and electric, for rent, for food and for clothing. Mr. Metheny commented that now we want to put another tax on them; the LOIT will lower the property tax, the landlord will get the break but will the landlord give it to the renters. Mr. Metheny stated that we are servants of the public but he hasn't heard one plan from the Mayor of LaPorte about how she is going to cut the budget; HB 1001 gave the Council the right to oversee the budgets. Mr. Metheny stated that he does a budget and he can't tell the Council what his numbers are because the Department of Local Government Finance says we don't have the levy set; everything is fictitious. Mr. Metheny stated that he is against the LOIT increase; he doesn't like the scare tactic being used regarding police and firemen. Mr. Metheny commented that we need to look at not-for-profits; he referred to LaPorte Hospital.

Mike Kobos asked the Council not to vote the new LOIT due to the County tax mess; the finger is being pointed downstate, and maybe it did start in Lake County, but we have a problem right here. Mr. Kobos commented that if, and when, this so-called recession should lighten up, who locally will have the power to rescind the tax; we are not getting true figures. Mr. Kobos stated that at the November 24th Council Meeting he attended, the Mayor of the City of LaPorte was given various suggestions to help cut the spending; her honor would come up with a reason not to consider them and only continue with her goal to make all County employees pay to solve her financial problem. Mr. Kobos suggested doing away with the City Economic Development Commission; the May 3rd Herald-Argus article more than justifies this since a building at 701 Lincolnway cost the City \$60,000.00, they put in \$2,500.00 in repairs and then the City sold it for \$100.00. Mr. Kobos asked if this is being economical; he was told that once the LaPorte

County Greater Economic Development Commission would be formed, we would drop the City of LaPorte and the City of Michigan City but that has never happened.

Mr. Kobos then stated that his neighbor's hours were reduced from forty (40) hours at the Mills to thirty-two (32) and they don't know how long they will be on thirty-two (32) hours; now we are going to burden them with more. Mr. Kobos suggested cutting all City employees' pay including that of the Mayor; they, like all workers in the County, should pay the same percent of LOIT or perhaps consider cuts in pension and/or vacation pay. Mr. Kobos personally can't buy the safety scare tactic as a good reason for the LOIT and he asked the Council to please vote it down.

Tom Hanafee, President of the Professional Firefighters Union of Indiana, commented that he is in attendance on behalf of the forty-four (44) firefighters employed by LaPorte and also the Michigan City firefighters. Mr. Hanafee clarified that this is, overall, less money with reduction in property taxes over the next two (2) years and the numbers are real; they come from the DLGF and the numbers the Mayor cited are from the DLGF at \$1.2 million in 2010. Mr. Hanafee stated that LOIT would bring an additional \$700,000.00 in to the City of LaPorte and property taxes will be cut; this is for the people with the ability to pay and is a different way of collecting taxes but it is still an overall reduction.

Mr. Hanafee clarified that this is part of a tax decrease and the General Assembly gave the ability to the County Council to do this so they can make up the shortfall; he commented that, as the Mayor explained, it is an increase of .5% for Local Option Income Tax of which 50% of it (.25%) goes to an additional reduction of property tax. Mr. Hanafee stated that the police and fire have already been cut and there is a hiring freeze as mentioned by Capt. Worek. Mr. Hanafee commented that numbers on an emergency scene are a matter of life and death to the public and to his members; he stated that the real job in this life is to go home to our families at the end of the shift. Mr. Hanafee asked that the Council pass this tax so that they are not put in any more jeopardy than they need to be.

Mr. Cunningham commented that one of the previous speakers spoke of this as possibly a regressive tax but Mr. Hanafee mentioned that it would be an actual reduction of taxes. Mr. Cunningham gave the example of someone making the low income of \$20,000.00 a year and paying rent in an apartment complex; they will pay an extra \$100.00 in one-half percent but they aren't going to get any property tax relief because they are renting, isn't that correct. Mr. Hanafee agreed but without looking at the hard numbers, the idea is that the property tax is reduced significantly; he referred to a maximum of 2% on rental property and, in theory, that drops down both from the tax that would be passed tonight and from the limits of the 2% so there are two different directions the property tax is going. Mr. Hanafee would hope that this reduction would be passed down, if not in rent reduction, it should reduce future increases in rent.

Jim Stemmler stated that he feels like we are "preaching to the choir" because he knows every one of the Council and he knows where their hearts are; this is a very difficult situation and circumstance for the City of LaPorte. Mr. Stemmler commented that before any firemen or policemen are discharged, something other than that needs to be done because they are already working understaffed. Mr. Stemmler stated that someone out there should be able to determine how many emergency professionals we need to protect our families; if the Council thinks we are

going to be doing a service to the taxpayers by saving some money, actually it will be a disservice because all of our tax dollars may be men and women that protect us twenty-four (24) hours a day that were trained with our tax dollars. Mr. Stemmler voiced his opinion in the newspaper that the firemen, EMS and the policemen don't mean anything to any of us until we pick the phone up and need them; at that particular moment they are the most important people in our lives. Mr. Stemmler stated that he sees a lot of young faces that get on the Police Department and the Fire Department but very seldom do you see them reach a twenty-year service pin because we can't even afford to pay them what they deserve to get paid for protecting lives. Me. Stemmler commented that we have to take care of our own and he would hope that the Council would take this into consideration when making a decision.

Eric Jedrysek, with the LaPorte Firefighters, commented to Mr. Cunningham, since there was a question about the renters seeing an increase in their rent, that it is his understanding that part of HB 1001 is a \$500.00 increase in a renter's deduction that can be filed on their taxes. Mr. Jedrysek also commented that people are talking about this being a City of LaPorte problem; this is a County problem and a Michigan City problem since there will be reductions to each of the entities. Mr. Jedrysek stated that nowhere has he seen any indication that property taxes will increase; he heard someone talking about their taxes going up 3% but this was a tax cap so there is a maximum circuit breaker. Mr. Jedrysek commented that he believes that there is some misinformation and some lack of understanding by the public about what this really is.

Mr. Cunningham commented that he appreciates the fact that Mr. Jedrysek is relaying that this is a problem county-wide since it will be problem for LaPorte County at some point in time. Mr. Cunningham heard Mayor Oberlie mention that even if LOIT is passed there would still be a \$2.1 million shortage in the projections in 2010 which is approximately double what LaPorte projects they will be short. Mr. Cunningham commented that there are two sides to every coin; he expressed his appreciation for the input of the fire, police and the public and everyone for being very courteous and informed. Mr. Jedrysek stated, along the lines of Michigan City, he believes that 40% of their budget comes from revenue from the boat (casino) and the boat revenue is down 25%.

Mayor Chrobak stated that this is a County problem but it is the City of LaPorte's problem immediately because of their budget situation. Mayor Chrobak reiterated that the City is short \$500,000.00 and they will still be short \$500,000.00 if LOIT gets passed; they will be cutting and it won't just be cell phones or TV's but it will be "big" things in services to the City. Mayor Chrobak commented that she can't sit back and listen when people making comments about the City budget don't understand what they are talking about; the property on Lincolnway was not under her administration and when it turned out to be a "white elephant" the City got rid of it as fast as they could.

Mr. Cunningham asked if the City of LaPorte has had a hiring freeze in every department and no employees have been added. Mayor Chrobak responded that they put a hiring freeze on in mid-summer and at that point in time, they were already down in the Police Department. Mayor Chrobak commented that when people are hired into police and fire, you hire them and then send them to the Academy which is expensive; she commented further that the City hasn't hired anyone since May. Mayor Chrobak stated that anyone who understands emergency services knows that you can't send them out on a call such as a shooting, domestic matter or a fire if you are understaffed, and provide a safe environment for them; this is a scary thing and the City isn't

hiring right now because they can't. Mayor Chrobak commented that it is not true that the City hasn't looked at the budget and cut the budget; the City is already saving with the four (4) people not being paid right now. Mayor Chrobak invited anyone to come down and look at the itemized budgets; she stated that you can "nickel and dime it" to death, but the City is short and will still be short.

Mr. Cunningham asked Mayor Chrobak if there are more full-time employees since she took over as Mayor. Mayor Chrobak responded that she can't answer that because some folks changed jobs when she came on. Mr. Cunningham asked if there is a full-time Arborist. Mayor Chrobak responded, "Yes." Mr. Cunningham asked if an Arborist is more important than a policeman or fireman; he agreed with Mr. Stemmler that we shouldn't lose any policemen or firemen but if other people have been hired in other departments, why are we freezing the policemen or the firemen if we have added employees that are not essential to life or death. Mayor Chrobak responded, "And you don't think an Arborist is essential to the City?" Mr. Cunningham stated that there a lot of cities in Indiana that don't have a full-time Arborist. There was further discussion regarding trees and liability to the City plus the budget and the number of City employees.

Mrs. Ludlow commented that the City has held their budget and made cuts; fuel is one of the biggest costs. Regarding an itemized budget, Mrs. Ludlow reported that she didn't "make" the budget system and it is mandated by the State; she also commented that the State controls how much the budget goes up every year and over the last three (3) years they have lowered the amount.

Tom MacLennan, former City Councilman and a member of the Board of Works for the City of LaPorte, stated that he pays City taxes and he pays County taxes; he commented that all of the funding for municipalities has been out of property taxes so what the Governor and legislature decided to do was to shift the burden from completely property taxes to partially property taxes and partially income tax. Mr. MacLennan stated that the legislature in HB 1001 reduced property taxes; the only way that the City of LaPorte or any entity can recoup any of the lost revenue from reducing property taxes is the LOIT tax. Mr. MacLennan explained that the legislature also stipulated that to pass a LOIT tax, half of it has to be for property tax relief. Mr. MacLennan commented that the City is not getting its tax draw because of the reassessment problem and are paying \$100,000.00 a year out of the General Fund because they can't get a draw; the City didn't create that problem. Mr. MacLennan stated that they can't wait until 2010; he asked that the Council follow the Governor and the legislature's plan, which is to shift the burden of taxes from property tax to income tax, and to pass the Local Option Income Tax.

Mr. Cunningham asked Mr. MacLennan if he read correctly about the Board of Works approving additional holidays for firemen. Mr. MacLennan responded that as he understands it, last Wednesday the Board of Works approved, in a negotiation that happened between the City and the Firemen's Union, a redistribution between personal days and holidays in order to have Veteran's Day off; he doesn't have the details. Mr. Jedrysek reported that the firemen were given an additional holiday; when you work what is deemed a holiday you get time back for the time that you worked; Veteran's Day was added to the list of holidays. Mr. Jedrysek explained that if a firemen is on duty Veteran's Day, twenty-four (24) hours of holiday time would be received that could be taken off later as compensatory time; he commented that this policy is for police and fire.

Regarding the extra holiday, Mr. Worek explained that it would only affect twenty-one (21) police officers since there are three (3) shifts; if they work the holiday they take another day off sometime during the year. Mr. Worek stated that it isn't time and a half pay. Mr. Cunningham commented that it is costing the City some additional money since someone has to cover when an officer takes the day off. Mr. Worek responded that there is a shift minimum of five (5) people; he further explained that the firemen and policemen negotiated for some vacation days and personal days in lieu of no pay raise and what they got was one day back which was Veteran's Day. Mr. Cunningham responded that this is terrible public relations when you think about people that are laid-off and get their work hours reduced who read the newspaper that an additional holiday has been added. Mr. Cunningham stated that he doesn't blame the firemen and policemen because he would also negotiate if he were in their shoes.

Mr. Metheny stated that he spoke before but the Mayor got some extra time and he has a couple of questions. Mr. Metheny asked if anyone saw the three (3) fire trucks that the firemen pulled outside and what did that cost the City in fuel. Mr. Metheny also asked how the City knows they didn't make 5% lost revenue and it is only 3% when they are talking fictitious numbers; he stated that the Mayor herself said that the 08 and 09 budgets aren't approved. Mr. Metheny commented that he attended a State Board of Accounts meeting in November and the City can file downstate for additional funds for public safety. Mr. Metheny stated that all of the budgets are fictitious. Mr. Metheny commented, "Figures don't lie but liars figure." Mr. Garner commented that the Council has given generous time to Mr. Metheny the last three (3) meetings and he feels that the comments just made was inappropriate; the Mayor was given more time because she is an elected official and her unit is in jeopardy. Mr. Garner asked that the speaker be limited to one time only.

Robert Pointon stated that the City of LaPorte has a couple of things unique to the City; the hospital is supposedly non-profit when the hospital that owns our hospital in Indianapolis is a profit hospital. Mr. Pointon commented that he doesn't understand how the "arm" of a profit hospital can be non-profit. Mr. Pointon, as a homeowner, stated that he hasn't seen his property tax go down because every time we are in a position to get a reduction, the hospital buys some property and makes another parking lot and takes it off of the tax rolls; they have done that consistently. Mr. Pointon had asked the previous Mayor to press for a parking garage; that was too expensive and the City can't afford to maintain it but they can afford all of these parking lots.

Mr. Pointon asked how long the Assessor has to get the tax situation resolved; we still don't know what our taxes are going to be. Mr. Pointon commented that he understands that the reassessment is done but the DLGF will not accept it; what is being done about it. Mr. Pointon stated that the tax draw is what every unit in this County lives on; without getting the tax draws the City has to go out and borrow money and the taxpayers pay the interest. Mr. Pointon commented that something needs to be done to get the tax situation corralled and corrected.

Don Przbylinski, the Democrat Precinct Committeeman in the 5th Ward, 4th Precinct, commented that the nation is in the worst recession since the Great Depression. Mr. Przbylinski stated that he can sympathize with Mayor Chrobak; however he doesn't feel that he, since he lives in Michigan City, should have to bear the burden of what takes place in LaPorte. Mr. Przbylinski commented that these services won't affect him in Michigan City; he further stated that he hasn't read anything in the newspaper where Michigan City will be in dire straits in the year 2010.

Mr. Przbylinski stated that what is bothersome to him is that we have folks in this County who work for minimum wage and now we are going to turn around and tax them; these folks are just trying to make ends meet from week to week and day to day. Mr. Przbylinski commented that he is glad that Scott Pelath is his legislator since he voted against HB 1001; he suggested that the Council table this request and direct it back to the legislators who voted for it and ask them to go downstate to talk to the Governor to express the viewpoints of the voters.

Mr. Przbylinski, referred to the Town Hall Meeting that took place last Saturday held by State Representative Tom Dermody regarding a property tax reduction and LOIT that would be put in place because of the caps. Mr. Przbylinski commented that as he looks at it, his taxes are not going to go down; if this affects him what is it going to do to the other average guy. Mr. Przbylinski again suggested that the Council table this request and send it back to the State Legislators to work on it.

A.C. Pressler, LaPorte City Councilman, stated that the last time there was discussion that he might have been hiding the fact that he is also a firefighter; to get that out in the open he is wearing his Union jacket and he is damned proud to be a firefighter. Mr. Pressler stated that he appreciates Mr. Cunningham's chainsaw approach to a surgeon's scalpel job. Regarding additional employees, Mr. Pressler reported that the City of LaPorte did add a full-time attorney and a full-time engineer; in adding those two (2) positions, the City saved close to \$100,000.00 a year since they are paying an annual salary versus paying hourly.

Mr. Pressler reported that earlier this week he sent a letter to the Editors of the newspapers regarding an alternate option if anyone has any questions about it. Mr. Cunningham stated that he has a comment regarding the chainsaw comment; \$300,000.00 shortage in 2009 on a \$10 million budget is hardly a chainsaw cut. Mr. Pressler responded that the budget is closer to \$8.8 million. Mr. Cunningham stated that he isn't going to debate with Mr. Pressler but the bottom-line is it is hardly a chainsaw when Mayor Oberlie is going to cut \$2.1 million next year even if LOIT is passed which will be a lot larger percentage than \$300,000.00. Mr. Pressler responded that it is almost three times the size of LaPorte's.

Mr. Cunningham commented that whether you like it or not, the bottom-line is that Mitch Daniels, a Republican, convinced the taxpayers that there is waste in State and Local Government spending; he got 60% of the vote in the same year a Democrat won the Presidential race for the first time in forty-four (44) years. To Mr. Cunningham that says that the majority of the taxpayers in the State of Indiana think that there are ways to cut waste in all budgets whether it is the county, the city or the state. There was further discussion regarding policemen, firemen an arborist and the City of LaPorte's budget.

Mr. Pressler stated that he appreciates Mr. Cunningham's comments; he commented that the City can work with the \$300,000.00 in 2009 but it is the \$1.2 million the year after that the City can't absorb and that is why they have asked that LOIT be adopted. Mr. Cunningham stated that the City of LaPorte is the only one asking for LOIT; if the Council passes .25% for public safety it has to be matched with tax reduction. Mr. Cunningham commented that .25% for safety will raise approximately \$3.5 million for a \$300,000.00 shortfall; the money will be taken from taxpayer's pockets that they could spend on other things. Mr. Cunningham stated that when talking about a chainsaw, that is the chainsaw; in 2010 a lot of people may have the same problem but that isn't where we are right now.

Paul Przbylinski, life long resident of Michigan City and 17-year veteran of the Council of the City of Michigan City and a proud representative of the 2nd Ward as an elected Precinct Committeeman, commented that he is not here to complain about any administration but he is here to talk about the needs of the common man. Mr. Przbylinski provided some history about himself; in the industry he works in he went nine (9) years without a pay raise because of hard economic times. Mr. Przbylinski reported that just recently they took another pay decrease; he will lose a minimum of \$300.00 every payday. Mr. Przbylinski calculated his property tax reduction which is about \$70.00 per year and he pays a lot more than that for taxes; he thinks that Mr. Cunningham is correct and we shouldn't be here badgering each other or throwing daggers. Mr. Przbylinski suggested reflecting on that we are in a major recession and we have to make some tough decisions; he understands about working short staffed and Michigan City also is operating with fewer police officers.

Mr. Przbylinski doesn't think there is a lot of "fat" in city or county government but how resources are being used economically needs to be looked at. Mr. Przbylinski asked what IACT (Indiana Association of Cities & Towns) is doing among others; the problem isn't with elected bodies but it is with an administration that thinks there is "fat" and they want to play a "nut game" and they want to shift those nuts around. Mr. Przbylinski hopes that we come to some equitable juncture where disposable income isn't taken away from people; he asked that the Council do the math.

Joe Blake, LaPorte Police Officer, commented regarding the "pass the buck" approach to send this back to the State Legislature; he has e-mailed the Governor, the Lt. Governor, every State Legislator whose district touches LaPorte County and he has only received one e-mail response which was from Scott Pelath so he doesn't think they are interested in delving back into this matter and they have washed their hands of it. Mr. Blake stated that as a property owner, it isn't a matter of taxing people more, it is a matter of spreading the wealth and having other people responsible for paying for services that are used; from his job he can say that it isn't just property owners that use the services, renters do too. Mr. Blake can understand where renters wouldn't want to pay for services but why not spread this out; from a property owner's perspective, he thinks it is great that it is spread out and the responsibility is being shared with property owners and renters alike.

There being no further comments, Mr. Yagelski announced that public comment is closed.

COUNCIL COMMENTS:

RICH MROZINSKI:

Mr. Mrozinski stated that it is not our two (2) main cities fault; the State delayed our portion of the property taxes. Mr. Mrozinski commented that some want to throw the blame at the Assessor but he is privy to some of the correspondence between the State and the Assessor; he further commented that the State is as much to blame for this as anybody. Mr. Mrozinski stated that the City of LaPorte paid \$200,000.00 on interest on money they had to borrow to run the City; he would call upon the Governor who states that he has \$1.3 billion of surplus to send \$200,000.00 to the City of LaPorte. Mr. Mrozinski commented that the State should pay for their mistake in not getting our property taxes here.

Mr. Mrozinski very much disapproves of the City holding the Police and Fire Departments as hostages since there has to be other places to cut the budget; if the City of LaPorte does decide to cut police and fire, don't blame the Council since the cut could be made somewhere else. Mr. Mrozinski commented that the County budget could also use a little trimming; the Council for one week in August goes over the entire budget for the entire County which isn't enough time to do a good job on it. Mr. Mrozinski stated that the Council has held the budget in check and has done a good job; if you listen to Governor Daniels he likes to accuse local government of spending too much money and is someone who doesn't have any idea of what is going on at a local level.

Mr. Mrozinski proposed, starting in January, that the Council take a look at the County budget office by office to see what can be cut such as county-owned cars, gas expenses, manpower, office supplies, etc. and set a good example by cutting some "fat." Mr. Mrozinski stated that, in the meantime, he is tired of the American citizens asked to bailout the banks, bailout the investment companies, bailout the car companies; the RV industry is on its back which is in our area and everyone is hurting. Mr. Mrozinski stated that the last thing we need is to tax people some more and keep bailing ourselves out; it just isn't going to work.

Mr. Mrozinski commented that you can't have it both ways; if you want property tax relief there will be less money coming back and we have to figure out a way to live on it; by taxing people more and more it isn't going to "get it" and it won't be enough to bail everybody else out; we have to look other places.

TERRY GARNER:

Mr. Garner stated that he will keep his comments brief as he agrees with a lot of what Mr. Mrozinski just said. Mr. Garner commented that most of those here had their tax bills by now and saw what your savings were, possibly you would have different feelings; that is the biggest problem with this having to be voted on right now since it is not known if this tax will cost more or if it will equal out. Mr. Garner stated that it isn't anyone's fault, but that is where the Council sits at this moment.

JERRY COOLEY:

Mr. Cooley commented that this is his last meeting; he was looking at re-elections of the candidates that ran for Governor, Lt. Governor, right down the line and all of the legislators that wanted to go back, went back. Mr. Cooley stated that they sold the idea that they were going to save you some money; he commented that there is no free ride. Mr. Cooley commented that the justice system is about 75% of the County budget; the legislators never came in and asked the County Councils what they thought. Mr. Cooley stated, "The Kernan-Shepherd bill, what a bunch of junk that thing is." Mr. Cooley commented that the legislators made the cuts because they wanted re-elected; the voters sent them all right back and the legislators will sit right back on it for two (2) years and not do anything with it; they will expect you to make it.

Mr. Cooley commented that the County Council for the last seven (7) years that he has been here has done a great job saving a lot of money; he realizes that they get criticized for spending money but they never use the money from River Boat for anything other than extras that need to be done such as buying and repairing things that have been put off for years. Mr. Cooley stated that a \$10 million Rainy Day Fund has been set up; the County is in real good shape and he is leaving the County Council proud of what has been done.

Mr. Cooley commented that the State laid something in the Council's lap and somehow someone is going to have to determine who is going to pay for the services; back in 1992 he voted to pass the County Option Tax and he got criticized then even though there were potholes big enough to swallow your car; today we have great roads in the County. Mr. Cooley has asked all elected officials on the County-side and none of them want this tax and none of them told him to vote for it; it's time to send a message to the legislators that they need to do something for the cities and don't dump it on the counties to bailout the cities. Mr. Cooley referred to groups that are supposed to support the Counties and the lobbyists; do they really care about the taxpayers. Mr. Cooley reiterated that there is no free ride and someone has to pay for the services and we need to decide how we are going to pay for it; there is a tough decision to make but it is a bad time to raise taxes.

Mr. Cooley closed by saying that the legislators passed the buck to the Council, they got re-elected and now we don't know what we are going to do.

MARK LUDLOW:

Mr. Ludlow stated that there has been enough posturing and misinformation for the third night; he has no further comment.

JOHN JONES:

Mr. Jones stated that this is a very tough decision especially with the police and firemen here who for many years have been underpaid for breathing life back into people compared to other occupations. Mr. Jones commented that he somewhat agrees with many of the people who have told him he has two (2) days left on his term and he should not be voting on a tax that will be sent over to a new Council. Mr. Jones stated that he does not want to change the focus and momentum of a vote for a tax to a new Council's focus of rescinding a tax.

Mr. Jones commented that as much as he want to support police and firemen on this issue, he believes that the new Council, and he will encourage them to do so, should stay open-minded to the idea that just saying that the City can cut a budget doesn't mean that it can actually be realized. Mr. Jones stated that very possibly before 2010, the County Council will have to enact a tax to help the cities and themselves meet the budgetary needs and the services provided; however, acknowledging that more has to be cut than LOIT will bring in, maybe it should be done, in good faith, on the front side of the tax proving what is left and what cannot be reduced further on the backside for a 2010 tax passage.

Mr. Jones stated that he highly respects both Mayors of both cities; he knows that they will do their level best as he thinks the County Council will have to do; there is a lot of work to do to convince others that this tax is needed and we have to reach a level of confidence, a level of security before the Council passes this.

EARL CUNNINGHAM:

Mr. Cunningham thanked Mr. Cooley, Mr. Ludlow and Mr. Jones who are meeting this evening with the Council for the last time; he also thanked Teresa Shuter and Rita Layton for the outstanding job they have done in the two (2) years he has served on the Council.

Mr. Cunningham stated that everyone has already commented on the terrible economic times right now; the one thing that bothers him is that there has been an almost class warfare tonight. Mr. Cunningham commented that most of those who are homeowners now were renters at one time who accumulated a down payment by renting; renters pay taxes indirectly. Mr. Cunningham stated that most know that he works at a car dealership right now after spending thirty-three (33) years in the classroom; he guaranteed that the car dealership passes on the expense of taxes to the consumers. Mr. Cunningham commented that he always taught his business classes that the end consumer pays all taxes; he heard several times we should share the wealth and people who use the services should pay; they do pay indirectly.

Mr. Cunningham commented that he has spoken more than his share this evening; he again thanked the crowd for being courteous and for the comments brought forth on both sides on this emotional issue.

MARK YAGELSKI:

Mr. Yagelski acknowledged students in attendance from LaPorte High School; he commented that they probably learned government at its best tonight or at its worst. Mr. Yagelski commented that the Council did a lot of studying this year but the information was very sketchy. Mr. Yagelski, for clarification, stated that the Council had to vote by December 31st, and if they fail to pass the vote, it is for 2009; regarding the tax for 2010, the County Council has to meet April 1st to July 31st. Mr. Yagelski reported that one of the big losses is that the levy will be cut for all counties.

Mr. Yagelski stated that there seems to be a misunderstanding about the Circuit Breaker; there is 1% circuit breaker for property, 2% for rental income and 3% for business which is a separate issue. Mr. Yagelski complimented the audience for their professionalism; he also stated that if this is tabled for 2009, it is the same as a “no” vote which is part of IC 6-3.5-1.1-25 in HB 1001.

Mr. Cooley made a motion to deny the Ordinance for LOIT tax. Mr. Cunningham seconded. Attorney Baugher commented that the motion would be for both ordinances; one for public safety LOIT and one for property tax relief. Roll call was taken.

Mrs. Shuter:	Councilman Cunningham:	Aye
	Councilman Garner:	Nay
	Councilman Jones:	Aye
	Councilman Ludlow:	Nay
	Councilman Mrozinski:	Aye
	Councilman Yagelski:	Aye
	Councilman Cooley:	Aye

The motion to deny carried 5 – 2.

Mr. Garner commented that people think he shouldn't vote because he has a son on the City of LaPorte Fire Department, a brother-in-law on the Michigan City Police Department, he has a nephew on the County Police Department and a cousin's husband that is on LaPorte City Fire; do you want him to go on.

There was a short recess before the Regular Council Meeting.

