

CITY OF WHITING –MARCH 17, 2015

**MINUTES OF A REGULAR MEETING OF
THE COMMON COUNCIL OF THE CITY OF WHITING, INDIANA**

The Common Council of the City of Whiting met in regular session on Tuesday, March 17, 2015, at 6:30 p.m. with Mayor Stahura presiding. The Pledge of Allegiance was recited, followed by the invocation from Councilman Sarvanidis.

I. ROLL CALL

Mayor Stahura, Councilmembers Jennings, Sarvanidis, Spebar, Stolman and Zubeck were present, constituting a quorum. Also present were Clerk-Treasurer Haynes, City Attorney Sejna and interested citizens.

Councilwoman Greer and Michko were unable to attend.

II. MINUTES

Mayor Stahura asked for consideration of minutes March 3, 2015 regular Common Council Meeting.

Councilman Jennings made a motion to accept the minutes from the March 3, 2015 meeting. Councilman Zubeck seconded the motion. Roll Call: (All) Council members Jennings, Sarvanidis, Spebar, Stolman, and Zubeck voted aye. Vote: 5 ayes, no nays. Motion carried unanimously.

III. COMMUNICATIONS, PETITIONS, MEMORIALS OR REMONSTRANCES

None.

IV. REPORT OF THE MAYOR

Mayor Stahura reported that the former Gun Club is in the process of being demolished. As mentioned, the series of events have led to the complete demolition of the structure.

V. STANDING COMMITTEES

Councilman Sarvanidis introduces two Resolutions:

- Resolution No. CC-2015-02 which is regarding the community block grant development funds.
- Resolution No. CC-2015-03 which approves an intralocal agreement between various city entities in partnership for economic development projects and resident retention.

Councilman Sarvanidis introduces one Ordinance:

- Ordinance No. CC-2015-1931 which authorizes adoption and ratification of the amendments made to the city of Whiting employee benefits manual as adopted by the Board of Public Works and Safety and declaring an extraordinary emergency.

VI. REPORT OF THE CLERK-TREASURER

Clerk-Treasurer Haynes presented Civil City Accounts Payable Voucher Check #s 19198-19262, 63-64E, and Payroll 141-143 inclusive for approval.

Councilman Stolman moved to approve said Accounts Payable Voucher Checks as submitted for payment. Councilman Spebar seconded the motion. Roll Call: (Voice) All Councilmembers voted aye. Motion carried unanimously.

VII. REPORT OF THE CITY ATTORNEY

None.

VIII. SPECIAL COMMITTEES

None.

IX. UNFINISHED BUSINESS

None.

X. ORDINANCES AND RESOLUTIONS

Councilman Sarvanidis introduces Resolution No. CC-2015-02 which authorizes the Mayor to submit a project proposal for the Community Development Block Grant Funds for fiscal years 2015 and 2016. A Public Hearing will be held in regards to this Resolution.

Councilman Sarvanidis states at this time a Public Hearing is to be held on Resolution No. CC-2015-02.

Clerk-Treasurer Haynes presented Proof of Publication of tonight's Public Hearing on Resolution No. CC-2015-02, which was published in the Times and Post Tribune on March 5, 2015.

Councilman Sarvanidis reads the opening remarks for the record:

Each spring, the lake County Community Economic Development Department applies to the U.S Department of Housing and Urban Development (HUD) for new funding through the Community Development Block Grant program (CDBG).

One of the application requirements is to hold public hearing in the communities where CDBG funding is allocated in order to obtain input from the local citizens on the proposed uses(s) of the new funding. For FY2015-16, the City of Whiting CDBG allocation is \$33, 370.00.

The most common use of CDBG funds is for infrastructure, including street reconstruction, sanitary sewers, water line extensions, storm drainage improvements, sidewalks, and projects to remove architectural barriers (handicapped access), such as curb cuts and wheelchair ramps. CDBG funds may also be used to eliminate slums and blight through demolition of unsafe buildings or other clearance activities.

CDBG funded infrastructure projects may only be done in areas where the neighborhood is at least 51% low/moderate income according the HUD guidelines. In most cases, an income survey must be done to qualify the area for funding eligibility. The income information taken by the survey is strictly confidential and is used solely for the purpose of determining the area's eligibility for CDBG funding.

Handicapped access projects and demolition may be done anywhere in a community, without the need for area income determinations.

The public hearing is just the start of the application process for Lake County. There are a series of legal advertisements and comment periods that take place during the summer, prior to final grant approval from HUD in late August. New CDBG funding is released to the County and its entitlement communities on or around **September 1st and needs to be expended by June 30th** of the following year.

After public comment tonight, three documents need to be read and adopted: the Affirmative Action Program, Section 3 Understanding, and a Resolution authorizing the City/Town Executive to submit a project proposal for CDBG funding.

Finally Project Applications, and supporting documentation need to be submitted no later than May 8th, 2015 for review by Lake County.

The floor is open for comments.

Mayor Stahura opened the Public Hearing and asked a first time for Public Comment on Resolution No. CC-2015-02.

Brian Ciers of 1831 LaPorte states that to him, it seems that the CDBG grant funding is to accommodate the low income people. On Steiber Street, there are at least four houses that have been removed which increase the stock of houses that are low to moderate income people. He thinks that the \$35,000.00 should be used to partner with Habitat for Humanity and put new houses up. Demolishing a bulk of houses does not increase the stock of houses.

Mayor Stahura thanks Mr. Ciers for his comments.

Councilman Jennings states that is roughly the same dollar amount that is received every year.

Mayor Stahura indicates that it is and it is received every two years.

Mayor Stahura asked for a second time for Public Comment and no one spoke.

Mayor Stahura asked a third and final time for comments on Resolution No. CC-2015-02. Hearing none, the Mayor closed the Public Hearing on Resolution No. CC-2015-02.

Mayor Stahura states that pending better suggestions that were made today, investing the CDBG funds into ADA sidewalk ramps. These ramps benefit everyone in the community and gets the

City in compliance and costs approximately \$125,000.00 to finish the rest of the sidewalks. This money will be a little more than a fourth of the total cost. With that being said, it is money well spent. The City has a strong track record of taking empty lots and putting new homes on them. There have been more houses built in the City of Whiting in the last 10 years than there has been in the history of the City.

Councilman Sarvanidis reads the Affirmative Action Program Implementing Section 3 of the Housing and Urban Development Act of 1968 for the record.

SPECIFIC AFFIRMATIVE ACTION STEPS

CITY OF WHITING agrees to implement the following specific affirmative action steps directed at increasing the utilization of lower income residents and project area business.

- A. To ascertain from the HUD Area Office Director the exact boundaries of the Section 3 covered project area and where advantageous, seek the assistance of local officials of the department in preparing and implementing the Affirmative Action Plan.
- B. To attempt to recruit from the appropriate areas the necessary number of lower income residents through: local advertising media, signs placed at the proposed site for the project, and community organizations and public or private institutions operating within or serving the project area such as Service Employment and Redevelopment (SER), Opportunities Industrialization Center (OIC), Urban League, Concentrated Employment Program, Hometown Plan or the U.S. Employment Service.
- C. To maintain a list of all lower income area residents who have applied either on their own or on referral from any source and to employ such persons, if otherwise eligible and if a vacancy exists.
- D. To insert this affirmative action plan in all bid documents, and to require all bidders to submit a Section 3 Affirmative Action Plan including utilization goals and the specific steps planned to accomplish the goals.
- E. To insure that contracts which are typically let on a negotiated rather than a bid basis in areas other than Section 3 covered project area, are also let on a negotiated basis, where ever feasible when let in a Section 3 covered project area.
- F. To formally contact unions, subcontractors and trade associations, to secure their cooperation for this program.
- G. To insure that all appropriate project area business concerns are notified of pending contractual opportunities.
- H. To maintain records including copies of correspondence, memoranda, etc., which document that all of the above affirmative action steps have been taken.

- I. To appoint or recruit an executive official of the company or agency as Equal Opportunity Officer to coordinate the implementation of this Section 3 Affirmative Action Plan.

Councilman Sarvanidis made a motion to accept the Affirmative Action Plan as read. Councilman Spebar seconded the motion. Roll Call: (All) Council members Jennings, Sarvanidis, Spebar, Stolman, and Zubeck voted aye. Vote: 5 ayes, no nays. Motion carried unanimously.

Councilman Sarvanidis reads Section 3 Understanding for the record.

The U.S Department of Housing and Urban Development (HUD) issued regulations that provide the directive to create job opportunities for low-income persons when HUD funds are expended on a construction project. These regulations are known as Section 3 policy. The purpose of the Section 3 policy is to ensure that the employment and other economic opportunities generated by Federal financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed toward low and very low-income persons.

Section 3 covered projects are construction, reconstruction, conversion, or rehabilitation of housing, including reduction and abatement of lead based paint hazards, or other public construction which includes building and improvements assisted with HUD housing and community development assistance. Section 3 covered contracts do not include contracts for purchase of supplies and materials. However, whenever a contract for materials includes the installation of the materials, the contract constitutes a Section 3 covered contract.

Fund recipients and contractors must show compliance with the numerical goals set forth by the regulations. The numerical goals for new hires apply only to the number of new hires generated because of the financial assistance of the HUD programs. The numerical goals are not absolute numerical requirements. They are goals that each recipient and contractor should try to reach. The goals, if not met, do not trigger sanctions against the recipient or contractor. However, if challenged on the issue of compliance with Section 3, the recipient or contractor should be ready to demonstrate that they tried to reach these goals. The goals are as follows:

- 30% of all covered new hires for the years FY 2015-16

In addition, recipients and contractors are required to show compliance with the goal that at least 10% of any building trade activity, which is subcontracted, and 3% of non-building trade activity (construction management, etc.), is awarded to eligible Section 3 business concerns.

Further information regarding these requirements may be found in the Federal Regulations at 24 CFR 135 and the Lake County Section 3 Plan.

Councilman Sarvanidis made a motion to accept the Section 3 Understanding as read. Councilman Stolman seconded the motion. Roll Call: (All) Council members Jennings,

Sarvanidis, Spebar, Stolman, and Zubeck voted aye. Vote: 5 ayes, no nays. Motion carried unanimously.

Councilman Sarvanidis read Resolution No. CC-2015-02 in its entirety.

A RESOLUTION AUTHORIZING AND DIRECTING THE MAYOR OF THE CITY OF WHITING TO SUBMIT A PROJECT PROPOSAL FOR COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS FOR FEDERAL FISCAL YEARS 2015-2016

Councilman Sarvanidis made a motion to adopt Resolution No. CC-2015-02. Councilman Jennings seconded the motion. Roll Call: (All) Council members Jennings, Sarvanidis, Spebar, Stolman, and Zubeck voted aye. Vote: 5 ayes, no nays. Motion carried unanimously.

Councilman Sarvanidis introduces Resolution No. CC-2015-03 which approves an Intralocal Agreement between various City entities for economic development projects. This Resolution is between the City of Whiting board of Public Works and Safety and the Whiting Redevelopment Commission which focuses on the buying of homes by the Whiting Redevelopment Commission with the purpose of economic development or public project that is owned by the Civil City that is in need of repair or rehabilitation. In these cases, the Whiting Redevelopment Commission is responsible for drafting a development agreement for the rehab of the property that will be purchased by the City. The Whiting Redevelopment Commission and City of Whiting board of Public Works and Safety will both be signatories for the development agreement.

Councilman Sarvanidis read Resolution No. CC-2015-03 by title.

A RESOLUTION APPROVING AN INTRALOCAL AGREEMENT BETWEEN VARIOUS CITY ENTITIES REGARDING A PARTNERSHIP FOR ECONOMIC DEVELOPMENT PROJECTS AND RESIDENT RETENTION

Councilman Sarvanidis made a motion to adopt Resolution No. CC-2015-03. Councilman Zubeck seconded the motion. Roll Call: (All) Council members Jennings, Sarvanidis, Spebar, Stolman, and Zubeck voted aye. Vote: 5 ayes, no nays. Motion carried unanimously.

Councilman Sarvanidis introduces Ordinance No. CC-2015-1931 to adopt the amendments made to the City of Whiting Employees Benefits Manual. There were amendments made to the manual and was adopted by the Board of Public Works and Safety. As a final action, the Common Council will adopt and ratify the amendments by Ordinance.

Minor changes that were made include:

- Job Title changes
- Job Class changes
- Changes made to sick leave and vacation
- Additional optional affordable life insurance
- Addition of flex spending account

- Added wellness benefit membership fee with the new YMCA
- Additional of the 457 savings plan

Councilman Sarvanidis read Ordinance No. CC-2015-1931 by title for the first reading.

AN ORDINANCE TO ADOPT AND RATIFY THE AMENDMENTS MADE TO THE CITY OF WHITING EMPLOYEE BENEFITS MANUAL AS ADOPTED BY THE BOARD OF PUBLIC WORKS AND SAFETY AND DECLARING AN EXTRAORDINARY EMERGENCY

Councilman Sarvanidis made a motion to take Ordinance No. CC-2015-1931 to the second reading. Councilman Jennings seconded the motion. Roll Call: (All) Council members Jennings, Sarvanidis, Spebar, Stolman, and Zubeck voted aye. Vote: 5 ayes, no nays. Motion carried unanimously.

Councilman Sarvanidis read Ordinance No. CC-2015-1931 by title for the second reading.

AN ORDINANCE TO ADOPT AND RATIFY THE AMENDMENTS MADE TO THE CITY OF WHITING EMPLOYEE BENEFITS MANUAL AS ADOPTED BY THE BOARD OF PUBLIC WORKS AND SAFETY AND DECLARING AN EXTRAORDINARY EMERGENCY

Councilman Sarvanidis made a motion to suspend the rules to take Ordinance No. CC-2015-1931 to the third and final reading. Councilman Stolman seconded the motion. Roll Call: (All) Council members Jennings, Sarvanidis, Spebar, Stolman, and Zubeck voted aye. Vote: 5 ayes, no nays. Motion carried unanimously.

Councilman Sarvanidis made a motion to take Ordinance No. CC-2015-1931 to the third and final reading. Councilman Zubeck seconded the motion. Roll Call: (All) Council members Jennings, Sarvanidis, Spebar, Stolman, and Zubeck voted aye. Vote: 5 ayes, no nays. Motion carried unanimously.

Councilman Sarvanidis read Ordinance No. CC-2015-1931 by title for the third and final reading.

AN ORDINANCE TO ADOPT AND RATIFY THE AMENDMENTS MADE TO THE CITY OF WHITING EMPLOYEE BENEFITS MANUAL AS ADOPTED BY THE BOARD OF PUBLIC WORKS AND SAFETY AND DECLARING AN EXTRAORDINARY EMERGENCY

Mayor Stahura and Clerk Treasurer Haynes have been working to upgrade the benefits that are offered to the City employees to help them become better invested in their own financial well being. Some of these programs are covering gaps in some existing plans as well as encourages savings, and encourages pretax savings for medical expenses.

Councilman Spebar states that there is heightened interest from the City Garage employees in the investment plan.

Councilman Sarvanidis states that the flex spending accounts for medical expenses is a great addition to the benefits program.

XI. NEW BUSINESS

Councilman Sarvanidis explains that part of the tax abatement resident/commercial program requires an annual filing through the abatement process which is called a Compliance with Statement of Benefits CF-1 form. This is filed on an annual basis until the abatement term is completed. The CF-1 for property located at 1530 119th Street submitted by John Lovasko. Councilman Sarvanidis makes a motion to accept the CF-1 form for the record. Councilman Jennings seconded the motion. Roll Call: (All) Council members Jennings, Sarvanidis, Spebar, Stolman, and Zubeck voted aye. Vote: 5 ayes, no nays. Motion carried unanimously.

XII. PUBLIC DISCUSSION

Brian Ciers resident of 1831 LaPorte indicates that several years ago when taxes were 6.75% of assessed value, the tax abatement program was a great incentive to encourage development. He feels as though the tax abatement program is obsolete due to the fact that the taxes are only 1% and 2% at this point. He feels it takes away from tax monies.

Mayor Stahura thanks him for the comment and explains that it does not take tax money away from anyone. It forgives them taxes on what they invested in for a period of time. The 1% tax for homeowners in the future will be irrelevant and since business taxes are in some cases 3%, depending on the investment it is essential that we encourage development in the community.

If Whiting does not give tax abatement, investors will go to Hammond or East Chicago because they do offer the abatement. It becomes a competition in many regards.

XIII. ADJOURNMENT

There being no further matters to come before the Common Council, Councilman Spebar moved to adjourn the meeting at 6:59 p.m. Councilman Stolman seconded the motion. Roll Call: (Voice) All Councilmembers voted aye. Motion carried unanimously.

John T. Haynes, Clerk-Treasurer