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CITY OF GARY BUDGET GETS COUNCIL APPROVAL DESPITE CRITICISM

Gary, Indiana-The Gary Common Council passed the city of Gary's 2020 budget amid valid concerns and political posturing by some Council members. Council members expressed discontent about the timeline around the receipt of information and their deliberations.

Mayor Freeman-Wilson presented the budget in the context of the city's Financial Recovery Plan, first introduced in July 2018. The budget was developed to accurately reflect the city's expenditures while eliminating positions that were determined to be duplicative or not supported by the service needs of the community.

"This budget reflects 'truth in spending' for the first time in decades," said Freeman-Wilson. "The 2.8 million dollar increase represents the accurate listing of costs for utilities, insurance and a modest raise for general services workers who are woefully underpaid for the work they do. At the same time, the city will have the cash flow to meet its obligations for the first time in many years. We passed a budget that relies on 56 million dollars from the General Fund. The Prince administration will be able to pay those obligations in 2020 and not defer payments until 2021 as long as the Sale Leaseback closes and the city adheres to the Financial Recovery plan."

During the Council meeting, Mayor Freeman-Wilson acknowledged the administration had not met the letter of the contract by providing 14-day advance notice to the employee union prior to submitting the budget proposal to the Council. At the same time, the mayor indicated the changes contemplating the elimination of positions would not occur until the beginning of 2020 and that her team was working to ensure that every person whose position is eliminated would be offered another position.

Freeman-Wilson said, “We value our union employees and have always been up front with union members about the impact of finances on city staff. We have eliminated union and non-union positions, but have always looked to minimize displacement.”

The Freeman-Wilson administration has continued to implement measures to ease the city’s structural budget deficit. Most recently, the Sale Leaseback was proposed that will provide for the infusion of up to 40 million dollars into city coffers. While there have been successes over the past seven years in reducing city expenses, the city has continued to experience a reduction in property tax and casino revenue.

Freeman-Wilson was not discouraged by the political wrangling. The mayor said, “We understand that there is a tendency to politicize the budget process. Some Council members used budget time to curry favor with union members. This is not a game of “us vs. them” but of creating a solid financial foundation so that we can provide the best services to the citizens of this community. For the first time in decades, the city of Gary will enter into a new year without a structural deficit. That is a win for the city and the citizens.”