

# No Standing News

Since we have no standing, we stand with those left standing

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## The Chicken-killing Council

On July 5, 2005, during discussion of a contract for TIF II, **Councilmen Sibley** and **Hicks** both said they weren't going to vote for any of the TIF contracts because they weren't for TIF. **Wiggins** chided them for not being 'Progressive' and **Barkledge** and **Morgan** piled on. Hicks didn't back down. He said he doesn't believe you can create retail demand; that retail develops itself if the money is there. Wiggins said it was a chicken and egg situation and explained how the egg comes before the chicken....or not. To support her opinion she pointed out that the sales tax isn't producing like it should and they had to "face facts," and spend money on the TIF retail gamble to get the jobs first no matter how many eggs they had to break...or maybe it was chickens they had to kill...? Barkledge said he was old and knew more than everybody. He says that a lot. Morgan pointed out the bleeding obvious by telling Hicks and Sibley that when the sales tax drops or becomes stagnant they need more sales taxes. No one pointed out to Joe that when they have less money to spend, they could try spending less money.

Wiggins, like all TIF supporters, was using "logic chopping," a tactic where the logic 'chopper' picks the facts that support the conclusion they want to reach by throwing out all the facts that would prevent them from reaching it. In order to "face facts" as Wiggins insists, they must include all the chickens and all the eggs. Here are some facts they should start facing.

**FACT:** The sales tax isn't yielding 'enough' because the economy is slowing down and Rolla's sales tax is nearly 8¢ - higher than nearly every city in the state. If we charge more sales taxes than every town around us we not only lose shoppers we also lose one of our best selling points - that we're a low-cost community to live in. [*Chickens overtax eggs*]

**FACT:** Years ago the city made a choice to become dependent on sales taxes for the majority of their operating revenue. It was easier to get people to pass penny increases in sales taxes time after time than talk them into increasing their property taxes. Several mayors and councils didn't want to work a little harder to explain to voters that property taxes are fairer, more stable and cheaper in the long run. They are now reaping the benefits of short-term thinking and weak leadership. While stuck on the sales tax roller coaster, the city has developed a fatal appetite for gambling on poorly thought out 'super projects' that don't work. [*Chickens think they can lay Golden Eggs*]

**FACT:** With all their tax abatement schemes and land giveaways the city continually erodes the most stable source of revenue they have-their own property taxes and

everyone else's. That makes them even more dependent on sales taxes. They were going to annex Don Stevens' new warehouse and excuse his taxes for 10 years but he decided he didn't want to be annexed. Apparently Rolla's tax 'incentives' weren't that important to Stevens. They will give away more property taxes for Al West when they move out by Lowe's. Both businesses are expanding because they want or need to expand. They didn't decide to make large business investments just because the city is having a garage sale on property taxes. [*Chickens give away eggs*]

**FACT:** Over **56%** of Phelps County households earn less than **\$35,000** a year. They don't dine out in new restaurant districts and they won't be shopping at the Big Boxes that TIF developers claim they can bring here. [*Some chickens have no eggs*] Why do TIF supporters on the council believe the solution is to use the sales taxes they admit they don't have enough of to subsidize more retail stores that will also charge 7.6¢ on dollars that the majority of households in Rolla don't have to spend? Rolla's sales tax already makes it worthwhile to drive to St. James to save money on a large furniture purchase. If the council knew as much about retailing as they think they do they'd know they're pricing themselves *and* local merchants out of sales and sales taxes. [*Chickens overprice eggs*]

**FACT:** Like spoiled teenagers the city squanders the money they have and then whine that they don't have enough money for more CD's and new clothes. After 38 years of giving away their assets to RCDC, the city council doesn't have the cash and land they should have accumulated by now to reinvest in development. RCDC on the other hand is doing quite well with their city 'gifts' and just picked up another \$906,000 building from them. And let's not forget the council's annual 'gift' of **\$220,000** (that's nearly a quarter of a million dollars) in Tourist Taxes to the Chamber of Commerce to finance their Zen Project - the search for the meaning of "tourism." Then there is the **\$578,000** they're giving away to RREC to finance another economic development 'expert.' [*Chickens hire another fox as poultry consultant*] Now the teenagers want another \$1.5 million to buy more land for industrial development. At \$220,000 a year, how many years would it have taken them to 'save' the \$1.5 million?

While admitting their sales tax "isn't producing" like it should, nevertheless, the council is borrowing money to renovate city hall and on July 18<sup>th</sup> approved a new **\$41 million** 10-year Capital Improvement Plan which includes **\$500,000** to buy and landscape the Forest Service property; another gift for the pleasure of the Chamber of Commerce.

[*Chickens spend eggs they haven't laid*] Isn't it time for the city to rethink their 'gift-giving' habits?

**FACT:** The city's new practice of 'spot' annexation, without considering the real costs of biting off more property here and there, is straining the financial resources they say they don't have enough of. They just spot annexed **James & Catherine Reagan's** 28-unit trailer court which is under a DNR compliance order. The council could have simply given them a sewer hook-up without annexation; that would have been both prudent and cost effective but that option wasn't considered. **Councilman Sibley** asked why Petersen and P&Z board were recommending the council bail-out the owners. **Magdits** also asked why they should do it. Good questions. Why should the city provide the most labor intensive and therefore the most expensive city services: police, fire, trash and administration while not getting any compensating revenue except one cut-rate sewer fee and a small amount of property taxes? Petersen, who had already started the sewer hook-up before the council voted to do it, said he thought it was a good thing to do because sewage is running in the ditches and someday someone might want that 7 acres next to the industrial park for commercial development. Really? In which century is someone going to buy and clean up 7 sewage-soaked acres for development? In the meantime, what is this land speculation going to cost the city? [*Chickens buy rotten eggs for future resale*]

**And the Teenager's solution is...get more money from Dad!** Steve Hargis said they'll have to ask voters to *increase the sales tax* to pay for the new \$41 million shopping list. Brilliant! Increasing the sales tax will drive more shoppers away. Is this a Capital Improvement Plan or another credit card shopping spree? They're giving away property taxes with one hand and stealing taxes with the other hand to build a TIF-subsidized shopping center on the chance that *if* it works they'll be able to pay off their TIF debt and see a net increase in taxes...maybe sometime within the next 23 years. [*Chickens steal eggs from other chickens, take eggs to casino*]

Meanwhile they're planning to ask voters to raise the sales tax that isn't producing so they can spend more money on things they can't afford because they give away their taxes, land and money to private corporations. Does that sound like a Plan? What it sounds like is that the old RCDC 'chicken and egg' development propaganda is still being used by City Hall without critical examination to see if it was ever true or if it ever served anyone but RCDC.

It's hard to get rid of RCDC propaganda. The Rolla Chamber web site is still using this old RCDC line: "Rolla enjoys a well-trained workforce and stable economy, where recessions typically pass unnoticed. The [University of Missouri-Rolla](#), [Phelps County Regional Medical Center](#), the [U.S. Geological Survey](#) and several clean manufacturing firms lead the way in employment."

"Clean manufacturing firms?" RCDC's favorite myth was "clean" manufacturing. It was their excuse for running off unionized factories. We may lose the USGS soon and recessions only "passed unnoticed" in Rolla by those who are wealthy enough not to notice them – the same people who invented the smug saying that Rolla is a place where

"recessions typically pass unnoticed." Does any of this sound like anyone is facing *all* the facts?

The question isn't: Which came first, the chicken or the egg? The question is: *Why does Rolla keep killing their chickens before they lay any eggs?*

**City divorce from RCDC costs \$906,000.** At the July 5, 2005 council meeting the Rolla City Council proved they can't do grade school arithmetic. Everybody has the right to be stupid now and then but once again the Rolla City Council has abused the privilege.

The council hasn't been able to get any answers from RCDC about how the corporation has been managing the city-owned incubator building in Hy Point since 1992. The council wanted to know if there was any extra money for them from the rentals to Brewer Science and Mo Sci. Under the 1992 agreement with RCDC the city was supposed to get the "excess" revenues from the building for 20 years after RCDC collected enough rent money to pay off RCDC's bank debt of \$190,000 – that was RCDC's contribution to the project. The city had also borrowed \$190,000 but they paid off their half of the bank note back in 1992. (Ordinance #2890 authorized **Mayor Floyd Ferrell** to take \$190,000 out of 1992-1993 city revenues "*to be used for the repayment of loans made to RCDC by DED and/or Banks for the construction costs of the Project. The funds so set aside shall be disbursed upon the request of RCDC.*")

Last year the council wanted to know what RCDC has been doing with the money (they finally asked after 13 years) but RCDC has repeatedly refused to tell them. The council is entitled to see their books on this joint project but to avoid disclosure RCDC made the council a counter offer. RCDC would give the city **14.5 acres** of land they own by Can Tex, which RCDC claims is worth **\$108,750** and they would also throw in **\$81,250** in cash if the city would turn over their ownership of the Incubator building to RCDC right now, before June 3, 2012 – the date when, 13 years ago, the city agreed to give RCDC the \$906,000 building in return for a share of the profits. How did the council know that the city's share of the building rentals weren't worth a lot more than \$190,000? They didn't know because they didn't make any attempt to find out.

The council wasn't interested in asking too many questions. Someone asked if this was the last deal they had with RCDC; he was told it was. The last RCDC giveaway was voted on and the divorce was final. A deed for \$906,000 to the Incubator building was apparently the price of ending this 38-year marriage.

Without missing a beat, at the next council meeting on July 18, the council rushed into their second marriage with another private non profit corporation - RREC, Son of RCDC. The City will provide RREC with a list of accounting, clerical and office services. RREC will reimburse them with \$5,000 of the \$115,000 the city gave RREC for development this year. Butz said he guessed this was what it will cost. He said the extra work and overtime will be no problem for city employees, none of whom will get the extra money for doing the extra work.

So the city gets land and cash worth **\$190,000** (or so RCDC claims) in trade for **2.79** acres in the industrial park that has a **\$906,000** building improvement on it. Now that they have title to the land and building RCDC can sell it for probably a great deal more than \$906,000 or continue to rent it to Terry Brewer for storing boxes. This “business incubator” was supposed to “grow new businesses” to create jobs but all it has done is provide Brewer with a warehouse and temporarily housed Mo Sci. All RCDC’s land in the park has been off the tax rolls since 1967; so presumably this building will continue to be tax exempt. The new RCDC president, **Tom Sowers** must have been laughing as he and the Mayor signed the paperwork.

All you can do now is send a pencil to your council members with written instructions on how to subtract **\$190,000** from **\$906,000**.

For the back story about how the City of Rolla was skinned on this ‘trade,’ watch for Part 4 of the NSN series on the history of Rolla’s economic development: **Hy Point - The Black Hole of Tax Assessment – RCDC Cleans up on the \$906,000 Incubator and the \$2.25 Million Schwitzer Deal**

**Now, the Mayor needs a job description?** After eight years of doing exactly as he pleased, Mayor Joe Morgan has decided that the next mayor needs a written job description. The council formed a committee some time ago and did a job description based upon the ‘Morgan Model’ as part of his attempt to “run Rolla like a bizness.” There is already a written job description for mayors, it’s called the Revised Missouri Statutes and it’s been there since 1909. The job description says anyone can run for mayor if they are 30, a resident for two years and still breathing. Actually, breathing isn’t required. We elected Mel Carnahan to the US Senate post mortem.

Manipulating salaries up or down and making up useless job descriptions always signals that someone is trying to control the results of the next mayoral election. An attempt to make this into an unenforceable ordinance signals that someone has their ‘boy’ picked out and the mayoral job description has been designed to provide a phony criterion no one else can meet.

Joe also wanted the salary raised. If some power faction thinks they can get their boy elected the salary goes up, if they want to discourage someone they don’t like the salary goes down. Most 3<sup>rd</sup>-class city mayors are paid nothing which is about what the head of an ineffective committee is worth.

Joe listed the hours he has slaved away for the good of the city because (here comes the Rolla cliché) “I wanted to give something back to the community.” We’ve already cataloged the expensive disasters Joe has given back to the community. We’d be better off if we had paid him more to spend less time at the office.

Joe is paid \$8,000 a year and each council member gets \$1,800 a year. They speculated about what a Rolla mayor is worth. Joe said, “You only get what you pay for.” Wrong – we usually get a lot less than we pay for.

**Elections are too important to be left to voters.** Every few years when the council runs out of other fees to inflate they start on their version of Judicial Reform for Rolla’s Municipal Court. Local attorneys, **John Z. Williams** and **Dan Birdsong** came to the July 5, council meeting and attempted to explain to them that a judicial system isn’t like a sanitation service. The council can’t just poke a stick in and stir up the Rolla Municipal Court to suit their unconstitutional notions of what the judiciary should be contributing to the city’s bottom line.

John Williams told them he didn’t favor appointing the municipal judge and prosecutor because it could put political pressure on them (you think?). Birdsong explained to the city council that there is something called “separation of powers.” You are, he told them, the legislative branch of municipal government but the Rolla Municipal Court is the judicial branch and neither one gets to mess with the other. When Councilmember **Charlotte Wiggins** asked how they could judge the “quality” of performance of these officeholders, (“quality measurement” of the judge and prosecutor being the excuse for this treasure hunt) Birdsong said emphatically, “You can’t tell by money, prosecutions or dismissals and *you* shouldn’t be trying to tell that person how to do his job at all. Only a lawyer can evaluate those things, you don’t have the expertise.” The two lawyers made excellent points but probably weren’t aware that this is the only legislative body in the country that holds trials for dogs. It’s beyond even their skills to explain three-branch government to legislators who think they can vote on canine capital punishment.

One of their problems is that judges, prosecutors, cops and council people don’t talk to each other. The council needs to be told by the judge and the prosecutor that a lot of their bumblebutt ordinances can’t be enforced because of the way they’re written. If the council has to struggle– and they often do – to figure out what *they* meant by an ordinance they passed six months ago how do they expect the judge and prosecutor to interpret their sloppy work? How can the council complain about the court when they make the laws but won’t hire a codes enforcement staff to ticket violators? They only have “complaint driven enforcement” remember?

In the discussion one opinion came across very clearly; certain city elected officials want to appoint the city judge and prosecutor because they don’t like leaving the choice up to the dumb voters...that would be the same dumb voters who put *them* in office.

**The Mayberry Method.** Complaints about accountability and quality measurement sound pretty hollow coming from people who are Gold Medalists in holding illegal closed meetings and constitutional violations. Former **Municipal Judge Joanne Mayberry** provided both accountability and quality measurement by requesting the Missouri Supreme Court Administrator’s office do a *performance audit* every few years of the Municipal Court; the administration of justice, the office and the money. When the council and mayor periodically came sniffing around the court for more cash to spend, she just poured boiling oil on them and they ran away. Why doesn’t Judge Hickle do that? Public

accountability is more important than all his fussing over where the courtroom will be.

**PWSD Customers complain:** We're getting emails from some PWSD customers who are shocked that their water bills have jumped from pocket change to over a hundred dollars a month. It's hard to sympathize with people in the PWSD district who voted (or didn't bother to vote) to set up their own mini-government, elected board members, authorized millions in revenue bond debt, were smug about the cheap price they were getting, but didn't bother to check on how this board of greenhorns were operating their infant district and if they were really paying off all that debt. Just because there aren't any more stories in the paper about the PWSD board meetings that doesn't mean they aren't still having them. Are any of the unhappy rate payers attending board meetings? If not, they're in for another shock. Those who don't speak up will pay up.

*Chamber's Moment of Zen. At the June council meeting, Chamber Director Linda Kuenzie told the council that after spending over \$2 million in Hotel/Motel taxes since 1993 to promote tourism in Rolla, the Chamber board has been having some very exciting and productive meetings lately to.....(are you sitting down?)..... define the word "tourism." We don't know what to say about that except we hope they aren't fighting over their crayons.*

**We'll never name our sources.** The winners of the 2005 Optimist Respect for Law and Order Award are under scrutiny by the **Missouri Attorney General's** office. In June the AG's office returned for their third or fourth 'visit' to **Sheriff Blankenship's** department. If they're looking for the missing seized weapons and drugs in about 730 drug cases cited in the Missouri Auditor's 2002 county audit - good luck.

The sheriff complained to the County Commissioners that Phelps County Prosecutor **Ken Clayton** won't sign off on his property seizures. If he can't get the prosecutor to do it then legally Blankenship can't keep his loot...that is, he isn't *supposed* to keep the loot. Did Blankenship and Day really think they could 'lose' drug evidence for years, bitch-slap Clayton in public and still get him to put his signature on their sloppy business?

**County votes against EEZ.** The Phelps County Commissioners voted unanimously Tuesday, July 26<sup>th</sup> not to co-sponsor the city's Expanded Enterprise Zone application. County residents were strongly opposed to having anything to do with the TIF-loving, tax-exempting, property-condemning City of Rolla. They were also underwhelmed with Petersen's explanation of the "benefits" of the city's economic development plans.

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