

# No Standing News

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

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## It's time to repeal the so-called "Tourism" tax

At their September 5<sup>th</sup> council meeting the council voted down the proposed Chamber rental contract by a vote of 6 to 5. Not only is the so-called Chamber "rental" contract a problem but the majority of the council also doesn't like the original 25-year Chamber Tourism contract or the way the Chamber is subsidizing their club operation and executives out of the city's tourism tax money. The Chamber Diva's, **Director Linda Kuenzie** and **Chamber President Maria Kardon**, flounced out of the council chambers after the vote on the contract failed. **Mayor Jenks**, past president of the Chamber, immediately suggested a committee of two council members be appointed to meet with the Chamber to "work something out." Just like in the bad old Joe Morgan days, any council vote that doesn't suit the Mayor will be shoved back in front of the council as many times as it takes to get the 'right' vote.

Council members know quite well the Chamber hasn't done a damn thing for the last 13 years but waste over \$1.5 million puffing up their organization. The Chamber makes a year-long Grande Affair out of a few stale marketing activities that a professional could do in a few weeks. The council could give their new Communications Director **Scott Grahl** only \$25,000 of the Motel tax money and in a few weeks he could do all Kuenzie's "shopping" brochures, place a few useless ads in travel magazines, rent some billboards and do it all better, faster and cheaper. It's a sheer waste of our motel taxes – and they are our motel taxes to pay four times more than market price for Chamber amateurs to do a low-priority marketing job and do it badly at that.

How much of the city's tax money is being used to support their corporate club – how much of it is just a mask for a civic organization that has outlived its civic purpose? If the council knew they had spent \$11,000 of the Motel tax money on t-shirts, mugs, hats and golf shirts to sell in the Chamber Gift Shoppe and to pay for drop-dead glamour shots for the staff and board members they'd have the answer. (Check out the Chamber Executive Babes at: <http://www.rollachamber.org/214.html> ) The Chamber of Commerce wouldn't last a year without the city's money to prop up their club. In fact, over 60% of the Motel tax goes to pay the salaries, health benefits and trips to resort meetings for the Chamber's Executive Babes. Barely 40% is spent looking for non-existent tourists.

While the Chamber Glamour Girls are ditzing around with expensive golf shirts and coffee cups and other stale marketing gimmicks, the business people the Chamber is supposed to represent have no one to speak for them when the council takes actions that make it unprofitable to do business in Rolla. Where was the Chamber when the council added 5%

and RMU jacked up utility bills? Where was the Chamber when Butz told the council they didn't need to compete with other towns for Back to School business? Where is the Chamber as the city makes threats and tries to run **Russ Falkenrath** out of his business?

**Repeal the Motel Tax.** Tuesday's council vote was a public acknowledgement from at least 6 members of the council that giving away \$200,000+ every year to the Chamber of Decorators has served absolutely no useful purpose except to prop up a social club for elitists. Even the Chamber has admitted publicly that the \$1.5 million they've spent over the last 13 years hasn't turned up a single tourist because Rolla has no tourist attractions. If all that's going to come out of these two Chamber pork barrel contracts is a private park for them, perpetual expenses for us and a fortune spent on marketing crap, expensive golf-shirts, and coffee mugs we might as well get rid of the tax and rid the city of the burden of supporting the Chamber prima donnas in the style to which they wish to become accustomed. A city that can't afford to keep its park toilets open for people to use no business blowing millions on a club that contributes nothing to public betterment.

It's not that hard to repeal the Tourist Tax or any other tax. It only takes the signatures of **706** of Rolla's registered voters on a petition (10% of the voters in Rolla's 6 wards voting in the last gubernatorial election = 7,059 votes) to force the council put a repeal question on the April '07 ballot. All the petition has to say is:

**"WHEREAS**, the Rolla Area Chamber of Commerce has wasted 90% of our Hotel/Motel tax for

the last 13 years without accounting to the city for how they've spent any of it and, **WHEREAS**, the RACC now demands we provide them with a 9-acre "tourist" park where passers-by and their poodles can take a dump and, **WHEREAS**, the spoiled Chamber brats refuse to even pay for their own maintenance and **WHEREAS**, this monument to Chamber greed and sloth will cost us, the taxpayers, more than \$2,400,000 over the next 20-years, we therefore request that the Rolla City Council put the question of the Hotel/Motel tax back on the ballot so we can get rid of the Chamber welfare queens and they can find out what it's like to earn their own money." Or words to that effect.

**Farmington Mayor recalled over MoPEP rates.** Recall is in the air. When the citizens of Farmington, Missouri found out how they had been swindled by their mayor and council

(who signed the MoPEP contract without reading it) they were so outraged by their exorbitant MoPEP rates they filled a repeal petition in less than two weeks to remove the mayor. **Mayor Rorex** was thrown out of office on August 8 by a very large majority. Citizens also signed petitions to get a state audit because of their MoPEP rates.

Any elected official can be recalled *and any tax can be repealed*. The hotel/motel tax benefits no one but the Chamber elitists so the best solution for their excessive demands is for us to just get rid of the tax. That solves all the problems and saves the city \$2.5 million. The council should keep that in mind that if they commit to buying and paying for the maintenance of the 9-acre property over the next 20 years, and keep giving the Chamber 90% of the motel tax anyone could come up with a petition to repeal the Motel tax *at any time*. That would leave the Chamber and the city high and dry with a collection of old buildings to maintain, a \$511,000 debt to pay but no tourist tax to pay for it. A bank would never make a loan that relied on such a flimsy and uncertain cash flow.

**Comparative values.** Consider the comparative value of what the taxpayers will get by spending the same \$711,000 two different ways. The \$711,000 is the Chamber's annual dole of \$200,000 per year plus the \$511,000 capital investment they want the city to spend to buy them a 9-acre park. If they spend the money on the Chamber, the Chamber will get this private park "gift" from the council but the council will have to do all maintenance and repairs forever no matter what it costs for upkeep on the aging historic buildings. After all, someone must be their servants. In return, the Chamber says they will be Rolla's \$200,000 a year "billboard." They'll pass out shopping brochures which will wind up in garbage cans, spend money advertising in magazines (today's expensive ad is tomorrow's trash) and "Welcome to Rolla" billboards, go to 'workshops,' pay salaries and benefits to Chamber "executives" who dither about planning shopping maps and social affairs and spend money on the annual city beer festival which, even with the beer sales, only clears about \$2,000. In the end, what long-term lasting benefit will the citizens of Rolla receive from this Chamber marketing and their social activities?

Now let's look at a second way to spend the money on the **Rec Center** and the **Rolla Public Library**. Let's say the council doesn't buy the Forestry Property, that's already a savings of \$511,000 and it also saves the city from the perpetual maintenance of the old Forestry buildings at a cost no one has even tried to calculate. If the council then gave only half of the \$200,000+ annual Motel Tax proceeds to the Rolla Free Public Library (designating either the Library or the Rec Center as the "tourism bureau") the council would have an extra \$100,000+ to relieve their annual \$200,000 Rec Center subsidy and the library board wouldn't have to borrow money from the bank and beg for donations to help them expand. The library board could fill the new expanded library with wonderful books and media materials for only half of the \$200,000+ per year the Chamber proposes to blow on being a "billboard." Unlike the Chamber, the library board would gladly do their own maintenance. In return, they would

continue to serve thousands of people in the community – tourists also welcome – with this generous addition to the library's skimpy annual budget of a little over \$400,000. The council and all Rolla citizens for decades to come would have a large public library - a prized free public service to show that Rolla values literacy and intellectual growth, not just jock sports. The council would never have to wonder what their Motel tax was being spent on because our Librarian doesn't hire a gaggle of "director's" to help her spend money (nor do they go in for glamour shots or golf shirts). The Library Board, being a public body, discloses every dime they have and how hard they pinch it. Now which investment do you think will serve the most people and give the most lasting satisfaction to the public in return for their taxes?

**It's not the Chamber's tax money.** Butz was finally called down by **Councilman Hicks** on referring to the Motel tax money as "the Chamber's tax money." C. **Wiggins** informed them that "It was always understood that the Motel tax would be used to buy the Forestry Property and build a Visitor Center." Charlotte may have "understood" it but the voters didn't "understand" it at all. All the voters were told was the money would be used to make Rolla into a Tourist Mecca, create lots of jobs and they wouldn't have to pay the tax themselves. What the Chamber and some in City Hall were really planning to do with the money behind the voter's backs is irrelevant. Calling it "the Chamber's tax money" and claiming it was always "understood" that it was to buy the Forestry property are just psy-war tactics used to mess with council minds. Another psy-war tactic is the one Butz uses when he keeps telling the council they have "committed" to buy the Forestry property. They haven't, they only passed a resolution of "intent" which isn't binding but it suits Butz' purpose to imply that they're locked in to the purchase because it shoves the council halfway through the door. Of course maybe Butz says that because they've already bought the property in a secret closed meeting. That is, after all, how they spent over \$1 million dollars on land over the last year – with secret votes.

**Who does Butz work for?** We often wonder when we see Butz working against the council by keeping information from them, when he provides no research on other options and doesn't give them an honest examination of all their choices, why the council doesn't question his blatant disloyalty. In this deal Butz is working solely for the Chamber of Commerce not for the Rolla City Council. He doesn't give the council any options or alternatives to a no-choice deal they clearly don't like. He low-balls cost estimates to make the expenses of perpetual upkeep of the historic buildings seem minor. Anyone who owns an old house knows repairs are never minor. Butz "negotiated" this contract to suit the Chamber's needs and demands not the city's long-term financial straits. Butz defends the Chamber every time the council raises legitimate questions about the Chamber's financial secrecy or the Motel Tax contract.

That kind of naked partisanship isn't surprising when it comes from Mayor Jenks. Chamber members paid a lot of money to get him elected which is why **Buz Harvey**

and **Mike Woessner** - Jenks' campaign manager and chief financier - sit in the audience, to remind the mayor who paid to make him mayor and what he's supposed to deliver. Butz, however, is hired and paid by the council and he should be fighting to see that the long-term financial costs are at least shared by the Chamber so the city council won't wind up looking like the Chamber's useful idiots - again. Butz hasn't done that and apparently doesn't worry that his obvious partisanship on the Chamber's behalf will cost him anything with his council employers. They're so used to not getting honest information and being left in the dark by their chief administrator, it probably seems normal to them.

**Lawsuit line forms at the right.** The August 21<sup>st</sup> council meeting was a litigation fest as people lined up at the microphone to announce they were suing the city. First was **Russ Falkenrath**. The city licensed him for a recycling business but has recently decided his business is too successful so they want him to stop. The city sent him a letter ordering him to "cease and desist" picking up cardboard and paper from some of his commercial customers upon pain of fine or jail time because the city wants the lucrative paper and cardboard recyclables for themselves. (When you're millions in debt you can't afford to let a dime slip by.) They also threatened to revoke Falkenrath's city business license if he doesn't quit collecting "their" cardboard. The order and threatening letter were sent preemptively because the city hasn't actually made it a violation for him to engage in this activity yet - but they plan to make it illegal soon. First though they have to figure out how to exempt the big businesses like Wal-Mart and Briggs who routinely sell their paper and cardboard to the highest bidder and never give it to the city. The city doesn't have the you-know-what's to force the big guys to give up their paper and cardboard so they plan to use "selective" enforcement only on Falkenrath. Falkenrath says he will sue to resist the petty administrative dictators. The council says they want economic development and they spend lots of money in all the wrong places searching for it. Meanwhile, the real business people are getting the backside of the city's hand with their business-killing fees, policies and practices

The Falkenrath issue raises a very interesting legal question. Exactly when does your cardboard box or soda can become the city's property and when can the city lay claim to it? Is it "theirs" after you put it in the trash can or is it "theirs" before you drop it in the trash? If you decide to sell your

cardboard boxes to Falkenrath or if you decide to sell them on E-bay, does the city have the right to stop you and take your cardboard box away from you? It's not a question we'd like to waste any money putting before a judge.

**Malpractice on camera.** Next up to bat was lawyer **Tyce Smith** speaking for the TIF'd off landowner **Warren Dean**. Tyce offered them an olive branch which several members of the council chewed up and spit back in his face. The unflappable Tyce kept offering it and they kept throwing it back with acid comments on how bad Warren's land looked. Tyce asked, "Well, do you want him to clean it up or do you want to take it away from him." Since they were scheduled to go into closed session immediately to vote for Sansone's "staged" TIF which will apparently take Dean's land away from him in bits, no one answered. Smith continued to provoke them into one indiscreet comment after another. Early on he made it clear that his client would sue the city to keep his land and what with one thing and another they'd never get the project off the ground but the council kept sniping at him *while their lawyer Bushie sat silently* and didn't lift a finger to protect them from the damage they were doing to their own case. Tyce Smith 'deposed' the council right under their lawyer's nose. Bushie just sat there with the usual disengaged look, the "Lost in Space" gaze that is the firm's trademark. The video tape will play well for any eminent domain-hating jury.

**A "staged" TIF isn't legal.** Butz' desperation move to salvage TIF II will be voted on at the September 18<sup>th</sup> meeting. Maybe **Mark Grimm**, the bond attorney is having trouble figuring out how to do a TIF project in "stages" or maybe Sansone is still reluctant to do this project. In point of fact, the TIF law doesn't allow for a TIF project to be done in "stages" or for TIF bonds to be issued in stages.

Even if it were legal to do a TIF in stages, they will have to reconvene the TIF Commission and start the TIF Plan approval process all over again because Sansone's TIF Plan has already been approved and it wasn't approved for dragging this out and financing it in 'stages.' By dragging it out in stages the cost/benefit analysis is now useless. Staging TIF bonds will cost the city new bond fees every time they issue a new "staged" bond issue. Doesn't John Butz know all this or doesn't he care how much it will cost the city as long as he can keep TIF II from being another of his failed economic development miracles?

### **Congrats to the Lions Club - private enterprise does work better**

While the council has been busy worrying their old TIF bone, private enterprise has been busy actually doing what the amateur developers in City Hall think they can force the market to do by seizing taxes, ripping off private property and subsidizing a private developer. **The Gundaker Commercial Group** announced they will build a 165,000 square foot shopping center on the 20 acres west of the Lions Den they have purchased from the Lions Club. Gundaker doesn't want any TIF money! They will break ground in June or July '07 with the first stores opening by the end of 2007.

This proves what many of us have been saying for three years - that City Hall shouldn't dabble in private enterprise. Leave business alone and they'll do what they do when the time is right for them to do it.

The Rolla City Council hasn't said a single word about the Lions Club project. No congratulations, no "Yippee, more sales taxes for us to spend," no congratulations, no nothing. They said the whole idea of their nasty tax-stealing, developer subsidizing TIF was to generate more sales taxes so why isn't the council jumping for joy that their goal has been

accomplished without the city having to condemn land or go into debt for millions in TIF bonds? The Gundaker plan renders the Highway 63-72 TIF project totally unnecessary but the surly silence from City Hall gives the impression that someone has stolen their prom date.

Congratulations to the Lions Club and Gundaker who neatly and efficiently pulled off and will have completed in one year what city government has been stumbling around trying to do for three years. With the Lions Club project no one's taxes will be seized; no one will be thrown off their property, no private developer will get a multi-million dollar welfare check from the taxpayers – everybody earns their money the old fashioned way. Why isn't City Hall celebrating?

**Rec Center doesn't just leak money.** They've finally admitted there's a spring under the Rec Center. **Frank Furman** tried to tell them that before they started the building but they ignored him. People told them to do core drillings before they started but they ignored that advice also. They ran into problems when they started construction and had to spend lots of extra money on deeper footings but by then it was too late. Only city people would spend thousands of dollars buying an automatic fish feeder to feed the fishies in the Rec Center pond and then wonder why the pond is full of green algae. Feed pond fish? They might also take a look at the other source of contamination – the raw sewage from the old leaky sewers in the Lortz subdivision that runs down the hill into the pond every time it rains. But then the city just can't afford to fix sewers and finance the Chamber of Decorators at the same time.

**The blessings of Globalism.** When announcing 146 layoffs in Rolla, Briggs & Stratton spokesman claimed it was just a seasonal thing. Not so. In January, Briggs & Stratton also laid off 175 *salaried* employees in their Wauwatosa, Wisconsin headquarters. Analysts blamed the company's sagging sales and shrinking margins on a 4.5% price increase on millions of engines which was driven by rising costs of steel, aluminum, copper, plastics and energy in addition to the acquisition of bankrupt lawnmower maker Murray Inc. in an attempt to recoup some of the \$40 million owed Briggs by the Tennessee company. B&S is apparently bad at collecting money they are owed.

The analysts also said that part of the increase in engine prices was driven by higher costs that Briggs faced *when it opened a plant in China*. In some cases, the company had to pay premium rates to ship components to China so that it could meet production schedules. But the China plant has doubled in size and could double in production in 2007. Just a "seasonal thing"? Uh huh.

If or when Briggs & Stratton closes its doors - in obedience to the gods of Globalism - who gets the B&S building? The city and RMU secretly paid **\$2,250,000** for the building with our money and then secretly gave it away to RCDC. Technically the land and building belongs to RCDC even though they didn't put a dime into it. They might have already given it away to Briggs & Stratton but the city can't find out because the RCDC is a private corporation and even though RCDC is another club that feeds off the city's land, money and free labor the RCDC won't tell them anything. Another "benefit" of giving away city taxes to private non profit corporations.

Stay tuned for the next NSN coming shortly: *"The cost/benefit analysis of the Chamber 'rental' contract - The one the council didn't get."*

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