

# No Standing News

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

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## Chamber gave away a \$280,000 building to the Forestry Service

*...and now they want Rolla taxpayers pay for the building twice!*

**They've known for 11 years.** The Chamber's dirty little secret slipped out at the second city committee meeting to renegotiate the 1993 Chamber Motel Tax contract. For years people have asked who owns the Visitor Center but no one answered the question – especially not the Chamber. Because the council has been giving the Chamber 33% of our Motel Taxes to make the payments on the Visitor Center building for 11 years, some said the City of Rolla owned it. The Chamber said they owned it because they arranged the loan to build the \$280,000 building on federal land they didn't own. Here's the truth: Thanks either to the chicanery and/or stupidity of the Chamber of Commerce, *the U.S. Forestry Service owns the Visitor Center.* Because the building was built on land neither the city nor the Chamber owned, **EVERY DIME OF THE \$280,000 IN MORTGAGE PAYMENTS MADE ON THAT BUILDING BECAME AN IMPROVEMENT TO FEDERAL PROPERTY!** This complete waste of public taxes is closer to about **\$350,000+/-** when you add the bank interest we also paid on the Chamber's \$280,000 loan. This is another tale of the greedy elite and how their belief that they are entitled to be supported by Rolla taxpayers has resulted in another inexcusable waste of public money and one that could become much, much worse.

. At the first meeting council committee members, **Gary Hicks, Lou Magdits** and **Stan Spadoni** wanted to clear up the ownership of the VC once and for all. **Mayor Jenks, Butz** and Waterman replacement **Terry Harris** are also on the committee but they make no secret that they are there to help the Chamber. Butz had Bushie's answer ready for the second meeting but said he could only tell the whole council in a closed session. The committee meeting continued but the question of ownership kept coming up because it affected the discussion of other issues. During one of these conversational road blocks Mayor Jenks blurted out: "It belongs to the Forestry Service." Mayor Jenks, twice President of the Chamber, explained that the money paid on the mortgage was considered an "Improvement and Betterment" to the Forestry land unless, Jenks explained, "you want to jack it up and move it or buy the property." Magdits caught on quickly, "Then all the payments were basically out the

window," he said. The Mayor and Chamber officials admitted that all our tax money had been flushed or 'donated' to the U.S. Forestry Service. They were quite nonchalant about it.

Chamber President **Maria Kardon** then confessed that the VC loan the Chamber got from the three Rolla banks in 1993 was "an unsecured loan." Unsecured that is except that the three bankers knew the Chamber's contract with the city to get 90% of all the city's Motel Taxes for 25 years would provide the cash flow to pay off the mortgage. It was one of those deals between the good ole boys at the banks and the good ole boys at the Chamber; the kind of lending accommodation they only give insiders.

The Chamber has kept it a secret that in their haste to get 'their' VC building started, they failed to include anything in their 30-year permit agreement with the Forestry Service that would protect the city's investment or give the city credit for the cost of the "improvement" to Forestry land. In negotiating the Forestry permit the Chamber took care of the Chamber - not the city. These generally are the provisions: If the FS terminates the permit before the end of the 30 years, they have agreed to *pay the Chamber 75% of the depreciated value of the VC building 'improvement.'* The Chamber could pocket the cash and the city would never know about it. The FS can renew the permit at the end of the 30 years or they can take back the property with the building 'improvement.' If the Chamber terminates the permit before the 30 years is up the Chamber can move the building off the property or abandon it to the FS.

There is no rational reason for the city to waste \$511,000 to buy the 9.4 acres because the permit the Chamber already has will allow them to keep using the property for the next 19 years just as they have for the last 11 years. All the city gains by paying another \$511,000 are more long-term park expenses they can't afford. The city has deficits coming out of their ears. They can't maintain the parks they have and they can't even keep the park toilets clean and open. They have no business taking on what will be the most expensive land and long-term park overhead of all our parks just to pander to the Chamber.

### How the city will pay for the same building twice

Eleven years ago the price to buy the 9.4 acres was **\$260,000** because, the appraisal said, the 9.4 acres had "no commercial value." Only 11 years has passed but the 2005 appraisal said the property is now worth **\$511,000**. Only one thing explains such rapid appreciation of land that "has no commercial value," it's the addition of the \$280,000 Visitor Center building. That means if the Rolla City Council buys the 9.4 acres now they **WILL PAY FOR THE VISITOR CENTER TWICE!**

But it gets worse. The mortgage on the building runs till 2009, so if the city buys the land and pays for the building twice they'll have to keep making the unsecured loan payments to the bank until 2009, (between \$2,900 to \$3000 per month) and they will have to start doing all repairs to the collection of old buildings, repairs that have been deferred by everyone for the last 11 years. John Butz was told to get exact estimates but he glossed over the potential costs with a verbal opinion from Hargis that they were in "pretty good shape." Thanks to the

Chamber clowns and their special 'friends' in city hall we have been dragged into another idiotic financial fiasco which the council, as usual, will find out too late all the costs he didn't tell them about.

Butz sent a spin-release to the newspaper Thursday, November 16, on the committee's work to that point. The RDN printed it as a front page 'news' story. It had no by-line, that's how you distinguish propaganda from news. In it he said the chamber/city committee had reached "concurrence" that "the city will be the legal owner of the Visitor Center building once the Forest Service property is acquired." That's his way of saying that once they buy the land they'll never admit they were stupid enough to pay twice for the same building just to cover up the Chamber's mess. When I told one council member it was an outrage to pay for the same building twice, the reply was, "Yes, but only if you want to look at it that way." *Want* to look at it that way? The dollars do not lie. There's no other way to look at it unless you're a pol backed into a corner looking for any flimsy excuse to vote for another Chamber handout.

It looks like the strategy from the beginning was to back the council into a corner with only two choices, either jack the building up and move it or buy the Chamber the 9.4 acres of land it sits on so - as the Chamber will no doubt argue - "all that tax

money already spent on the building won't be wasted." There are times when a political deal gives off such a stench that the only prudent action is to cut your losses to avoid bleeding to death - this is one of those times. At this point only the Chamber is guilty of *fraud and misuse of public funds* but if the council caves in to this blackmail and they throw away another \$511,000 just because they can't stand up to Chamber manipulation, it will be the council that is committing a fraud upon the public and a gross misuse of public funds.

When the committee started out, the only the three city members who weren't members of the Chamber (Spadoni, Magdits and Hicks) were very firm about the changes that had to be made in the contract, cancellation of course was never considered. But as the Chamber has brought in more spokesmen at every meeting to howl with outrage at the idea of providing either value or accountability, we could see the committee begin to melt down. By the time this process is over the committee's final recommendation to the council will provide little more than cosmetic changes. The Chamber never pays a penalty for their mistakes; that's why they're the fattest, laziest, best-subsidized Chamber of Decorators in the state. The price for this screw-up will be paid by Rolla's taxpayers and Rolla's employees for years and years.

## Meet the *County* Chamber of Commerce.

In these committee meetings to revise the Motel tax contract, the Chamber masks have come off and the face beneath is ugly. For people with bad credit, a miserable performance record a flat learning curve and nothing but a tin cup, the Chamber 'negotiators' have been unbelievably arrogant, sarcastic and openly contemptuous of the city council and the public the council members represent. They've made it clear that they're outraged by any demand that they must *prove* that they give some value for the nearly quarter million dollar annual handout. This money, they believe, is their birthright, they *own* it, and they resent having to give the council any accountability except some token after-the-fact reports. They've told the committee repeatedly that "it's our tax." They have apparently been telling each other this fable for 11 years. Buz Harvey even said it's only by the Chamber's good will that *the city is allowed* to have 10% for collecting "the Chamber's" motel tax. If it didn't involve millions of dollars it would be laughable that the Chamber members at these meetings know absolutely nothing about city government and even less about city taxing authority. Butz had to give **Lonna (Stephenson) Sowers** - the latest member to claim the tax belongs to them - a copy of the motel tax statute and explain to her why a tax can only be levied by a municipal authority. "But we're the Partners of the city," she wailed. Lonna didn't appear to believe it. Calling themselves the city's "partner" is their way of inserting themselves into the city's budget yet they've never been 'partner' enough to show the city council the Chamber's books. It would help to sort out the contract issues if they had put the Chamber through a civics course first.

Their arrogance and ignorance of how the city works can partly be explained by the fact that none of these people live in Rolla. **Jeff Brummet** is from St. James. **Buz Harvey, Maria Sachs, Lonna S. Sowers** and **Steve Malott** don't live in Rolla. They will say they have an office here or they shop in town but that's not the same. None of them pay our punishing utility rates;

none pay our property taxes or vote in Rolla. They will not feel our pain when we have to stretch our limited tax income to cover critical public services and still don't have enough left to give decent wages and benefits for our employees. As individuals they have no real financial stake in our problems. That's why they think nothing of demanding millions from us to spend on the chamber's trivial pursuit of money, land and status. The city is actually negotiating a deal to give away millions in taxes to a *County Chamber of Commerce*. There apparently aren't any Chamber members who live in the city who are interested enough in what happens to this club to be on the committee.

Ironically, just a few weeks ago at the request of **Councilman Jordan**, the council went over all their committee ordinances to purge city committees of *county* residents because they don't like having county people meddle in city business - but a week later they sat down with *county* residents to discuss how to give away city money and land to a club represented by *county* people who are dictating how *city* money will be used. If you want a double standard, always go the city council.

**And the arrogance got worse.** At the third committee meeting on October 30, **Buz Harvey**, (?) Chamber V.P. **Jeff Brummet** (Stifel Nicolaus), board members **Maria Sachs** (Gingerbread House) and **Steve Malott** (UMR) were indignant when Council members **Magdits** and **Hicks** (Spadoni absent) very reasonably informed them that their 11-year pork party was over. From now on, for every dollar they get they have to prove that they are giving the city more than a dollar in return. Magdits tried repeatedly and reasonably to explain that council members are accountable to the public and they must be able to justify their use of public funds which means the Chamber has to be accountable to the council and that means some benchmarks for their performance had to be established. The Chamber members simply rejected the whole idea of accountability as if Magdits had made up the word to annoy them. Buz demanded that the VC

volunteer hours should be counted as a benchmark because “it shows how successful we are in terms of giving volunteer opportunities for the people of Rolla.” What a stretch that was. His next gambit was to get credit for the number of hits they get on their web page. Does anyone not know that trick? Send out an email to Chamber members asking them to go to the web page several times a day to run the counter up to protect their budget. Magdits rejected the idea of using nebulous and subjective “value” judgments in place of real dollars. We hope the members of the council are computer literate enough to reject the web counter ‘test’ but we’re pretty sure most of them aren’t.

**Entitled to a free office?** When they were informed that if the city bought the 9.4 acres, the Chamber would have to pay rent for the separate historic building they’ve been using free as a Chamber office all these years it cause another uproar. Magdits explained that a lot of citizens are asking why the Chamber should get free rent. Buz pointed out indignantly that the Chamber always got free offices in city hall. He insisted that it should continue to be that way because he claimed, we’re a partner and an arm of the city.” There it is again. Because of their self-anointed status as the city’s “partners” and “arm of the city” they naturally get everything free.

At this point the mayor stuck his oar in to defend the Chamber. He pointed out that a cop gets free rent worth about \$6,000 in one of the buildings in exchange for mowing. (Ever notice how little mowing is needed in a woods?) Jenks said if he gets free rent they had to be consistent, i.e. give the Chamber a rent-free office too. What we want to know is who is this cop related to and who decided he was entitled to a rent free building? The mayor wants to treat the Chamber and the cop the same to be fair? No, being fair is giving all Rolla cops rent-free houses. Maria Sachs sneered that, “The public doesn’t even know that arrangement exists. The reason they’re so fired up about this issue is really because of Buehler Park.” Maria’s point seemed to be that what the public doesn’t know won’t hurt them. Nice talk from a state employee. Just because the city made the mistake of violating the Constitution by giving away free offices in the past is no reason to keep repeating the mistake.

Jeff Brummet came with a big chip on his shoulder. Brummet claimed the Chamber has been doing everything they were supposed to do and he didn’t agree that anything needed to change. When asked by Magdits to “Just show us some results so we can tell the taxpayers this was worth it,” Brummet replied sarcastically, “We’ll do this to satisfy *you people* but I think the taxpayers would be appalled by some of this crap.” “This crap” was the performance benchmarks the council wants them to meet. Brummet is in the investment business and he thinks accountability is “crap?”

**Time for Harvey to get down off his cross.** Buz kept banging on the “Partnership Doctrine.” This is the fiction all their demands for money are based upon, that the Chamber is the city’s “partner” and thus they are entitled to a share of city budget and any free services they demand. Without this ‘partnership’ fable their whole case collapses and they’re just a social club looking for a handout. No one responded so he explained the Partnership Doctrine with the biggest lie of the night: “We’re just as valuable in our way as the streets and roads department.” Have Harvey and the Chamber really convinced themselves that the so-called marketing and the golf tournaments

of a bunch of feather-bedding, white-collar dilettantes is as important as the labor of city employees? If so, their capacity for self-delusion is limitless.

Seeing that his, you-owe-us approach wasn’t working, Buz broke into full revival mode and testified to his adoration and undying loyalty to the perfect City of Rolla. Buz claims that on every survey Rolla comes up as one of the 10 best cities to live in – a claim he’s never asked to prove. In an increasingly fanatical rant he declared that he couldn’t count the times that he’s wanted to tell someone to “hit the road,” go someplace else and “see how good you’ve got it.” His sermon had nothing to do with the subject of charging the Chamber rent. Buz just routinely inserts these hyper-testimonials to Rolla and the Chamber in all his public appearances. Harvey needs to climb down off his, I’m-the-Only-True-Rolla-Patriot cross. Demanding we all worship Rolla and the Chamber his way or get out of his church is not a winning strategy. His testimonials are over-kill.

**Looking back.** Look back from these meetings to 50 years ago and you can see the ethical erosion of the Rolla Chamber of Commerce. Once, the Chamber was made up of men of character who would have been appalled at the suggestion that they beg or blackmail the city for a tax handout. They gave us Buehler Park to commemorate a great man and asked nothing in return but that the city keep its word – the city didn’t. When the Owsley group took over, the Chamber was reinvented as an organization of lazy posturers who repeatedly take credit for deeds long past, who loudly exaggerate their value to the town. Buz Harvey provided proof that they still trade on the deeds of others. Harvey sunk to a new low when he told Lou Magdits that “they” gave the city 40 acres of land and they provided the Quit Claim Deed so they could sell it and the city will make “make several hundreds of thousands of dollars,” because of them, a bald hint that the city owed them something in return for giving the city the land and helping them sell it. Magdits tried to warn him off but Harvey wouldn’t shut up and continued to explain how the city “owes” the Chamber. *We owe* these freeloaders?

That’s the point. The Chamber is looking for any way to get money to support their club that doesn’t involve anything like hard work or fund raising among their own members to support the bureaucracy they’ve created. A monopoly on marketing for the city is the perfect pretext. Marketing is whatever anyone says it is. The effectiveness of marketing is nearly impossible to prove. Anyone can claim to be a marketing ‘expert’ and everyone in the Chamber does. Despite being dressed up with ‘strategic marketing plans’ and ‘strategies’ it’s still just throwing money in the wind to see where it lands. So far they’ve thrown \$2.4 million into the wind and even the Chamber admits it didn’t accomplish anything.

This organization, that can’t survive without attaching themselves to the public treasury like a sucker fish, says we need to give them a yearly allowance for ‘marketing’ Rolla, a rent-free office and a 9-acre park. What other small rural 3<sup>rd</sup> class city do you know of that ‘needs’ to spend nearly a quarter million dollars a year on advertising? They try to justify their panhandling with absurd claims of being a “partner” of the city and “just as valuable as the street department.” Harvey said the rent money isn’t important it’s the symbolism. The symbolism in this case is about \$4500 a year in fair-market rent they don’t want to pay. The Lions Club does more in one weekend to bring in people who spend lots of money in Rolla than the Chamber has done in

a decade. Based on his 'symbolism' shouldn't the Lions Club have several free offices in city hall?

**Why do they get a monopoly?** The council has about a quarter of a million dollars a year to spend on tourism and that revenue increases every year as the price of motel rooms goes up or the number of rooms increases. The Chamber says they're the only ones who get to spend this money no matter how much money it is. Why is that? Any other contract for a service is put out for bids to see who can come up with the best plan at the best price for what the city needs - except *this* money. The first Chamber no-bid contract was signed in secret in 1993, the night before the voters approved the tax and now the contract is only being returned to accommodate the weak performance the Chamber has turned in for 11 years, but still the council is not allowing any competing bids to be considered. Why does the Chamber automatically get a monopoly? Like all fat beneficiaries of monopolies the Chamber has no incentive to improve and they don't want any. No other contractor would be allowed the record of consistent failure the city has tolerated from the Chamber... except a business like Halliburton.

**There are better ways to do this.** Columbia has a model program and Rolla ought to use it. They have a city tourism committee that accepts applications from any individual, business or group in the community that needs some start-up money to hold an event that will bring people to the community to spend money. Local motel owner/operators – the experts on tourism - are key members of the committee. The Chamber has never tapped the expertise of this group; they are merely viewed as tax collectors. The events are evaluated as to their impact and effectiveness and if found to be worth the money, they can apply for funding again. There are many such events here sponsored by the Lions, Little League; The Bicycle Tour of the Ozarks and others who might expand their events if they had some help. Other local groups might create new activities if they had some help, but the potential for broader community participation will always be suppressed as long as the Chamber has both trotters in the trough.

Shutting out wider community participation in favor of a few elite groups is Rolla's habitual weakness and has always been its most damaging habit. It's why smaller communities have made more progress while Rolla has fallen behind.

**What do we get out of this?** I asked this question and the Mayor answered indignantly, "The Chamber helps bring in people who pay our sales tax that helps to improve our quality of life here in Rolla." If I hadn't been so stunned I would have laughed. Does

Jenks really believe that the linchpin to our quality of life is giving millions of dollars on the Chamber so they can bring in a few hundred dollars in sales taxes? What does giving the Chamber a 9.4-acre park maintained at our expense, paying twice what that 11-year old building is worth and a contract to spend more money on marketing do to "improve our quality of life?" Does it lower our electric rates? Does it let us use the recreation facility which is priced for the top 5%? Does it reduce our taxes or give our city employees a fair wage and benefits? No, giving the Chamber more money, buildings and parks does nothing for the quality of life for the vast majority of Rolla's citizens but it does satisfy the need of those who define their own quality of life in terms of the dollars they get to spend. Only Rolla's spoiled elites would believe that giving them their annual allowance so they can play Marketing Executives is going to improve our quality of life.

**Chamber Director sacked.** Between the third and fourth committee meetings the Chamber board fired **Executive Director Linda Kuenzie**. The board, having neglected their own responsibility to provide the oversight necessary to see that they met the requirements of their contract with the city for the last 11 years, is using Kuenzie for their scapegoat. By the 4<sup>th</sup> committee meeting they were blaming all their shortcomings on Kuenzie who conveniently was not present to defend herself. What an ethical bunch. Just the kind of people we want to sign another contract with.

**When does the public get to speak?** Several times, **Councilman Gary Hicks**, the chairman of this committee has prohibited questions and comments from anyone but members of the committee. Unfortunately, Hicks interpreted the term 'committee member' as anyone with a chamber membership card but no one else. Taxpayers have been almost totally unrepresented in these meetings. If you're merely a taxpayer you don't have the right to speak even to correct Lonna Stevenson Sowers when she gives the 'history' of the motel tax and has it all wrong. That's not surprising given the tradition of stomping on public speech in Rolla. It's also not surprising when RDN reporter, **Just Jaime Baranyai**, reported on the 6<sup>th</sup> committee meeting having missed the first through the fifth. However, when **Tom Sager** tried to speak and was also told to shut up by Hicks, Baranyai was bitchier than is normal even for the RDN. She described it this way. "Although Sager tried to interrupt the meeting and put his two cents in, Hicks prevented him from doing so." Does Just Jaime think the First Amendment is only worth two cents? Did she get the "two cents" quote from Hicks or was that her very own cute touch?