

# No Standing News

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

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## TAKING ROLLA FOR A (HELICOPTER) RIDE

At the council retreat in June the retreat facilitator prepared the council for strategic planning by taking them on an imaginary helicopter ride "to gain a new perspective of our community." Strategic Planning is a management device whereby a group of people, in a short period of time and without benefit of facts, free-associate, toss out personal opinions and come up with things to do and spend money on based upon their collective ignorance. Later, the staff morphs the result into a document called "The Strategic Plan" complete with strategic goals and action plans. The finished product reads like someone else's meeting, but it sounds so impressive that the participants never admit that the result bears little resemblance to anything they said at the meeting. This planning exercise is a preliminary to taking taxpayers up for a virtual (helicopter) ride where they will be shoved out the door.

At the August 21st council meeting the city council voted to form a "task force" to "assess Rolla's current economic development structure." The task force will tackle five new strategic policies, the well-massaged products of their June Retreat. The first one is called, "Strategic Goal No. 1 - Expand the Tax Base to Provide Services and Sustain a Vibrant Economy -

**Organizational Models."** As planned, the city administrator suggested a "Summit" meeting of the Chamber, RCDC, banks, land developers, and no more than 2-3 council members (so "the City does not dominate the process") to "assess Rolla's current structure focus to seek ways to improve our collective efforts if possible." We found the restriction on council attendance hilarious. The entire council with 300-pound gorilla in tow couldn't dominate the Summit meeting; they can't dominate their own agendas. And hey! How can the other council members be disinvited to a city meeting they voted to have and where they are paying for the food? That's an open meeting, everyone is invited!

Translated, the strategic management-speak means that the same interests who always do this sort of "summit-ing" are going to do breakfast at Zeno's at the city's expense and agree once more that something needs to be done about "The Problem of Economic Development in Rolla." They will decide that the problem with economic development is as follows: Rolla doesn't have enough of it; they want more of it (but only if it is non-union); to get more of it the taxpayers (not the Summiteers) need to spend lots of money marketing it (again), so the city must hire a full-time "expert" to do it (again). Meeting adjourned.

At the September 5th council meeting it was announced that the Summiteers will be: **Steve Bowles and Jean Ann Matthews, Bill Marshall and Bob Thompson, Dain Ward, Terry Brewer, Joe Morgan, Matt Williams, Arne Visnapuu, Randy Verkamp, Robert Larivee, Neil Smith, Russell**

**Lindenlaub and Mike Woessner.** Many of the 14 represent an interest in the Rolla Community Development Corporation (RCDC): (Bowles and Matthews) the Rolla Chamber of Commerce - an RCDC me-too club; (Marshall and Thompson) the banks that own stock in RCDC and loan money to RCDC; (Ward) the RCDC board; and (Brewer) a tenant of RCDC's industrial park. Also included are the Business Mayor and two new members of the Rolla City Council who can be counted on not to "dominate" the group. One of the two council members is Matt Z. Williams, son of John Z. Williams, member of RCDC. There was a token nod to the county with the inclusion of Verkamp and to the schools by adding Larivee. Mike Woessner will be appearing to protect the interests of Rolla's out-of-control land developers. Neil Smith will represent the university. Russ Lindenlaub runs Missouri Enterprise. It looks as if RCDC's usual arrangement for interlocking conflict-of-interest is adequately covered by this group. If there is any money to be pried out of the taxpayers with this bit of theater we can safely predict that RCDC is going to decide how and where to spend it.

It is, however, remarkable to see a woman on this committee. Jean Ann Matthews wouldn't be in this group if she hadn't just been hired to run the Chamber of Commerce. Given her credentials, which are better than everyone else's, it would look odd to leave her out after the recent ballyhoo over her appointment. Economic development, as we all know, is not a fit subject for the ladies, bless 'em, that's why, despite the business accomplishments of many women in Rolla, no woman has ever been

appointed to any of the city committees on this subject and no woman appears on the RCDC board list. Through an accident of gender in hiring, Jean Ann Matthews, a mere female lacking the requisite RCDC indoctrination, may have the only fresh, unbiased point of view - and if she likes her job she'll keep it to herself.

In the memo which listed the appointments to the latest "Task Force on Economic Development" it was explained that, "**Over the last several years the City of Rolla has had no formal economic development program and has provided little financial commitment for same.**" They go on to point out how RCDC has been shouldering the "bulk of the economic development leadership for the community." That's the tip-off. Someone has decided that they want the council to appropriate a lot of money to spend on economic development. The memo points out that in 1993, after contracting to give REDC (Rolla Economic Development Committee) \$100,000 for economic development, the city defaulted and didn't hand over the cash. They admit that REDC is a defunct city committee, but just last October, Dain Ward, as REDC's Chairman, was taking Wal-Mart donations to spend on Hy-Point Industrial Park. There should be enough clues there to tell you what this group is expected to do - lay a guilt trip on the city council by telling them that the economic development failure in Rolla is because the city hasn't spent enough money on it. They only plan to have two or three breakfast meetings; do you really think that in just six hours they're going to arrive at any conclusion other than the one that has been broadly hinted in the memo?

**"Those Who Do Not Learn from History..."** No one, of course, will dare say out loud that this is the same failed conclusion to the same question about the same problem that has been raised about every five years for the last three decades. It's true; consistency IS the hobgoblin of little minds. No one will

point out that Dain Ward should not have another city position because he is already an RMU board member, President of the Rolla Economic Development Committee (RECD) and President of RCDC. Just how much conflict-of-interest baggage can one man carry around without any tarnish showing on his halo? No one will point out any of those things because in Rolla you don't say out loud that our little Emperors are prancing around buck-naked.

In May 1999, after Morgan appointed Dain Ward as Rolla's non-salaried Economic Developer, 'Kernel' Ed Owsley, attended by the faithful Dain Ward, went to a state economic development meeting. Ward later reported to Mayor Morgan that they had found some "good" economic development marketing ideas. He proposed a Webb (sic) page, more brochures to "tell the story of Rolla," and giving away coffee mugs or bottles of BBQ Sauce "packaged in a neat box." Yaw-w-w-n. Oh yes, he also strongly recommended hiring a full-time economic developer. It was no coincidence that Dain Ward and Ed Owsley were at the August 21 council meeting to cheer on the idea of a Task Force on Economic Development.

**Why Doesn't It Work?** This is why the same stale marketing ideas haven't worked and why they still won't work. All hype to the contrary, Rolla just doesn't have the key things that industries need. Large industries looking for a location want the following things and they want them in approximately this order: **(1) A large, well-educated labor pool, (2) good water and lots of it, (3) cheap power and lots of it, (4) access to major transportation arteries.** That's the short list. On the long list add: (5) affordable housing for employees, (6) primary health care within a reasonable distance, (7) good schools for employee's kids who are their future labor force.

Don't waste money on brochures, boring videos or coffee cups until you get at

least their first three basic needs right. Surplus workforce is questionable in this economy but the economy won't be this good forever. We do fairly well in 4, 6 and 7. We do very poorly in numbers 2, 3 and 5 but two and three are the important ones and the most expensive. How to overcome those two barriers to sustained economic development is what the Summit should be discussing. The truth is that our power, water and sewage capacity is inadequate to very poor, and housing stocks in the \$75 - \$85,000 price range are run down and/or in short supply. The housing shortage is easier to solve and less critical than the water and power deficit. Building surplus or excess utility capacity takes a very big capital investment and Rolla has no more money to invest. In two short years they've maxed out their only credit card - Rolla's constitutional debt limit.

**The Spending Binge.** Rolla has a constitutional debt limit of 20% of the total amount of assessed valuation of taxable property or: \$25,695,554 \*(see note). From 1976 until two years ago the city had no bond debt so they had \$25.6 million to invest in building the extra utility infrastructure necessary to attract new industries. Instead, in August 1998, encouraged by the Business Mayor, Magdits, Moorkamp and a council that never checks figures for themselves, Rolla voters invested \$11.7 million in a recreation center and their credit limit plunged suddenly to \$13,995,554. The following April, a second general obligation bond was approved for \$750,000 to sewer and water the Southside annexation because the mayor and council, once again, hadn't checked the cost estimates carefully. Their credit balance was now down to \$13,245,554. Seven months later, under threat of prosecution by the state, another \$5 million sewer bond had to be passed and the city's bonding capacity dropped to \$8,245,554. Next, RMU asked the council to give away \$6 million of what the city had left to buy diesel generators. This \$6 million RMU experiment will allegedly be repaid by RMU's profits from selling surplus power. The council

and mayor signed away another \$6 million in city credit without asking for proof that the diesel generator theory would work. RMU will spend the money but the debt will have to be paid by the city if RMU defaults so it still counts against the city's debt limit. Now the city is down to \$2,245,554 in available bonding capacity. In other words, the debt ceiling is about to hit the council on their pointy little heads. What were they thinking? Can none of them do this simple math? Are they even aware there is a debt limit? From \$25.6 million down to \$2.2 million in only sixteen months? That's quite a spending spree and only the sewer plant improvement addressed a critical infrastructure problem. Mayor Morgan has already decided how to spend the final \$2.2 million if he can get voters to approve just one more bond issue to build the road he needs from Highway 63 to his subdivision. It's great to have a mayor with such a head for business.

So, the Summiteers will meet and eat, they'll grumble and harrumph about how the city should be run like a business; conveniently ignoring the fact that it's their Business Mayor and their pro-business council who have squandered the city's credit in sixteen short months. They'll talk about how more marketing is the solution, and ironically, they will tell each other that Dain Ward will solve the problem, ignoring the fact that Dain Ward IS part of the problem. It was Dain Ward, the RMU board member, who made off with \$6 million in city credit for a silly diesel generator scheme; six million that could have been invested in expanding the water/sewer and electric infrastructure to attract industry. Upon hearing the analysis from the Summiteers - that more money needs to be thrown at The Problem and Dain Ward needs to be hired to do the throwing - the council will fall all over themselves to vote on something - anything - to implement the "new" ideas which will "Solve the Problem of Economic Development in Rolla." That being taken care of, printed coffee cups will be ordered and "The

Problem of Economic Development in Rolla" will be solved...again.

**Whose Job Is It?** Certain questions have never been asked or answered in Rolla and it's long past time they were asked before more money is thrown down the same economic development rat hole.

**Question #1: Is it the responsibility of the taxpayers to advertise the city to industry or is it only their responsibility to provide the infrastructure base to support industrial development?** Years ago before the question could be asked, RCDC supplied the answer and since then the city has sporadically handed over tax money for numerous impotent development efforts because the Chamber and RCDC told them it was their job to pay for it - but is it?

**Question #2: What exactly is the long-term capacity of Rolla's sewer/water and electric services?** If they are inadequate, where will we find the millions needed to upgrade?

**Question #3: Should public tax money be spent on developing RCDC's industrial park instead of the city's own industrial park?** The city has violated the state constitution numerous times by giving land and cash to RCDC. Why is our tax money used to improve RCDC's private property while the city industrial park grows weeds?

**Question #4: Why should more tax money be siphoned away from basic city services to market industrial development while the Chamber of Commerce consumes over \$190,000 a year marketing Rolla's non-existent "tourism" with no measurable benefit?** Is marketing tourism significantly different from marketing to industry? Why can't they be combined?

**Question #5: Why don't local banks, businesses and industry (i.e. the Chamber) contribute their money to these repetitive and futile marketing efforts?** If local banks and retailers, who

would be the first to see a cash return from industrial development, aren't willing to invest their own money why should the taxpayers be the only ones to gamble on advertising brochures and coffee cups?

**Question #6: How much of the "financial commitment" for economic development that the Summiteers will squeeze out of the city council will wind up paying off the bank loans of RCDC or otherwise "improving" their property?**

Dain Ward and Ed Owsley protested again at the August 21 council meeting, as they have many times before, that there is no personal gain for them or RCDC in any of this. Well, give those guys printed coffee cups and cover them with BBQ sauce. We think they protest too much; it's time for RCDC to put up or shut-up. Instead of just claiming it, why don't they prove their civic spirit by giving Hy-Point Industrial Park to the city? That would be very convincing proof of their altruism. All it takes is a simple deed; the same kind of deed the city has used several times to give RCDC illegal gifts of land at the taxpayers' expense. The taxpayers would at least get some of their land and money back. If we have to pay the bills then we should own the property. If it's RCDC's property and they want to call the shots, they can spend their own money to market their own industrial park.

Links:

NSN #21: The Geese that Laid 18 Million Golden Eggs

[http://www.rollanet.org/~rwnash/nsn\\_1\\_21.pdf](http://www.rollanet.org/~rwnash/nsn_1_21.pdf)

NSN #23: What Happens if You Give a Mouse a Cookie?

[http://www.rollanet.org/~rwnash/nsn\\_1\\_23.pdf](http://www.rollanet.org/~rwnash/nsn_1_23.pdf)

\*Constitutional Debt Limit: MO Constitution, Art. VI, Sec. 26(b) (c) and (d). Figures are from 1999 Bond Authorization Official Statement, "Debt Structure of the City."

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