

COMMENTARY

Our View

Time for county to bring in outside auditors to vet contract

Too many questions are building over operations of Malheur County’s economic development operation. A lot of money and the county’s economic future is at stake. The Malheur County Court needs to order a thorough outside audit.

Since 2013, the county has turned over its economic development efforts to Greg Smith through Gregory Smith and Company. That’s cost the county \$108,000 a year. Now, it turns out, Smith holds down two other full-time jobs, manages economic development for three other counties, and has other duties.

County officials have put great stock in Smith’s talents to drive planning for Treasure Valley Reload Center, a rail center for Nyssa. They have been too content to let Smith spin his stories and accept his claims. County Judge Dan Joyce did not even bother looking at Smith’s bills because he didn’t want to “micromanage.”

Perhaps if Joyce had been more attentive he would have better answers to why the state was told land costs for Nyssa would be \$1.6 million when they are north of \$3 million. Perhaps if Joyce were more attentive, he would be holding Smith accountable for wrongly telling the state a cargo deal had been signed when that never happened. And now, it appears, the state is warning it will pay only for land needed for the shipping center – not extra acreage for a speculative industrial park.

But what should really rankle taxpayers is the disclosure that not only is Smith working on another community’s rail project, he’s doing so for free. County officials said they didn’t know that when they recently decided not only to award Smith’s company an extra \$72,000 for the year ahead but also set up a \$50,000 kitty for the company to use for rail expenses.

What gives? Smith isn’t talking to the Enterprise and the county judge didn’t answer written questions. On its face, it looks like Malheur County got played. Our community is expected to dip into its modest treasury to satisfy Smith and Company while the Albany area gets services, once charged at \$10,000 a month, at no cost. On a per capita basis, Malheur County is the poorest in the state. The Malheur County Court, when it comes to Smith, acts like we’re among the richest.

The county court’s hands-off approach to managing Smith means there has been no meaningful oversight or review of Smith’s actions in Malheur County. The county court should remedy that by tapping the budget one more time – to hire credible, skilled outside auditors. Among tasks that should be charged to these auditors:

- What have Malheur County residents been getting for more than \$100,000 a year? How does the service match what other communities get from economic development?

With the county already shelling out \$108,000 to Smith and Company, what did the community gain when the county handed over another \$72,000?

- Now that we know Smith has been working for free elsewhere, the evidence that he used the Malheur County operation to cover some of his valley work makes sense. Let’s find out how much time and resources paid for by Malheur County has been diverted to the Linn County project.

- Examine in detail Smith’s trip to Los Angeles in 2018. The trip has an odor to it. Smith has said he went to a trade expo to hand out material. But expo rules didn’t allow him to do that. Did he not go to the event, or did he flout the rules to sneak material in? Sneaking wouldn’t exactly get a great image for Malheur County. And he stayed at a hotel far from the expo site. Was he really there for the expo or did county residents help fund a vacation trip for Smith? This goes to Smith’s credibility and honesty, and the county court should want assurances on both counts.

- Examine the handling of the Treasure Valley Reload Center. Why did Smith change his accounts for what land was needed and what it would cost? When did he find out it would be up to Malheur County, not the railroad, to provide costly rail cars to make this project work? When did he learn the state would limit how much land could be zoned for this project? Malheur County officials so far have shown precious little interest in holding Smith accountable on such issues.

The taxpayers of Malheur County deserve to know all of this, and an independent audit – by those with no connection to the county – is the best way to proceed.

Three results are possible from an honest audit. One would be that Smith and his crew have performed admirably. One would be that Smith and his crew have stumbled and here are ways to get more value from his contracts. And one would be that Malheur County would be better off to go a new route with new talent.

Those results might not all be to Greg Smith’s benefit, but this isn’t about him. This is about getting county taxpayers the most for their money, providing oversight that has been lax at best, and any of those three results would instill confidence in a county operation now on shaky legs.

– LZ

We love a cowboy-style parade

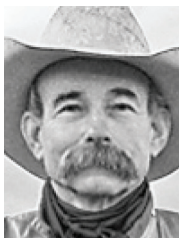
You gotta hand it to cowboys. They can turn a birthday cake into a four-alarm fire.

Many years ago, the Napa Valley (California) County Fair and Rodeo wanted to do something to attract attention to their big PRCA rodeo. Now I’m not sure how the conversation went at the Fair Board meeting, but maybe something like this...

“Why not have a cattle drive down Main Street. Call it the Texas Longhorn Cattle Stampede.”

Detractors, stick-in-the-muds, spoil sports and accountants would have reacted with reasonable objections: “Are you crazy! What if they got loose! You ought to be committed! What if somebody gets hurt! And where on God’s green earth could you get anybody who’d let you borrow 33 head of full grown longhorn steers to turn loose on Main Street!”

Into the spotlight stepped COTTON’S RENT-A-COW & BAIL BONDS. They assured the city officials that they had steers that were



ON THE EDGE OF COMMON SENSE

By Baxter Black, DVM

‘street-wise and couldn’t be spooked and were absolutely controllable! (you can almost hear a cowboy sayin’ that, can’t you...!)

Well, friends, Texas Longhorn Cattle Stampede made the front page. Quotes from onlookers and police included:

“I almost got gored!”

“Not under complete control!”

“Surreal!”

“Unbelievable!”

“We ain’t doin’ this again!”

“People could have been injured!”

“Cattle riot!”

“Why don’t they just load ‘em on the truck before someone gets hurt?”

According to the Napa County Sheriff’s Posse and local cowboys, it did get a little western.

Cattle bolting every which way,

clattering against the front door of the Redwood Bank, running through the parking lot, scattering protesters, grazing on City Hall lawn, side mirrors snapping off parked cars and lots of screaming. To put the problem in a nutshell, you could

say the steers followed the parade route just a little wider and a littler faster than everyone expected.

The Texas Longhorn Cattle Stampede did what the Fair Board wanted. It drummed up attention for the big rodeo that night. Lots of TV coverage, front page in the paper and a story that the citizens of Napa told for years.

That’s good. Although the Fair Board might have been a little embarrassed, it’s the kind of news story that lives on. And to top it off, it’s a cowboy story.

The Stampede did not become an annual event in Napa, but as one onlooker who’d seen the running of the bulls in Pamplona remarked, “Some people go all the way to Spain to see this sort of thing.”

BUSINESS BEAT

Identify, then fix, those problems

By Andrea Testi
For the Enterprise

Every day I meet business owners who are frustrated by low profits, lack of growth, or the stress of the never-ending demands. Many struggle with all three.

While every business is different, there is one common denominator ... you, the business owner, and six key factors. The tricky part is that failing to have a handle on just one of these key areas can result in mediocre performance, a stressful existence, or ultimate and intimate failure. This is the one reason the failure rate for small businesses is so high.

By understanding the factors that make business successful you will be able to quickly assess where you and your business are and actively begin the process of stabilizing and growing your business.

Factor #1: Target Marketing – do you have a strategy to reach your best potential customers with your sales and marketing efforts? A shotgun approach is too expensive and inefficient. You need to know your customers and target your marketing strategies.

Factor #2: Management – Hiring the right people is critical. Great hiring is a skill, one that frequently is not the strong suit of the typical business owner. Hiring by trial and error



is an expensive and painful way to build a staff. Do you have a hiring process? Are you comfortable firing employees who don’t work out? Do you need a management mentor to make this more successful?

Factor #3: Operations – Is your company getting the job done? Are customers happy? Do you know? How is employee turnover? Are employees happy? Would they tell you if they weren’t? Do you have people who tell you the truth? Do you yell? Have good people left your company for more money? These are frequently an indication of other strategic problems.

Factor #4: Accounting and Finance – Accounting is not just about paying taxes. It is about information, insight, and control. Great accounting will not make a business successful, but bad accounting can destroy a business. Is someone staying on top of receivables, being careful about opening new accounts and making sure the existing ones are current? Do you know your debt-to-equity ratio? Could you walk someone through your financial statements and explain each part?

Factor #5: Pricing - I can’t tell you how many times I have seen business owners either put themselves out of

business, or never make the money they should have, because of bad pricing models. They charge prices that bear no relation to the costs or to the value proposition. This is just one of the reasons a company needs accurate accounting – so it can determine the true cost of a product or service. Do your salespeople have control of the pricing for jobs that they quote? If so, are they selling at a price that allows you to make a profit?

Factor #6: Leadership – any one of the above factors could fill a book, and leadership is no exception. Let me count the ways; vision, direction, inspiration, support. It is similar to management, but they are not the same thing. When a business is small, the boss has to manage and lead. One minute you are writing someone up for violating the attendance policy, and the next you are trying to inspire the troops. Perhaps management is pushing, and leadership is pulling. It’s not easy doing both at the same time.

To run a successful business, it’s important to monitor exactly how your business is performing, with the numbers to prove it. The key is to spot symptoms of decline before they accumulate, and then shift toward actions that build positive momentum.

Andrea Testi, director of the Treasure Valley Community College Small Business Development Center, can be reached at SBDC@tvcc.cc

STATE NEWS

DOMESTIC DIGEST: Straws no, turtles yes

Oregon Capital Bureau

SALEM – Here’s a look at some of the bills approved last week in the Legislature, headed to Gov. Kate Brown for signing.

TOW TIME: Senate Bill 396 slashes the amount of time a gas station operator must wait before towing a vehicle that’s blocking access to a pump. Current law states there’s a 72-hour minimum before a vehicle abandoned on private property can be towed away.

Under SB 396, if a vehicle is parked at a fuel pump and preventing it from being used, the business owner can have it towed with two hours’ notice. Rep. Lynn Findley, R-Vale, who carried the bill, said the provision will help businesses that depend on having fuel pumps available at all times, such as truck stops.

MUZZLED: In 2017, the Columbia County Spotlight touched off a state-wide conversation about how dogs are used in jails when it obtained video of a K-9 being turned on a county jail inmate who had

refused to leave his cell.

Senate Bill 495, which the House approved 54-1, bans the use of dogs to extract inmates from cells. The legislation was supported by law enforcement and civil rights groups. Rep. Greg Smith, R-Hepburn, was the sole nay vote.

WE LIKE TURTLES: Senate Bill 90 would ban restaurants and convenience stores from serving beverages with plastic straws. The bill passed the Senate on a 18-8 vote, with Sens. Bill Hansell, R-Athena, and Tim Knopp, R-Bend, joining Democrats in favor.

The war on straws began after a video emerged of biologists pulling a straw from a sea turtle’s nose in 2017. Estimates say there are billions of straws polluting the world’s shorelines, but overall they are a fairly insignificant portion of the plastic in our oceans.

However, Gov. Kate Brown said the bill raises awareness.

GANJA GLUT: Officials say since the legalization of weed, it would take

six years to consume the current oversupply. With no export options, the state wants more control of production.

Senate Bill 218 gives the Oregon Liquor Control Commission authority to stop issuing licenses when supply exceeds demand.

CALL LIMITS: House

Bill 3216 allows a person to sue someone who calls the police on them merely to humiliate them, infringe on their rights or otherwise cause harm.

The Oregon Capitol Bureau is a collaboration of EO Media Group, Pamplin Media Group and Salem Reporter.

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SUBSCRIPTIONS, Annual Rate
\$40 in Malheur County
\$45 outside Malheur County
\$35 Malheur Co. seniors (65+)

PUBLISHED EVERY WEDNESDAY
Publication No: 0464-7735

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Periodical postage paid
at Vale, Oregon