

City follows county's lead, puts WCEGP funding on hold

Written by

Wednesday, 15 December 2010 00:00 - Last Updated Wednesday, 15 December 2010 12:34

The Washington County Economic Growth Partnership took another hit this week when the Salem City Council voted to withhold \$25,000 they had budgeted for the group in 2011 at its regular meeting Monday (Dec. 13).

The city council's move came off the heels of a similar decision made by the Washington County Council at its regular meeting on Dec. 6. At that meeting, the council decided to move money from the Growth Partnership's line item and put it into a fund that they council controls for economic development.

The county has to approve any money that is spent from that fund.

The county council's decision was split 3-3 with president Jim Day casting the deciding vote. The city council was not as divided about the decision.

WCEGP Executive Director Lana Sullivan presented the city council with a year-end report and talked about some of the things accomplished by the group this year.

Later in the meeting the funding of the growth partnership came up.

Councilman Justin Green said he was aware the county decided not to fund the partnership for 2011, but felt the city should stick to what they set for the budget for 2011, which was \$25,000.

Councilman Wally Terkhorn disagreed. He said he feels like the city should follow the county's lead and see what happens.

Terkhorn followed his comments by making a motion, which was seconded by Nancy Fultz.

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Councilman Danny Libka said deciding whether or not to fund the WCEGP was difficult, but he was one of four who decided to withhold funding for now.

Libka said the state of the city's finances was the determining factor for him.

"The city is so far in debt, so money is the big factor," he said. "This is a decision that can be reviewed later. I know Lana is working as hard as she can. Jess Helsel is a man who has helped this community so much. That's why it was a tough decision. I respect both of them so much. I know what they are doing, they are trying.

". . . You think, 'Is this the right decision?' The answer is that you never know. I heard someone say, 'we want to get the most bang for our buck' and I agree. If this is not the right answer, it is going to come to light and we can review the decision and make a change. If you make a mistake, you stand up and say, 'I messed up, but I can correct it.'"

Salem Mayor David Bower said money is still in the budget for economic development but the growth partnership no longer gets the automatic draw.

"We do have a line item in place where we have the ability to fund the growth partnership," Bower said. "It's not that we pulled funding completely, we pulled the automatic funding completely. The blank check stops now. There is no more automatic appropriation. I think our county, our city and our community wants to see us use more of a performance based appropriation process.

"I think that's both good and healthy."

Sullivan released another comment Wednesday morning concerning the city's decision.

"The Washington County Economic Growth Partnership decreased its budget request from both Washington County and the City of Salem by \$10,000 each for 2011," Sullivan said. "This

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reduction was done in an effort to realize that many organizations are cutting services to meet the ever changing demands of today's economy. Our organization chose to recognize this fact. We decreased our expenses by scaling back certain marketing services and implementing new services that are more cost efficient. We are hopeful that the funding issues can be resolved and, as always, we welcome any suggestions that others may have for the WCEGP."

There are future plans for the city, county and the economic growth partnership to get together to discuss the direction local entities want to go with economic development.

The first meeting will be Dec. 21 at city hall and the growth partnership will not be included. Bower said two members of the city council and two from the county council will attend what he called a "visioning meeting" to discuss the role of government in economic development.