

The Morning News

Local News for Northwest Arkansas

LAST UPDATED FRIDAY, MAY 8, 2009 7:55 PM CDT IN NEWS

Chamber Scrutiny Continues

By Steve Caraway
THE MORNING NEWS

SPRINGDALE — Growing criticism of the Springdale Chamber of Commerce has led to increased scrutiny of the organization.

Last month, the City Council delayed renewing the chamber's \$100,000 a year economic development contract for two weeks before approving a revised contract requiring more reports. During the delay, several Freedom of Information Act requests were filed with the chamber asking for information on how it spends the city's money. The requests were filed by Anita Davis, a city resident.

The requests asked for financial records, political contribution records and other material prepared for the city, according to Perry Webb, president and chief executive officer of the chamber.

The requested documents total 1,594 pages, including credit card receipts, bank statements, audited and unaudited reports ranging from 2004 to 2009.

"The last request was for the credit card receipts, specifically those credit cards which I have access to," Webb said. "I thought that was getting a little personal."

Five people from the chamber board of directors oversees expenditures. The financial records are reviewed by an accountant with another accounting firm performing an audit.

"If there is a smoking gun in our records and those people couldn't find it," Webb said, "then nobody is going to find it."

Davis, through her attorney Brian Campbell, said she was busy reviewing the documents and had nothing to say about them her request.

The documents were open to FOIA requests due to the mingling of money from the city with other chamber income, Webb said.

Some council members criticized the chamber's accountability for the economic development money. The aldermen said they need to be able to tell residents how the chamber spends city money.

"I'm all about accountability and transparency," said Alderwoman Kathy Jaycox at the council meeting.

Webb delivered reports on chamber activities to the council during each of the last two years before the contract was renewed. More detail is needed, said Alderman Jesse Core.

"We need to tell taxpayers how each dollar is spent in times like these," Core said.

Accountability is no problem, said Blake Hanby, chairman of the chamber board of directors.

"The chamber has been doing things right," Hanby said, "we just haven't done a good job of telling people about it."

The quarterly reports required by the new contract will be detailed, Hanby said.

"We want a collaborative relationship with the council," Hanby said.

The chamber has always made reports at the request of the mayor, Webb said.

"We have never refused to make a report," Webb said. "A few years ago, we made monthly reports. We'll do it again if they ask us to."

The 2008 report details expenses which include a \$60,000 for a cash incentive, \$152,000 for a master plan with research and \$72,000 for lobbying.

The incentive payment came from donations made during the Springdale Tomorrow initiative and was used to pay for equipment for the Duralor Company, a high-technology company located in the city's tech park, Webb said.

The master plan was a concept for development of the space around Arvest Ballpark, to be used as a reference point. The lobbying payments were for efforts made on both the national and state level.

"We had two bills we wanted to push during the 2009 legislative session," Webb said. "Lobbying starts well before the Legislature meets."

The criticism rankles at times, Webb said, but should be expected.

"Everybody in my position is going to receive criticism, especially in these economic times," Webb said. "You have to look at it, see when it is valid and use it as constructive criticism."

By The Numbers

2008 Economic Development Expenditures

Springdale Chamber of Commerce

Cash incentive for equipment purchase \$60,000

Master plan, retail and housing research \$152,000

Architect fees and concept development \$19,300

Lobbying/political consultants \$72,000

Jones Center Marshall Islands coordinator \$29,500

Total \$332,300

Source: Springdale Chamber of Commerce