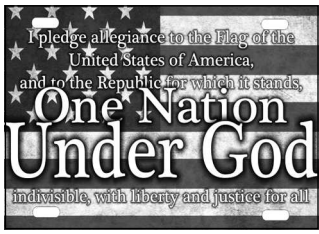


DAILY PLANNER

TODAY

Today is Friday, June 14, the 165th day of 2019. There are 200 days left in the year. This is Flag Day.



TODAY'S HIGHLIGHT

On June 14, 1954, President Dwight D. Eisenhower signed a measure adding the phrase "under God" to the Pledge of Allegiance.

ON THIS DATE

In 1775, the Continental Army, forerunner of the United States Army, was created.

In 1777, the Second Continental Congress approved the design of the original American flag.

In 1940, German troops entered Paris during World War II; the same day, the Nazis began transporting prisoners to the Auschwitz concentration camp in German-occupied Poland.

In 1943, the U.S. Supreme Court, in West Virginia State Board of Education v. Barnette, ruled 6-3 that public school students could not be forced to salute the flag of the United States.

In 1968, Dr. Benjamin Spock and three other peace activists were convicted in Boston of conspiring to encourage young men to evade the draft during the Vietnam War. (The verdicts were later overturned by an appeals court.) The Iron Butterfly single "In-A-Gadda-Da-Vida" was released by Atco Records.

In 1982, Argentine forces surrendered to British troops on the disputed Falkland Islands.

In 1985, the 17-day hijack ordeal of TWA Flight 847 began as a pair of Lebanese Shiite Muslim extremists seized the jetliner shortly after takeoff from Athens, Greece.

In 1986, death claimed Broadway librettist Alan Jay Lerner in New York at age 67; Argentine author Jorge Luis Borges in Geneva at age 86; and "Wild Kingdom" host Marlin Perkins in suburban St. Louis at age 81.

LOTTERY

Megabucks: \$4.2 million
5-18-23-35-41-45

Mega Millions: \$45 million
20-34-39-43-57-13-x3

Powerball: \$79 million
5-35-38-42-57-PB 13-x2

Win for Life: June 12
10-33-36-65

Pick 4:

June 13

• 1 p.m.: 8-8-9-2

• 4 p.m.: 0-3-5-2

• 7 p.m.: 7-2-7-1

• 10 p.m.: 9-1-9-5

Pick 4: June 12

• 1 p.m.: 6-6-7-1

• 4 p.m.: 2-0-0-4

• 7 p.m.: 3-8-7-0

• 10 p.m.: 8-4-4-0

ROAD REPORT

Numbers to call:

• Inside Oregon: 800-977-6368.

• Outside Oregon: 503-588-2941.

NEWSPAPER LATE?

Every effort is made to deliver your Observer in a timely manner. Occasionally conditions exist that make delivery more difficult. If you are not on a motor route, delivery should be before 5:30 p.m. If you do not receive your paper please call 541-963-3161.

QUOTE OF THE DAY

"The flag of the United States has not been created by rhetorical sentences in declarations of independence and in bills of rights. It has been created by the experience of a great people, and nothing is written upon it that has not been written by their life. It is the embodiment, not of a sentiment, but of a history."

— President Woodrow Wilson (1856-1924), in an address delivered on June 14, 1915

LOCAL BRIEFING

From staff reports

Adult summer league soccer begins Monday

LA GRANDE — Grande Ronde Valley FC's Adult Summer League Soccer begins June 17. Games will be played on Monday and Thursday through Aug. 1. Cost is \$40 for adults and \$20 for high school and college students. More details and registration information is available at www.grvfc.com. For questions, email coach@grvfc.com. Grande Ronde Valley FC is an inclusive, community-based soccer organization.

Public hearings on B2H transmission line scheduled in Eastern Oregon

SALEM — The Oregon Department of Energy and the Energy Facility Siting Council is holding a series of public hearings on the Draft Proposed Order for the Boardman to Hemingway Transmission Line in Eastern Oregon. Before any final decision is made by the Energy Facility Siting Council, there will be a public hearing on the Draft Proposed Order in each of the counties through which the Boardman to Hemingway Line would travel.

On June 20, the Union County hearing will be held at 4:30 p.m. at the Blue Mountain Conference Center in La Grande. The hearings

will include a short information session about the proposed transmission line in each county followed by an opportunity for public comments. Oregonians can access more information about the proposed facility, view the complete application and Draft Proposed Order, and find additional ways to submit public comments on ODOE's website. The public comment period ends July 23.

Giving blood saves lives — donate Tuesday in La Grande

LA GRANDE — A La Grande Community Blood Drive will be held from noon to 6 p.m. June 18 in the LDS Church gym at 1802 Gekeler Lane. For an appointment or more information, call Linda Strand at 541-963-4261. Walk-ins are welcome. According to the American Red Cross, giving blood saves lives. Without types A, B and O, no life can be saved.

Imbler School Board takes public comment on budget

IMBLER — The Imbler School District Board of Directors will meet for at 7 p.m. June 18 in Room 1 of the high school. The meeting will begin with a budget hearing to accept public input regarding the

2019-20 budget document that was approved by the budget committee. A regular meeting will follow the budget hearing.

Elgin School Board meets June 17

ELGIN — The Elgin School District's budget committee and school board will meet Monday. The budget committee will meet at 6 p.m. and the school board will meet at 6:30 p.m. Both meetings will be in room 17 of Stella Mayfield School. Following the budget committee meeting a hearing on the school district's proposed 2019-20 budget will be conducted. The hearing will start at 6:20 p.m. in room 17 of Stella Mayfield.

OTEC Board of Directors meets in Baker City

BAKER CITY — The Oregon Trail Electric Cooperative Board of Directors will meet at 9 a.m. June 18 at OTEC headquarters, 4005 23rd St., Baker City. Committee appointments is among the discussion items on the agenda.

Sign up for Brain Camp

LA GRANDE — Brain Camp, a one-day camp for grades 6-12, will be held June 22 in the La Grande

Middle School Commons. Presented by NW Noggin, NEOAHEC and Go-Stem, the free camp will run from 9 a.m. to 12:30 p.m. Participants will learn how the brain works, touch a real brain and craft their own brain cells. Registration is required. To sign up, go to www.go-stem.org/noggin. Call NEOAHEC at 541-962-3422 for more information.

Pacific Power to host customer workshop in Joseph

JOSEPH — As part of the upcoming rollout of smart meters in Eastern Oregon, Pacific Power is hosting a customer workshop in Joseph June 19 to share information about the upgrade and new account features. Smart meter installations are expected to start in the Wallowa County area the week of July 8 and are part of a statewide rollout of 590,000 new meters. The workshop will run from 5 p.m. to 6:30 p.m. at the Outlaw Restaurant & Saloon, 108 N. Main St. The event is free to attend, and appetizers and drinks will be provided. Customers seeking additional information may call 866-869-8520 or go to www.pacificpower.net/smartmeter.

SMITH

Continued from Page 1A

He said the situation is not related to a story by The Malheur Enterprise newspaper in Vale that examined Smith's multiple contracts to oversee economic development in other counties besides Baker, including Malheur and Harney.

Both Harvey, who was elected as commission chairman in 2014, and Nichols, who was elected in 2016, said that they don't believe Smith's simultaneous holding of contracts for economic development in those counties constituted a conflict of interest, or that Smith's company failed to do the work for which it was hired.

"We just can't afford that position," Harvey said.

Baker County's lodging tax revenue dropped from \$625,000 in the 2016-17 fiscal year to \$538,129 in 2017-18. The majority of that money is paid by guests at lodging establishments in Baker City.

The county is projecting a further drop in the lodging tax revenue, to \$420,000, for the fiscal year that starts July 1.

Harvey described this as a "drastic reduction that has severely crippled our economic development abilities."

The plummeting lodging tax revenue is due in large part to reduced collections from the Sunridge Inn, the county's largest motel with about 150 rooms. The Sunridge has been undergoing renovations that have reduced the number of rooms available there.

In the 2014-15 fiscal year, guests at the Sunridge paid 42% of the lodging taxes collected in Baker County. The tax is 7% of the room rate.

Baker City Manager Fred Warner Jr., who is a member of the Economic Development Council, said that in the past about 75% to 80% of lodging tax revenue was paid by guests at businesses in Baker City.

Over the past year that has dropped to 55% to 60%, he said.

"Three of the largest lodgers in Baker City are down approximately 80% in tax revenue," Warner wrote in an email to former city councilor Gary Dielman, who had criticized the county's contract with Smith.

A county ordinance requires that 25% of the revenue be spent for economic development. The majority of the money — 70% — goes to tourism promotion, and the remaining 5% is for administrative expenses the county incurs in collecting the tax.

The county in the past few years has transferred \$88,000 annually to the city for economic development, but that amount will drop to \$45,000 for the fiscal year that starts July 1.

Harvey said he thinks the county should seek to hire a new economic development contractor, ideally within three months, at a lower rate than the current contract with Smith.

He said his goal is to avoid having both the city and county use lodging taxes to pursue the same goal of economic development.

"We just cannot financially afford that set up any more," he said.

Both Harvey and Nichols said they don't believe the county will have enough money, given the drop in lodging tax revenue, to continue to contract with Smith at the current annual rate of \$96,000.

Harvey said he doesn't think that's an excessive cost given Smith's accomplishments.

He cited as examples Smith's efforts to encourage the corporation that owns the Safeway and Albertson's grocery stores to reopen Albertson's in 2016. Baker City had one only grocery store — Safeway — for about six months in 2015 and 2016.

Harvey also noted the opening in 2018 of a third

store, Grocery Outlet, and he credited Smith with assisting in the effort to attract the company.

"That's a huge success story," he said.

Harvey said he doesn't believe that Smith's economic development contracts with multiple neighboring counties constitutes a conflict of interest.

For one thing, Harvey contends, no business is likely to be equally interested in all the counties, and he believes Smith "gave all his effort" on behalf of Baker County when a firm is interested in moving here.

Nichols said he agrees with Harvey that Smith's multiple county contracts did not create a conflict.

"He's got people working for him, he's running a business," Nichols said. "I don't see anything wrong with that."

Nichols said Baker County has major challenges in trying to expand its economy.

"We're isolated, and it's hard to get businesses to come into this county," he said. "We need somebody who has a lot of opportunities for contacts, and Greg Smith has those contacts. He knows what's going on in all the counties."

Nichols concedes he has a certain ambivalence about the basic concept of the government spending public dollars for economic development — even when, as is the case here, the majority of those dollars are paid by visitors staying in lodging establishments rather than by county residents.

On one hand, Nichols said, economic developers can't be expected to "make someone want to move to Baker County." In addition, he believes the county and city already employ people who can assist prospective business owners with issues such as zoning regulations and availability of utilities.

Nichols said he has at times been troubled by

government spending on economic development, and the difficulty in showing the return on that investment.

It's not always possible, he said, to determine how much credit an economic developer deserves when, for instance, a new business opens or an existing one grows.

"There's a lot of money thrown at a problem that doesn't always show much in results," Nichols said.

But on the other hand, he believes county officials would be remiss if they failed to pursue an aggressive economic development strategy.

"You want to keep at it, or you'll miss opportunities," Nichols said. "It isn't a simple equation."

The county's contract with Smith includes an exhibit listing more than a dozen "deliverables" that he's required to achieve. These include aiding existing businesses, hosting training seminars, attending trade shows and otherwise trying to recruit new businesses, and supplying the county with quarterly reports showing the number of businesses and jobs created, retained or expanded.

The third county commissioner, Mark Bennett, has

been the most vocal critic of the county's contracting with Smith for economic development.

Bennett voted against renewing Smith's contract for the current fiscal year, although he said he supported the decision to do so because he respects the views of the county's Economic Development Council.

Bennett also told The Malheur Enterprise that Smith's dual roles of state lawmaker and economic development contractor is "entirely problematic."

But Bennett said Tuesday that he believes the county should have a role in economic development.

"In certain circumstances it's really necessary," he said.

However, Bennett said that based on his conversations with current local business owners, he thinks the county's focus should be on helping to create a workforce capable of filling jobs available now.

Recruiting new companies is challenging under any circumstances, he said, due in part to a more attractive business climate in Idaho. But if existing employers are struggling to find workers, then it's likely to be difficult to attract new businesses, he said.

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