

northwest

A Wake-Up Call for PABA

New treasurer makes radical recommendations

by Jaymee R. Cuti

In a harsh wake-up call at the Portland Area Business Association's Nov. 21 board meeting, the organization's new treasurer recommended closing the group's office, eliminating the executive director position and shutting down the newsletter as part of a seven-point plan to salvage the struggling group's finances.

In a second blow, corporate attorney and PABA member Michael Long revealed that the organization's bylaws have been out of compliance with Oregon statutes for at least three years.

Just in time for board elections—in which some incumbents are facing accusations of cronyism, conflict of interest and lack of oversight—the group must now vote to ratify its bylaws at the annual general board meeting Dec. 13.

In a version of PABA bylaws dated October 2003, a previous board wrote that its directors had the authority to make major organizational decisions without members' approval, which is out of compliance with state law.

Long says articles of incorporation in Oregon grant members the right to vote on large issues affecting PABA. Such issues include changing voting requirements, changing bylaws or dissolving the organization. PABA members have never voted to waive that right to the board of directors.

"I brought this to their attention to say this is something the members should vote on," said

Long. "As a member, I would appreciate the opportunity to vote on bylaw amendments."

Mat Isham, who took the treasurer position after Jackie Wheatley resigned Oct. 2, made the drastic suggestions after analyzing the organization's Profit and Loss Comparison covering January to October 2006.

According to the report, "The organization owes more money than what is currently in the bank as a result of the executive director's position being unpaid for October and more than likely will go unpaid for November and December." Isham's broadside includes a recommendation that the director no longer manage the books or have access to spending and receiving money.

Based on Isham's analysis, membership dues are equal to rent on the Northeast Portland office and executive director Jim Harper's salary, leaving absolutely no money left over for the organization. PABA is averaging a negative income of \$833 a month.

"PABA is broke," wrote board member Sean Minogue on his blog, where he promotes his candidacy for board president.

The board had expected a 50 percent growth in membership to support the expenses, but membership remains around 300.

"We took on a lot of these things when we were not financially viable, [based] on projected

income," said PABA secretary Rob Patton.

Since August, the organization has been embroiled in conflict concerning the professional relationship between Harper, board president Larry Foltz and newsletter publisher Suzanne Deakins. Foltz is employed by Q Press, which Deakins owns.

Minogue, who has taken on the role of whistleblower by threatening to file a complaint with the Oregon Department of Justice, submitted a grievance to the PABA board Aug. 10, citing a "close personal friendship" between Foltz and Harper. He suggested this relationship might make Foltz "unable to impartially fulfill his duties as supervisor of PABA executive director."

Minogue also took issue with the quality and timeliness of the newsletter; its \$2,000 mailing cost, paid from the PABA general fund; and the fact that the newsletter contract was never up for general bid. Deakins' contract allows an annual salary of up to \$30,000 from ad sales. According to Deakins, this figure is never reached in practice because of ads traded for services and unpaid accounts. She estimates her real average earnings are between \$500 and \$800 an issue for 20 to 40 hours of work.

In his report, Isham called the newsletter "counterproductive with regards to one of its primary goals of keeping people apprised of upcoming events." He said members have complained they often receive



A financial report recommends that PABA executive director Jim Harper's position be eliminated.

the newsletter after listed events have occurred.

Deakins, who is up for re-election but will not continue publishing the newsletter after December, questions whether PABA is worth sustaining if Isham's recommendations are incorporated.

"I don't know why we would have an organization if we did these recommendations," she said. "Going back doesn't feel right."

Others—including Minogue, Isham and vice president Anne Seelye—believe that a physical office and a paid director, while useful to the group, are not instrumental.

"The organization's been extremely successful without a director and without brick-and-mortar in the past," said Isham. "I think it will be extremely successful moving forward."

By Minogue's own admission, his motion to begin voting right away on Isham's recommendations was a "big bullet to bite," and the board voted to take no immediate action. Instead, an executive board meeting was scheduled for Dec. 11 to consider these issues. This special meeting is not open to the public. 10



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