

Local

Marvin's plans huge expansion

CONTINUED FROM
PAGE 3

Though the company, which George G. Marvin established as the Marvin Lumber & Cedar Company, in Warroad, Minnesota, in 1912, doesn't plan at this time to expand the Baker City plant's workforce of 150 hourly employees and five managers, the planned facility expansion will help to ensure that there is the future capability to do so, along with keeping up with demand for products, as stated by Vassar, and Fuller.

"It's good that the expansion is headed back this direction (Fuller motioned toward the west side of the property). It doesn't really affect the face, or the looks, or the street (17th), or some of those things; they're (the City and County) are pretty concerned about that. All of this is back, where it's not really visible from the street. It's back toward the railroad tracks," she said.

Construction of the addition will be mostly



Todd Arriola / The Baker County Press

Sandi Fuller stands in front of the area that will be transformed when the expansion starts.

contracted out, Fuller said (specific contractors haven't been determined yet), but some of the expansion work will be handled by in-house electricians and millwrights, among others. For now,

research is still being conducted, and the design is still being adjusted, with machinery options and compatibility taken into consideration.

"You'll start seeing some activity, I would like to

hope, by spring of this next year—March, April, something like that ... It's well underway ... We've been around for a while; we plan to be here for a lot longer," she said.

City Hall Week

CONTINUED FROM
PAGE 1

"It's unfortunate that we don't have some of our legislators here but we will have an opportunity as we move forward to meet with them individually," said Warner.

Craig Honeyman introduced himself to the group and explained the purpose of the meeting, saying that the LOC, every two years, forms committees dealing with a variety of issues from water and energy to transportation, health communications, general government, human resources and finance.

These committees then go out into local communities to identify strengths and weaknesses of cities regarding these issues then narrowing it to just a few specific issues to identify opportunities and threats in the legislative process that need to be dealt with in the upcoming session.

The agreed-upon priorities are what LOC will focus on with legislators.

These meetings, said Honeyman, "Give us an opportunity to be with you, answer your questions and help educated each other about these issues."

Honeyman also indicated that he and other staff members go to the Capitol in the first couple of weeks of the legislative session featuring their top priorities.

The issues are again addressed during what is known as the Capitol as City Day, which will be held February 8, 2017.

Honeyman advised that part of the day was the LOC providing briefings about the issues and the rest of that day he encouraged attendees to make appointments with their legislators to speak about

the issues and any other concerns they have for their particular municipalities. The group then began their discussions of the pre-determined priority topics.

Property Taxes.

The first issue addressed was property taxes. The LOC is seeking to pass comprehensive property tax reform.

Property taxes are a considerable source of income for many important needs and the way that these taxes are collected needs to be changed.

Honeyman stated that the proposed changes would "have to be amendments to the Constitution of the State of Oregon. As such, if approved by legislature, have to be sent out to the voters."

Any change to the state constitution has to be approved by the voters. Measure 5 passed in 1990 and Measure 50 passed in 1997 were intended to limit the legislative need to continue raising taxes to meet demand for more money.

However, these measures had unintended consequences.

Measure 5 capped tax amounts at 1.5% of retail market value (RMV) while measure 50 added a permanent tax rate restriction, varying throughout the state and applied tax rates to assessed values instead of the RMV.

The legislature in turn created new property tax exemptions and other special assessments that have caused approximately 25.9 billion in lost revenue. The issue of compression was also briefly addressed. Compression occurs when the amount of taxes collected due to Measure 5 reduces the revenue to be distributed to fund special bond levies such as for school districts.

Honeyman noted that by bringing this matter to the voters local control would be reestablished.

Honeyman acknowledged that any vote involv-

ing an increase on taxes was a difficult one and realistically "doesn't stand a good chance."

He also said, "There is a remarkable lack of understanding," indicating that this (property taxes) was a complex system.

Warner agreed that to get voters to agree to a Constitutional Amendment was not going to be easy. "We don't have a very good track record," he said.

PERS.

The group then turned to a discussion on PERS (Public Employees Retirement System).

The PERS system has long been in crisis as more and more employees retire and begin to collect benefits.

The obligation is met through employer obligations and earnings on investments. In 2008 significant losses were suffered on investments and those earnings are consistently not being met therefore resulting in a \$22 billion deficit.

The LOC is seeking legislation to create savings by addressing investment efficiencies, by no longer paying for consultants and risk managers and by making them accountable to the Oregon Investment Council.

Reducing the annuity or "money match" rate employers contribute from 7.5% to 3.5% to more accurately reflect the market.

Redirecting Individual Account Plans Contributions into the defined plan potentially reducing employer rates by 6% possibly shortening the duration of the unfunded liability and Devoting Unanticipated Revenues to Employer Rate Relief dedicating any revenue not expected to this fund.

Recreational Immunity.

Next the Group addressed Recreational Immunity. The goal is a simple one; to ensure employees, officers and other agents of landowners, including cities are exempt from liability under

Oregon's recreational immunity law thus restoring civil immunity to landowners and their employees against tort claims for injuries sustained while recreating provided the property owner did not charge a fee for access to their land.

It was noted that the City of Pendleton had already closed three of its local parks due to issues involving injuries the public sustained while on free use City owned property. That statement was only speculation and was not confirmed.

Honeyman told the group that this matter looked good and was pretty simple.

Transportation.

The final topic addressed was Transportation.

The issue of Oregon street and road maintenance and preservation needs have outpaced the resources available.

The LOC wants to help draft a comprehensive multi-model and statewide transportation funding package. Some of the ideas tossed out were increasing the state gas tax and or increasing licensing and registration fees, implementation of tolling and the possibility of a per mile tax.

Many vehicles are becoming extremely fuel efficient and therefore need less gas, collection of monies from the gas tax is being greatly reduced and a per mile tax is making more sense to many. Public-private partnerships are being explored as are additional light rail, bicycle and pedestrian options.

The LOC's position is to support transportation funding while searching to obtain more resources to adequately continue funding the protection of the assets already in place while preparing to expand as needs arise.

For more information on these topics visit www.orecities.org/legislative.

Newspaper lawsuit

CONTINUED FROM PAGE 1

The defendants initially faced claims of Violation of Fiduciary Obligation, Theft of Intellectual Property, Interference with Contractual Relations (newspaper purchase), Interference with Contractual Relations (advertisers) and Interference with Contractual Relations (retailers).

McQuisten was represented by attorney Kevin Mannix of Salem, and the Perkins were represented by attorney Rebecca Knapp out of Enterprise.

In 2008-2009, McQuisten worked for then-owner of *The Record-Courier*, Greg Brinton, who expressed to McQuisten the desire to sell that newspaper. With the possibility that editor and long-time employee, Debby Schoeningh was interested in purchasing the paper at the time, McQuisten removed herself from negotiations. Schoeningh eventually decided to pursue other adventures, and in 2012, Brinton once again approached McQuisten about purchasing *The Record-Courier*.

Financials showed the newspaper to be a salvageable business that would not only have been self-sustaining, but provide a built-in income for McQuisten and her family. Therefore, both parties came to an agreement on purchase terms.

McQuisten enlisted the services of the Baker County Economic Development Office, operated by Rep. Greg Smith, who employed Gina Perkins as his confidential assistant at the time. The three, as well as Brinton, his wife Trish, and their CPA met in various combinations on numerous occasions over the span of almost a year.

Confirmed by documents on file with the Economic Development Office, McQuisten was seeking assistance in obtaining financing for initial operating costs, but not for the purchase of the business, as well as help working with the IRS to remove a series of liens in place against Brinton and his newspaper due to unpaid payroll taxes. Perkins was present at each and every meeting, and maintained McQuisten's confidential client file.

McQuisten stated in sworn court documents that she personally provided financials for several years of operation for *The Record-Courier*, a multi-year business and marketing plan, and the purchase agreement between herself and the Brinton family. She never sought assistance preparing those materials, but provided them in the course of obtaining financing advice.

Brinton and McQuisten entered into a purchase agreement, facilitated by Elkhorn Title Company.

Upon Smith's advice, McQuisten registered the business name The Record-Courier, LLC with the Secretary of State, under which to place any approved financing.

In 2013 after McQuisten had eventually secured operating capital and the IRS had renewed its agreement to lift the liens to allow the sale, both buyer and seller moved forward to close the purchase. According to employees at Elkhorn Title at the time, Brinton physically came into their office and gave the go-ahead to schedule signing of the final closing paperwork. McQuisten received the call, which set closing that same week, and agreed to a time. After that point, Elkhorn Title staff became unable to reach Brinton. McQuisten also attempted on multiple occasions by phone, text and email to reach the seller and could not. Brinton sent a text message asking for more money, then disappeared again without any further discussion on the matter.

Several weeks later, Brinton finally confirmed via email that he considered the purchase off, and Elkhorn Title was able to release the payment amount for the full purchase price, which McQuisten had already provided, back to McQuisten.

That fall, McQuisten decided to move forward with launching *The Baker County Press* as a branch of her existing book publishing company, Black Lyon Publishing. Only days later she was informed that Perkins had closed purchase of *The Record-Courier* herself in a purchase agreement for about \$2,000 more than the former agreement with McQuisten.

Because the name The Record-Courier, LLC was registered to McQuisten with the State, Perkins registered her newspaper as The Bar One Record-Courier. McQuisten never used the name she had registered after the purchase had fallen through, and simply let it lapse.

Perkins then posted on Facebook that she and Brinton had spoken as far back as 2009 about her purchasing the paper, and her interest in doing so. Perkins had disclosed neither that apparent conflict nor her continued interest in purchasing the newspaper during the multiple meetings with McQuisten.

At this point, both Perkins and McQuisten each began operating their respective weekly newspapers. *The Baker County Press* was launched in December of 2013 online, with the first print issue released the first Friday of January of 2014.

McQuisten, friends, family and reporters for *The Baker County Press* soon began noticing that the newspaper was being removed altogether from retailer racks, damaged or hidden from view. McQuisten was told by three separate managers or owners at three separate unrelated stores that Lynn Perkins had come into their businesses visibly angry, demanded in front of customers that the competing newspaper be removed or not allowed on racks, and even physically removed the product from display himself. Each of the three owners/managers issued a written statement detailing these accounts on file with the Court. Lynn Perkins issued a statement of denial.

McQuisten enlisted an attorney to issue a Cease and Desist Letter to the Perkinses, covering many of the issues that would later become claims in the actual lawsuit.

McQuisten filed suit in June 2014 after the Cease and Desist letter was ineffective, and updated that suit in September of that year.

Perkinses filed a counterclaim stating that by owning the name The Record Courier, LLC, McQuisten was operating under unfair marketing practices.