

Analyst: PERS commitments overwhelming state budgets

By SCOTT JORGENSEN
IVN Staff Writer

A long-time financial market analyst is predicting that Oregon’s Public Employees Retirement System (PERS) could ultimately bankrupt the state.

Springfield resident Fred Starkey has been the lead long-term analyst for New York-based Shearson Lehman. He is now a private consultant specializing in commodities, pricing, hedging and forecasting.

Starkey appeared on the Wednesday, June 3 talk show on KAJO Radio out of Grants Pass. He said that he has been looking into PERS for more than a decade. But despite his best efforts, Starkey said, discussing the PERS issues has proven problematic.

“I’ve been trying to tell the truth for 15 years, but getting it out is very difficult because no one will let me speak,” Starkey said. “There’s a deliberate, deliberate attempt to keep this out of view of the public and for anybody to understand it.”

According to Starkey, PERS has never been fully funded, as it is a “leveraged account” backed by the full faith and credit of the state government. Such a scenario does not exist in the private sector, Starkey said.

“You can’t do this whatsoever,” he said. “It’s against the law.”

A \$25,000 yearly pension with a 2 percent Cost of Living Adjustment (COLA) would require more than \$660,000 in savings in the private sector, Starkey said. He added that the same pension, under PERS, requires 60 percent as much capital due to the leveraging.

Starkey said that public sector pensions are actually less regulated than those in the private sector.

“Public benefit plans operate under much looser governmental accounting standards with oversight largely from politicians whose mandate is to keep

contributions low so as to avoid hiking taxes,” Starkey said. “Even the Securities and Exchange Commission has no jurisdiction over these entities unless they’re outright frauds.”

To stay solvent, Starkey said, PERS bills its participants, which include counties, cities and school districts. Those are referred to as “side accounts,” which include pension bonds, unfunded actuarial liabilities and employer payroll costs, he said.

Starkey said that between all those side accounts, local municipalities can spend up to 40 percent of their payroll on PERS.

“If taxpayers send a school district \$1 million to fund payroll for the school system, the first \$400,000 goes to PERS,” he said. “That’s why they keep running out of money, because PERS is constantly in deficit.”

Because of the costs incurred by PERS, Starkey said the Springfield School District costs \$13 million to \$15 million more per year to run than a similarly sized district on the West Coast.

Starkey said that he has tried to bring the issue before the Lane County Board of Commissioners and the school district, and been met with outright hostility.

“They barred me from the school board meetings,” Starkey said. “I just went down there to ask questions. You couldn’t believe the hate I got from these people.”

During the last segment of the June 3 talk show on KAJO, Starkey was joined by Oregon Republican Party Chairman Bob Tiernan.

Tiernan, who served in the Legislature from 1993 to 1997, said that the PERS issue first came to his attention during a committee hearing in his first session.

“The state was seeking an exemption to where people could receive more in retirement than they were making when they were working,” he said.

Such a scenario is prohibited by tax laws, Tiernan said, which is why the Legislature had to address it.

He added that he and other legislators began seeking to reform the system. That drew the ire of the state’s public employees unions, he said, which include the Oregon Education Association, Service Employees International Union and the American Federation of State, Municipal & County Employees.

“They hunkered down and fought the reform,” Tiernan said.

Gathering information about how PERS actually worked was difficult in committee, Tiernan said. He added that state officials seemed to be obstructing those efforts.

“They played very coy in all of the state hearings. They would not come forth with the information,” Tiernan said. “It was a big hide-and-go-seek.”

Tiernan lost his legislative seat during the 1996 election. He said that part of the reason was because the public employees unions spent “hundreds of thousands of dollars” campaigning against him in retaliation for his efforts to reform PERS.

Now, years later, Tiernan insists that the most pressing issues involving PERS remain unsolved.

“A lot of folks think that the PERS issues have gone away, but they haven’t,” he said. “They’re still there.”

Starkey said that most officials are simply unaware of the problems with PERS, as the issue is not well understood. However, he added that the public would be outraged if knowledge about how the system really works were to be publicized.

“The whole thing is a cover-up,” Starkey said. “It’s going to break this state.”

For more information on PERS, Starkey can be contacted at harborlightsinvestment@msn.com.

‘Wild ride’ had by I-5 semi-truck driver

The driver of a commercial truck and his two passengers suffered minor

apply brakes, missing the Toyota. The car continued across the right lane, striking

trailer, which was hauling plastic storage containers.

Tison-Elston was able to exit her vehicle and was reported uninjured.

Prado suffered minor injuries and was transported to Three Rivers Community Hospital in Grants Pass, where he was treated and released. Right-front passenger Mayra Angelica Hernandez, 21, from Tustin, also was transported for minor injuries.

Owen Ubaldo Prada, 1, from Tustin, had been in the Kenworth’s sleeper berth area and only sustained minor injuries despite the roof of the sleeper berth being ripped away during the crash, OSP reported.

The crash caused merging traffic to be diverted into the right lane of I-5 while trees and debris were cleared for the vehicle’s removal. The overturned trailer had to be unloaded by hand and into another trailer provided by Caveman Towing.

Tison-Elston was cited on a charge of careless driving in a posted construction zone.

Troopers from the Grants Pass Worksite were assisted on scene by ODOT, Grants Pass Dept. of Public Safety, American Medical Response, as well as the construction crew which aided in removing construction material so that the rig could be removed.



injuries after a “wild ride” off Interstate 5 near Grants Pass, according to Oregon State Police.

The truck, which was struck by an out-of-control vehicle entering the freeway, rolled onto its side and crashed through a guardrail into several trees.

On Thursday, June 4 at approximately 11:25 a.m. a 1989 Toyota Supra driven by Lynn Scott Tison-Elston, 51, from Grants Pass, was attempting to enter the northbound lanes of Interstate 5 when she accelerated too fast and lost control on the corner prior to the merging lane, OSP said.

The car started to spin on the wet roadway and entered the freeway, crossing onto the lanes of travel. The driver of a commercial truck in the right lane observed the out-of-control car and was able to

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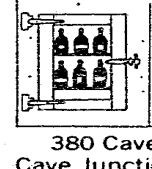
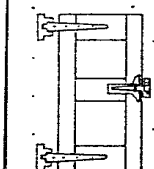
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DEQ offers e-waste recycling in light of digital TV transition

By June 12, all broadcast networks will switch to digital-only broadcasting.

Even though most people don’t need to get rid of their existing televisions amid the digital transition, the Oregon E-Cycles electronics recycling program wants people to know that there are more than 200 collection sites available statewide to take in unwanted televisions – as well as computers and monitors – for free.

The Oregon Dept. of Environmental Quality oversees management of Oregon E-Cycles, which by state law provides convenient recycling of TVs, computers and monitors in all Oregon counties and in all Oregon cities with a population of at least 10,000.

A listing of collection sites and collection events is available through the Website at oregonecycles.org/. Click

in the orange box that reads “Where can I find an Oregon E-Cycles collector?” The list includes addresses and hours of operations for each collection site and collection event, plus collection site phone numbers.

For those without Internet access or who cannot find information they need on the Website, the Oregon E-Cycles hotline is available at (888) 532-9253 from 8 a.m. to 5 p.m. Mondays through Fridays.

The Oregon E-Cycles program, which launched Jan. 1, reminds the public that:

*Collection sites and collection events managed by the four manufacturer-funded collection programs operating under the Oregon E-Cycles umbrella are available to take TVs, computers and monitors year-round.

*The Oregon E-Cycles

program only covers televisions, computers and monitors. Some collection sites may accept other items such as cell phones, DVD players and scanners, but may charge for these items.

*Anyone bringing seven or fewer items (TVs, computers, monitors) may recycle these items at no charge at participating Oregon E-Cycles collection sites and events. Households, small businesses and small non-profit organizations (those with 10 or fewer employees) may be able to bring in more than seven items at one visit, but should phone the collection site ahead of time.

*DEQ encourages people to think twice before they decide to discard old TVs. Persons who’ve bought a new digital TV and have an existing TV in working condition can consider (1) keeping the old television as a second TV or for games, videos or DVDs, or (2) giving the old TV to a friend or donating it to a second-hand store.

*Even though Oregon E-Cycles is on track to collect more tons of electronic waste than projected, collection sites will continue accepting and recycling televisions, computers and monitors year-round.

For more information on Oregon E-Cycles, see DEQ’s Website at <http://www.oregonecycles.org/>.

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OFFICIAL PARADE APPLICATION

Parade forms at Evergreen Elementary School on Monday, September 7, at 8:30 a.m.
Parade starts at 10 a.m. sharp. Check one or more categories for your parade entry:

☐ Music, youth band	☐ Music, adult band	☐ Military
☐ Religious	☐ Sports/Athletics	☐ Marching
☐ Humorous	☐ Club/Organization, Youth	☐ Political
☐ Commercial	☐ Industrial	☐ Tuff Truck
☐ Truck	☐ Commercial Truck	☐ Tractor
☐ Classic Auto, 1950+	☐ Antique Auto, Pre-1949	☐ Custom Auto
☐ Horse & Rider, adult	☐ Horse & Rider, youth	☐ Horse & Rider, group
☐ Public Service	☐ Club/Organization, Adult	☐ Other: _____

Contact Person: _____ Phone: _____

Address: _____ City: _____

Email: _____ Describe entry and/or history: _____

Parade Chairman: Harry Johnson, 596-2104
Mail parade entries to: I.V. Lions, PO Box 173, O'Brien OR 97534

BOOTH ENTRY

Contact Person: _____ Phone: _____

Address: _____ City: _____

Booth Items: _____ Total Size: _____

Electricity requested: ☐ Yes ☐ No

To reserve please pay in advance: \$75 for 3 days or \$30 per day for 12' x 12' space.
Booth Chairman: Carl Jacobson Jr., 592-2692, leave name, phone & address.
Mail booth entries to: I.V. Lions, PO Box 396, Cave Junction OR 97523

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