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Local bank charting course to own recovery

by DAN DILLON

A Sandy bank listed on the brink of collapse by a nationally syndicated financial columnist is working its way out of early problems and feels the assessment fails to consider current conditions.

The Independent Bank of Sandy got national attention last week in a column by Dan Dorfman of the Chicago Tribune Co. that listed 45 banks in the United States that could go bankrupt if their current rate of losses continue.

"If that had been the case, we would have closed our doors four months ago," said Jim Flaherty, executive vice president of the bank. "I wouldn't even be here."

According to the column published Friday in The Oregonian, the locally-owned bank had an equity of \$369,000 as of June 30 and had losses of \$529,000 for the first six months of 1982. That, according to Dorfman, meant the bank would have to close its doors by the end of November.

"What I really want to emphasize," Flaherty said, "we're not going anywhere."

The article, which caused a tremor of concern throughout the community, drew its facts from data that was five months old, Flaherty said, and was the result of activities and decisions made in the first six months of 1982.

"We've taken our lumps; we've suffered our losses," he said. "But, one a day-to-day basis, we are a profitable organization."

The losses of the Independent Bank for the first half of 1982 were the result of loans charged off, not from operating losses, explained John Rowell, chairman of the board of directors, in a letter to selected customers.

The bank recognized problems in its loan portfolio, charged those loans off and continues to work at improving the quality of its loans to prevent losses of this nature



Staff photo

Officials at Independent Bank of Sandy are surprised at the delayed timing of a report that announced impending bankruptcy for the locally-

owned institution, but happy that they are on the way to correcting earlier problems.

from occurring again, Rowell said. "We have been on a course of correcting those deficiencies, by making the tough decisions of changing personnel, improving expense control, writing off bad loans, and taking a much tougher stand on credit quality," he added.

Independent Bank opened its doors on June 11, 1979 "right at the tail end of a good time to open a bank, and went 'boom' right into the recessionary time we're having now," Flaherty said. "It takes time to correct an in-

correct course. We recognized what our problems are and we've got ourselves turned around."

Independent Bank is completing a merger with Willamette Falls Bank of Oregon City and the Metropolitan Bank of Oak Grove, a bank also included in Dorfman's column.

The combined institution will be renamed The United Bank of Oregon. It is in the process of raising at least \$1 million by selling stock to current stockholders. The \$1 million was required for the

merger.

"That will speed up the wound-healing process," Flaherty said. "The merger is just going to reinforce the positive and speed along the healing."

The Sandy branch of United Bank will open Jan. 31 with the same staff and services it has as the Independent Bank, Flaherty said.

"It's going to help in expense areas," he said, noting that three "marginally profitable" banks will save money with consolidation of computer services, advertising

and legal fees. Cutting expenses such as those, he said, "goes straight to the bottom line."

Despite the adverse publicity generated by the Dorfman column, the bank vice president didn't sense any panic among the customers.

"My existing customer base has exhibited confidence in the branch," Flaherty said. Friday, the day the article appeared, the bank opened six new accounts and deposits were up 3.2 percent.

Mutilations stump school authorities

by MICHAEL P. JONES
Post Correspondent

Authorities remain baffled over the mysterious decapitation of two birds recently at Welches Grade School.

The first incident occurred Oct. 14, about the same time that the top beaks of nine pelicans were cut off in California.

The body of a wild Canadian Snow Goose, which had frequented the school grounds a couple days prior, was found nailed to the wall of the new addition at the school by students arriving at school that morning.

Later that morning, the head of the goose was found by some students playing basketball, according to the parent of a boy who attends the school.

Rosemary Silva, who teaches seventh- and eighth-grade science, didn't learn about incident until she returned from a field trip a few days later. She said two of her students brought the body and head of the goose to the substitute teacher in charge of her class, believing they could get extra credit for the specimen.

Silva said Kenneth Blackburn, superintendent and principal, had her conduct discussions with her classes concerning animal cruelty, focusing on the snow goose incident.

Karen Corsini, a fourth-grade teacher at the school, said when the goose first appeared at the school, she included the bird as a teaching tool.

Corsini said she read the class a poem written about another goose and took her class outside where they sat on the grass, a short distance away from the goose, and quietly observed it.

"The class," said Corsini, "was very upset when they learned what had happened to the goose."

Saturday morning, two days after the first incident, Hoodland Fire Chief Don Armintrout said members of his department removed a seagull from atop the flagpole at the school. The gull had also been decapitated.

Vice principal Gary Dieterich doesn't believe the mutilations were done by any students currently enrolled at the school. He said generally when a student does something wrong, he learns about it through rumors. In this case, there has been no such talk.

He encourages anyone with information concerning the incidents to come forward with the information.

During the weekend of this same week, unidentified vandals damaged doors, broke out windows and lights at the school.

Injured girl said improved after wreck

The 14-year-old Sandy girl struck last week in an accident at Cedar Ridge School is improving, according to a Gresham Hospital spokesperson.

Deborah King, daughter of Ray and Diana King, was listed in satisfactory condition Wednesday morning by the hospital.

She had been struck Nov. 1 by a Sandy Elementary District van on the playground between Cedar Ridge and the playshed. The accident occurred just after school was dismissed for the day.

She suffered a broken pelvis and right arm, bruised lung and extensive lacerations.

Police are continuing investigation into the accident, Police Chief Fred Punzel said Tuesday.

Sandy Chamber buys time waiting for new year

by VON BRASCHLER

A personal loan from president Chuck Jones has bought a financially-troubled Sandy Chamber of Commerce a little time before new dues notices are mailed and more bills fall due.

Merchants generally complain business is down a bit in this bedroom town that bills itself "gateway to Mt. Hood." Their merchant association now shows the scars with dues-paid membership down from 100 two years ago to 79 today.

Money got so tight for the Chamber, in fact, that outstanding bills reported Oct. 7 exceeded the treasury by some \$38 and the

Chamber couldn't meet payroll for its part-time secretary.

The paid executive secretary, Dixie DeLorme, and the tiny office she staffs to answer inquiries and promote membership at the corner of Meinig Avenue and Pioneer Boulevard represent relatively new expenses.

Treasurer Ed Storey reported a balance of \$275.35 in the treasury in the Chamber board's Oct. 7 minutes, but \$313.24 in outstanding bills were put on temporary hold to afford the past quarter's payroll taxes.

President Chuck Jones stepped forward last week with a personal loan to carry the Chamber through its temporary cash flow shortage, until

new year dues start trickling into the treasury in December.

Storey figures a bail-out is possible in a few weeks, provided the local business community kicks in their support with dues paid up front. Dues collection has been a chamber problem recently with a new dues structure to finance the information office that left some depressed businesses balking at graduated costs.

To help, Sandy Area Merchants retail group has agreed to join hands. The somewhat rival offshoot has operated as a Chamber committee, but maintained separate membership with separate dues.

The retailers agreed Tuesday to merge their membership with the

Chamber main body in 1983, so that SAM members also must be bona fide Chamber paid members as originally designed.

To help, also, Chamber president Jones recently purchased Sandy booster buttons in an effort to sell them for Chamber funds and operate a first snowfall guessing contest with merchant-donated prizes. To be legal, however, the Chamber hasn't required a \$1 button purchase as prerequisite to entering the contest—only requested a \$1 donation.

Former Chamber president George Morgan personally covered another recent Chamber expense in the campaign mailing of flyers to urge support for the city's un-

successful \$460 tax election.

Jones and his Chamber board tried earlier with limited success to raise money with a golf tournament, a summer festival food booth and banquet.

Storey said the board anticipates no increase in dues amounts in 1983, and hopes that increases Chamber support.

"That's our recovery plan," he said of the membership drive. "getting people to pay their membership dues when we send them out, instead of thinking we don't need the money."

The board reportedly agreed last Thursday to pay back Jones' loan as soon as they can and avoid any deficit spending in 1983.

Teacher group takes SUHS administration to task

by SCOTT NEWTON

Gary Adams, president of the Sandy Education Association, had some advice for the Sandy Union High School Board of Directors Monday night.

Claiming the present administration "doesn't engender harmony" with the teachers, he pointed out that the SEA has filed four grievances in the past six months. The grievances, he said, were reactions to administrative actions.

Class sizes have increased, he said, but over the past four years the number of teachers has decreased while there is more support personnel.

The administration could help with this problem, Adams said, suggesting that Jack Peters, superintendent, and John McMahan, principal, each teach one class a day. He suggested that Dennis Crow, vice principal, and Dick Harrison, director of student services, each teach two classes a day.

Adams said another proposal being studied shows \$120,000 could be saved per year by instituting a four-day school week.

In conclusion, he said he hopes to "improve communication" between the administration and the teachers.

The board didn't respond to Adams' suggestions, though Board Chairman Wayne Johnson thanked him for his comments.

Board members were not able to respond to the two latest grievances as copies weren't available by meeting time.

One grievance concerns notification of openings on the staff. The other has to do with the district's rejection of tuition reimbursement, an item on the B ballot that was voted down in September.

Tuition reimbursement is part of a "professional agreement" the board has with teachers, Peters told The Post. Requests by teachers for tuition reimbursement have been denied because of the vote on the B ballot, he said.

He said notifying teachers of vacancies is "routine." He had no comment on either grievance.

He said the other two grievances Adams referred to were settled "at the principal's level."

Peters said, "It's sometimes hard to distinguish between grievances and memorandums."

According to information prepared for the Northwest Association, which accredits high schools and colleges, there were 65 full-time teachers last year, compared to 61 this year. Class sizes have increased from 18.01 students per class to 18.67 per class this year, or less than one student per class. Enrollment as of Oct. 1 was 1,155.

Two and one-half teaching positions were not filled due to the failure

of the B ballot.

Peters told The Post the administrative staff has been reduced. There were 73 support positions budgeted for last year, while 70 are in this year's budget. "Our intent was to hold tight," Peters said.

Support personnel includes custodians, bus drivers, cafeteria employees and others.

Using the principal's office as an example, Peters said it would be "difficult" for McMahan to work a regular class into his "busy" day. He may have to deal with parents or students at any time during the day, Peters said. He said McMahan does relieve teachers, giving them an extra hour to work on other things. "That goes on all year long," Peters said.

The superintendent said he is open to any idea that will save the district money, but he said he does not favor closing up the school three days a week.

He said there are activities at the school seven days a week. It gets "great community use," he said.

The board instructed Peters to investigate the two grievances and report back to them Nov. 15.

In other business Heidi Lamer and Shawn Burns, seniors who helped guide the efforts of the committee to Reinstate Sandy Swim Teams, presented Johnson with a check for \$6,955. The board unanimously ap-

proved spending the money on the swimming teams.

Nick Roth said raising the funds was "rewarding" because the community "joined together."

Johnson thanked Olin Bignall for his efforts. "I know Olin's put in a lot of work," Johnson said.

Bignall, in turn, credited Shirley Roth for her "undercover work."

The board got some good news in that an "outright" \$20,000 federal grant has been provided for a late afternoon school for vocationally disadvantaged students.

Crow said he envisions a program that provides "hands on experience."

"Learning disabled," as well as "academically disadvantaged," students are expected to benefit from the program. A director and instructional staff will be hired.

The goal is to provide tutorial assistance in reading, writing and math, as well as vocational skills taught by experienced professionals. Considering the job market, Peters said he feels they should be able to find qualified people for the positions.

About 65 students are expected to benefit from the late afternoon school.

Approval was given to hire Nancy Kiebert, a speech clinician. When Johnson had trouble pronouncing her name, Board Member Terry Lenchit-

sky said, "You need to go see her, Wayne."

John Rohr, a teacher at Sandy Elementary, was hired as head baseball coach, and Robert Hulm was hired as an assistant wrestling coach.

A \$1,495 bid was awarded to U.S. Metal Works Inc. of Sandy to install an exhaust system in the bus shop. Another local firm, Crown Refrigeration of Sandy, and Al's Air Conditioning Service of Hillsboro, also submitted bids.

A resolution was unanimously passed dissolving all past transportation studies, allowing for a "fresh start." Board Member Bob Boring was selected to represent the SUHS board in new transportation studies, hopefully in cooperation with the feeder school boards.

Leon Hamblin told the board, "with a very saddened heart," that the Richard Gessford and Associates architectural firm has "resolved to dissolve."

He said Gessford has chosen "a different direction as far as architecture," but that he would like to continue working for the district.

Board Member Fete Griffin announced his resignation Monday night, citing increased personal and business obligations.

Index

SECTION I	
Editorial, Opinion	2
Obituaries	3
Inside the Church	4
Keeping Posted	5
Menus	5
Senior Center News	6
Sports, Recreation	12-14

SECTION II	
Classified Ads	Inside Tab
TV Revue	Inside Tab