The Sandy Post

Editorial & Opinion

Scott Newton, editor
Kimberly Nelson, advertising representative

City rates ought to reflect use

We predict two reactions to the city of Sandy's proposed water and sewer rate rescheduling. First, some people will claim it is anti-business. Secondly, some senior citizens will bemoan the loss of the senior citizen discount.

The restructuring of the sewer service rates is tied to the use of water. The city, under the proposal, would determine the sewer rate according to six months of water usage in the winter months.

As it is now, there are a number of ways to determine sewer rates, none of which accurately address the issue of how much a home, business or school is putting into the system. The proposal, based on the model suggested by the American Waterworks Association, measures usage and charges accordingly.

The Sandy City Council has set a public hearing on the proposal, and some business people might complain that the increased rates are an unfair burden. In fact, what is not right is for Sandy residents to subsidize high-volume water users.

Senior citizens may also feel that they are losing out if the senior citizen discount is discontinued. Some of them will be pleased to discover, however, that since they are low-volume water users, their bills will be less, even without the discount. Regardless, it is fair to charge according to use.

The change has the potential to generate some heat for the City Council. We hope the councilors hang tough and vote for the equitable system.

Salem Scene

Revenue bonds have created new jobs

by JACK ZIMMERMAN
of The Associated Oregon Industries

A recently released study of the state's Industrial Development Revenue Bond program refutes previous claims that the procedure has failed to produce the number of jobs intended.

The independent study by Touche Ross, a multinational public accounting and management consulting firm, indicates the program over the last decade has produced even more employment than anticipated.

Created by the Legislature in 1975 to spur economic development, the program has been a frequent target of critics claiming it hasn't lived up to expectations. A study by the Legislature's Trade and Economic Development Committee last year contended it had produced only 27 percent of jobs anticipated by borrowers. That figure has become part of this year's gubernatorial campaign rhetoric.

The Touche Ross study, utilizing more specific methodology, shows that 80 percent of projects financed since start-up in 1976 have produced 5,723 jobs — 101 percent of projected employment!

Economic Development Department Director Thomas Kennedy calls the revenue-bond program one of the most effective weapons in the state's arsenal dedicated to thwarting recession and improving the economy.

"Most of the IDRB projects would not have been undertaken had it not been for this type of financing," Kennedy said. "What is most important is that the companies involved have put Oregonians to work."

The program so far has provided nearly $322 million through 110 bond issues involving 91 companies — mostly existing Oregon businesses which used the money to expand operations.

Success of the program is further demonstrated by the department's report that only two of the borrowers have defaulted during the life of the project.

Here's how it works: Qualified firms apply to the Economic Development Department and, on approval, the state issues bonds for the requested amounts. The bonds are purchased by lenders, usually financial institutions, and interest is pegged at about 75 percent of the best commercial interest rate. The lenders' interest earnings are not subject to federal taxes.

Borrowers are strictly responsible to lenders and the state assumes no liability whatsoever. Further, the bond issues do not increase the state's bonded indebtedness.

Long accepted as a tool to improve the economy, similar bonding procedures are offerred by all states, Kennedy says, although western states have been among the most recent to adopt the practice.

"Elimination of IDRB definitely would jeopardize Oregon's competitiveness with other states," he said.

Kennedy's department retained Touche Ross to conduct the study in order to comply with statutory requirements calling for annual reports to the Legislature regarding numbers of jobs created by the program.

Touche Ross developed a survey form that asked specific questions about size of firms in sales and payroll, historic and present employment levels, distribution of wages and historic and present levels of employment associated with projects financed by revenue bonds.

The survey requested employment information for the total firm and for the bond project specifically. It was sent to all 91 participating firms and 80 percent responded.

In addition to creating more employment than anticipated, the study revealed that 60 percent of the job-producing projects probably would not have been undertaken without revenue-bond financing.

OVerall, according to the study, employment on the bond projects grew significantly between the respective project start-up and 1986. The project rate of growth was higher than the growth rate in overall employment for the companies sponsoring the projects. And the project employment growth rate was also higher than the employment growth for similar industries nationally and in Oregon.

Furthermore, the quality of jobs created was remarkably high from the standpoint of wages. Tabulation of hourly wages for revenue-bond project employees in 1985 showed only 6.3 percent making less than $5 an hour. Nearly 25 percent were earning between $5 and $7 an hour, 22 percent were earning between $7 and $10 an hour and nearly 47 percent were earning more than $10 an hour.

All of which indicates something more than half of bond project employees are earning more than the current average weekly wage.

It appears the revenue-bond program is not only creating employment for Oregonians, it's creaing good-paying jobs in the bargain.

Letters to the editor

King questions his questioner

I would like to respond to the letter "Association's figures wrong" appearing in The Sandy Post Oct. 30. Mr. Jones quotes me as saying "the total budget increased by 1.4 million dollars" which is only the last eight words of the last sentence of a paragraph.

If readers check their Oct. 2 paper, they will find I referred specifically to the 1986-87 budget, page 5, headed "Financial Summary" (or total budget) and compared the same Financial Summary in the 1984-85 budget. In a meeting with Mr. Jones, we got out the budget books and he agreed the difference between the 1984 and 1986 total budget figure was $1.4 million. Now, a week later, Mr. Jones claims I compared General Fund figures with total budget figures; a cheap shot. You may check the figures at the district administration office.

Mr. Jones also took exception to our cash balance figure of $500,000 in the Sandy Post (Oct. 16). The $500,000 figure came from SUHS Board minutes July 16, 1986, page 2, under Business Manager's Report, which states "basic school support monies and prior years taxes received were above the anticipated amount, resulting in an ending cash balance of approximately $575,000."

Now, if Mr. Jones disagrees with Mr. Anderson's statement concerning the ending cash balance, I suggest they have a meeting and come up with the correct amount. As the record stands, Mr. Anderson reported a cash balance of $575,000 and has made no effort to change, correct or amend his statement in the official board minutes.

John King
Sandy

Kelso 'Happening' needs more help

This letter is in regard to the Kelso Halloween Happening, which just took place. Everyone has fun, everyone has a great time, but does anyone stop to think how much hard work it takes to get the Happening ready, and then to tear it down afterward?

The Happening is supposed to be a community activity and although hundreds of people from our community come to it, and have lots of fun, there is only a handfull of dedicated people who give so much of their time and of themselves.

I know and deal with those few rare people and know how much they give. For the past three years they have been the only ones to make it all come together. I appreciate them very much, and hope other people do too.

The teachers at Kelso are helpful, and also the staff, but there is very little input by parents themselves, and yet it's for their children the Happening is put on. It is also the school's largest money-maker of the year, and a very important event. Why, then, don't more people take an interest and get involved?

The few parents that did volunteer their help during the evening this year weren't nearly enough. Many people who agreed to help out didn't even bother to show up, leaving most people working two shifts instead of one. We all want someone else to do the work, but the time has come if more people don't take an interest, there may not be a Kelso Halloween Happening.

I would hate to see that happen. When you get a call next year to help, instead of finding excuses not to, why not mark it on your calendar ahead of time and plan on donating some time?

Thanks go to the following people for their many hours of hard labor and an endless amount of energy and unselfishness: Debbie Manley, president of the Kelso Community Club; Nan Reber, vice president; Judy Buck, Secretary; Sherrie Schmidt, treasurer; and Larry Buck, Chuck Schmidt, Les Geren, and Craig Langley, who helped with the haunted house.

Ginny Rada
Sandy

Spend library funds on books

In regard to the article in the Oct. 23 issue of the Sandy Post concerning the "Video War" — it seems the issues raised excluded those of the residents of our town.

I, for one, feel that the public library should concern itself with the quality and quanity of the reading material it presently offers. My young daughter and I do not frequent the library because it sorely lacks in its selection of reading material. I don't own a video recorder, so what's the use of a free video cassette?

I'm sure there are quite a few people in Sandy who don't own video recorders. The money spent on those 79 notorious cassettes could buy quite a few good books. Is that our tax money being spent on video cassettes in a town that is considered the "most competitive video territory in the state"?

Another question. How involved was the Sandy City Council in the decision to purchase cassettes? It seems there is a gap in communication between the small businesses in Sandy and the council members. Many of the issues raised should have been resolved prior to the decision to purchase video cassettes for the public library.

What are we left with now that the furor has died down a bit? A public library that needs more adequate reading material, but opts instead to purchase video cassettes on its limited budget. A City Council that wants to see better business growth in its area, but manages to curtail business profit. A public that will object to the idea that a small group of business people now dictate to their library what will be made available to them in the form of video cassettes.

Boy, oh boy. Thank God there are no book stores in Sandy. Can you imagine what a mess that would be?

Patricia Marquis
Sandy

Bobcats by Adam Kraft

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