

Astoria Aquatic Center lifeguards to get pay raise

City Council also approves salary increase for city manager

By DERRICK DePLEDGE
The Daily Astorian

City lifeguards will get a pay raise.

Lifeguards at the Astoria Aquatic Center now start at the state's minimum wage of \$9.25 an hour and can earn more if they work as swim instructors or lead lifeguards. The low pay has made it difficult for the city to recruit and retain lifeguards, and a lifeguard shortage has forced the city to temporarily reduce pool hours in the afternoons.

The City Council unanimously agreed Monday night

to boost lifeguard pay to between \$11.25 and \$13 an hour. Swim instructors, who now earn \$9.50 an hour, will receive between \$12.25 and \$14 an hour. Lead lifeguards, who now make \$10.25 an hour, will get between \$13.25 and \$15 an hour.

Angela Cosby, the director of the city's Parks and Recreation Department, told the City Council that the city's lifeguards earn less than lifeguards in other cities and programs. She said lifeguards at the Sunset Empire Park and Recreation District, which competes with Astoria for lifeguards, earn up to \$13 an hour.

The city announced when the Aquatic Center reopened in late September after a renovation that pools would be closed from 1 to 3:30 p.m. weekdays because of the life-

guard shortage. The city is hiring lifeguards and hopes to restore the hours.

The pay raises will cost the city an estimated \$57,000 a year, and city councilors authorized Parks and Recreation Department staff to explore fee increases at the Aquatic Center to sustain the higher pay over time.

"We need to pay people an adequate wage," City Councilor Drew Herzig said. "That's part of our discussion on how to live in Astoria. And we know this money will go right back into the community."

City Councilor Zetty Nemlowill recommended that any fee increases be imposed incrementally so as not to cause "too much of a shock" on Aquatic Center users.

In other business Monday night, the City Council:

- Approved a 2.5 percent pay raise for City Manager Brett Estes after a positive performance evaluation of his first year as the city's top administrator.

- Estes, the city's former community development director, was hired last year to replace Paul Benoit, who left after more than eight years as city manager to become city administrator in Piedmont, California.

- Estes also filled in as finance director and community development director until new directors were hired.

- He has helped guide a City Council in leadership transition with new Mayor Arline LaMear and new councilors in Nemlowill and Cindy Price. LaMear replaced Willis Van Dusen, the city's mayor for 24 years, who chose not to seek another term.

- Estes currently makes \$116,853 a year. The pay raise is retroactive to the one-year anniversary of his hire date in September.

- Agreed to spend \$943,440 in cash on a new ladder truck for the Astoria Fire Department.

- By paying cash, the city will receive more than \$55,000 in discounts.

- Adopted a herbicide policy for city parks meant to encourage mechanical and natural methods where possible to combat weeds.

- Rebuffed a request by Price to consider potential restrictions on the number of marijuana facilities in the city. Four medical marijuana dispensaries are temporarily selling recreational pot under a state law that allows the sales while rules are being drafted.

City Attorney Blair Henningsgaard said the city could likely limit the number through "clever time, place and manner" restrictions on operations.

Price said that while city voters approved legalizing recreational marijuana, "I'm still not sure that Astorians really want to have a pot shop on every other corner."

But City Councilor Russ Warr said councilors should wait until city staff identifies problems with marijuana businesses before weighing action.

Other councilors also chose not to support Price's request.

- Held a moment of silence at the start of the meeting to honor the victims of the mass shooting last Thursday at Umpqua Community College in Roseburg.

"Such a terrible, terrible tragedy," LaMear said. "And our thoughts are with them all."

State lawmakers contemplate 'claw back' on tax credit profits

By HILLARY BORRUD
Capital Bureau



SALEM — Oregon lawmakers might consider legislation next year to claw back some of the profits realized by wealthy individuals and companies who purchased deeply discounted energy tax credits.

Gov. Kate Brown last month asked the Legislature to review energy tax credits, after news reports that officials at the Oregon Department of Energy allowed tax credit recipients to ignore state price regulations and sell the tax credits at negotiated prices.

Oregon issues tax credits as an incentive to renewable energy and efficiency projects to help offset capital costs. Recipients can use them to reduce taxes, or sell them to raise cash. Many tax credit recipients are governments and companies that do not owe state taxes, and the Legislature has passed laws that required the Department of Energy to adopt a formula to set sales prices. The goal was to ensure most of the benefit

from the incentives went to the energy projects.

"I'm thinking about a potential clawback," state Rep. Phil Barnhart, D-Springfield, said after a meeting on the issue last week. Barnhart is chairman of the House Interim Committee On Revenue. Barnhart said he had not figured out the details, but the concept was based on questions asked by Rep. John Davis, R-Wilsonville, about "what our recourse is at this point."

Davis asked senior deputy legislative counsel Kate Toss will whether the Legislature can make changes to tax credits which have already been issued to public and private organizations that pursued renewable energy and efficiency projects. Toss will said that tax credits are a matter of "legislative grace," meaning that because lawmakers created the credits, they have some degree

of discretion to make changes after-the-fact. Those changes would not breach a contract, and would not necessarily constitute a taking of someone's property.

"Certainly there are cases where a taxpayer ends up with more liability, and it is supported," Toss will said.

Significant underpayments

It was unclear how much money might be at stake during hearings on the issue last week. However, an analysis of Oregon Department of Energy data by the EO Media Group/Pamplin Media Group Capital Bureau suggests that the agency's decision to ignore price regulations for one type of energy tax credit resulted in as much as \$1.2 million in underpayments.

Tax credit recipients have sold roughly \$6.4 million in tax credits issued through the state's energy incentive program, which rewards alternative fuel projects, school retrofits and transit districts. Purchasers would have paid ap-

proximately \$6.1 million if the Department of Energy had required them to follow price regulations. Instead the purchasers paid around \$4.9 million for the credits. The energy department has also issued tax credits that could still be sold in the future, and Chris Allanach, a senior economist in the Legislative Revenue Office, told lawmakers that future legislation could impact a total of approximately \$44 million in energy incentive program tax credits.

The extent to which tax credit purchasers underpaid for a controversial earlier credit, the business energy tax credit, was unclear. When state auditors asked the energy department to provide examples of negotiated price tax credit sales from 2012 to 2014, the agency provided only a handful of examples and the most someone underpaid was approximately \$2,700. However, officials instructed energy employees not to verify or question the payments in the tax credit deals, and the agency's former chief financial officer Anthony Buck-

ley told auditors that "there was suspicion by some" that buyers and sellers of tax credits were using a "kickbacks" scheme to make it appear they were complying with price regulations when they were actually negotiating lower prices, according to auditors' notes.

Larger tax breaks

The business energy tax credit involved much larger tax breaks than the scaled down energy incentive program that replaced it. From 2006 to 2014, wealthy individuals and companies bought business energy tax credits worth \$703.6 million for \$494.2 million, according to the EO Media Group/Pamplin Media Group Capital Bureau's analysis of nonrefundable energy tax credits. That's a capital gain of \$209.4 million, or 29.8 percent.

"I want to consider the possibility of clawing back some of the profits, as it were, by the guy that bought the credit," Barnhart said, referring to a tax credit which the TriMet transit

agency sold a portion of at a deep discount to Dan Wieden, co-founder of the Portland advertising agency Wieden+Kennedy. Wieden and other purchasers bought shares of the \$2 million tax credit for 75 cents on the dollar, instead of 98 cents on the dollar required by state price regulations.

TriMet sold a second energy tax credit worth approximately \$1 million for 75 cents on the dollar, instead of 95 cents on the dollar as mandated.

One thing lawmakers don't need to do is re-write existing law to clarify that tax credit recipients must follow state price regulations, Barnhart said. He pointed out that Toss will told lawmakers "it's doubtful" that existing state law allowed for the Department of Energy's decision to allow negotiated price tax credit sales.

"She said we got it right the first time," Barnhart said of the statute.

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