

PERS: Astoria has taken a conservative approach to challenge

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Higher rates

The higher rates are influenced by several factors.

The state Supreme Court last year struck down reforms approved by the Legislature in 2013 to help contain public worker retirement costs. The court ruled that cost-of-living adjustments workers had earned before the reform law went into effect are a contractual right that could not be taken away.

Another factor is that the pension system's investment earnings have fallen short of the 7.75 percent assumed annual rate of return.

"We all should be willing to consider creative and responsible ideas that are likely to withstand legal challenge and would help us reduce and manage this unfunded liability," Gov. Kate Brown said in a statement.

"Paying it down won't be easy, but I will continue to work with the PERS Board, (Oregon Investment Council), as well as the Legislature to fund a fair, responsible, and affordable retirement system for our teachers, firefighters, law enforcement, and other critical service providers, and for taxpayers and employers throughout Oregon."

Here is an overview of how the higher rates might play out in Clatsop County:

Astoria

The city has taken a conservative approach to the pension challenge, budgeting as if the lower employer contribution rates promised by pension reform would fail to materialize. So the city was not as vulnerable when the Supreme Court struck the reforms down.

The City Council also left some cushion in the city's \$37.7 million budget in anticipation that contribution rates would rise. Based on wages for city workers last spring, the city projected an estimated \$150,000 impact to the general fund, a calculation that might have to be revised upward now that the actual rates have been posted.

For the city's longest-serving workers, the contribution rate will increase from 20.27 percent to 24.66 percent. For workers hired after August 2003, the rate will rise from 13.07 percent to 15.79 percent. And for police and firefighters, the rate will climb from 17.18 percent to 20.56 percent.

"I think we'll manage through it," Susan Brooks, the city's finance director, said. "But, obviously, the continuing rise of PERS rates is concerning for the long haul."

The city's budget committee and City Council will have to deal with the higher contribution rates next spring when drafting the budget for the next fiscal year, which begins in July.

While the city can likely absorb the higher rates initially, if similar rate hikes follow over several years, the impact could force trade-offs in public services or higher fees on taxpayers.

"Obviously, if the trend continues at that rate, what it means is prioritizing how we are going to spend the money coming in," Brooks said.

—Derrick DePledge

Warrenton

In Warrenton, the contribution rate for the oldest workers will spike from 17.56 to 22.49 percent. The rate for workers hired after 2003 will increase from 10.36 to 13.42 percent, and the rate for police and fire will rise from 14.47 to 18.19 percent.

"We knew the increases were coming, so it is not a surprise," Finance Director April Clark said in an email. "It will impact our budget, and we will have to take that into consideration when we start putting together next year's budget and as we prepare for upcoming union negotiations."

The city did not set aside money for the rate increases, she said.

This year's \$32.3 mil-

PERS CATEGORIES

The Public Employees Retirement System has different benefit components for government workers depending on when they were hired. The government contribution rate toward pensions is higher for the longest-serving workers.

***Tier I:** Workers hired before January 1996

***Tier 2:** Workers hired between January 1996 and August 2003

***Oregon Public Service Retirement Plan:** Workers hired after August 2003

lion budget includes about \$677,000 in retirement costs.

—Erick Bengel

Clatsop County

Clatsop County commissioners built an anticipated pension increase into the county's budget.

For the county's oldest workers, the rate will increase from 12.13 percent to 16.28 percent. The rate for workers hired after 2003 rose from 4.95 percent to 7.59 percent. The police and fire payroll jumped from 9.06 percent to 12.36 percent.

"We had an increase built into the budget," County Manager Cameron Moore said. "(The rates) are little bit more than we anticipated. We have to take a detailed look at how this may affect us, and it may not."

It is too early to say how the increase will impact the budget, Moore said. One option to offset the costs is to dip into some conditional funds that are stored in the budget.

The new rates are not anything the county is alarmed about, Moore said.

"We are in pretty good shape financially right now," he said. "The rates that we've seen, we should be able to accommodate."

—Kyle Spurr

Schools

Local school districts forecasted for an increase in pension obligations. But school administrators face an uncertain future with pension costs expected to continue rising into the 2020s, and funding levels for schools unsure.

Warrenton-Hammond, Seaside, Knappa and Jewell school districts all face 3 to 5 percent increases in pension obligations in the coming biennium.

"We budgeted (a) 4.5 percent increase, so it really wasn't a surprise," said Mike Moha, business manager for the Warrenton-Hammond School District.

"Knowing it's there and not being surprised, that lessens the hurt when it comes up," he said.

A bigger issue is what will happen as employers' pension obligations continue increasing in subsequent budget years. Knappa's Business Manager Nikki Fowler said rates are expected to keep going up through 2023.

Warrenton-Hammond, Seaside and Astoria all took out bonds in the 2000s to help cover future pension obligations.

Astoria timed its bonding right and ended up with some of the most modest employer contribution rates of any agency. This biennium, the district only had to contribute about one-half of a percent of employee pension costs. That increases next biennium to 3.18 percent for the longest-serving employees, while contributions for more recent hires will go down slightly to 0.43 percent.

But Astoria Superintendent Craig Hoppes is still hesitant to answer whether his district can handle all the increases. "It's hard to say, because I don't know how much money we're going to get from the state," he said of all the competing priorities for limited dollars in the state's general fund.

—Edward Stratton

Moore: 4,000 Elvis records are in his collection

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"That's why I have to work — to pay rent on stuff I don't have here yet," he said. "My goal is to sell just as many of these records as I can."

Should one be inclined to ask, what are some of the treasures to be found in this multi-level LP spaceship?

"I've got the Beatles' 'Yesterday and Today' — a mint one is \$35,000," he said. "Not here, it rains in this building. The one I've got is about \$700 or \$800. The grandchildren are going to have to be very hungry first."

"I got a hug from a little old lady because I had Serendipity Singers," he said. "You're not going to go to the store to buy Serendipity Singers on anything."

If we asked you for "The Eggplant that Ate Chicago" would you have it?

"I could produce that too,"



R.J. Marx/The Daily Astorian

Richard Moore sheds his inner Elvis and offers LPs, tapes and household items at his Gearhart warehouse.

Moore said. "You have to tickle everybody."

It's not just LPs in the

enterprise, described on one of his creatively designed sales cards as "Collectable Recy-

cles Antique Products," a rubric that includes golf club hats, electronics, shoes, picture frames and kitchen electronics.

"I've got many thousands of eight-tracks," Moore said. "Most of them are anything you want to give me. The only time I sell a big bunch is when somebody's got a vintage car they're going to keep original."

Moore owns about 4,000 Elvis records but, he admitted, "They're not really that valuable because there are umpteen thousand of them out there."

As for his audience, they're getting younger every day. Five-year-olds ask for their favorite Elvis tunes. "I sell more Johnny Cash to the 16-year-olds than I do to the old farts," he added.

Moore will be hosting a yard sale from Oct. 15-31 — with a special guest, "the ayatollah of rock-and-rollah."

—R.J. Marx



Pamplin Media Group

Bud Pierce talks during a debate with Gov. Kate Brown at the City Club of Portland. Laura Gunderson, of The Oregonian, served as moderator. This was the second of five debates between the two candidates. The next one is Thursday.

Debate: Third debate is this Thursday in Eugene

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The candidates faced each other at downtown Portland's Sentinel Hotel, where Brown found a sympathetic audience in a standing-room-only venue.

The debate was a role reversal since the first gubernatorial debate Sept. 25 in Bend, where Pierce draws support from Eastern Oregon's more conservative political climate.

This time, Pierce drew boos from the Portland-based crowd when he answered questions about gun control, violence against women and equal pay.

Empowering women

Moderator Laura Gunderson of The Oregonian asked a city club member's question about what the candidates would do to improve the lot of women. A report last week by the Women's Foundation of Oregon found that Oregon women are more likely to be victims of sexual assault than the national average and continue to be victims of domestic violence.

Pierce said policies should empower women with access to education and good jobs.

"A woman that has great education and training and a great job is not susceptible to this kind of abuse by men," Pierce said.

The comment drew a crescendo of boos from the crowd, and Brown turned and covered her mouth in a display of shock.

"I'm honestly not sure where to start," Brown said in her rebuttal.

"I grew up in a middle-class family. I went to law school," Brown said. "I know what it feels like to be paid less, substantially less, than the male lawyer in the office next to me. This is not just about power. It's about making sure that people aren't discriminated against because of their gender, because of their race and because of their sexual orientation."

Pierce later clarified that he meant that women who are well-educated and have more resources are less likely to be victims of domestic violence. "Powerful women have access to lawyers and courts," Pierce said. "Women who are most vulnerable are

poor women who don't have a place to turn."

Measure 97

The debate also served as a de facto mouthpiece for another high-dollar campaign raging in Oregon: The battle over Measure 97, a corporate sales tax proposal advanced by a coalition of unions and community groups. If passed, the tax proposal would represent the largest tax increase in the state's history.

The measure, which proposes taxing "C" corporations on Oregon sales exceeding \$25 million, is expected to raise \$3 billion a year.

Asked what the tax's flaws

were, Brown talked about how important it is that voters pass the measure, sidestepping the question entirely.

"The most important thing we can do is pass ballot Measure 97," Brown said. "Oregon needs adequate and stable revenue for keeping state services like early childhood education, CTE (career and technical education) and STEAM (science, technology, engineering and math), and removing barriers for children to attend universities and community colleges."

"There are no other viable options," she added.

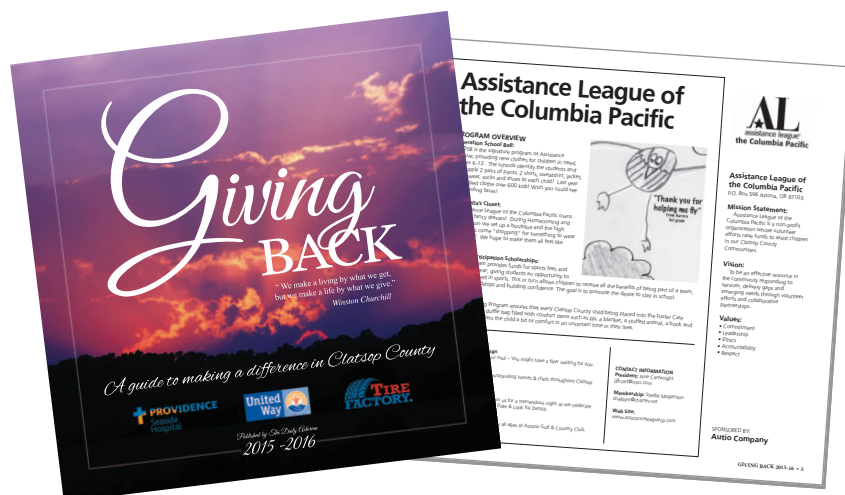
Pierce said the measure is a poor attempt at tax reform,

and he said he is concerned the revenue will be used to address the Public Employees Retirement system's \$21 billion unfunded liability, rather than reforming the system.

"If Measure 97 passes, we have to make sure that we don't simply pour lots of money into an unfunded PERS system so the money is consumed by that, and we don't come back five years later with the same kind of challenges," Pierce said.

Friday was the second of five debates between the two candidates. The third debate is scheduled for Thursday in Eugene.

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PUBLISHES
OCTOBER 31, 2016
Inserted in the Daily Astorian

DEADLINE:
OCTOBER 14, 2016
For Space Reservation