

Business leaders offer tax hike support for pension reform

Governor challenged leaders to bring her proposals

By PARIS ACHEN
Capital Bureau

PORTLAND — Emboldened by victory in defeating a corporate sales tax measure in November, business leaders at the Oregon Leadership Summit Monday offered state policymakers and public unions a bargain: They will support new taxes if lawmakers find ways to reduce the state's pension costs.

"We all want to invest more in those programs and services that will produce outcomes for Oregonians, but in order to do that we have to be able to demonstrate to taxpayers that the dollars will, in fact, be invested in ways that will drive meaningful outcomes," said Patrick Criteser, president and chief executive officer of the Tillamook County Creamery Association.

State budget writers face a \$1.7 billion shortfall. In lieu of new revenue, they are forecasting cuts across state government, from higher education to human services.



Jon House/Pamplin Media Group
Gov. Kate Brown waves to the crowd at the Oregon Leadership Summit on Monday in Portland.

The increase in costs stem largely from scaled-back federal funding for health care subsidies under the Affordable Care Act, increasing caseloads for people with disabilities and higher costs to cover the nearly \$22 billion unfunded liability in the Public Employees Retirement System.

The corporate sales tax, devised by a public employee union-backed group and contained in Measure 97, would have raised an additional \$3 billion per year, eliminating next year's revenue shortfall.

Voters rejected the tax measure after a bitter and costly battle between opponents from the business community and the union-backed coalition, A Better Oregon.

The state's relatively generous pension plan for public

employees has long been a sticking point for business leaders.

"If we don't address PERS, any new taxes will not be invested in helping more kids graduate from high school," Criteser said. "It will be invested in paying existing obligations, and skepticism about the value of government will grow rather than diminish."

Two options for reform

Oregon Supreme Court rulings have restricted lawmakers to two options for pension reform, said Tim Nesbitt, former adviser to Govs. Ted Kulongoski and John Kitzhaber and past president of the Oregon AFL-CIO.

"We can reduce benefits yet to be earned by current and future employees, or we can

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ask employees to pay at least some of the cost of their future pensions," Nesbitt said.

"These options demand a shared responsibility among all stakeholders."

Several members of SEIU Local 503 and Oregon AFSCME gathered outside the leadership summit at the Oregon Convention Center Monday to highlight how PERS benefits public employees.

"Many of us are working for less than we would in the private sector," a pamphlet from the unions states. "We agreed to that with the understanding that we would have secure retirement. Now we are facing further retirement cuts. That breaks the promise made to us."

No specific proposals

Business leaders gave no

specific proposals they would support for raising taxes on business. One example of a possible revenue source is a proposal from early this year by state Sen. Mark Hass, D-Beaverton, to levy a small commercial activity tax on corporations, Criteser said. Hass said last week that he is running numbers on how much revenue could be raised from the tax. His proposal last year would have raised about \$500 million.

Gov. Kate Brown, who gave the keynote speech at the summit, challenged business leaders to bring her revenue proposals they can support.

"You might think that that puts a tremendous burden on me as your governor to find another way to fund Oregon's future," Brown said, referring to Measure 97's defeat. "But

I'm here today to state that the price of victory is responsibility — both for me and for you."

Brown and House Speaker Tina Kotek, D-Portland, both endorsed Measure 97 during the campaign.

At last year's leadership summit, Senate President Peter Courtney, D-Salem, urged lawmakers, unions and business to reach a compromise on Measure 97 before the election. On Monday, he continued his message of collaboration.

"A state whose political and economic forces are always at odds will never be all that it can be," Courtney said.

The leadership summit marks the Oregon Business Council's release of its annual Oregon Business Plan. The plan makes recommendations for statewide policy on issues that affect business, including taxes, state spending, labor regulations and educational outcomes. In the past, the summit has focused on a variety of issues. This year, however, the agenda was "laser-focused on the state's long-term fiscal future," Criteser said.

The Capital Bureau is a collaboration between EO Media Group and Pamplin Media Group.

Lawsuit filed over fatal 2015 mudslide

Associated Press

EUGENE — Two sons of an Oregon woman killed when a mudslide plowed through her home last winter are seeking nearly \$10 million in a lawsuit filed against a couple and a utility district.

Delores Miller, 70, died last December after part of a private road on her neighbor's property north of Florence collapsed, causing debris to flow into her home during a rainstorm along the Oregon Coast, according to the lawsuit filed in Lane County last week by her sons, Stephen Miller and Keith Eldien.

The men assert the Heceta Water People's Utility District failed to properly maintain a water line that runs beneath the road. The improper maintenance resulted in leakage that contributed to hazardous conditions, according to the lawsuit.

Moreover, the plaintiffs allege the neighbors, William and Gail Munzer, failed to install, maintain or repair drainage ditches, or take other steps to prevent landslide dangers on that section of property.

The Register-Guard reported the couple and the water district have yet to file a response to the lawsuit. Gail Munzer declined comment when reached by tele-

phone by the newspaper and the water district did not return a phone message.

According to minutes from an emergency water district board meeting held five days after the slide, district officials acknowledged that the water line was compromised in the incident and that a leak existed somewhere above the slide area.

Delores Miller's husband, Gary Miller, suffered minor injuries. He escaped the home with one of the couple's two dogs. Firefighters recovered the body of the other dog.

The lawsuit says the home near Mercer Lake sustained "catastrophic physical damage."

City Council approves increases for public works fees in 2017

The Daily Astorian

Fees for several services at the Astoria Public Works Department are going up in January.

The Astoria City Council voted 4-0 Monday night to update the charges. The fees for the applications and permits have not been raised since 2005.

For example, the application to purchase city property will increase to \$450, up from \$125. The cost for a license to

occupy will jump to \$425, up from \$125.

Custom mapping will cost \$45 an hour, up from \$25 an hour.

The fee increases take effect Jan. 6. The full fee schedule will be available at <http://www.astoria.or.us>

In other business Monday night, the City Council:

- Approved spending an additional \$24,100 to complete the cleanup of contaminated soil at Heritage Square.
- The total project has cost

\$587,334, with most of the money coming from federal and state grants. The city has contributed \$105,334 in urban renewal funds.

• Agreed to offer one month of free services to new customers who sign up for an automated membership or pay for a year's membership to the Astoria Aquatic Center or the Astoria Recreation Center.

The incentive will be for customers who sign up between Dec. 15 and Jan. 15.

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