

PERS board lowers assumed rate of return

Change swells state liability by about \$2 billion

By **CLAIRE WITHYCOMBE**
Capital Bureau

TIGARD — The governing board of the state's public pension system Friday lowered the rate of assumed earnings on the state's pension fund.

The board adopted a 7.2 percent rate of return on the state's investments of the Public Employees Retirement Fund. The rate is currently 7.5 percent.

That decision doesn't affect how much the state actually earns on its investments, which are overseen by the state's investment council.

But the change is projected to increase the system's unfunded actuarial liability, the amount by which the system's obligations exceed its assets.

Using the new rate, the state's actuary will calcu-

late a new unfunded actuarial liability, a figure that will be revealed later this year. The new rate is expected to increase the unfunded liability — at most recent valuation \$21.8 billion — by about \$2 billion.

The decision is also expected to increase the amount of money that individual public employers must dedicate to paying for employees' pension benefits as a share of payroll.

In a defined-benefit plan such as the one Oregon provides to its employees, employers have to make up the difference between what employees are guaranteed and what the state's investments are able to return.

Local budget managers are bracing for the effects of the change.

While the decision may appear abstract, for school districts, where personnel costs can make up roughly 80 percent of annual budgets, the effects are real.

Nearly every year since 2008, for example, Eastern

The vote 'should serve as a sobering moment for our state's political leaders.'

Rep. Mike McLane, R-Powell Butte

Oregon's Umatilla School District has had to make cuts, in part because of increased pension costs, according to Superintendent Heidi Sipe.

Sipe said the increases have been higher than additional funds from the state can cover.

"Over the past 10 years, we've modified our textbook adoption processes, limited our supply budgets, enacted energy saving procedures, limited staff increases, cut paid days and had pay freezes," Sipe wrote in an email last week. "If we cannot get funding to adequately address the PERS increases from the state, I see those same strategies again in our future which is concerning for our students."

The rate decision has been monitored with interest, espe-

cially by those advocating for reforms to the state's pension system.

A Brighter Oregon, a coalition of state businesses that angled for spending reforms during the recently concluded legislative session, is one such observer.

"A more realistic assumption is an important first step

toward unmasking the severity of the problem these rising PERS costs create for our state, schools and local governments," said Pat McCormick, spokesman for the group, "and ultimately for Oregon taxpayers left holding the bill for the pension system's growing unfunded liability."

State House Minority Leader Mike McLane, R-Powell Butte, said in a statement Friday that the vote "should serve as a sobering moment for our state's political leaders."

Earlier this week, a group appointed by Gov. Kate Brown to find ways to leverage state assets to chip away

at the unfunded liability, held their first meeting. The group has been charged with finding a way to shave \$5 billion from the unfunded liability and is reviewing the state's assets.

Lawmakers can't reduce benefits already earned, per a 2015 Oregon Supreme Court decision.

Some lawmakers, including many Republicans, propose modifying public employee benefits going forward as a way to cut down on the system's costs.

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

Dundee's receives state sanction

The Daily Astorian

SEASIDE — Dundee's Bar & Grill received a violation notice from the Oregon Liquor Control Commission after an employee worked for almost a year without a valid service permit.

The Broadway restaurant will have the option of a nine-day suspension or a \$1,485 fine after reaching a settlement.

According to Christie Scott, an alcohol program spokeswoman with the commission, permitting an employee to sell or serve alcohol or supervise those who do without a valid alcohol service permit is "one of the more common violations."

Scott said it is also one of the easier ones to avoid by

making sure all employees take an alcohol server education course and apply for an alcohol server permit.

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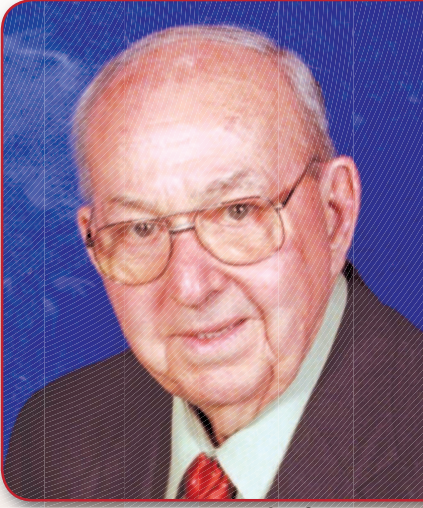
Thank you We, the family of *Thank you*
Barbara Knick,
give our heartfelt thanks to the Lower Columbia Hospice, Dr. Law, and the wonderful staff of Clatsop Retirement Village for their loving and tender care of our mother (grandmother and great grandmother) until her death on July 25, 2017. We deeply appreciate the compassion, kindness, and support they gave our family.

ARTHUR GRAFTON, JR.
JUNE 25, 1930 - JULY 24, 2017

Arthur Grafton, Jr., age 87, passed away peacefully at home on July 24, 2017 in Seaside, Oregon. He was born on June 25, 1930 in Seaside, Oregon to Arthur and Esther (Swanson) Grafton. He was a lifelong resident of Seaside and graduated from Seaside High School in 1948. Art served in the Army then returned home where he met Barbara who had moved from South Dakota to be a nurse in Oregon. He married Barbara Jean Dollenbacher on August 21, 1955, in Cavour, South Dakota. Art was a devoted husband and father of four children. He liked fishing and clam digging and watching WWE (wrestling). He worked for the US Postal Service for 30 years until he retired in 1992. After retiring he traveled to places near and far, with the travel trailer, on cruises, and to various destinations in Europe, always with Barbara at his side and usually with his sister Carol and her husband Lloyd. The adventures were always fun and memorable, but he also looked forward to getting back home to the rest of his family. Taking the grandkids camping, hiding Easter eggs, making them waffles for breakfast, creating his famous potato salad, and imparting words of wisdom like "always dry between your toes", made him without a doubt the best Papa in the world. He will be remembered for his calm, quiet demeanor and unquestionable love for his family.

He is survived by his wife Barbara; three children: daughter and son-in-law Tina and Ted Ames of Warrenton, Oregon; daughter Jenny McCollister of Seaside, Oregon; son and daughter-in-law Tim and Elizabeth Grafton of Portland, Oregon; daughter-in-law Sandy Grafton of Bend, Oregon; eight grandchildren: Kari Ames; Kevin Ames and wife Loren; Aimee Stanton and husband Kyle; Kelley Ames and wife Jilian; Christopher McCollister and fiancée Jennifer Kaplan; Sarah Azril and husband Adam; Samantha Grafton and fiancé Mack Hagen; Briana Grafton and partner Joshua Yeomans; five great grandchildren: Amara, Eva, Grayson, Carson, Wednesday. He is also survived by his brother Robert Grafton of Gresham, Oregon, his sister Carol Cady of Salem, Oregon, and numerous nieces and nephews. He was preceded in death by his son, Jeffrey Grafton.

A memorial service will be held on Saturday, August 5, at 1:00 PM, at Hughes Ransom Mortuary, 220 N Holladay, Seaside, Oregon. A reception will follow at 1000 N. Holladay, Seaside, Oregon. Memorial donations may be made to Shriners Hospital in Portland, Oregon. Visit the online memorial tribute at www.hughes-ransom.com to leave a message and/or sign the online guestbook.



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ELIAS CARESS
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WESTERN FLYERS

THURSDAY, AUGUST 3rd
MONTGOMERY GENTRY
\$25 PRESALE (until Aug. 2nd)
\$30 DAY OF SHOW
\$20 MILITARY & FIRST RESPONDERS

FAIR HOURS:
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DAILY ADMISSION:
\$4 ADULT, \$2 YOUTH
5 DAY ADMISSION:
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DAILY PARKING: \$2
5 DAY PARKING: \$8
RAIVIER AMUSEMENTS CARNIVAL:
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Clatsop County Talent Show
Wednesday, August 2nd
6:30PM - 7:30PM

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