

Pensions: ‘The rate-collar structure is performing for this first biennium’

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The comparable figure for 2020 was \$28 billion.

The PERS fund was at \$85.4 billion in December 2020; the preliminary figure one year later is \$100.4 billion. Its investments go beyond common stocks, which PERS started back in 1973, to other things. Oregon has one of the nation’s largest public pension funds.

“It’s a good marker to know what the investment returns of last year did,” said Scott Preppernau, of Milliman, the firm that does the actuarial work for the system, in a January report to the PERS board. “Clearly a strong asset year makes a significant improvement in these results over a one-year time frame.”

A decade ago, under then-Treasurer Ted Wheeler, the Oregon Investment

Council changed its strategy so that the PERS fund will not grow as much when financial markets surge, but also does not drop as much when markets plunge.

The change emerged after the Great Recession, when the PERS fund lost 28% of its value as it declined from \$66 billion in December 2007 to a low of about \$48 billion in March 2009. It took several years for the PERS fund to get back to its pre-recession level.

PERS Board Chairwoman Sadhana Shenoy said Oregon’s long-term liability for public pensions hasn’t gone away, given that the funded status of the system is still below a target of 90%.

“We have a long way to go,” she said. “But this shows that one good year gives us a little bit of respite.”

The valuation of the PERS fund as of Dec. 31

‘WE HAVE A LONG WAY TO GO. BUT THIS SHOWS THAT ONE GOOD YEAR GIVES US A LITTLE BIT OF RESPITE.’

Sadhana Shenoy | PERS board chairwoman

will be a factor when the board sets pension contribution rates for the 900 participating governments for the 2023-25 budget cycle, which starts in July 2023. The board will likely set those rates at a September meeting.

However, the current average rate of 17.9% is likely to be maintained, instead of reduced. The board changed its policy last year so that increasing the funded status of the system to a specified target of 90% takes priority over lowering contribution rates.

The average rate is a misnomer, because no participating government pays it.

Rates are determined by the mix of employees within a government agency, based on when they were hired and whether they are classified as public safety employees, who qualify for higher pensions upon retirement but also require higher rates than other employees for pension contributions. State law defines public safety employees for pension purposes.

Rates tend to be higher for governments with a

greater share of employees hired before August 2003 or those with more public safety employees, such as police, sheriff’s deputies and firefighters.

Of the 228,000 public employees covered by the system as of mid-2021, PERS reports that more than 162,000 of them were hired after the Oregon Legislature overhauled the system in 2003. The rest, all hired before then, fall into more generous defined-benefit plans from prior years.

But of the 156,500 retirees as of the end of 2020, most of them — 130,000 — get benefits under a pre-1996 plan and are classified as Tier 1. Another 18,000 get benefits under a plan — Tier 2 — that was in effect from January 1996 to August 2003.

The retirement plan that applies to most now blends

contributions from employees and their employers in what are known as individual account plans.

Contribution rates for participating governments also are collared, which means part of the increase is carried over into future budget cycles, so that participating governments do not get hit with the full amount in a single cycle. The board approved a change last year in how rates are calculated for the collar, which limits what a rate increase would be otherwise.

“Emotion is not part of being an actuary,” said Matt Larrabee, also of Milliman. “But we are happy that the rate-collar structure is performing for this first biennium.”

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Westport: ‘They really need the new road’

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But the homes on Old Mill Town Road predate current planning regulations and were built close to the right of way. Widening the road would put residents even closer to traffic. In addition, a park — the freshly renovated Westport boat ramp, where families gather, people ride bikes and children play — makes the area a less-than-ideal place for a trucking route.



Lydia Ely/The Astorian
A truck drives south along Westport Ferry Road.

Improving either Westport Ferry or Old Mill Town roads would require the county to upgrade the infrastructure — the Westport sewer system — beneath the roads before they are rebuilt. Such an undertaking would cost a few million dollars.

In any case, when presented with these options,

the community wasn’t having them. Residents want the truck traffic off of their residential roads, Assistant County Manager Monica Steele said.

Teevin Bros.’ truck drivers are mindful of the community, McLean said. “They run through there pretty graciously,”

he said.

But two trucks trying to pass each other on the narrow Westport Ferry Road — a strip bordered by homes where people with limited parking often park on the street — can be a risky proposition.

“They really need the new road,” McLean said.

DeVos: ‘Do something good for the community’

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His efforts earned him a recruitment badge, one of the many that fill out DeVos’ uniform. Others include first aid, Native American lore, chemistry, shoemaking and emergency preparedness.

When the Boy Scouts went remote as the virus raged across the world, DeVos earned another badge. He pitched a tent in his backyard and camped for 50 straight days — one of the rarer feats among his fellow scouts.

While his 50-day streak is impressive, he does not think it takes a special person to join the club.

“I think anyone could really become a Boy Scout,” he said. “I don’t think it’s a

matter of people being able to and not able to, it’s a matter of wanting to develop yourself.”

While DeVos praises the hands-on skills, as well as the history and survival lessons he has learned during his time as a Boy Scout over the past six years, he sees more value in something else.

“I’d say the most (valuable) thing I’ve learned out of it all is definitely leadership,” he said. “... And managing people and teamwork.”

DeVos hopes to take those leadership skills into the military, where the designation of Eagle Scout is helpful for placement. DeVos is a Life Scout, just one rank below.

DeVos thinks the values of being a Boy Scout ultimately come down to one thing — community, which is why he is determined to see membership numbers climb back up.

“Do a good turn daily,” DeVos said, quoting the organization’s slogan. “Do something good for the community.”

Mask mandate: 1,200 new cases in January

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Health experts project that about 400 people would be hospitalized with COVID-19 by late March, roughly the same level as before the omicron variant led to a surge of new virus cases across the state.

“The evidence from Oregon and around the country is clear: masks save lives by slowing the spread of COVID-19,” Dr. Dean Sidelinger, the state’s health officer and state epidemiologist, said in a statement. “We should see COVID-19 hospitalizations drop by the end of March because so many Oregonians are wear-

ing masks and taking other steps to protect themselves and each other, such as getting a booster shot or vaccinating their children. At that point, it will be safer to lift mask requirements.”

Clatsop County recorded more than 1,200 new virus cases in January, the most of any month so far in the pandemic. But the virus cases tied to the omicron variant have so far not led to the same levels of hospitalizations and deaths in the county as a summer surge linked to the delta variant.

Businesses and others will have the discretion to continue indoor mask requirements after the state

mandate is lifted.

The Oregon Department of Education will likely issue new virus protocols for schools to help prevent the spread of COVID-19 once the state mandate ends.

School districts, in particular, have been under pressure from parents and others over the indoor mask requirement.

“I will talk to my board Wednesday night — but we’ll go through a process with our community and our parents and our staff and students to get their input and move forward with that,” said Craig Hoppes, the superintendent of the Astoria School District.

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