



**PENDLETON
KICKS OFF
THE SEASON**
BASKETBALL/1B

WEEKEND EDITION



BEING SANTA **LIFESTYLES/1C**

VIEWPOINTS:
Don't try to scam the
Umatilla Co. Sheriff **5A**

NATION:
FBI investigates Calif.
attack as act of terror **8A**

EAST OREGONIAN

DECEMBER 5-6, 2015

140th Year, No. 37

WINNER OF THE 2015 ONPA GENERAL EXCELLENCE AWARD

\$1.50

PERS spells T-R-O-U-B-L-E

Latest projections will require belt tightening for local agencies

By **JADE MCDOWELL**
East Oregonian

Pension contributions have been hitting public budgets hard in recent years, and the news just keeps getting worse.

Actuaries for Oregon's Public Employees Retirement System have laid out the numbers so that public agencies will have an idea of just how much money they will be asked to set aside in the next few budget cycles. The report, released in November, indicates public agencies' PERS costs will rise by about four percent of their payroll each biennium through 2021.

The news means higher operating costs across the board for schools, cities, police departments, fire departments, counties, community colleges, state agencies, prisons and other public employers.

City of Hermiston finance director Amy Palmer said while exact numbers had not been available before, it was no surprise that PERS costs were continuing to rise.

"Certainly we have expected it," she said.

In 2012-2013 Umatilla County's 10 largest public employers paid a combined \$17.7 million into PERS. That year the state legislature passed a set of reforms that prevented a significant hike in contributions, saving those agencies an estimated extra \$4 million in costs during the next year.

After the Oregon Supreme Court struck down those reforms, however, that money will need to be repaid into the system and agencies will continue to be on the hook for an increasing amount of contributions needed to fill what is now a \$20 billion hole. During 2010-2011 the city of Hermiston paid \$855,521 to PERS. That number has risen over \$1.2 million in the current fiscal year and is expected to be \$1.4 million in 2017-2018 — an additional \$590,862 over what the city paid in 2010 with no extra equipment, programs or personnel to show for it.

"Salaries are generally the biggest part of a public agency's budget," Palmer said. "No public agency wants to reduce services, but we have to look at tightening our belt."

Skeptical that the 2013 reforms would hold up in court, the city set aside the approximately \$200,000 it would have saved with the reforms. That money puts Hermiston in a

What is PERS?
See page 10A

City of Hermiston PERS contributions

2010-11.....	\$855,521
2011-12.....	\$1,021,525
2013-14.....	\$1,168,038
2015-16.....	\$1,256,678
2017-18.....	\$1,446,383



EO file photos

Public employees including firefighters, teachers and road crews make up nearly a quarter of Umatilla County's workers, and the increasing cost of the public pension fund known as PERS is putting a financial squeeze on local government agencies responsible for paying for their retirement.

better position than the cities and schools that didn't budget with that in mind, but Palmer said there will still have to be discussions about where the money for future increases will come from.

The best case scenario, Palmer said, would be that the market rebounds better than expected and investments deliver higher returns than the PERS board's estimate of 7.5 percent.

"That's a big factor," she said. "If interest earnings are down, contributions go up. So the best case scenario is that the market rebounds wonderfully."

Market conditions creating poor returns on investment are a major reason the pension system's unfunded liability has grown by billions over the last few years.

See PERS/10A

BOARDMAN

Diverse parties partner for early ed center

Project requires buy-in from port, college and early learning groups

By **KATHY ANEY**
East Oregonian

At first the idea of a port financing an early learning center might seem a head scratcher.

Last winter, the Port of Morrow applied for \$1.6 million in state lottery bonds to build an early learning center that will sit on a scrubby piece of land just east of Boardman and next door to the soon-to-be-built Blue Mountain Community College workforce development center.

Port of Morrow General Manager Gary Neal has long been interested in strengthening industry by attracting businesses and developing a local workforce. He championed the idea of Blue Mountain Community College building a workforce training center

See CENTER/10A

Highway funding gets boost from federal bill

By **JONATHAN J. COOPER**
Associated Press

SALEM — A federal transportation bill signed Friday by President Barack Obama includes help for several Oregon transportation projects.

The Oregon Department of Transportation says state and local highway funding will increase by 5 percent to \$507 million in the first year, with additional hikes over the next four years. Oregon will also get a boost in transit funding. The money is not earmarked to specific projects.

Obama signed the five-year,

See HIGHWAY/10A

PENDLETON

Inmates rebuild pool table to benefit child abuse victims

By **PHIL WRIGHT**
East Oregonian

The old Brunswick pool table was all but bound for the garbage heap when inmates at the state prison in Pendleton gave it new life.

Now, more than 100 years after the table first saw use, it will be raffled off to benefit a local nonprofit that serves a crucial role in helping child abuse victims.

The table was in a room in the now-demolished Blue Mountain Recovery Center, a mental health facility next door to Eastern Oregon Correctional Institution, Pendleton. EOCI spokesman Ron Miles said the prison ended up with the table last year, when workers were clearing out the former center's buildings before demolition.

Pool table raffle tickets

Tickets are \$5 each. Only 1,000 will be sold. Drawing to be held Feb. 1, 2016 Buy from a Guardian Care Center board member, or from the East Oregonian office at 211 S.E. Byers Ave., Pendleton. For more info, call 541-276-6774.

Mike Cleveland, the prison's physical plant manager, said a former employee from the recovery center recalled the pool table being there in the early 1980s. Before that, it was property of the Eastern Oregon State Hospital.

Oregon opened the mental hospital in 1913, then converted it to the medi-

See TABLE/10A



Staff photo by E.J. Harris

Inmates Chad Prochaska, left, and David Camp worked off and on for nearly a year to restore this 100-year-old pool table at EOCI in Pendleton.



7 29467 10002 12