

# STANDOFF: Leader Ammon Bundy and others were arrested Jan. 26

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Sean Anderson said late Wednesday he spoke with the FBI and that he and the three other holdouts would turn themselves in at a nearby FBI checkpoint at 8 a.m. Thursday.

Anderson relayed the news to Fiore.

"We're not surrendering, we're turning ourselves in. It's going against everything we believe in," he said.

Greg Bretzing, special agent in charge of the FBI in Oregon, said in a statement

the situation had reached a point where it "became necessary to take action" to ensure the safety of all involved.

Bretzing said one of the occupiers rode an ATV outside "the barricades established by the militia" at the refuge. When FBI agents tried to approach the driver, Fry said he returned to the camp at a "high rate of speed."

The FBI placed agents at barricades ahead of and behind the occupier's camp, Bretzing said.

"It has never been the FBI's desire to engage these armed occupiers in any way other than through dialogue, and to that end, the FBI has negotiated with patience and restraint in an effort to resolve the situation peacefully," he said in a statement.

Authorities had for weeks allowed the occupiers to come and go freely from the remote refuge, leading to criticism from local and state officials that law enforcement wasn't doing enough to end the situation.

Group leader Ammon

Bundy and others were arrested Jan. 26 on a remote road outside the refuge, but the four holdouts remained.

On Wednesday night Sandy Anderson said after the group was surrounded: "They're threatening us. They're getting closer. I pray that there's a revolution if we die here tonight."

Her husband, Sean Anderson, said in the livestream: "We will not fire until fired upon. We haven't broken any laws, came here to recognize our constitutional rights."

The occupiers said they saw snipers on a hill and a drone.

The standoff was occurring on the 40th day of the occupation, launched by Bundy and his followers to protest prison terms for two local ranchers on arson charges and federal management of public lands.

Bundy was arrested last month as he and other main figures of the occupation were traveling to the town of John Day. Four others were also arrested in that confrontation, which resulted

in the shooting death of the group's spokesman, Robert "LaVoy" Finicum. The FBI said Finicum was reaching for a gun.

Most of the occupiers fled the refuge after that. Authorities then surrounded the property and later got the holdouts added to an indictment charging 16 people with conspiracy to interfere with federal workers.

At first, Bundy urged the last holdouts to go home. But in response to the grand jury indictment, he took a more defiant tone from jail.

## FORESTS: 2.3M acres burned across the Blue Mountain in 2015

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"This is planning in a real different way," Aney said. "We just have to do something different, because what we're doing now is not sustainable."

The Blue Mountains Restoration Strategy team has already pitched one project to treat 100,000 acres around Lower Joseph Creek in the Wallowa-Whitman National Forest. Aney said a final environmental impact statement for that project is "basically done," and the work should take 10 years to complete.

This project would target an area nearly 13 times as big, covering 13 counties in northeast Oregon and southeast Washington. Foresters would thin 118,000 acres in the Ochoco National Forest, 212,000 acres in the Umatilla National Forest and 280,000 acres in the Wallowa-Whitman National Forest.

"We just keep seeing forest conditions build and build to support large and intense wildfires," Aney said. "If you look at the climate change models, it's only going to get worse."

A 60-day scoping period will run through Tuesday, April 5, including public meetings and public comment. Meeting dates have not yet been scheduled. A draft environmental impact statement will be published sometime later this summer.

If approved, work on the

ground would begin in 2017.

"We want to do what is right for the landscape, while balancing social and economic issues," said Tom Montoya, Wallowa-Whitman forest supervisor, in a prepared statement. "We encourage all citizens to contribute to this important project."

The 2015 wildfire season saw more than 2.3 million acres burn across the Blue Mountains. Stacey Forson, Ochoco forest supervisor, said active forest restoration is simply not keeping up with growth.

"In order to promote a healthy and productive forest, we must look at ways to do planning differently, at a larger scale and faster pace," Forson said.

The idea of accelerated restoration is bound to make some people uncomfortable, Aney said, but it is critical they get in front of the issue to protect the long-term health of the forests.

"We can't do that under the current way of operating, I can tell you that," he said.

Project maps can be downloaded at [www.fs.usda.gov/goto/forestresiliency-project](http://www.fs.usda.gov/goto/forestresiliency-project). Comments can be submitted online or emailed to [rrestorationprojects@fs.fed.us](mailto:rrestorationprojects@fs.fed.us). Written comments can be dropped off or mailed to the Umatilla National Forest office at 72510 Coyote Road in Pendleton.

Contact George Plaven at [gplaven@eastoregonian.com](mailto:gplaven@eastoregonian.com) or 541-966-0825.

## SEAPORT: Received \$500K loan to pay staff

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Sieber said the canceled flights — eight over the past two weeks — were due to a plane that required repair. Sieber expects the repairs will be finished by the end of the week, which he hopes will boost the airline's completion rate from 83 percent to the target 95 percent.

As for the North Bend route, Sieber said it was simply too unprofitable to continue. Despite strong boarding numbers in the summer, Sieber said winter demand was too low.

Sieber said Pendleton enjoys a consistent passenger base year-round.

The Pendleton flight

also receives significant financial help from the U.S. Department of Transportation's Essential Air Service program, which provides a \$1.8 million subsidy to SeaPort to maintain the route.

SeaPort's contract with the airport is up at the end of the year, and Sieber said the company intends to submit a bid to continue air service, which it has provided since late 2008.

After a period of expansion that at one time saw SeaPort provide flights across two dozen routes in 11 states and Mexico, the company is now limited to the Pendleton-Portland route and three routes based out of Arkansas.

SeaPort has attributed its downsizing to a pilot shortage and a big part of its plans to exit bankruptcy is restructuring of its pilot recruitment process.

Sieber said SeaPort will now target smaller pilot schools to avoid competition with larger airlines and streamline its pilot training process to ensure there is a steady stream of available personnel.

SeaPort will be able to pay its current pilots and staff with a \$500,000 loan it received from Fountain Village Development LLC, which a judge approved Wednesday.

Sieber said that could be increased to \$1 million if a judge grants SeaPort

bankruptcy on Feb. 26.

Although SeaPort owes more than \$1.3 million to its top 20 creditors alone, Sieber said the company expects to exit bankruptcy within a year.

Sieber said SeaPort will be refocus its efforts on the Northwest and Pendleton.

Steve Chrisman, Pendleton airport manager and economic development director, has said that each bid for air service needs to include a plan to increase boardings at the airport, which has been in steady decline over the past several years.

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## DISPATCH: Police work cost nearly \$1.41 million

Continued from 1A

\$571,000, including \$452,700 in 9-1-1 state tax revenue. The county also provides \$60,000 for administrative costs.

That leaves a gap close to \$1.54 million, which the other local emergency agencies now help cover.

The portion for fire and ambulance services comes to \$127,192, with Hermiston fire in the No. 1 spot paying \$60,000, and Pendleton at No. 2 with a bill of \$48,720. Nine other fire and ambulance agencies combined pay \$18,473.

The committee chose a flat charge per call for fire and ambulance because

those services are about 10 percent of the work the dispatch center handles. Police work accounts for the rest and gets the big sticker — nearly \$1.41 million. Elfering said he divided that amount into the assessed value for all the participating communities — more than \$4.9 billion — to get the tax rate. He then applied the rate to the assessed value for each city or area to figure what each needed to contribute.

Umatilla County will pay the most, close to \$806,000 a year, and Pendleton and Hermiston are more than \$250,000 each.

Umatilla is fourth at roughly \$52,000 a year, but Russ Pelleberg, soon-to-be

city manager, and finance director Melissa Ince said they were concerned that bill will increase fast. Four big data centers operate in the city under free enterprise zones, but as those zone agreements end, the centers come on to the property tax rolls and increase Umatilla's assessed value and thus its dispatch costs.

Several committee members said they also want to keep an eye on costs, so the group agreed to re-evaluate the formula at least once a year.

Elfering, who is running for election again this year, created the committee in 2015 at the behest of several local fire and police

department heads. He said with the funding proposals done, the committee soon can get going on its objective — advising the sheriff's office regarding the dispatch center.

But first the group plans to hash out how to pay for capital improvements. Pendleton and Hermiston already pay \$5,000 a month into a city/county fund for public safety improvements. Hermiston City Manager Byron Smith said the committee needs to know the county's schedule for replacing electronics and more in the center, and how much that really costs.

The committee meets again March 8 in Hermiston.

## PERS: Employers warned to expect maximum increases over the next six years

Continued from 1A

20 percent — growing from \$18 billion at the end of 2014 to between \$21 and \$22 billion a year later.

That will put renewed upward pressure on payments the system's 925 public-sector employers are required to make.

Public employers had already been warned to expect maximum increases over the next six years, which would take their pension fund contribution rates from an average of about 18 percent of payroll to nearly 30 percent, redirecting billions of dollars out of public coffers and into the retirement system.

In reality, those "maximum" increases could be a lot bigger.

Milliman Inc., the actuary for the Public Employees Retirement System, told board members at their regular meeting Friday that the pension fund now has 71 to 72 cents in assets for every \$1 in liabilities.

That's an average number across the entire system. Some individual employers' accounts, including the system's school district rate pool, are flirting with the 70 percent threshold that triggers larger maximum rate increases.

Here's how it works: To prevent rate spikes, PERS limits the biennial change in employers' payments to 20 percent of their existing rate. For example, if an employer is required to make contributions equal to 20 percent of payroll, the rate increase is "collared" to 20 percent of that number, or a 4 percentage point increase.

That 20 percent increase is what employers have been warned to expect every other year for the next six years.

But when an employer's funded status falls below 70 percent, that collar begins

to widen on a sliding scale — up to a maximum of 40 percent.

Milliman actuary Matt Larrabee said the funded status for school districts has been 1 to 2 percentage points below the system-wide average. So school districts are already slipping into the zone where they might expect bigger increases in 2017. State agencies and local government employers are typically a bit better funded than the system average. But PERS also has 130 "independent" public employers, some of which may fall into the funding red zone.

That was the funding situation at the end of 2015. And the system's entire rate forecast is based on the assumption that investments will deliver annual returns

of 7.5 percent — the system's new assumed earnings rate. Financial markets so far this year have fallen into a tailspin, which has some economists predicting a new recession.

John Tapogna, president of the economic consulting firm ECONorthwest, said Oregon lawmakers need to focus on the downside risk of lower investment returns, which could drive employer pension contribution rates to 40 percent of payroll.

"The December 31, 2015 returns should be keeping people awake at night," he said.

Jim Green, deputy director of the Oregon School Board Association, said some schools have set some money aside to deal with the projected rate increases in 2017, but many

haven't.

"It's a real problem, and the longer you put off dealing with it, the worse it gets," he said. "Unfortunately, neither legislative leadership nor the governor's office is willing to take this issue on in this short session."

It wasn't for lack of trying.

Sen. Tim Knopp, R-Bend, introduced a bill this session that included a variety of money-saving pension changes, most of which would cut employee compensation or benefits and prove controversial. Two of the most frequently

mentioned are redirecting employees' 6 percent retirement contributions from supplemental accounts into the pension fund; and changing the interest rate used in the calculation of some member benefits.

Knopp said the changes in his bill were analyzed by Milliman, and the estimated savings were about \$1 billion in contributions during the next biennium alone. No hearing on the bill was scheduled by last Friday, however, which means the bill died.

Knopp says he understands Democrats unwilling-

ness to act with an election in the offing, given unions' desire to keep the status quo. But he believes inaction is potentially catastrophic if the markets don't perform.

"The budget for next session is a disaster," he said. "It's billions upside down already. How do you convince Oregonians that they should approve \$5 billion in new taxes and reward the Legislature with a massive increase in the budget when they can't even resolve to go after the simplest of budget savings available to them, which are the PERS reforms?"

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