



CHAMPIONSHIP SWIMMERS DIVE INTO TOWN REGION/3A



CONNECTING COMMUNITIES LIFESTYLES/1C



TRUMP WHITE HOUSE CHIEF OF STAFF RESIGNS NATION/11A

EAST OREGONIAN

JULY 29-30, 2017

141st Year, No. 205

WINNER OF THE 2017 ONPA GENERAL EXCELLENCE AWARD

\$1.50

Should hospitals pay property taxes?

Assessors, industry reps debate and defend exemption

By **JAYATI RAMAKRISHNAN**
East Oregonian

As two of the major employers in Umatilla County, Good Shepherd Medical Center and St. Anthony Hospital are active partners in many aspects of the community: providing life-saving health care, offering workshops and donating to

many nonprofits and events. But notably absent from that list is sharing the property tax burden.

Like many hospitals in the state of Oregon, the county's two medical centers are exempt from paying property taxes, under an Oregon statute that allows charitable, benevolent and religious organizations to eschew such

taxes. The total assessed value of such organizations in Umatilla County is more than \$89 million.

The practice of exempting hospitals has been scrutinized recently by some who feel modern hospitals operate much differently than their predecessors.

See **HOSPITALS/12A**



Good Shepherd Medical Center and other Oregon hospitals can apply for an exemption under an Oregon statute that allows charitable and benevolent organizations to avoid paying property taxes.

Staff photo by Kathy Aney



Teens hang out in the parking lot at Dave's FoodMart on Wednesday evening in Pendleton.

Staff photo by E.J. Harris

Problems and fun at Dave's, a popular teen hangout

By **EMILY OLSON**
East Oregonian

Kayla Lee was proud to be included in the student-chosen senior awards at Pendleton High School. But she didn't win best smile or most athletic or most likely to succeed.

"I was voted 'Most Likely to be Seen at Dave's,'" she said. "It's funny, but it's great."

The parking lot of Dave's FoodMart, located across from Roy Raley Park, is the site of a nightly hangout for

Pendleton teenagers. It has been an unsanctioned tradition since the store opened nearly 20 years ago.

"Ever since Dave's has been Dave's this is the place to be. We just come here and hang out," Lee said. "We talk. We play music. It's not like we're causing issues."

But Dave's thinks otherwise. The store is trying to rein in the rowdiness as teens reach the peak of summer boredom.

"It's not them being there that's the problem, it's the mess," said manager

Don Darlington.

Because he's among the first employees to get to the store each morning, Darlington frequently has to clean up litter strewn across the lot. It can include beer bottles, cigarette boxes, candy wrappers and condoms. Dave's increased the number of trash cans on the property, but the gas attendants said trash gets tossed near the cans, not in them.

It got so bad that the store recently

See **DAVE'S/14A**

"Everyone who's here right now, we take care of the place."

— **Kayla Lee**, voted "Most Likely to be Seen at Dave's"

PERS board lowers assumed rate of return

By **CLAIRE WITHYCOMBE**
Capital Bureau

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

The board adopted to assume 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 calculate 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, Umatilla School District has had to make cuts, in part because of increased pension costs, according to Superintendent Heidi Sipe.

Sipe said the PERS cost 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

See **PERS/14A**

HERMISTON

EOTEC holds last meeting before fair

Business manager resigns to manage SAGE Center

By **JAYATI RAMAKRISHNAN**
East Oregonian

At its final meeting before hosting its first fair and rodeo, the Eastern Oregon Trade and Events Center board was focused on last-minute construction at the facility. After all, the fair is set to begin in less than two weeks.

But that wasn't all the board had to deal with.

Heather Cannell, EOTEC's business manager, resigned and will take a job as the general manager of the SAGE Center in Morrow County. Cannell will stay on through the fair

and rodeo and will start her new role August 14.

Cannell said she did not apply for the open EOTEC general manager position.

"The position wasn't offered to me," she said. "I figured they had me, but if I wasn't good enough for the position why bother applying?"

But overall, Cannell said working with EOTEC had been a good experience.

"I'm proud to have been a part of the project and see it grow over the last couple of years," she said.

Cannell said she provided information on maintenance, scheduling and client files, in order to make the transition easier for her successor and the board.

The board met in executive

session after the meeting to discuss steps for hiring a general manager, but took no action.

The board also heard complaints from a resident of the neighborhood surrounding the facility in south Hermiston.

Chris Waive, a resident of Southeast Airport Road, discussed issues with dust and water rights in his neighborhood, some of which EOTEC board members said was not related to them.

Waive showed board members a video taken by one of his neighbors.

"It shows a truck traveling north to south on Ott Road, and the cloud of dust that came behind it," he said. "It's hard to understand unless

See **EOTEC/12A**



7 29467 10002 2