

# PERS: Governments tackle increases in variety of ways

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In 2013, the Legislature passed reforms including lowering cost of living adjustments on benefits. The court ruled in 2015 that idea is OK for benefits earned after the legislation was enacted, but not before. That decision wiped out most of longterm cost savings.

That ruling, and others, have held the system to past agreements with employees, which lead PERS Executive Director Steven Patrick Rodeman to say that the rising unfunded liability is both a concern and a stubborn problem to solve.

In a September 2016 presentation to the Bipartisan PERS Solutions Work Group, Rodeman said that retired employees are responsible for most of the increases. Those benefits account for 64 percent of the program's liability.

"Proposed legislative concepts either shift the benefit cost from employers to members, or reduce the normal cost incrementally by reducing benefits for active members, but do not reduce the unfunded legacy benefits that are the principal driver of higher employer rates," Rodeman's presentation read.

Forward-thinking changes have been made. The Oregon Public Service Retirement Plan was created for workers hired after Aug. 29, 2003, and is significantly less costly, Crosley said.

Even with those changes, PERS payments to retirees will continue to grow from about \$4.5 billion in 2016 to

### PERS definitions and facts

- **Accrued liability:** Benefits already earned by retired or active employees.
- **Unfunded actuarial liability:** difference between the cost of benefits already earned and funds projected to be available to pay for them. In 2015, that difference was about \$22 billion.
- **Tier 1:** Pension program covering public employees hired before Jan. 1, 1996.
- **Tier 2:** Pension program covering public employees hired from Jan. 1, 1996, through Aug. 28, 2003.
- **Oregon Public Service Retirement Plan (OPSRP):** Program covering public employees hired on or after Aug. 29, 2003.

### New PERS rates for local governments

<b>Polk County</b> 2017-19 rates: Tier 1 & 2 payroll = 20.96%; OPSRP general payroll = 12.44%; OPSRP police & fire payroll = 17.21%	<b>City of Monmouth</b> 2017-19 rates: Tier 1 & Tier 2 payroll = 19.09%; OPSRP general payroll = 10.81%; OPSRP police & fire payroll = 15.58%
<b>Polk County Fire District No. 1</b> 2017-19 rates: Tier 1 & Tier 2 payroll = 22.53%; OPSRP general payroll = 11.91%; OPSRP police & fire payroll = 16.68%	<b>Central School District</b> 2017-19 rates: Tier 1 & Tier 2 payroll = 12.47%; OPSRP general payroll = 7.14%
<b>City of Dallas</b> 2017-19 rate: Tier 1 & Tier 2 payroll = 22.03%; OPSRP general payroll = 13.74%; OPSRP police & fire payroll = 18.51%	<b>Falls City School District</b> 2017-19 rates: Tier 1 & Tier 2 payroll = 6.59%; OPSRP general payroll = 1.26%
<b>City of Falls City</b> 2017-19 rates: Tier 1 & Tier 2 payroll = 17.05%; OPSRP general payroll = 10.19%; OPSRP police & fire payroll = 14.96%	<b>Dallas School District</b> 2017-19 rates: Tier 1 & Tier 2 payroll = 27.20%; OPSRP general payroll = 21.87%
<b>City of Independence</b> 2017-19 rates: Tier 1 & Tier 2 payroll = 21.10%; OPSRP general payroll = 11.43%; OPSRP police & fire payroll = 16.20%	<b>Perrydale School District</b> 2017-19 rate: Tier 1 & Tier 2 payroll = 27.20%; OPSRP general payroll = 21.87%

Source: PERS

a peak of \$8 billion in 2040.

For the immediate future — the 2017-18 budgets about to be written — local governments are responding in a variety of ways.

Polk County Administrator Greg Hansen said the county's budget can absorb PERS if other costs don't get

out of hand at the same time.

"If we don't get large increases in health insurance ... we should be able to weather that storm," Hansen said.

The city of Dallas set aside \$84,000 in the current budget, and employees will begin

paying a percentage of their health care plans to defray PERS costs, said Finance Director Cecilia Ward.

Falls City Mayor Terry Ungricht said the information he has now points to minimal impact, but he will know more in a few months.

Gloria Butsch, Indepen-

## PERS By The Numbers

<b>1945</b> The year the Oregon Legislature created the PERS program.	<b>About 21</b> Percentage of benefit payment paid by employers.
<b>213,455</b> Number of active or inactive employees who are part of the PERS system.	<b>\$2,347</b> Average monthly benefit payment for 2014 retirees.
<b>134,323</b> Number of people currently receiving PERS benefits.	<b>44</b> Percentage of salary replaced at retirement for 2014 retirees.
<b>925</b> Number of employers that are part of the PERS systems.	<b>64</b> Percentage of actual liability accounted for by current retirees.
<b>About 74</b> Percentage of benefit payments paid for by investment earnings.	<b>4</b> Percentage of estimated increase every two years until the 2021-23 biennium. Source: PERS

dence's finance director, doesn't anticipate cuts to compensate for PERS, but said, "It is a bit early in the process to know fully how we will respond."

School districts may be in wait-and-see mode for the Legislature's final say on the state's 2017-19 budget.

Gov. Kate Brown's budget proposal released in December — the first take on the more than \$20 billion spending plan — attempted to set aside enough to maintain current programs, in-

cluding PERS costs.

Tami Montague, Dallas School District business manager, said the \$8 billion going to schools in the governor's draft may not be enough to save schools from cuts.

"However, we really won't know what potential reductions look like until the Legislature sets the final budget for K-12 during their upcoming session," she said.

"Historically, the legislative final budget is a little higher than the governor's, but we can't be assured of that."

## Cold weather settles in Polk County



Itemizer-Observer staff report

POLK COUNTY — As temperatures drop, the American Red Cross shares these 10 steps to help you stay safe during cold weather.

- 1. Layer up.** Wear layers of lightweight clothing.
- 2. Don't forget furry friends.** Bring pets indoors, or make sure they have enough shelter to keep them warm and that they can get to unfrozen water.
- 3. Remember the three-foot rule.** If Using a space heater, place it on a level, hard surface and keep anything flammable at least three feet

away.

**4. Requires supervision** — Turn off space heaters and make sure fireplace embers are out before leaving the room or going to bed.

**5. Don't catch fire.** If using a fireplace, use a glass or metal fire screen large enough to catch sparks and rolling logs.

**6. Protect your pipes.** Run water, even at a trickle, to help prevent pipes from freezing. Open the kitchen and bathroom cabinet doors to allow warmer air to circulate around the plumbing.

**7. Better safe than sorry.**

Keep the thermostat at the same temperature day and night.

**8. The kitchen is for cooking.** Never use a stove or oven to heat a home.

**9. Use generators outside.** Never operate a generator inside the home, including in the basement or garage.

**10. Knowledge is power.** Don't hook a generator up to the home's wiring. The safest thing to do is to connect the equipment you want to power directly to the outlets on the generator. (redcross.org)

Photo by LUKAS EGGEN/Itemizer-Observer

## OBITUARIES

### Harry A. Moore

March 2, 1928 – Dec. 21, 2016

Harry A. Moore, a resident of Dallas, died on Wednesday, Dec. 21. He was born on March 2, 1928, in San Pedro, Calif., the son of Harry and Venley Moore.

He was the middle child

of five children.

Harry joined the Merchant Marines at the age of 17 for two years.

He then joined the Navy and served for 12 years sailing around the world, crisscrossing the equator and many great adventures.



Harry later met Lois Mayfield, and they were married in August of 1966, at Catalina Island, Calif. They settled in Falls City.



Harry worked for Willamette Industries ply-

wood mill in Dallas for many years until his retirement.

Harry and Lois enjoyed traveling to Hawaii several times. They also enjoyed traveling around Oregon, especially, to the coast. They were a very active couple.

After Lois had a massive stroke Harry cared for his wife in their home for 12 years. Lois passed away on April 17, 2004.

Harry continued to stay active by golfing. He liked to

travel by reading 100 novels each year. He even enjoyed playing games on his Wii.

After his failing eyesight, he still traveled by watching movies and TV.

He is preceded in death by his wife Lois, his daughter Carol his brothers Chuck, Bob and Ray, and sister Ginny.

He is survived by his son Mike (his wife Eva), granddaughter Jennifer (her husband Johnathan) Mullins and 3 great grandchildren Colby, Maddilyn And William.

Come celebrate Harry's life for an informal gathering on Saturday, Jan. 7, from 3 to 5 p.m. at the Hong Kong Restaurant in Dallas.

Private interment will be

in Dallas Cemetery. Bollman Funeral Home is caring for the family.

### Billy M. Sanders

April 27, 1937 – Dec. 25, 2016

Billy M. Sanders, 79, died Dec. 25.

Billy was born in Nampa, Idaho, to William and Margaret Sanders.

Billy is preceded in death by his brother Lynn Sanders. Billy is survived by daughters, Dena Sanders and Kerry Sanders-Leos; sisters, Darlene Eamons and Carma Hanson; brother, Nick Johnson; and four grandchildren.

Private family services will be held at a later date.

Keizer Funeral Chapel handled arrangements. To leave an online tribute: Keizerchapel.com.

### Norma Lambert-Crites

Dec. 5, 1959 – Dec. 29, 2016

Services are pending at this time. Dallas Mortuary Tribute Center is caring for the family.

### Horace 'Bill' Steele

Jan. 31, 1928 – Dec. 29, 2016

Horace "Bill" Steele, 88, died Dec. 29, 2016, in Dallas. Service will be on Jan. 6 at Dallas Alliance Church.

Sudoku solution

7	3	8	1	4	6	2	5	9
2	9	5	8	3	7	1	6	4
4	1	6	9	5	2	3	8	7
1	4	7	6	8	9	5	2	3
8	5	2	7	1	3	4	9	6
3	6	9	5	2	4	7	1	8
5	2	4	3	9	8	6	7	1
6	8	1	4	7	5	9	3	2
9	7	3	2	6	1	8	4	5

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