

Employers adjust to minimum wage hike

By Paris Achen
Capital Bureau

About half of Deschutes Brewery's 500 employees received a raise when Oregon's new three-tier minimum wage law kicked in Friday. Customers also might notice a change: Menu items at its brew pubs are climbing by about 50 cents each to cover the cost of the wage increase, said company founder Gary Fish.

"There is a direct correlation," Fish said. "We don't cut staff because we don't schedule people when we're not busy. If, because we raise prices, volume drops, then we don't need to schedule as many people. We will deal with that at that time."

At least 203,000 Oregonians received a raise from the new law Friday, according to the Oregon Employment Department. Wages climbed from \$9.25 to \$9.75 in most parts of the state and to \$9.50 in rural counties.

"I think it's a great thing,"



Contributed photo/Yoshida Food International

Junki Yoshida of Portland-based Yoshida Food International said he will cut many temporary positions in his company to offset the cost of the wage increases.

said Sen. Michael Dembrow, D-Portland, chairman of the Senate Workforce Committee, which first proposed the law. "It starts small, but that is the beauty of the way we have crafted this. It is spread out over a number of years. Workers are still going to get immediate relief from the fi-

ancial pressure they're under because of housing and other costs they face."

The first-of-its-kind law customizes wages by cost of living and income level in three different regions of the state and sets a five-year schedule for increases. The law stemmed from concerns about the state's housing shortage and rising expenses in a state with relatively low wages. The Oregon Office of Economic Analysis has ranked Portland's affordability below Seattle's because of a disparity between wages and living expenses.

The actual number of employees who benefit from the pay bump is unknown, said Nick Beleiciks, state economist with the Employment Department. Minimum wage workers who receive tips may not on paper appear to be minimum wage workers because of that extra income, Beleiciks said.

But those costs still materialize for employers. Tips in Oregon don't count toward

the wages owed to an employee, but employees are required to report any money they receive on the job as income for tax purposes.

Most of the 250 Deschutes employees who received a raise from the minimum wage law also make tips at the company's pubs in Portland and Bend.

"The people who receive minimum wage in our company receive tips, and that's the lion's share of their earnings, plus we provide health care, even for food and beverage staff," said Fish of Deschutes Brewery. "We know these are our highest paid employees getting a raise because those are our tipped employees."

The additional cost comes at a time when employers also are adjusting to new paid sick leave requirements and facing the potential of a corporate tax increase under Initiative Petition 28, which voters will consider in the November general election.

Junki Yoshida of Portland-based Yoshida Food International said he will cut many

temporary positions in his company to offset the cost of the wage increases. He said he also is looking at ways to pare down benefits.

"It is hurting those people," Yoshida said of the people who would lose jobs.

In lieu of the temporary workers, he is asking his better-paid staff to increase production.

Fish of Deschutes Brewery said despite the burden of having to pay higher wages, he doesn't view the law as a bad thing.

"There are some employers who are not treating their employees as well that are making it harder on those of us who are," Fish said. "With that being said, the Legislature doesn't seem to value business and risk and all of those kinds of things as much as maybe they could."

"We have terrific people we get to work with, and this is not about them," he added.

The new law has some complications for employers who have itinerant employees

working in multiple regions.

Generally, employers have to pay employees the regional rate in which an employee works more than 50 percent of the time, but if an employee works in more than two regions, the employer has to track that employee's time spent in each region and pay different wages according to the amount of time spent in each region.

The Bureau of Labor and Industries has scheduled a series of seminars to help employers comply with the new law.

Enforcement of the law will be mostly complaint based, said Charlie Burr, a spokesman for Labor Commissioner Brad Avakian.

The minimum wage gradually climbs to \$12.50 by 2022 in rural areas, including Grant, Malheur, Lake, Harney, Wheeler, Sherman, Gilliam, Wallowa, Jefferson, Baker, Union, Crook, Klamath, Douglas, Coos, Curry, Umatilla and Morrow counties.

Pierce agrees to SPJ debate in Bend, Brown mum for now

By PARIS ACHEN
Capital Bureau

GOP gubernatorial candidate Bud Pierce says he has accepted an invitation from the Oregon Territory chapter of the Society of Professional Journalists to debate Sept. 24 in Bend.

Gov. Kate Brown's campaign spokeswoman, Liz Accola Meunier, declined to comment on whether the governor plans to join him in the debate.

"Conversations about this debate are confidential until we hear more from the host," said

Liz Accola Meunier, Brown's campaign spokeswoman.

The hourlong debate will "focus solely on issues impacting exurban and rural Oregon," according to a memo by John Sepulvado, an Oregon Territory SPJ board member. Sepulvado sent the memo to the Pierce campaign June 24, said Stacey Kafka, a spokeswoman for Pierce's campaign.

The candidates will take questions from a panel of journalists on subjects ranging from agriculture to transportation, in front of a live studio audience in Bend, Sepulvado wrote.

SPJ has partnered with three media organizations that serve rural Oregon, including The East Oregonian, Jefferson Public Radio and KTVZ-TV, to organize the event, the memo stated.

Pierce issued a news release Wednesday in which he called for six debates during the campaign and announced he had accepted SPJ's invitation.

The GOP candidate accepted SPJ's invitation within hours of receiving it, Kafka said.

"We're trying to be open and transparent with voters so they can plan to attend," Kafka said.

Brown has received widespread criticism for declining to participate in a July 22 debate sponsored by the Oregon Newspaper Publishers Association. That debate has traditionally served as the first debate of the campaign. No other gubernatorial incumbent has declined to appear in the debate since it began 30 years ago, according to ONPA.

Brown has said she plans to participate in at least three debates, starting no sooner than Sept. 1, and will consider more on a case-by-case basis.

Support slips in Oregon for international trade pacts

By Jim Redden
Capital Bureau

Support for international trade slipped in Oregon while the major candidates for president criticized the Trans-Pacific Partnership agreement that Congress could consider later this year.

According to two polls conducted by DHM Research, the percentage of Oregonians who believe foreign trade is an opportunity for economic growth dropped from 65 percent in March 2014 to 53 percent in April 2016.

During that time, the percentage of Oregonians who believe trade is more of a threat to the economy increased from 19 percent to 36 percent.

"Our polling data reveal that Oregonians are less certain that international trade is a good deal for our state and our country in 2016 than they were two years prior," says DHM Research founding partner Adam Davis.

The drop in support followed repeated attacks on international trade treaties



EO Media Group/Mateusz Perkowski

Cargo containers are shown being loaded on ships at the Port of Portland in this file photo. According to two polls conducted by DHM Research, the percentage of Oregonians who believe foreign trade is more of an opportunity for economic growth dropped from 65 percent in March 2014 to 53 percent in April 2016.

by Republican presidential candidate Donald Trump and Democratic presidential candidates Bernie Sanders and Hillary Clinton. All three candidates came out against the TPP, even though Clinton had previously called it the "gold standard" of such treaties.

"The seemingly 24-7 coverage of Trump and

Sanders this past year has taken its toll on public understanding and appreciation of the benefits of trade," Davis says. "It's been a constant drumbeat of Americans losing jobs and big companies being the only beneficiaries of policies like the Trans-Pacific Partnership."

Doug Badger, executive director of the Pacific Northwest International Trade Association, deplors the criticisms. Although Trump, Sanders and — to a lesser extent — Clinton have all claimed such treaties have reduced the number of American jobs, Badger says the opposite is true, especially in Oregon.

"Trade is creating jobs in the country and the region, which is especially dependent on trade. And they are good-paying jobs," says Badger, whose organization is aligned with the Portland Business Alliance and is pushing for approval of the TPP.

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