

# BEO Bancorp Reports 3rd Quarter Earnings

Bank of Eastern Oregon, a subsidiary of BEO Bancorp, announced third quarter 2011 consolidated net income of \$502,000, or \$0.54 per share. That is compared to \$518,000, or \$0.56 per share, for third quarter 2010. Year-to-date earnings were \$1,350,000 in 2011, as compared to \$1,421,000 for the same period in 2010. Total assets were \$251.8 million, up 0.9% year over year. Net loans of \$198.25 million were up 3.7% from the same period in 2010, while deposits were at \$222.1 million, up 0.5% year over year.

"We are pleased with the third quarter and year-to-date results. Loan volume has increased, and we continue to search out good lending opportunities," said president and CEO, Jeff Bailey.

Chief Financial Officer, Mark Lemmon, said, "We continue to increase value to our stockholders as shareholders' equity is up 8.5% year over year. Our tangible book value per share stands at over \$18, a growth of more than \$6 per share since the banking crisis and recession began in 2007. This is a direct

result of continued profitability and prudent capital management.

"Year-to-date Return on Average Assets is 0.72% and Return on Average Equity is 10.98%," Lemmon continued. "That return on equity is impressive considering the bank's tier-one capital ratio is well above our Oregon and national peer averages."

"Increased loan volume and steady deposit levels fuel our net interest margin, which dictates overall profitability," finished Lemmon.

Chief Operations Officer, Gary Prophet, said, "In spite of continued low interest rates, our deposit base is steady. Our branch personnel do a tremendous job of providing excellent customer service. The bank continues to adapt to the changing regulatory environment, and is happy to say we have been able to meet these challenges without imposing new fees and charges on customers."

"This year's wheat harvest was fabulous, with yields well above average and good prices. Cattle

prices are also strong and summer feed was plentiful. The overall quality of our loan portfolio is very good, and we continue to work hard at moving non-performing assets off of our books," said EVP and Chief Credit Officer, E. George Koffler.

"A common perception in the national media is that banks are not making loans. That is not true. We are continually seeking loan opportunities, and we are making loans to qualified borrowers," added Koffler.

"Local factors point towards an improving economy, but the slow recovery in the national economy, high unemployment, and the uncertainty associated with the European Union economic situation are concerning. All of these factors will play a role in how our local economy performs over the next few years," said Bailey. "I appreciate the efforts of our employees and the support of our customers and shareholders in making our fine institution successful even in these turbulent times."



Jeff Bailey

# CITY COUNCIL

-Continued from PAGE ONE

used to promote the whole county, including Lone and Lexington. As yet, neither Boardman or Irrigon has said how much they are willing to kick in. Lone and Lexington, because of their size, will be included in the promotion but not required to pay.

"We would like to see a package. What does our money get us?" councilmember Cody High asked Wright.

"An actual marketing campaign has not been developed because no budget has been established," Wright said. "The marketing dollars could be spent on several different mediums," he explained.

"Using \$5,000 (from the city of Heppner), can you give us an example of what mediums would you purchase?" City Manager Dave DeMayo asked.

Wright used the example of an ad in the East Oregonian Visitors Guide. He said a one-third page cost \$1,200, and the city could spend \$3,500 to \$4,500 for a bigger ad. He said, with that scenario, one publication could eat up an entire budget.

"Can you give us an example of what we could expect with a combined budget (of all the cities)?" Mayor Les Paustian asked.

"You would get a lot more circulation (with your print media) and I could get more exposure with digital and radio (advertisements)," Wright said. "We can reach over one million people, that is the benefit of combining with other cities."

"You are asking us to come up with a campaign when we don't have a budget," Wright told the council. "The East Oregonian Visitors Guide has a circulation of 100,000 but that might not be the best fit (for Morrow County)," he said.

Wright went on to say he does not have a firm commitment from Boardman or Irrigon on an amount, and Mayor Paustian said it was his understanding that the two cities were waiting to see if Heppner would buy into the program and what its budget would be. Wright said the city of Boardman had turned the program over to its local Chamber of Commerce.

"We need to know how much everyone else is putting in," Councilmember Cody High said. High also questioned if paying for tourism advertising was even an appropriate activity and expense for city government. Paustian pointed out that the city pays for the Heppner Chamber of Commerce position.

In other action, the city upgraded their burn ordinance and permit, tightening restrictions on what can be burned, and also set the burning permit fee at \$5 for one year.

"The permits will now be issued once annually which will result in a wiser use of resources (manpower and supplies)," the new ordinance read.

In other business the council discussed several ways it might spend \$18,229 it recently received from the sale of the HUD house at 160 Court St. Two proposals were presented. One would put the money toward repairs to the HVAC unit at the St. Patrick's Senior Housing apartments. The other would give \$1,500 each to Willow Creek Terrace, the Neighborhood Center and the Heppner Day Care. The money is required by HUD to be spent on community development projects. The city will investigate the exact definition by HUD of community development to make sure it spends the money correctly.

In other action: -The city agreed to pay \$500 toward an advertisement in the East Oregonian Visitors Guide. The city also purchased an ad in the guide last year.

-Learned that the new lover's lane bridge might not be installed until the year 2013. The city has a bridge at the city yard ready to replace the current dilapidated bridge next to the bowling alley across Willow Creek, but is waiting for the engineering to be completed.

-Reviewed and approved adjustments to the commercial sewer billings. "Some people are going to be happy and some are not going to be happy," DeMayo said. Some commercial accounts in town are going to see their bills increase by up to three fold, others will see theirs drop.

The council also received the following police report for the city for September.

**Traffic-**  
There were 11 traffic stops, resulting in two citations.

MCSO received complaints about hunters driving poorly in town.

A person was contacted regarding an illegally parked vehicle.

**Code Enforcement-**

A goat was reported missing from a residence.

MCSO contacted two residences regarding loud music.

Five loose dogs were reported.

Two reports of barking dogs were reported.

Five cats were transported to Pet Rescue.

Four unlicensed vehicles were reported. The owners were contacted and are working on getting the vehicles moved. Another residence is working on removing garbage from outside of the residence. A resident was also contacted regarding tall weeds.

**Theft Complaints-**

A Deputy investigated a report of stolen

cans. MCSO arrested an adult for stealing a vehicle registration sticker.

Money was reported stolen from a residence.

A person reported suspicious activity with a bank account.

MCSO investigated juveniles who were committing theft using the can recycler at the grocery store.

There were five drive-offs from the gas station.

MCSO investigated a residential burglary. An adult male was arrested and lodged at the jail.

**All Other-**  
One person was arrested on an outstanding warrant.

A juvenile was arrested and lodged for probation violation.

Two welfare checks were conducted by MCSO.

A suspicious vehicle was reported to be parked by the elementary school.

A disturbance was reported at the Mountain Glen Apartments. A deputy responded and determined it to be a verbal altercation.

A person was reported to be throwing knives at the city park. The person was contacted and asked not to throw knives in the park.

MCSO was contacted by a business regarding a possible false ID. The ID was determined to be valid.

MCSO deputy contacted juveniles regarding them playing with matches. A vehicle window was broken out by a juvenile throwing rocks.

A parent called MCSO and reported their child got out of the vehicle and was calling the parent names.

A juvenile left school on foot, during school hours. MCSO located the juvenile and took the juvenile home.

A resident complained about a harassing phone call. It was determined to be a misdial.

A resident called MCSO and reported they received one telephone call from kids playing on the telephone.

MCSO received a report of harassment. Both parties were advised not to call each other or to go to each other's residence.

MCSO responded to a domestic violence call. An adult was arrested for harassment and criminal mischief and lodged at the jail.

MCSO deputies responded to three domestic disputes. No crimes were committed. A resident called and complained about their landlord shutting of their power. A person called MCSO and reported their vehicle was keyed.

A city employee contacted MCSO regarding a deceased dog being buried on city property. The dog owner was contacted and will remove the dog.

Juveniles were seen picking flowers from private property without consent.

A male called MCSO and reported his wife took some of their possessions. Male was advised it was a civil issue.

MCSO contacted individuals regarding a civil issue over the transfer of property.

MCSO assisted a citizen with a vehicle lock-out.

MCSO received a report of an assault at the city park. It was determined to be unfounded.

# FFA fruit sale goes forward

The Heppner FFA chapter will be holding its annual fruit sale this year, but it won't look the same as it has in the past.

Due to inclement weather in late fall 2010, thousands of fruit trees (specifically apple) were killed in the Walla Walla region, including four full Fuji orchards used by Davis Orchards. Due to the negative impact from the sheer loss of trees and fruit, Davis Orchards isn't able to supply the Heppner FFA chapter with any fruit this year... and possibly next year.

The chapter members said that they have had such success in the past—due to the support of community members, the high quality of fruit from the producers and great fruit prices—that they were

saddened by the news from Davis Orchards.

"We want to be able to provide the service to our area and obviously appreciate the money we have raised in the past from our fruit sale," stated Maggie Collins, a fruit sale committee member.

To be able to do that, the chapter has made arrangements with another company from Meford, OR. The company, Quail Valley Farms, supplies fruit for school organizations such as FFA chapters.

"The fruit sale will look differently this year due to circumstances, but we hope to still provide a high quality product; this year we will have a diversity that we haven't been able to provide in the past," said Ashlie Hanson, another

committee member.

Diversity? The fruit from Quail Valley Farms includes: 20# box of Grapefruit (Texas Rio Grande Valley Reds), 20# California Navel Oranges, 20# Crisp Washington Fuji apples, 20# Northwest D'Anjou Pears, and a Festival of Fruit collection that includes a 22# box with 36 pieces of fruit (apples, pears, grapefruit and oranges.) All of the boxes cost \$25.

FFA members will have order forms later this week and will be happy to help people place orders. All orders need to be in by November 21. The fruit will be delivered in the beginning of December (no date has been set yet). The date will be advertised closer to delivery.

# Christian cowboy concert in Lexington

Jeff Colson, cowboy recording artist, will be in concert at Lexington Community Bible Church on Sunday, October 16 at 5 p.m.

Colson will be performing songs from his latest CD, "The Master's Call." The free concert will be followed by refreshments.



Jeff Colson

## THANK YOU

Hello this is Drew Brannon. Last summer I traveled to Australia. It was a once in a lifetime opportunity of playing football with and against other high school students from around the United States, Australia and New Zealand. I just wanted to thank everyone who supported me all the way through this experience. This affected my life in many ways. The first objective I had to follow through with was actually raising all the money. I needed to raise \$5,000 to travel and compete in the Down Under sports tournament for Football. It taught me many skills that I am thankful to have learned. I had the privilege to become friends with all these other players. I was the youngest on my team and only 4 of the 25 players on my team were Juniors. The rest had graduated and a few a little older. One Australian team was between 19-53 years of age. A 53 year old man on the line, that was amazing I told myself! To compete physically at that age is one of my many dreams. It was a blast to play with and teach the Australians how to play American Football - or as they call it, Gridiron. I played two games and started on offense in both. We won the first 15-0 and lost the second 9-3. We ended up with a silver medal. There were guys on my team from Oregon, Washington, Arizona, Nevada, Nebraska and Idaho.

The only reason why I was able to do this amazing trip that I will remember forever is because of my family's friends' and community's support. My friends gave me unbelievable support and kept me encouraged. The community of Heppner never once let up on me. The money just kept showing up and I knew with a town like Heppner I could raise the money. I am so lucky to live in a town where everyone cares about everyone else.

I have an incredible passion for Football and love being a Mustang. So thank you to all the people who helped me with this once in a lifetime memory. Thank you so much!!! Anyone who I have forgotten, please let me know.

- |                                  |                                       |                                   |
|----------------------------------|---------------------------------------|-----------------------------------|
| Al and Donna Osmin               | Douglas and Carley Drake              | Mac and Jan McDonald              |
| Arlatha Brannon                  | Ed and Mary Jean McCabe               | Marty and Gina Brannon and Family |
| Anne and Ron Reibach             | Edda Lovgren                          | Michele Portmann                  |
| Betty Christman                  | Family, Medicine of Grays Harbor      | Melvin McDaniel                   |
| Barbara Bexten                   | Gene Doherty                          | Mike and Shelly VanArsdale        |
| Bill and Patricia Gentry         | Graybeal Distributing                 | Morrow County Grain Growers       |
| Bill and Tammy Martin and Family | Greg Grant                            | Murray's Drug                     |
| Brian and Amy Kollman            | Heppner Family Foods                  | Robert Despain                    |
| Bob and Aloha Despain            | Heppner High School                   | Robert Hubbard                    |
| Budweiser Distributing           | Jamie McCormack                       | Ron and Muriel Beeler             |
| Chuck and Carolyn Holt           | Jeff and Diane Gitchell               | Russ and Dana Brannon             |
| Klara Kinzer                     | Jeff Maben                            | Sandy Coila                       |
| Coca-Cola Distributing           | Jenelle Von Ganten                    | Sandy Putman                      |
| Columbia Basin Co-op             | Jess and Staci Osmin                  | Shannon and Julie Lourenzo        |
| Dale Boyd                        | Jim Mahannah, Suzi Mercier and Family | Shannon Miller                    |
| Daye Stone                       | Jim Schlaich                          | Shawn and Merry Chandler          |
| Dan and Karmin Schwertfeger      | John and Karen Griffith               | Shelli Britt                      |
| Dave and Kim Baertlein           | John and Sonja McCabe                 | Tim and Lisa Dick and Family      |
| David and Candy Kehr and Family  | John Edmundson                        | Tim Hardy and Debbie Chandler     |
| David and Jennifer Jaca          | Keith and Angie Hanson                | Taylor Gould                      |
| Don and Pat Kehr                 | Kim Gutierrez and Family              | Terry and Kellie Gray and Family  |
| Doug Boor                        | Kyle and Tamara Jacobsen              | Tim and Jackie Headman            |
|                                  | Les Schwab                            | Virginia Grieb                    |

# Chihuahua Puppy for Sale



10 week old male, has had first shots  
Call April at 541-980-4643