

Oregon Business Plan gathering feedback for 2019 legislative session

By **JADE MCDOWELL**
STAFF WRITER

When the 2019 legislative session convenes, Oregon's business community plans to be ready with legislation and budget recommendations to address Oregon's fiscal problems.

Tackling rising costs of the Public Employee Retirement System is on the top of the list.

On Friday, representatives of the Oregon Business Council and Oregon Business & Industry visited Hermiston, where they convened a roundtable discussion with area business and government leaders. The title was "Facing Oregon's Fiscal Crisis" and the goal was to gather feedback for a partnership known as the Oregon Business Plan, which will use that to create a series of proposals for the 2019 legislative session.

Ginny Lang, acting vice president of OBI, told the group that the initiative would be a mixture of recommendations for cost containment, changes to revenue and new investments in areas such as education that can help grow the economy.

"We can't do it alone," she said. "Every one of you will be important ... this is a crisis and we need to get started on getting it fixed now."

Jeremy Rogers, vice president of OBC, said despite "very strong revenue growth" in the state, expenditures are outpacing revenues, creating about a \$1 billion shortfall per biennium. The largest problem he pointed to was PERS, which has been rapidly increasing operational costs for government entities. While the courts have made it clear that current retirees' pensions are off-limits, Rogers said the state needed to look at what reforms can be implemented to reduce the PERS burden in other ways. Other drains on Oregon's budget the Oregon Business Plan is looking at include the increasing costs of Medicaid and increasing costs for public employee health care plans.

The group is also interested in tax reform. Lang said they "learned a lot from Measure 97" about looking at the entire tax system instead of just trying to introduce a new idea, like a gross receipts tax, without making adjustments to other revenue sources first.

"We have to take a step back and look at the whole tax system," she said, "to look at how to shift it a little to make it more sustainable."

One idea she gave was getting rid of the kicker, which sends money directly back to the tax-

payers when state revenue overperforms what state economists had predicted. But she said that was a difficult topic that would probably have to be discussed further down the road than 2019.

Rogers said moving forward, the Oregon Business Plan needs to have four different strategies in mind based on whether Kate Brown or Knute Buehler will be governor next year and whether Democrats will have a supermajority in the legislature.

Local leaders had some ideas of their own for helping fix Oregon's fiscal issues.

Tamra Mabbot, city of Umatilla community development director, said regulatory reform was a small thing that could make a big difference to a lot of cities that have economic development projects held up by state regulations. She said after the city had an idea for recycling clean water from a developer into irrigation water it took two years to get a permit from the state. Things like that are partly a regulatory problem, she said, but there is also a problem with state agencies not being willing to take a risk on funding projects that are "outside the box."

Kim Puzey, general manager of the Port of Umatilla, said the port had reduced its PERS burden over the years through attrition, as PERS employees left and the port replaced them with contract employees who had a different set of benefits instead.

"To a degree you can get yourselves out from under that," he said.

J.R. Cook, director of the Northeast Oregon Water Association, said he noticed that the "Salem culture" was always to ask for more employees instead of looking at how the department or office can be more efficient with the resources they have.

"I think these types of crises lead to the ability to have those discussions about staffing," he said.

Mark Morgan, assistant city manager for the city of Hermiston, said unfunded mandates from the state were a big problem for local government jurisdictions. He also pointed out that in talking about investments into growing Oregon's economy Rogers and Lang had mostly mentioned education initiatives. Things like making more water available for farmers can also grow the economy, he said.

The Oregon Business Plan group plans to do more roundtables around the state and unveil a set of proposals at its summit on December 3.



Highland Hills Elementary School is being eyed by the Hermiston School District's facilities committee for replacement in a future bond.

STAFF PHOTO BY JADE MCDOWELL

Creative suggestions for school facilities

By **JAYATI RAMAKRISHNAN**
STAFF WRITER

Though they haven't made any decisions yet, the Hermiston School District has heard from community members: To pass a new bond, they're going to have to think differently.

About 20 people gathered Thursday night at the first public meeting held by the facility planning committee, made up of community members, school board members and district administrators. In January, the group began studying building issues facing the district, such as enrollment and capacity, school safety, and the condition of facilities.

The committee is looking at potential projects at four schools: new build-

ings for Rocky Heights and Highland Hills elementary schools, and making upgrades at Sandstone Middle School and Hermiston High School.

The committee said they hope input from the public will inform the next bond proposal.

Committee members said they had spent the past few months reviewing the problems with the previous bond, which failed in May 2017.

That \$104 million bond proposed new buildings for Rocky Heights and Highland Hills, a new elementary school and significant upgrades and expansions to the high school.

District Operations Director Brad Wayland said voters did not want to see taxes increase, but were

also unsure that they wanted to vote for the specific projects the bond would have addressed. Many also said they felt there was a lack of communication from the district.

Citizens present at Thursday's meeting said they understood the need to rebuild both elementary schools, but asked the district to think about other options.

"What about using the middle school as an elementary school, and building a new middle school?" Asked one audience member, noting that the middle school could hold more students. "When you have no money, you have to get creative."

Wayland said they had considered that option, but doing so would create more issues — especially because

the school would have been built for older students.

Another suggested that the district could build two-story elementary schools. Wayland said the district hopes to keep elementary school populations around 600.

But, as one audience member noted, elementary schools are already pushing that limit.

"What's the point of building a school that's already past capacity by the time it's built?" he asked.

Others said they wanted to see better communication from the district about the bond.

The Facilities Planning Committee is holding another meeting, in Spanish, Thursday at Armand Larive Middle School at 6:30 p.m.

Local man shot, police seek Boardman man

The 27-year-old victim is expected to recover



CONTRIBUTED PHOTO FROM HERMISTON POLICE DEPARTMENT
Alex Ahumada is a person of interest in a shooting that happened Saturday night in Hermiston.

A Hermiston man was shot Saturday evening but is expected to recover from his injuries.

Carlos Ramirez, 27, was taken to Good Shepherd Medical Center in a private vehicle after he was injured.

Hermiston Police Department Capt. Travis Eynon said someone called 911 to report a shooting at 9:47 p.m. and when officers arrived at 220 E Beebe Ave. in Hermiston they were informed the victim had already been taken to the hospital.

He said the incident took place in the back yard of a residence but he could not yet release more information about what led up to it.

No one has been taken into custody, but Eynon said Monday afternoon that police are searching for Alex Ahumada, 33, of Boardman, who is described as a person of interest.

If members of the public know where Ahumada is they are asked to call law enforcement and not try to detain him, as he could be

armed and should be considered dangerous.

From 2005 to 2012, Ahumada has had several criminal charges in the state of Oregon, including possession of methamphetamines, felon in possession of a firearm, theft, and failure to perform duties of a driver to an injured person (hit and run).

In a Facebook post, Eynon described the shooting as "an isolated incident" that "does not appear to be a random act."

He said Ahumada and Ramirez are well-known to each other.

Umatilla County Sheriff's Office and Oregon State Police also assisted at the scene, and the inci-

dent continues to be under investigation.

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