



**PERS UAL Task Force**  
**Public Comment Summary**  
**September 8, 2017**

Between Monday, August 29<sup>th</sup>, and Thursday, September 7<sup>th</sup>, the Task Force received a number of responses to items discussed at the August meeting, as well as a few new ideas and a number of questions about materials and process. All emails have been responded to. Comments within scope are included below. It is also worth noting that through this process a number of actions have been recommended that the Task Force is considering, including diversion of new lottery revenues, diversion of the kicker, and bonding or changes in bonding practices.

The substantive emails included the following comments:

“Over the weekend an event was held I believe a taco festival which ended up hosting 90k people, brought in a revenue of about 1.5Mil and ran out of food within the first 90 minutes. Still allowed people to come in to the event and continued to charge. Here is where this can help the counsel to gather more revenue. For any event with over a thousand people or over 5000 in revenue a permit should be obtained but with an approved method of payment including cash. This is not a tax but rather making sure that when the event coordinators improperly plan people will be refunded their entry fee. This can generate a descent amount of tax revenue an example this event if at a 5% fee would generate 75k and out of the 90k attendees would have could obtain their refund. This kills two birds with one stone helps protect the public and generates a tax that this counsel can tap into for the 5mil gap.”

“I just read an article on the suggestions the task force is considering to turn the PERS debt around. I don't find any of them acceptable except for steeling from SAIF if they are over reserved. However that is still making businesses pay for the debt of public employees and SAIF should cut their premiums.

To put the costs back onto the employees that benefit, my suggestion is to pass a monthly license fee based on membership for a union to operate in the state (like a \$1-2 out of each members dues or share pay each month) that goes to fund the PERS debt. After all it is their debt.

To distribute the cost evenly, if a bill were passed that would sunset in 1 year that took \$5 forced contribution from every public employees and PERS retiree each month for 1 year, you would net \$31,380,000 plus interest earned...You could also charge unions a monthly fee to operate in Oregon based on membership.

You could take it from voluntary giving by taking a percentage of Lottery funds,

Make all candidates turn over 25% of their campaign funds to PERS.

Adding a tax onto hunting and fishing, liquor or local governments will affect the economy, which should not be an option.”



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“I was interested to learn that one of the options being considered by the Governor’s Task Force on PERS reform was to increase revenue by increasing the number of retail liquor outlets in the state and/or privatizing the state’s control on alcohol distribution and sale.

The public health evidence is clear that there are substantial and negative public health impacts from either of these two activities. The U.S. Centers for Disease Control and Prevention (CDC) Guide to Community Preventive Services has made clear findings on both of these strategies, based on robust public health evidence for each topic.”

“While the League of Oregon Cities is working through the TF member designated to present options for cities, comments were made at the last meeting the League is compelled to respond directly to. League urges the TF to adopt a principle that it will make no recommendation that benefits one PERS employer, or category of PERS employer at the expense of another. Some options discuss at the 8/28 meeting contained the potential to do just that. Specifically the League’s concerns are:

- **OLCC Reforms:** The LOC understands and anticipated that the OLCC’s profitability and commercial potential would be a subject of discussion among the TF. However, Oregon’s cities received \$134.5 million from the OLCC in the last biennium. If that revenue stream is harmed, cities have no authority to impose a local liquor tax to recoup their losses. The costs of alcohol abuse disproportionately burden local governments and the amount we receive falls short of the amounts we are forced to spend to protect the public.
- **Urban Renewal:** The League is unclear from the presentation as to what revenue the TF believes may be available to reduce the UAL. An urban renewal district utilizes tax increment financing to fund improvements to a blighted area. Tax rates are frozen for the taxing districts and the increase in value is used to pay bonds that fund the aforementioned improvements. When the district terminates, the improved area returns to the tax rolls to the benefit of all districts. Alterations of this program will have long term implications for the redevelopment and investment in urban areas and the League cannot conceive of a manner that revenue could be lawfully and advisably derived from them to fund pension obligations.
- **Enterprise Zones:** While there has been some controversy over tax incentives granted to employers who choose to locate in enterprise zones and meet the conditions (typically higher wages and benefits), it’s difficult to argue that this program hasn’t benefited the long term financial health of cities, counties and the state. Amazon is in the process of locating two large distribution centers in Oregon, both in enterprise zones, that will bring 2500 new jobs to Oregon. It’s important to understand that this is an area where a local government has agreed to forgo a certain level of tax revenue to attract an employer but the benefits are realized by the State first as income tax collections increase before property taxes do. The League encourages to the TF to proceed carefully as it looks to alter economic development tools to fund the UAL.”



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“Franchise Fees pay for vital City services, such as Public Safety, Parks Maintenance, and Recreation and Library programs. The loss of Franchise Fees would have a significantly larger impact to our ability to provide these services than the projected increases to our PERS contribution rate, and subsequent higher annual expenditures, would have.

Mandating that cities would be required to dedicate “excess” fund balances to PERS would also have a negative impact on us, when we are already struggling to fund one-time capital needs in our General Fund. Our Capital Improvement Plan has identified a shortfall in funds needed over the next 5-10 years for replacement vehicles, HVAC and roof replacements, ADA improvements, as well as needed improvements to our Parks and at our Senior Center.

Fund balances are utilized to fund one-time capital needs, as well as provide cash flow to provide city services until we receive property tax revenues in late November. The potential loss of reserve funds would have a significant negative impact to the City of Tualatin, to a greater degree than increases in our PERS contribution rates.”

“As the Task Force considers alternatives, I would like you to understand that almost all units of local government in Oregon currently lack adequate resources to fund the level of service their community members would like to have. Diverting some of those resources to fund the PERS UAL will have a direct, and in many cases significant, impact on services provided directly to people. I hope that the task force focuses on how to increase resources to fund the UAL as opposed to reallocating what little is already available.”

“While I fully support efforts to reduce the PERS UAL, looking at one time revenues and utilization of fund balance reserves will not make a dent in the UAL, and would penalize all of those local governments for making difficult decisions during and after the recession to right size our service provision and make sure we would have adequate resources to meet our future challenges, including increasing PERS costs.

I believe other have mentioned the “re-dedicating” of current General Fund revenues like franchise fees would cripple our ability to provide to General Fund services.

I would strongly suggest that the State consider either a state-wide property tax for up to ten years with the resource dedicated to the UAL or that an income tax sur-charge for taxable income over a certain income level be instituted. “



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<b>Issue/ Topic</b>	<b>For</b>	<b>Against</b>	<b>Other</b>
Discussion of benefits changes, employee contributions, or incentives to retire (out of scope but included in comments)	I		
Questions about accessibility, dates, and meeting recordings			IIIIII
Raising revenue to meet PERS obligations	I	I	
Opposition from Cities		IIII	
Increasing liquor retail outlets		I	
Other methods of raising new dollars	I		