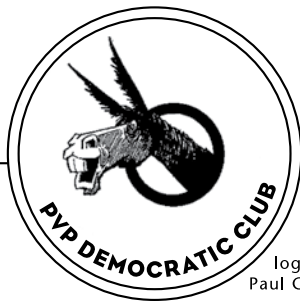


# Palos Verdes Peninsula Democratic Club

Founded 1952



## September 2012 Newsletter

P.O. Box 2234, Rolling Hills Est. CA 90274  
Visit Us on the Web at [www.pvpdemocrats.org](http://www.pvpdemocrats.org)  
"One of the oldest Democratic Clubs in California"

### COMING EVENTS

#### SEPTEMBER MEETING:

**DATE:** Sunday, September 16, 2012,  
2:30-4:30 PM

**LOCATION:** Peninsula Center Library  
Community Room, 701 Silver Spur  
Road, RHE, CA

**SPEAKER:** Congressman Henry  
Waxman

#### OCTOBER MEETING:

**SAVE THE DATE:** Sunday, October 21,  
2012, 2:30-4:30 PM

**LOCATION:** Peninsula Center Library  
**SPEAKER:** Robert Hiltzik, Los Angeles  
Times columnist

**TOPIC:** Social Security

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### Congressman Henry Waxman speaks at September 16 meeting

Yes, that's right a sitting Congressman will be our featured speaker on Sunday September 16 at Peninsula Center Library! Congressman Waxman is running in our new Congressional District 33 and, if he's successful, he will be representing us come January.

It's almost too good to be true. We would go from having Dana Rohrabacher to Henry Waxman. Finally, we can feel that our Congress member actually does represent us.

But before rejoicing, we must elect Henry Waxman and he's in a serious race this time, for the first time since his very first race. The new 33rd district has a large Democratic majority, but his opponent is posing as a moderate independent, rather than a Republican, and it's not clear how that might play out.

The Congressman was first elected to Congress in 1975 and he's successfully authored many important bills in the areas of health and safety, including a bill that added airborne toxic substances to The Clean Air Act, to name one. When the Democrats recently held the majority, he chaired the important Energy and Commerce Committee.

You may remember one of the Congressman's most famous moments in 1994 as chair of the Health and Environment subcommittee when the major cigarette company executives all proclaimed under oath they believed nicotine was not addictive. That hearing eventually led to the loss of the overwhelming influence the tobacco industry once held over Congress and our country.

Please come September 16 to meet and hear from this extraordinary public servant.

We will also hear from Sergio Carrillo, regional chair of the California Democratic Party. He will talk about how the various races are shaping up and provide us information about the party's

positions on the many important November ballot initiatives. Permanent absentee voters will begin receiving ballots in early October, so this information is especially important for them.

We may also hear from our great Assembly candidate, Al Muratsuchi, if his schedule permits him to stop by our club on that day. Fingers crossed!

See you there, Sunday, September 16.

### August Meeting Report

By Christine Mei

### Club Business

Club President Connie Sullivan called the meeting to order. Connie reminded members to pay their membership dues for fiscal year 2012-2013 and to attend a small fundraising event for the club at the Red Brick Pizza in the Promenade after the meeting.

Carlos Gutierrez, field director of Al Muratsuchi's campaign for the 66th Assembly District race, urged the audience to take part in Al's campaign. The campaign needs volunteers to do precinct walks, phone banking, and envelope stuffing. Anyone interested in participating can visit [www.alforasassembly.com](http://www.alforasassembly.com).

Three events for Al's campaign are currently planned:

- September 8, 10am-2pm – Volunteers will walk the streets of Hermosa Beach, Redondo Beach and Palos Verdes to kick off Al's campaign
- August 29, 7-8:30pm – Coffee with Al at Rascha and David Hall's home, 6603 Madeline Cove Drive, RPV. RSVP: [connie@alforasassembly.com](mailto:connie@alforasassembly.com)
- September 30 – Fundraising for Al at Melanie and Richard Lundquist's home in Palos Verdes Estates

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## Public Pension Reform Overview



David Muir, California Retired County Employee Association

Our first speaker, David Muir, is the chair of the Retirement Security Committee of the California Retired County Employee Association. David gave an overview of the public pension systems in California. The systems were created by the state legislature as independent government entities. Neither the governor nor the county supervisors have any control over the management. The fiduciary duty of the trustees is to operate the systems solely in the interest of providing benefits to participants. Both the U.S. Constitution and the California Constitution prohibit the state from passing laws to reduce existing retirement benefits.

Out of 131 retirement systems in California, there are 85 defined benefit (DB) plans. From 2007 to 2010, both the number of DB plans and the number of plans funded at greater than 85% level have gone down. The unfunded liability is around \$128 billion.

There are two types of DB plans: the safety plan for police and fire fighters and the general plan for other employees. The employer contribution (taxpayer contribution) for the safety plan is greater than that for the general plan. This has to do with the hazardous nature

of police and fire fighters' work. Employees in the safety plans can also retire at an earlier age than employees in the general plans.

Although there are no statewide initiatives for pension reform on this November's ballot, municipalities such as San Diego and San Jose have passed pension reforms by a wide margin. At present, the Conference Committee on Public Employee Pensions is evaluating Governor Brown's "Twelve Point Pension Reform Program" and several other reform bills. The deadline for passing a bill is August 31, 2012.



Gregg Rademacher, LACERA

## Los Angeles County Employees Retirement Association (LACERA)

LACERA manages the retirement funds for 150,000 L.A. County employees. There are two DB plans under LACERA systems: Plan D and Plan E. The main difference between these two plans is employee contribution; Plan D requires employee contribution while Plan E does not. County employees also do not receive Social Security benefits.

Gregg Rademacher, CEO of LACERA, addressed the three major concerns taxpayers have over public pensions:

- 1) Is the pension contribution from the employer crushing the budget?

- 2) Do public employees retire at a ridiculously early age?
- 3) Are the retirees living a good life?

The answer to question #1 is no. The pension contribution by LA County only amounts to 4% of the 2012-2013 county budget. The State Budget Crisis Task Force concluded in a recent report that the concerns over pension plans are not about the funding (the county has always funded the plan as required) but are about how well the funds are managed.

As to the retirement age of public employees, Gregg informed the audience that the full retirement age has been raised from 62 to 65 since 1977. The current full retirement age for employees in the safety plan is 60.

The retirement benefit for the county employees is on average \$3,000-4,000 per month. Only 1.5% of the retirees in Plan D and 0.1% in Plan E receive \$8,000 per month, and in some very rare cases, a few top county executives may receive up to \$19,000 per month. These are the exceptions, not the rules.



Laura Enderton, CalPERS

## California Public Employees' Retirement System (CalPERS)

Laura Enderton, division chief in charge of stakeholder relations for CalPERS, briefly explained what CalPERS is. CalPERS plans provide retirement benefits to many cities and counties throughout California. Local governments contract with CalPERS to provide retirement benefits for their employees. In general, employees in the safety plans have a 90% cap on replacement income while there is no cap for employees in the general plan. The average monthly retirement income is around \$2,200 per month.

Laura debunked the myth of "\$100,000 Check." She said that only high wage earners

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## Last Chance to Renew!

### Reasons to do it:

- We work for issues that are important to you and to all of us as citizens.
- We do it as uncompensated volunteers.
- The money goes to campaigns for the candidates we support.
- You will be a good person.

**That's it – I hope you'll continue to stand with us. Anyone who is not in good standing by September will be removed from the newsletter mailing list.**

**Lynn McLeod, Membership Chair**

who make \$8333.33 monthly while working get the \$100,000 plus yearly income in retirement. It is again the exception, not the rule.

### DB vs. 401(k)

David Muir talked about the impact of shifting DB plans to 401(k) plans. He said the transition is like a train wreck in the making. After the financial crisis, the value of retirement funds plummeted for workers in 401(k) plans. Seventy-five percent of Americans nearing retirement in 2010 had less than \$30,000 in their retirement accounts.

Why do 401(k) plans fail so miserably?

David attributed the failure to three factors:

- 1) Failure by both employers and employees to provide sufficient contributions in the recent economic downturn.
- 2) Failure to achieve sufficient investment returns.
- 3) Failure to prevent borrowing from the 401(k) funds.

### Reforms that work

David is convinced that instead of shifting to 401(k) plans, there are many ways to reform the existing DB plans, including:

- 1) Prohibiting retroactive benefits enhancements
- 2) Prohibiting contribution holidays
- 3) Capping the amount of salary and the pension payment

- 4) Defining the "final salary" as the average of the last three years instead of one
- 5) Lowering benefit formulas
- 6) Increasing employee contribution rates
- 7) Requiring sharing of the unfunded liability

The meeting concluded after the raffle and Connie's announcement that Rep. Henry Waxman will be at our next meeting in September.

### Historic Victory for Transparency as California DISCLOSE ACT, AB 1648, Passes Assembly

By Jean McDonald

The California Clean Money Campaign, a non-partisan 501(c)(3) organization, made this announcement on August 21st. "This bill, passed by a solid majority of 50 to 26, provides true transparency and disclosure for political ads and is endorsed by over 300 organizations and leaders."

"Nationally, Super PACs that hide their funders have already vowed to spend over one billion dollars this election on the Presidential and Congressional races, most of it in the form of deceptive attack ads and with none of the ads showing who really pay for them. According to the state Fair Political Practices Commission, \$150 million has already been raised by campaigns for and against statewide ballot measures in California just this year."

Julia Brownley, Democrat-Oak Park, authored this bill and was sponsored by the California Clean Money Campaign; it would amend the Political Reform Act of 1974.

"AB 1648 will require political television, radio and print ads to clearly identify their three largest funders of \$10,000 or more with their names and logos so voters know who is actually paying for them." It "will apply to both ads for or against ballot measures and independent expenditure ads for or against candidates."

According to a Field Poll late last year, "84 per cent of registered California voters favored legislation to increase public disclosure requirements of initiative sponsors, including 78 percent of Republicans, 86 percent of Democrats and 88 percent of Independents."

If the State Senate passes AB 1648, the California DISCLOSE Act will be placed on the November, 2014 ballot. At the time of this writing, that outcome is unknown. Stay Tuned!

For further information, visit: [www.CAClean.org](http://www.CAClean.org).

### By-Law Amendment

By Jerry Parker

Because California now has a single primary rather than one separated by political party, the Democratic Party Constitution has been modified to respond to this. The Palos Verdes Peninsula Democratic Club is chartered by the county party so we must comply with their changes. As such, the following amendment to our By-Laws is presented. It will be read and discussed at our July meeting and voted on at the August meeting.

1.4 ENDORSEMENTS - The club may participate in making endorsements through delegates to appropriate Democratic Party councils or conventions. In primary and general elections the club shall support the candidates endorsed by the Democratic Party.

### Upcoming Campaign Events

By Connie Sullivan

Please mark your calendars for the upcoming events:

**September 6** (time to be determined) view President Obama's acceptance speech at the new Muratsuchi HQ, 1628 Cravens Ave, Torrance (in Old Torrance). Watch the speech along with other Democrats; that's always more fun, right?

**September 8:** Help celebrate the official opening of the Muratsuchi HQ. Stop by between 10:00 and 2:00, meet the candidate, eat some food, and find out how to get involved. We will then walk the streets of Hermosa Beach, Redondo Beach and Palos Verdes with other Democratic activists.

**September 30:** Save the date. On this Sunday, Melanie and Richard Lundquist will host a fundraiser picnic at 1:00 pm on their expansive lawn overlooking Santa Monica Bay. For more information contact Connie at [pvedems@gmail.com](mailto:pvedems@gmail.com) or 310-378-1554.

### Palos Verdes Peninsula Democratic Club Expenditure

By Connie Sullivan

In August the club made a \$499 donation to Democrat Al Muratsuchi's campaign for the 66th Assembly District.

**PVPDC Officers for 2012 Contact Info**

President: Connie Sullivan 310-378-1554  
 1st VP: Hans Grellmann 310-373-3066  
 2nd VP: Jean McDonald 310-373-3066  
 2nd VP: Tom Long 310-375-5135  
 Recording Secretary: Judy Pang 310-375-5783  
 Corresponding Secretary 310-375-5783  
 Sheila Papayans  
 Treasurer: Shuja Oberoi 310-373-7978  
 310-265-1037  
 Membership Chair: Lynn McLeod 310-375-2103  
 Newsletter Editor: Christine Mei 310-541-2458



Palos Verdes Peninsula Democratic Club  
 Founded 1952

P.O. Box 2234,  
 Rolling Hills Est. Ca 90274

# Palos Verdes Peninsula Democratic Club

Founded in 1952 - One of the oldest and largest Democratic Clubs in California

As a member of the PVP Democratic Club, you can:

- Meet other Democrats
- Meet and get to know your elected officials, raise funds and work for candidates
- Attend special events and monthly meetings
- Hear speakers and discuss issues of local, state and national import

Please Send your membership form to P.O. Box 2234, Rolling Hills Est. Ca 90274

Name \_\_\_\_\_  I am a registered Democrat  
 Name\* \_\_\_\_\_  I am a registered Democrat

\* Fill in if Applying as a Family - two memberships

Residence Address \_\_\_\_\_ Phone \_\_\_\_\_

City \_\_\_\_\_ Zip \_\_\_\_\_ Cell \_\_\_\_\_

Occupation \_\_\_\_\_

Employer \_\_\_\_\_

E-mail Address \_\_\_\_\_

\*Select One:  Individual: \$ 25.00/Year  Family Membership \$40.00/Year  
 Young Adult \$10.00/Year

Amount enclosed \_\_\_\_\_  Renewal  New Member

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