

Palos Verdes Peninsula Democratic Club

Founded 1952



August 2012 Newsletter

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

COMING EVENTS

AUGUST MEETING:

DATE: Sunday, August 19, 2:30-4:30 PM

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

TOPIC: Public Pension Reform

SEPTEMBER MEETING:

SAVE THE DATE: Sunday, September 16, 2:30-4:30 PM

LOCATION: Peninsula Center Library

SPEAKER: Congressman Henry Waxman

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August 19th Meeting: Public Pension Reform

Public pensions have been blamed for budget deficits. San Jose and San Diego recently passed ballot initiatives to reduce retiree benefits and/or to increase employee contributions to their cities' pension funds. Was this really necessary? Are public pensions the reason for the strained city budgets and city bankruptcies we've been seeing? Are there any public pension systems that are solvent? What should be done to fix the problem?

The August 19 meeting will address public pension reform with a panel of 3 pension experts: Gregg Rademacher, CEO, and David Muir, former Chief Legal Counsel, both of the L. A. County Employees Retirement Association, and a representative of CalPERS.

Common misconceptions about public pensions will be addressed as will potential paths forward. The presentation will focus in part on answering club members' questions and helping educate members so as to be able to better respond when public pension issues are discussed.

Please join us August 19, 2012, at 2:30 pm in the Peninsula Center Library Community Room for this important program.

July Meeting Report By Christine Mei

Club Business

The club's annual meeting started with a potluck at Pacific Unitarian Church. Hans Grellmann, our first VP, presented Barbara and Dick Trakas, the club's longtime mailing coordinators, with an orchid to thank them for their hospitality and extended service. Connie Sullivan, club president, then made several announcements: a) a small fundraising event



Jean McDonald presented a present to Bonnie Lowenthal

for the club will be held on 8/19 at Red Brick Pizza after the meeting, b) the membership fee for the new fiscal year is due, and c) the by-law changes will be voted on at the next meeting on 8/19.

Jean McDonald, club second VP, introduced the departing state assemblywoman, Bonnie Lowenthal. Jean thanked Bonnie for her excellent service representing the 54th district in the capitol. Jean also presented Bonnie with a gift.

Bonnie thanked the club and individuals for helping her to win past elections to represent the 54th district. In November, she will run for the assembly seat for the 70th district. Currently, she is the chairperson of transportation committee. For the next term, her main focus will be transportation and mental health.

Al Muratsuchi, the top vote getter of the 66th assembly district race during the June primary, briefed the audience on the general election in November. Al said that voter turnout is going to be the key. In the June primary, the Democrats had a much lower turnout, but the November election will be vastly different. Presidential and general elections generally have higher turnouts, which tend to favor Democratic candidates. Al wants everyone to get out and vote. He reiterated that his top priority is education. He is concerned about budget cuts at all levels of our educational system. As an assembly member, he will fight to preserve funding for education. His opponent Craig Huey, on the other hand,

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PVPDC 2012-2013 board members and John Chiang



Al Muratsuchi, Candidate for the 66th Assembly



State Controller John Chiang opposes everything Democrats stand for, from Roe v. Wade to environmental regulations.

California Budget Woes

The speaker, State Controller John Chiang, was introduced by Tom Long, the former RPV mayor and the second VP of our club. Tom noted that John, with a reputation of transcending partisan politics and holding everyone accountable, has one of the most



Assembly Member Bonnie Lowenthal important jobs in the State of California. The decisions he makes in that office affect the financial future of the state.

John explained to the audience that, based on the latest unemployment numbers, California's economy is heading in the right direction. However, the recovery is still very slow. In 2007, California's unemployment rate was 5.7%. It went up to as high as 12.5% for four months in a row in 2010. The total jobs lost since 2007 is around 1.4 million. The loss of so many jobs greatly affects California's finances because personal income tax is one of the three major revenue sources for the state. The other two are sales tax and corporate tax.



Hans Grellmann presented an orchid to Barbara and Dick Trakas

John talked about the challenges he has had since he became the state controller in 2006. He recalled his massive battle with the then-governor, Arnold Schwarzenegger. In September 2008, Governor Schwarzenegger signed a \$103 billion dollar budget, the second largest in California history. John felt it was not sustainable and asked the governor to fix the budget. The governor did not heed his warning. By 2009, John was forced to issue IOUs because the state was running out of cash. John had to work with the banks to help people avoid losing homes, jobs, etc. Today, California still has cash problems. Our annual deficit is decreasing, but our deficit in cash still went from \$8.2 billion to \$9.6 billion in 2011.

To fix our state's finances, John insists we must fix the state's financial structure and tax structure. We need to go after major corporations that are getting special tax breaks. When Carly Fiorina was running against Barbara Boxer for the senate seat, she complained that HP was paying too much tax. In fact, HP was paying zero in taxes. This is not right. We have to fix our tax structure. We cannot allow corporations to get special tax breaks while shifting the tax burden to the middle class and working poor.

There are many instances in which corporations have undue tax advantages. A

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few years ago, we needed a two-thirds vote to get the budget passed in the state legislature. Democrats needed Republican votes, so they compromised. They gave three billion dollars in tax breaks to the 18 largest corporations in California over a two-year period while cutting the budget for education by three billion dollars. California also has complicated tax laws that allow corporations to set up companies or hire people in other states and pay lower taxes in California. Many corporations use this tax formula to avoid paying taxes in California.

John feels strongly that we need to reform our tax system before raising taxes or cutting spending.

For the November election, John urged the audience to really get involved to help elect Democrats like Bonnie Lowenthal and Al Muratsuchi. The major difference between Democrats and Republicans, John contends, is how each views the role of government. Democrats think government is very important in terms of providing jobs, paying for defense, education, roads, agriculture, etc. The Republicans want to cut government spending to the core. John questioned: If we create austerity, how do we create growth?

John touched upon our competitiveness in the global economy. To be competitive, we need to offer our kids a world-class education. Many years ago, John's family emigrated from Taiwan because his parents believed this country was the best place to build their dreams. Today the US is still the best place, but other countries are catching up, in part because of the education the other countries offer to their children. We need to do a better job educating our children.

Finally, John talked about the Unclaimed Property Law, a law he helped to push through the legislature to protect consumers. It allows the controller to notify property owners that the state has their property in possession. Prior to John's tenure, the controller could not do that. John cautioned that if you hire a private company to claim the property for you, you need to be aware that some companies charge high fees and can be quite unethical. Bonnie Lowenthal is sponsoring legislation to prevent these companies from doing harm to consumers. John asked the audience to support this legislation.

During the Q&A period, there was a lively discussion about underreported income, underfunded education, the surfacing of the 54 million dollars found in park fund, Prop. 13, insourcing vs. outsourcing, the return of revenue back to local governments, the importance of having competent finance

personnel in the government, and the auditing power of the controller's office over local governments.

The meeting concluded after John installed the new club board for 2012-2013, and three Obama campaign items were raffled off.

Red Brick Pizza Fundraising

By Connie Sullivan

The club's board decided to begin fundraising to defray costs associated with conducting our meetings and mailing out our newsletter to members that don't use email. This fundraising will ensure that we can use more of our membership dues for donations to Democratic candidates for office.

The club has begun fundraising at meetings by holding raffles for Democratic swag and will continue to do so. In addition, we're going to begin fundraising at Red Brick Pizza located in the Shops at the Peninsula on Sunday evenings after our general meetings.

The Red Brick Pizza fundraisers will begin with our August 19 meeting. The pizza parlor will donate an amount equal to 30% of the bill for every patron who lets the cashier know that they are with the Palos Verdes Peninsula Democratic Club.

So join us on August 19, after our general meeting and raise a little money for the club. We have to eat, might as well raise money while we're doing it!

Republican Strategy

By Hans Grellmann

I recently read an interview with author Jonathan Franzen in the German magazine *Der Spiegel*. The interview was about Obama's presidency and American politics as practiced today. Here are some excerpts.

Legislators from different parties used to talk to each other and spend time together. No more. Franzen believes that this development is intentional on the Republicans' part. "The Republicans had to face facts and realize that the policies they advocated had nowhere near a majority of support in the country. One way to keep winning ... was to try to reduce the number of people who vote," he says. "You can do that with these voter identification laws. You can also do it by making politics so toxic and so repulsive, so polarized, that ordinary people just don't participate."

Franzen really believes this is true, even in the face of a visitor's skepticism. The Republicans' obstructionism on the budget, he says, was nothing but a power play, and their goal in

Membership Renewals

Please pay your 2012-13 renewal using the form on the back or using your credit card at our on-line Membership page. This is an election year and we need you all - thank you!

Lynn McLeod, Membership Chair

blocking anything Obama proposes is merely to promote political apathy and then to benefit from it. There is no other explanation but malice, says Franzen, for the fact that the Congress is currently so completely unable to function. "It was very calculated. There was thoroughgoing party discipline."

The Republicans are still the party of the rich and of big business, says Franzen. Until 20 years ago, there was still enough to go around in the country that at least two thirds of Americans could live happy and satisfied lives. Today, Franzen points out, it's only enough for a third of the population. Besides, he adds, people are no longer convinced that their children will be better off than they are.

"When you look at the opinion polls, two-thirds of Americans want taxes raised on the wealthiest 1 percent. They think they are not paying enough taxes." What do you do then, Franzen asks rhetorically "You try to hobble the president from the opposite party, and you try to inflame people with ridiculous issues like contraception."

In fact, hot-button issues of the kind Franzen cites are constantly turning up in the Republican campaign -- issues like abortion, contraception, religion and guns. "All of these things, they shouldn't matter," says Franzen, "but you have a deliberate strategy to keep forcing the issue." As a result, politics becomes a black art, with the objective of suppressing the truly important issues and shining on the issues that are in fact unimportant. "The media are themselves complicit, televised media in particular, because what gets people watching? Controversy gets people watching. If people are angry, they will turn on the TV in order to get more angry."

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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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 Voter Registration Campaign Work Website/Facebook Phone Tree
 I might offer my home for a meeting or social event