

Labor miffed with California pension reform deal

By Reuters

Gov. Jerry Brown and lawmakers have reached a deal to raise public employees' retirement ages, have them pay more into their pension accounts, and cap retirement payments in a vast overhaul of the state's pension system that he says will save \$30 billion.

Union leaders panned the deal between Brown and fellow Democrats who control the Legislature and hope to drum up support for his tax measure on the November ballot by showing voters they can tackle big challenges.

California faces a huge liability for funding the nation's largest public pension system, but other states and cities also have huge pension funding gaps and will be watching the state closely.

Brown did not get everything he wanted from lawmakers, such as a hybrid plan that would funnel some contributions into 401(k)-style accounts, and some of the deal's measures will not affect current employees.

But Brown said at a press event in Los Angeles that the changes would ensure the state's pension system would be sustainable.

"We have lived beyond our means," he said. "The chickens are coming home to roost and this is just one in a series of countermeasures that will be required over the next decade."

The Legislature's Democratic leaders plan for the full state Senate and Assembly to vote on the changes on Friday, the last day of the Legislature's session for this year.

Democrats have enough vote to approve the plan, which is based on proposals made by Brown last year. The Legislature's Republican minority endorsed his proposals.

The package of reforms includes provisions that will require new state and local government workers to split payments to pension accounts at least evenly with their employers.

Local governments using the state's pension fund to manage retirement accounts could impose higher payments from employees if they are unable to negotiate the 50-50 split in five years.

New employees must work two additional years to get maximum benefits after retirement. Formulas used to calculate pensions for new employees will be changed, making them less generous.

Government employers will be given more flexibility in crafting pension plans and new rules will be put in place to prevent inflated pension payments.

Additionally, savings to the state from employees paying more toward their pensions will be used to reduce its unfunded pension liability.

"Anything that reduces the state's unfunded pension obligation would be a good thing," said Steven Zimmermann, Western Region managing director at Standard & Poor's Ratings Services.

Labor groups were stunned by the deal.

"We are outraged that a Democratic governor and Democratic legislature are taking a wrecking ball to retirement security for teachers, firefighters, school employees, and police officers," said Dave Low, chairman of Californians for Retirement Security, which represents 1.5 million public employees and retirees.

Outside the state building where Brown unveiled the agreement, union activists said the deal unfairly bypassed collective

bargaining rights.

“Labor did not have input on this and we are very, very concerned on what this will mean for rank and file workers,” said Barbara Maynard, also with Californians for Retirement Security.

Brown has lobbied lawmakers for a pension package since last year and has said that putting changes into law is critical for helping convince voters to support his November tax measure.

If voters reject the measure, California will need to cut more spending, including more than \$5 billion from popular education programs, to keep its books balanced. The measure would increase the state sales tax to 7.5 percent from 7.25 percent for four years and raise income taxes on Californians making more than \$250,000 a year for seven years.

“Pension reform is just a big issue for folks these days,” said Larry Gerston, a political scientist at San Jose State University. “This helps build his credibility.”

Voters in San Jose, California’s third largest city, approved a measure in June to clamp down on pension expenses. San Jose Mayor Chuck Reed said the deal between Brown and lawmakers is significant – but urged constitutional changes so future legislature could not undo them.

(Reporting by Alex Dobuzinskis and Troy Anderson in Los Angeles, Peter Henderson in San Francisco and Suzanne Hurt in Sacramento; writing by Jim Christie.; editing by Richard Chang.)

Body of missing Placer County man found

Just as the Placer County sheriff's deputies ramped up today's search efforts to find a missing Clipper Gap man, the body of Gary Howe was found by searchers within a half-mile of his home at about 9:40am.

Howe was first reported missing Sunday night by a caretaker.

A large-scale search and rescue effort began Sunday evening. By Tuesday morning, searchers from El Dorado, Nevada, and Calaveras counties had joined the effort. Fifty searchers, including those on foot, specialized dog teams, horses and 4x4 vehicles were looking for Howe when his body was located in a steep, heavily wooded area.

Howe, 71, had dementia and vision problems.

An autopsy will be performed to determine the cause of death.

Identities of South Tahoe plane crash victims released

The El Dorado County coroner has confirmed the identities of the five people who died Saturday night when their plane crashed after taking off from Lake Tahoe Airport.

The deceased are:

Harold Cardwell, 60

Kin Cardwell, 41

Francisco De La Mora, 43

Lorena De La Mora, 39

Esmeralda De La Mora, 6.

All are from Fresno.

The National Transportation Safety Board is continuing to investigate the Aug. 25 accident to determine the cause.

– *Lake Tahoe News staff report*

Placerville winery accident brings sad end to couple's future

By Cynthia Hubert, Sacramento Bee

It would have been a spectacular setting for their wedding, amid the rolling hills of a vineyard where he was learning the art of winemaking.

Joshua David Ruff and Rachel Manasse had it all planned, from the sparkly toasting glasses to the purple flower petals that would decorate the aisle.

But as they were putting the final touches on the ceremony, their world came crashing down around them.

On Wednesday, less than three weeks before they were to be married, Ruff was killed in an equipment accident while

working at David Girard vineyards in Placerville.

Now Manasse is left to contemplate a future without the man she called her best friend and the love of her young life.

"I am hearing words like reception and guest books, which I've been associating with my wedding plans," said Manasse, who graduated this spring from Long Beach State, where she met Ruff. "But things have turned around 180 degrees."

Family and friends will gather this afternoon in El Dorado Hills, where Ruff grew up and was a star athlete who earned a college track scholarship, for his memorial service.

He would have been 23 years old next month. The wedding would have been Sept. 8.

Read the whole story

Gas prices not expected to impact Labor Day travel

AAA Travel projects 33 million Americans will journey 50 miles or more from home during the Labor Day holiday weekend, a 2.9 percent increase from the 32.1 million people who traveled last year.



The total number of 2012 Labor Day holiday travelers is expected to reach a new post-recession high, according to the AAA/IHS Global Insight 2012 Labor Day Holiday Travel Forecast.

Apparently travelers are not suffering from sticker shock at gas stations.

Approximately 28.2 million people (85 percent of holiday travelers) will make their Labor Day holiday journey by automobile, considered the most convenient mode of travel for many Americans. This is a 3.1 percent increase over the 27.3 million people who took to the nation's roadways in 2011.

According to AAA Fuel Gauge Report, gasoline futures have spiked by 19 percent in the last two months. This has translated into a 7.2 percent increase at the pump. And don't expect things to get better soon because pump prices take several weeks to catch up to futures.

A survey of intended travelers found that 66 percent said their current financial situation would not negatively impact their Labor Day holiday weekend travel plans. Of the remaining 34 percent of travelers who said their current finances would impact their travel plans, 21 percent will economize in other areas, 9 percent are planning to take a shorter trip, and the remaining 4 percent will travel by an alternate mode of transportation.

– Lake Tahoe News staff report

Sandoval retains speaking spot at GOP convention

By Las Vegas Sun

Nevada Gov. Brian Sandoval has held on to his prime-time

speaking slot at the Republican National Convention this week after Tropical Storm Isaac forced the cancellation of the convention's opening night.

Sandoval will speak at 6pm Tuesday and is expected to keep to the original theme of the opening night: "We can do better."

He will discuss his personal story growing up in a working class family and then accuse President Obama of putting the American dream at risk.

Sandoval was originally set to speak Monday evening, but convention business was canceled until Tuesday because of the oncoming storm.

On a conference call Sunday, party officials said they plan to stick to a Tuesday-through-Thursday schedule while keeping an eye on Isaac, which is expected to develop into a hurricane by the time it reaches land Tuesday.

Placer County man reported missing

The Placer County Sheriff's Office is asking the public's help in finding a Clipper Gap man who has medical problems and who was reported missing Sunday night.

Gary Howe, 71, was last seen about 5pm Aug. 26.

He suffers from dementia and has vision problems. He was last seen wearing a blue shirt and blue slacks. He is 5 feet, 11 inches and weighs about 160 pounds. He has shoulder-length gray hair and a gray beard.



Gary Howe

The sheriff's office has launched a search and rescue operation in the area of Clipper Gap, near Meadow Vista. Anyone who has information on Howe's whereabouts or anyone who finds him should call 911 or (530) 886.5375.

Remodel, additions create sophisticated STMS campus

By Kathryn Reed

Summer is over – at least for students in Lake Tahoe Unified School District. Today is the first day of the 2012-13 school year.

Three days ago, the principal, teachers and students were giddy. They were ready for classes to begin. A buzz permeated South Tahoe Middle School. It had everything to do with the remodel of the campus and the new two-story Mountain Vista building being complete.

Well, it wasn't really completed. Workers were still caulking, painting and planting. All was to be ready for today's first bell.



Changes at South Tahoe Middle School are dramatic.
Photos/Kathryn Reed

But the views, well, they weren't there before. Freel Peak, Jobs, Jobs Sister – are visible from the second floor. Looking down is what is now called Timberwolf Plaza. This is where students may eat on the grass or one of the several tables.

"It feels like a campus finally," Principal Beth Delacour said as she proudly walked the halls and out to what she calls the "back yard".

She knew students by name, and those who were incoming were introduced by their siblings or parents. Kids were smiling as they perused the new facility in search of their classrooms and teachers.

J.J. Clause and Linda Kurek, the two music instructors, were all smiles. They can't believe how the band room has been transformed.

"We won't get slivers off the storage cabinets. There is room for all the kids' and school's instruments. We have windows that open and are not painted black," Clause said.

Clause and Kurek had been talking about what they wanted the band room to be like for the last dozen years. They had even drawn up the plans – most of which became a reality.

Not only does it feel like a campus, but a high school campus.

Technological upgrades in classrooms mean circuit breakers should no longer be tripped when teachers try to plug more than two things in at once. Some of the classrooms were so old they only had two electrical outlets.

The revamping of STMS, which included the removal of 10 portables that became classrooms in the two-story building, was paid for by the voter-approved \$64.5 million Measure G facilities bond. Matching grants brought the total the district will spend to \$98 million.

New flooring, paint and some new windows are touches throughout the school.

Also new this school year is the student union at South Tahoe High School. It finally allows the kids to eat indoors in one place. This is a joint use facility with South Lake Tahoe, so it is really a community building.

Officials envision being able to rent out that center to organizations, especially during the summer when school is not in session.

Plenty of dust is flying at the high school, as workers build the sports medicine complex. Also under way are the improvements to Bijou Community School.

Next year the magnet school in Meyers will receive some upgrades. When those are done, all the money will have been spent.

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Lawsuit alleges online price fixing by hotel chains

By Nick Brown, Reuters

Expedia Inc, Hilton Worldwide Inc. and other large hotel retailers and operators were accused in a federal lawsuit in California of conspiring to fix hotel room prices as they battled small online retailers who sold rooms more cheaply.

Two consumers are seeking class action status for the suit filed on Monday in California federal court, which alleges the hotels teamed with online room sellers to set minimum rates on rooms and is seeking unspecified money damages.

Plaintiffs Nikita Turik and Eric Balk say the companies broke federal and California state antitrust laws with agreements whereby hotel operators ceased doing business with online retailers that sold rooms below certain prices.

The agreements, drawn up in meetings and during industry conferences, were designed to combat mounting competition from smaller online retailers that sold rooms more cheaply, according to the complaint.

The hotel operators played along because they could not afford to lose access to business from the big online retailers, with the online market now accounting for about half of all U.S. hotel room sales, the lawsuit contends. If not for the scheme, consumers would have paid less for rooms, the plaintiffs say.

In Britain, regulators announced provisional findings of a breach of UK competition laws following an investigation of price-fixing for hotel rooms involving online travel

companies, British media reported in July.

Among the roughly 15 defendants of the California lawsuit are online retailers Orbitz Worldwide Inc., Travelocity.com LP and its parent, Sabre Holdings Corp. TSG.UL. Also included are big-name hotel operators Marriott International Inc. and Starwood Hotels & Resorts Worldwide Inc., which runs the Sheraton, W and Westin hotel chains.

Travel sites "created the illusion" that consumers could seek out the best deals, Steve Berman, an attorney for the plaintiffs, said in a statement on Monday.

"The reality is that these illegal price-parity agreements mean consumers see nothing but cosmetic differences and the same prices on every site," Berman said.

Representatives for Travelocity and Orbitz declined to comment. Press contacts for Starwood, Hilton BLKSHW.UL, Marriott, Expedia and Sabre did not respond to requests for comment.

Online retailers profit either by buying hotel rooms and reselling them to the public at a higher price, or by charging hotels a fee for the service of booking rooms. The lawsuit alleges that the retailers' profits were eroded when smaller, price-cutting online retailers, such as Skoosh.com, gained access to the market.

The lawsuit paints price-fixing practices as common, citing numerous accounts of companies admitting and sometimes defending it.

The five-count complaint seeks money damages with interest.

The case is Turik et al v. Expedia Inc et al, U.S. District Court, Northern District of California, No. 12-4365.

Grass fire consumes less than an acre along Highway 89

Smoke that is visible in parts of South Lake Tahoe is from a grass fire near West Way and Highway 89.

About a quarter acre burned. It is under control.

The U.S. Forest Service is the lead agency. Cheva Heck with the USFS said the cause at this time is unknown. The fire was first was reported at 5:50pm Aug. 26.

– *Lake Tahoe News staff report*