

County of Santa Clara

Office of the Clerk of the Board of Supervisors
County Government Center, East Wing
70 West Hedding Street
San Jose, California 95110-1770
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Maria Marinos
Clerk of the Board

FILED

SEP 12 2011

DAVID H. YAMASAKI
Chief Executive Officer, Clerk
Superior Court of CA County of Santa Clara
BY D. ALVORD

September 1, 2011

The Honorable Richard J. Loftus, Jr.
Presiding Judge
Santa Clara County Superior Court
191 North First Street
San Jose, CA 95113

RE: Grand Jury Report: Rehiring of Pensioners: Bad Policy, Good Business or Both?

Dear Judge Loftus:

At the August 23, 2011 meeting of the County of Santa Clara Board of Supervisors (Item No. 13), the Board adopted the response from the County Administration to the Final Grand Jury Report and recommendations relating to Rehiring of Pensioners: Bad Policy, Good Business or Both?.

As directed by the Board of Supervisors and on behalf of the Board President, our office is forwarding to you the enclosed certified copy of the response to the Final Grand Jury Report with the cover memorandum from Mr. Graves. This response constitutes the response of the Board of Supervisors, consistent with provisions of California Penal Section 933(c).

If there are any questions concerning this issue, please contact our office at 299-5001 or by email at maria.marinos@cob.sccgov.org.

Very truly yours,

A handwritten signature in cursive script that reads "Maria Marinos".

MARIA MARINOS
Clerk, Board of Supervisors
County of Santa Clara

Enclosures

MM/mm

County of Santa Clara Office of the County Executive



CE02 082311

DATE: August 23, 2011

TO: Board of Supervisors

FROM:

Handwritten signature of Gary A. Graves in black ink.

Gary A. Graves
Chief Operating Officer

SUBJECT: Response to Santa Clara County Civil Grand Jury Report: Rehiring of Pensioners: Bad Policy, Good Business or Both?

RECOMMENDED ACTION

Consider recommendations relating to Final Grand Jury Report relating to Rehiring of Pensioners: Bad Policy, Good Business or Both?

Possible action:

- a. Adopt response from Administration to Final Grand Jury Report relating to Rehiring of Pensioners: Bad Policy, Good Business or Both?

AND

- b. Authorize the Board President and Clerk of the Board of Supervisors to forward department response to Grand Jury report to the Presiding Judge of the Superior Court with approval that responses constitute the response of the Board of Supervisors, consistent with provisions of California Penal Code Section 933 (c).

OR

- c. Adopt a separate or amended response to the Final Grand Jury Report relating to Rehiring of Pensioners: Bad Policy, Good Business or Both?, and authorize the Board President and Clerk of the Board to forward response to the Presiding Judge of the Superior Court

FISCAL IMPLICATIONS

There are no fiscal implications associated with these Board actions.

REASONS FOR RECOMMENDATION

Attached is the Employee Services Agency response to the Grand Jury's findings and recommendations enumerated in the Final Report, Rehiring of Pensioners: Bad Policy, Good Business or Both? The response has been completed pursuant to California Penal Code, Section 933 (c) and 933.05 (a).

Child Impact Statement

The recommended action will have no/neutral impact on children and youth.

BACKGROUND

The Grand Jury has explored the practice of rehiring pensioners in the fifteen cities within Santa Clara County and the County of Santa Clara. It was determined that the total number of rehired retirees is a relative small number and it appears to be a prudent way to secure highly skilled talent for short-term tasks and a good business decision since it is a low cost solution for municipalities. However, the Grand Jury did find one case of possible abuse in a different governmental entity. The County of Santa Clara was found to manage the rehiring of retirees with adequate controls and on a limited basis to avoid abuse.

The Grand Jury's final report has 3 findings and 3 recommendations to the County of Santa Clara and the fifteen cities in Santa Clara County; Employee Services Agency response is attached and agrees to finding 1 and recommendation 1. Finding 2 and recommendation 2 are not applicable to the County of Santa Clara. And, finding 3 and recommendation 3 may be a feasible option in the future, but Employee Services Agency does not agree to eliminate the hiring of pensioners.

CONSEQUENCES OF NEGATIVE ACTION

The County would not be in compliance with the law in responding to the Grand Jury's Final Report.

STEPS FOLLOWING APPROVAL

Following approval of the response provided, forward all comments of the Santa Clara County Board of Supervisors to the Honorable Richard J. Loftus, Jr., Presiding Judge, Santa Clara County Superior Court on or before Monday, September 19, 2011.

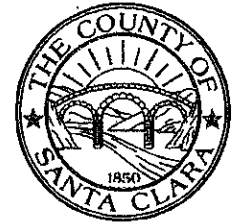
ATTACHMENTS

- Santa Clara County Civil Grand Jury Final Report
- Employee Services Agency Response


County of Santa Clara

Employee Services Agency

County Government Center, East Wing
70 West Hedding Street, 8th Floor
San Jose, California 95110-1705



August 11, 2011

TO: Gary A. Graves, Chief Operating Officer
FROM: Luke Leung, Deputy County Executive 
SUBJECT: Employee Services Agency's Response to Santa Clara County Civil Grand Jury Report: Rehiring Pensioners

The Grand Jury generally found that rehiring appears to be a prudent way to hire experienced employees at a lower cost and was not found to be a barrier to hiring new workers. While they did find one instance of pensioner retention in a different governmental entity that was problematic, the County of Santa Clara was found to handle the rehiring of pensioners on a limited basis with proper controls as to avoid abuse.

Employee Services Agency Response to Grand Jury Findings and Recommendations

Finding 1

In spite of public opinion, there are situations that warrant rehiring pensioners and often it makes good business sense to do so. All managers interviewed follow existing procedures, which allow rehiring of pensioners.

Recommendation 1

If the County or the City/Town of Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Monte Sereno, Morgan Hill, Milpitas, Mountain View, Palo Alto, San Jose, Santa Clara, Saratoga, Sunnyvale desire to end the practice of rehiring pensioners, they should make that official by means of a policy decision.

County Response to Finding 1 and Recommendation #1

The County of Santa Clara concurs with the finding that there are circumstances where it is prudent to hire pensioners. There are currently procedures in place that require such hiring to receive approval from the Office of the County Executive. While the County continues to

Adopted

evaluate such requests and approve only those that are necessary, there are currently no plans to end this practice.

Finding 2

For over six years, the City of Santa Clara has filled a previously 24/7 type of management job with a part-time employee. Clearly, the job is not a temporary or limited-time-urgent-needs position and six years is more than sufficient time to find a replacement.

Recommendation 2

The City of Santa Clara should consider consolidating with another agency's fire department for fire services and eliminate the part-time fire chief position or fill the position with a permanent part-time employee.

County Response to Finding and Recommendation 2

The finding and recommendation are not applicable to the County of Santa Clara.

Finding 3

The fifteen towns and cities – Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Monte Sereno, Morgan Hill, Milpitas, Mountain View, Palo Alto, San Jose, Santa Clara, Saratoga, Sunnyvale – and the County may be inadvertently creating a demand to rehire pensioners because the public sector retirement age is relatively young at 50 (police and fire) or 55 (administrative positions).

Recommendation 3

The fifteen towns and cities - Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Monte Sereno, Morgan Hill, Milpitas, Mountain View, Palo Alto, San Jose, Santa Clara, Saratoga, Sunnyvale – and the County should continue to pursue a higher retirement age with its public sector unions and associations.

County Response to Finding and Recommendation 3

The reasons for hiring retirees have generally not been related to the age of the retiree. The County has hired pensioners as a temporary measure pending filling the vacant code on a more permanent basis. Among the reasons for such hiring is when the retiree does not provide adequate notice to recruit, when there is a lack of time for training a new hire due to the technical and unique requirements of the position or to assist in completing certain short-term assignments or projects that a retiree can complete quickly.

Adopted

Gary A. Graves, Chief Operating Officer

August 11, 2011

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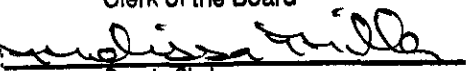
While seeking a higher retirement age may be a feasible option in the future, the County does not agree that it would eliminate the hiring of pensioners.

c: Jeff Smith, County Executive

Adopted

The foregoing instrument is a correct copy
of the original.

ATTEST: Maria Marinos
Clerk of the Board

BY: 
Deputy Clerk

Date: AUG 23 2011