

LOS ALTOS HILLS



CALIFORNIA

FILED

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DAVID H. YAMASAKI
Chief Executive Officer/Clerk,
Superior Court of CA County of Santa Clara
BY D. ALDYCKI *DA*

July 22, 2011

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

Re: 2010-2011 Santa Clara County Civil Grand Jury Final Report – *Rehiring of Pensioners: Bad Policy, Good Business or Both?*

Dear Judge Loftus,

Attached please find the requested response to the subject report as filed with the Clerk of the Court on June 16, 2011.

The Town relies on a small in house staff of 21 employees to provide the full range of general government services to the community. Law enforcement services are provided by contract with the County of Santa Clara's Office of the Sheriff. Fire services are provided by an independent district, the Los Altos Hills County Fire District.

When one of the Town's employees retires, an opportunity may arise for that pensioner to assist with special projects, train his/her successor, and/or otherwise fill an operational need. Pensioners are fully trained, well acquainted with the community, and possess invaluable institutional memory. Strategically, pensioners can provide an excellent bridge between the Town's past and future workforces.

The report accurately identifies the significant cost savings opportunities available when retaining a pensioner compared to a full time benefited employee. Therefore there is no recommendation to end the practice of retaining pensioners for limited scope duties at the Town of Los Altos Hills.

On behalf of the City Council, I would like to thank the 2010-11 Civil Grand Jury for studying and reporting on the pros and cons of pensioners in the workforce.

Respectfully submitted,

Carl Cahill
City Manager

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Date: July 22, 2011
To: The Honorable Richard J. Loftus, Jr., Presiding Judge
From: Carl Cahill, Town of Los Altos Hills City Manager
Re: Requested response to 2010-2011 Santa Clara County Civil Grand Jury Final Report – *Rehiring of Pensioners: Bad Policy, Good Business or Both?*

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 pensioners.*

Response: Agree.

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.*

Response: Not implemented. Rehiring a fully trained pensioner to assist with operations on a limited basis is a fiscally responsible practice and provides a practical alternative to creating a new position. No recommendation to eliminate this practice is recommended at this time.

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.*

Response: To properly opine on this matter the Town requires a more comprehensive understanding of the City of Santa Clara’s operational structure.

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.*

Response: To properly opine on this matter the Town requires a more comprehensive understanding of the City of Santa Clara’s operational structure.

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 public sector retirement age is relatively young at 50 (police and fire) or 55 (administrative positions).*

Response: Agree.

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.*

Response: Implemented. Effective September 1, 2011, the Town of Los Altos Hills will enroll all newly hired employees in the “2% at 60” CalPERS pension benefit. CalPERS does not offer a pension formula requiring a higher retirement age.