



TOWN OF LOS GATOS

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September 15, 2011

Superior Court of Santa Clara County
Honorable Richard F. Loftus, Jr.
Presiding Judge
Santa Clara County Civil Grand Jury
191 North First Street
San Jose, CA 95113

FILED

SEP 30 2011

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

Subject: Response to 2010-11 Santa Clara County Civil Grand Jury Report – Rehiring of Pensioners:
Bad Policy, Good Business or Both?

Dear Judge Loftus:

On behalf of the Town of Los Gatos Town Council, I am providing this formal response to the 2010-2011 Santa Clara County Civil Grand Jury's Report, "– Rehiring of Pensioners: Bad Policy, Good Business or Both?" This response was authorized in a public Town Council meeting on September 6, 2011.

Should you have any questions regarding the enclosed document, please feel free to contact me at 408-354-6832.

Sincerely,

GREG LARSON
Town Manager

Attachment:

Town of Los Gatos Response to 2010-2011 Santa Clara County Civil Grand Jury Report, "Rehiring of Pensioners: Bad Policy, Good Business, or Both?"

GL:jj

cc: Rumi Portillo, Human Resources Director

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The following are responses to the Grand Jury's specific 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.

Town of Los Gatos Response

Agree

Recommendation 1

If the Town desires to end the practice of rehiring of pensioners, they should make that official by means of a policy decision.

Town of Los Gatos Response

The recommendation has been implemented. The Town does not desire to end the practice of rehiring pensioners, and should it desire to do so, it will make it official by means of a policy decision.

Finding and Recommendation 2

Applies to City of Santa Clara only.

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).

Town of Los Gatos response

Agree

Recommendation 3

The Town should pursue a higher retirement age with its public sector unions and associations.

Town of Los Gatos Response

The recommendation has not yet been implemented but will be implemented in the future. The Town Council has authorized the adoption of a two-tier pension system for all newly hired employees pending completion of any meet and confer obligations. Decisions have been reached for three of the Town's employee groups and the Town is continuing to pursue this objective with the two remaining employee groups.
