



CITY OF MILPITAS
OFFICE OF MAYOR JOSE ESTEVES

455 EAST CALAVERAS BOULEVARD, MILPITAS, CALIFORNIA 95035-5479
PHONE: 408-586-3029, FAX: 408-586-3056, www.ci.milpitas.ca.gov

January 17, 2012

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

FILED

JAN 24 2012

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

Dear Judge Loftus:

On October 18, 2011, the City of Milpitas received your June 16, 2011 letter referencing the 2010-11 Santa Clara County Civil Grand Jury Final Report, **Rehiring of Pensioners: Bad Policy, Good Business or Both?**.

This letter serves as our response to the Grand Jury's report, per 933 (c) of the California Penal Code, which requires the governing body of any agency or department which has been the subject of a Grand Jury report to respond to the Presiding Judge of the Superior Court on the findings and recommendations of the Grand Jury.

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.

RESPONSE:

- The City of Milpitas agrees with Finding 1.
- The City of Milpitas agrees with Recommendation 1.

The City of Milpitas currently outsources one fire inspector who is a pensioner. The annual savings to the City is approximately \$140,000.

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.

RESPONSE:

- Finding 2 and Recommendation 2 does not apply to the City of Milpitas.

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.

RESPONSE

- The City of Milpitas agrees with Finding 3.
- The City of Milpitas agrees with Recommendation 3.

The City of Milpitas recently adopted a two tiered retirement system increasing the retirement age to 55 (police and fire) and 60 (administrative positions).

Should you have any questions or concerns regarding our response, please feel free to call Thomas C. Williams, City of Milpitas City Manager, at (408) 586-3050.

Sincerely,



José S. Esteves
Mayor
City of Milpitas

Cc: City Council
City Manager Thomas C. Williams