



# CITY OF MOUNTAIN VIEW

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September 14, 2011

Ms. Helene Popenhager, Foreperson  
Santa Clara County Civil Grand Jury  
Superior Court Building  
191 North First Street  
San Jose, CA 95113

# FILED

SEP 19 2011

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

**RE: City of Mountain View Response to “Rehiring of Pensioners: Bad Policy, Good Business, or Both?”**

Dear Ms. Popenhager:

Thank you for the opportunity to respond to the Grand Jury’s report on rehiring pensioners, and resulting recommendations and findings.

## **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 our hiring of pensioners.

*The City agrees with this finding. The City of Mountain View agrees there are circumstances in which rehiring a retiree minimizes the impact to City operations and services to the community. The City carefully reviews each request to rehire a retiree to ensure that the circumstances meet the City's operational needs. The City generally only approves rehiring retirees on a limited basis until the vacated position is filled, to complete a time-sensitive project or for a seasonal position in the areas of Recreation or Library. Currently, there are 16 City of Mountain View retirees (2.74 percent of the total employees) employed on an hourly basis, and 11 (1.88 percent of total employees) who retired from other agencies.*

## **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 and Sunnyvale desire to end the practice of hiring pensioners, they should make that official by means of a policy decision.

*This recommendation requires further analysis. The City of Mountain View plans to continue to carefully review requests to rehire pensioners on a limited basis as described above to fulfill operational needs. Should the City desire to discontinue this practice, staff will seek City Council policy direction no later than November 19, 2011.*

## **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.

*This finding is related to the City of Santa Clara practices only (no response from Mountain View).*

## **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.

*This recommendation is related to the City of Santa Clara practices only (no response from Mountain View).*

## **Finding 3**

The City/Towns 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 and 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).

*The City agrees partially with this finding. There are several reasons why the City of Mountain View may have a need to rehire pensioners. As mentioned previously, there are circumstances in which the City would be better served to fill the vacant position on a temporary basis with a retiree until a replacement is found. The reasons for an individual to retire, or the need to rehire a retiree, are not necessarily a direct result of the retirement age of the City's retirement plan, which is 50 (Police and Fire) and 55 (non-safety positions). Some employees leave before retirement age and many stay on beyond it.*

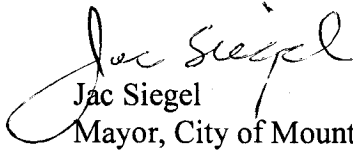
### **Recommendation 3**

The 15 Towns and Cities 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 and Sunnyvale—and the County should continue to pursue a higher retirement age with its public-sector unions and associations.

*The recommendation requires further analysis. Retirement benefits are subject to the meet-and-confer process. All of the City's labor contracts expire in June 2012. As the City enters into negotiations, staff plans to engage in discussions with employee groups about the overall design of pension and health benefits to ensure long-term sustainability.*

Thank you for your consideration of this response.

Sincerely,

  
Jac Siegel  
Mayor, City of Mountain View

cc: City Manager  
City Attorney  
City Clerk