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

MEMORANDUM

DATE: August 23, 2011

TO: Honorable Richard J. Loftus, Presiding Judge, Santa Clara County Superior Court

FROM: Governing Body, City of Los Altos

SUBJECT: Responses to Findings and Recommendations in the Final Report by the 2010-2011 Santa Clara County Civil Grand Jury; 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 of pensioners.

Response 1

Respondent (City of Los Altos) agrees with the finding.

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 1

The recommendation requires further analysis to determine if said policy decision will withstand employment law age discrimination violations and if said policy is of merit to the agency.

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).

Response 3

Respondent (City of Los Altos) agrees with the finding.

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 3

The recommendation has been implemented. Pursuant to the City of Los Altos response to findings and recommendations in the 2009-2010 Santa Clara Civil Grand Jury Report, “Cities Must Rein In Unsustainable Employee Costs,” the City of Los Altos, through the meet and confer process, met with all unions and non-represented employees and reached settlement to reform pension formulas and to raise age of retirement for new employees by instituting a two-tier retirement system.

End of Response Report