



September 13, 2011

The Honorable Adrienne M. Grover
2010-2011 Presiding Judge of the Superior Court
Of California, Monterey County
240 Church Street
Salinas, CA 93901

Subject: City of Greenfield Response to the 2010 Grand Jury Report

Dear Judge Grover:

We are in receipt of the Final Report of the 2010 Monterey County Civil Grand Jury. The City is required to respond to the sections of the report entitled "Public Employees' Retirement System in Monterey County" and "Suppression, Intervention, Prevention: Three Pillars of Gang Activity in Monterey County."

On behalf of the City Council and community of the City of Greenfield, thank you for taking the time to review and comment on procedures used by the jurisdictions in the County of Monterey, including the City of Greenfield.

Sincerely,

John P. Huerta, Jr., Mayor
City of Greenfield

Attachment: City of Greenfield Response to the 2010 Grand Jury Report

**CITY OF GREENFIELD
RESPONSE TO THE 2010 GRAND JURY REPORT**

The following is the City of Greenfield's response to the 2010 Grand Jury Report "Public Employee's Retirement System in Monterey County – CalPERS."

GRAND JURY FINDINGS: The Grand Jury has noted 12 findings regarding Public Employees' Retirement System in Monterey County. The City is required to respond to all findings to indicate agreement or disagreement.

Finding 1.1: The CalPERS retirement system is worth retaining.

Response 1.1: The City agrees with this finding.

Finding 1.2: Those local agencies that have binding arbitration have ceded their collective bargaining authority and responsibility to an individual arbitrator.

Response 1.2: The City has no basis to agree or disagree with this finding.

The City of Greenfield does not have this provision in its collective bargaining agreements.

Finding 1.3: A vote of the electorate before granting increased retirement benefits has not been implemented as a check on overspending.

Response 1.3: The City agrees with this finding.

Finding 1.4: Some agencies may allow retired employees to come back to work part-time at the same agency and receive retirement and a salary, provided they don't work more than 960 hours per year, the maximum allowed by CalPERS.

Response 1.4: The City agrees with this finding.

Finding 1.5: Some agencies may have practices that allow employees to increase or "spike" their base year salaries by converting unused sick leave or vacation leave to salary during their last year of employment.

Response 1.5: The City has no basis to agree or disagree with this finding.

For the City of Greenfield, this is not the practice.

Finding 1.6: The practice of offering an employee up to two years of unearned credit for retirement in exchange for taking an early retirement (“a Golden Handshake”) as authorized by Section 20903 of the Government Code, may be subject to abuse.

Response 1.6: The City has no basis to agree or disagree with this finding.

The City cannot speak to the content of this finding since it has not utilized the “Golden Handshake” provisions pursuant to Section 20903 of the Government Code.

Finding 1.7: Some employees do not pay an appropriate CalPERS retirement share.

Response 1.7: The City has no basis to agree or disagree with this finding.

Conditions and collective bargaining agreements vary from City to City and the County, and therefore, the City of Greenfield has no basis to agree or disagree with this finding.

Finding 1.8: Some employees may pay for all optional CalPERS benefits. Some employees may pay for some or a portion of these benefits and some pay nothing for optional benefits received.

Response 1.8: The City agrees with this finding.

Conditions and collective bargaining agreements vary from City to City and the County depending on local conditions and/or situations

Finding 1.9: Some agencies have no caps on the maximum amount of time one can accumulate in sick leave or vacation.

Response 1.9: The City has no basis to agree or disagree with this finding.

The City cannot speak to the content of this finding since it has not reviewed the policies of all jurisdictions in the County of Monterey.

Finding 1.10: The California Legislature could enact changes that would limit new employees to 2% @ 55 with a 90% of salary retirement cap and 2% @ 60 for Miscellaneous in the CalPERS system with a 36-month salary base for each.

Response 1.10: The City agrees with this finding

The California Legislature has the authority to implement changes to the CalPERS system.

Finding 1.11: CalPERS could be made more affordable to the agencies if new employees were provided, in lieu of benefits accorded to existing employees, a second-tier of benefits of 2% @ 55 for Safety with a 90% of salary retirement cap and 2% @ 60 for Miscellaneous, each with a 35-month salary base.

Response 1.11: The City agrees with this finding.

GRAND JURY RECOMMENDATIONS: The Grand Jury has made twelve recommendations regarding Public Employees' Retirement System in Monterey County. The City is required to respond to all twelve recommendations.

Recommendation 1.1: Continue to participate in the CalPERS retirement system.

Response 1.1: The City of Greenfield is a member of the CalPERS retirement system and agrees with this recommendation.

Recommendation 1.2: Abolish binding arbitration in labor matters.

Response 1.2: This recommendation does not pertain to the City of Greenfield because binding arbitration is not part of any of the City's collective bargaining agreements.

Recommendation 1.3: Require a vote of the electorate as a prerequisite to increase retirement benefits and thereby limit spending.

Response 1.3: While this recommendation is certainly an option, there is a cost to placing things on the ballot and the electorate does vote the City Council members into office and thus, has the ability and right to provide input and feedback on all decisions made by the City Council. Another option that would accomplish the same thing is to increase the public notice requirement for any changes to the retirement system contemplated by a jurisdiction.

Recommendation 1.4: Do not allow those who have retired from the agency to be re-employed by the same agency on a part-time basis.

Response: 1.4: While the intent behind this recommendation is understood, perhaps it is a bit misplaced. Agencies achieve significant savings from the re-employment (on a restricted basis) of experienced retirees.

Recommendation 1.5: Prevent "spiking" the base salary.

Response 1.5: The City of Greenfield does not have this practice in place. Both the Safety and Miscellaneous retirement formulas use the 36-month salary base.

Recommendation 1.6: Do not offer a “Golden Handshake.”

Response 1.6: At this point, the City of Greenfield has no plans to offer a “Golden Handshake,” however, if implemented correctly it can be a great tool to downsize an organization.

Recommendation 1.7: Require employees to pay the CalPERS employee contribution rate.

Response 1.7: As the Grand Jury is aware, any changes to employee benefits typically need to be “meet and conferred” (negotiated as part of a collective bargaining agreement.) Certainly, this and a variety of other items are considered when negotiating a collective bargaining agreement.

Recommendation 1.8: Require employees to pay all optional CalPERS benefits.

Response 1.8: As the Grand Jury is aware, any changes to employee benefits typically need to be “meet and conferred” (negotiated as part of a collective bargaining agreement). Certainly, this and a variety of other items are considered when negotiating a collective bargaining agreement.

Recommendation 1.9: Place a cap on the maximum amount of sick leave and vacation leave an employee can accumulate.

Response 1.9: Per the City of Greenfield Personnel Rules, there is a cap on maximum vacation accrual but not on sick leave. To place a cap on the sick leave accrual, this would be a “meet and conferred” item to be considered in collective bargaining negotiation.

Recommendation 1.10: Urge passage of legislation that new hires are limited to 2% @ 60 for miscellaneous employees, 2% @ 55 for Safety employees with a 90% of salary retirement cap, and a 36-month salary base for each.

Response 1.10: The City will consider a two-tier system in future discussions with our labor units, however since the City currently has a 2% @ 55 for miscellaneous employees and only 2% @ 50 for Safety, it is not a significant concern at this time. Presently the City of Greenfield has a 36-month salary base and has no intention to change this provision.

Recommendation 1.11: Contract for a CalPERS retirement benefit for newly hired employees of 2% @ 55 for Safety employees with a 90% of salary cap and 2% @ 60 for Miscellaneous employees with a 36-month salary base for each.

Response: 1.11: The City will consider a two-tier system in future discussions with our labor units, however since the City currently has a 2% @ 55 for miscellaneous employees and only 2% @ 50 for Safety, it is not a significant concern at this time. Presently the City of Greenfield has a 36-month salary base and has no intention to change this provision.

Recommendation 1.12: In all future MOUs, reserve the right to reopen negotiations in the event of unforeseen dire economic circumstances to make changes to salary and benefits with no reduction to salary and/or benefits already earned.

Response 1.12: The City agrees that MOU's that permit the employer to reopen contracts is to the advantage of the employer. However, the City retains management rights even with a closed contract to reduce expenditures by eliminating positions and reducing services. This recommendation requires further analysis and discussion with bargaining units.

The following is the City of Greenfield's response to the 2010 Grand Jury Report – Suppression, Intervention and Prevention: Three Pillars of Fighting Gang Activity in Monterey County

GRAND JURY FINDINGS: The grand jury noted 7 findings. The City of Greenfield is required to respond to one finding.

Finding 5.4: Through CalGRIP grant, the Four Cities for Peace have joined in a cooperative effort to reduce gang crime in that area of the Salinas Valley.

Response 5.4: The City of Greenfield agrees with the finding.

GRAND JURY RECOMMENDATIONS: The Grand Jury has made six recommendations. The City of Greenfield is required to respond to two of the recommendations.

Recommendation 5.4: Every effort must be made by the leaders in the Four Cities for Peace to establish and maintain effective communication and a database of shared information.

Response 5.4: The City of Greenfield agrees with this recommendation. Work continues through a policy level committee and technical level committee to communicate at least monthly, but more frequently if needed to share information, data and trends. In addition, funding was secured for a coordinator and will continue to be pursued in order to develop and improve the databases needed.

Recommendation 5.5: All ongoing suppression, intervention, and prevention successes should be documented and presented to state and federal agencies on a regular basis to secure continued support.

Response 5.5: The City of Greenfield agrees with this recommendation. The successes of the 4C4P initiative are well documented and being presented to the State and Federal agencies on a continuous basis. Examples of this are through Facebook and instantaneous emails of newspaper clippings and/or news stories.