



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 12/21/2021

ITEM NO: 19

DATE: December 15, 2021
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Adopt a Resolution for the California Public Employees' Retirement System Retirement Plan to Waive the 180-Day Retiree Rehire Wait Period and to Appoint a Retiree as an Interim Finance Director

RECOMMENDATION:

Adopt a resolution for the California Public Employees' Retirement System retirement plan to waive the 180-day retiree rehire wait period and to appoint a retiree as an Interim Finance Director (Attachment 1).

BACKGROUND:

The Town has an existing agreement with the California Public Employees' Retirement System (CalPERS) to provide its retirement program to employees. The CalPERS retirement program is governed by Public Employees' Retirement Law (PERL). PERL contains the rules and regulations that a contracting agency must adhere to related to the hire of a CalPERS retiree, referred to as a retired annuitant. PERL requires that a non-safety retired annuitant may not work for a CalPERS contracting agency unless the retired annuitant has been retired for at least 180-days (Gov. Code section 7522.56). In lieu of the 180-day wait period, an agency's governing body may approve a resolution to waive the 180-days. PERL also requires that if a retired annuitant will be rehired into a vacant position while a recruitment for a permanent replacement is taking place, the governing body must approve a resolution appointing the retired annuitant as an interim employee [Gov. Code section 21221(h)].

DISCUSSION:

Stephen Conway has been employed as the Town of Los Gatos Finance Director since May 2001. Recently, Mr. Conway provided his notice of intent to retire from the Town with his last

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Human Resources Director

Reviewed by: Assistant Town Manager, Town Attorney, and Finance Director

DISCUSSION (continued):

day of work to occur on December 30, 2021 resulting in a CalPERS retirement effective date of December 31, 2021.

The Town has entered into an agreement with the executive recruitment firm of Teri Black & Co. to facilitate the search for a new Finance Director. The typical span of the recruitment timeline to hire an executive position is four months. The Finance Director provides critical oversight and contributions to financial processes, audits, and required financial documents such as the Annual Comprehensive Financial Report. To allow for this continued oversight as well as the transfer of important institutional knowledge to the new Finance Director, staff is requesting to rehire Stephen Conway as an Interim Finance Director until the permanent replacement is hired.

Before Mr. Conway can be hired as a retired annuitant, the Town Council must adopt a CalPERS resolution to allow staff to request that the reemployment begins earlier than the 180-day wait period and to appoint Mr. Conway as an Interim Finance Director. A retired annuitant may be appointed in an interim position provided that there is an open recruitment to fill the vacancy and the same individual may only be appointed to the vacant position one time. The rate of pay may not be less than or more than the current approved salary range for the vacant position. Also, a retired annuitant may not work more than 960 hours in a CalPERS fiscal year. The CalPERS fiscal year begins July 1 and ends on June 30. The tentative first day of employment as a retired annuitant for Mr. Conway is January 1, 2022, subject to CalPERS approval of the executed resolutions.

CONCLUSION:

Staff recommends that the CalPERS resolution to waive the 180-day wait period exception and to appoint Stephen Conway to the Interim Finance Director position be adopted by Council while the recruitment for a permanent replacement takes place.

FISCAL IMPACT:

It is anticipated that the rehire of a retired annuitant will result in overall budget savings given that the retiree will no longer be eligible for benefits related to permanent employment except the Town's contribution to Medicare.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachment:

1. CalPERS Resolution for 180-Day Wait Period Exception and Appointing Stephen Conway as an Interim Finance Director