



City of Grover Beach

Mayor John P. Shoals

Mayor Pro Tem Bill Nicolls

Council Member Karen Bright, Council Member Phyllis A. Molnar, Council Member Debbie Peterson

Bob Perrault
City Manager

May 22, 2012

The Honorable Barry T. LaBarbera
Presiding Judge, Superior Court
Superior Court of California
1050 Monterey Street
San Luis Obispo, CA 93408

SUBJECT: RESPONSE TO GRAND JURY REPORT "PAY ME NOW OR PAY ME LATER"

Dear Judge LaBarbera:

The City Council has reviewed the Grand Jury Report dated February 28, 2012 entitled "Pay Me Now or Pay Me Later" regarding the City's policies governing employee vacation and sick leave accumulation. The Council has reviewed the report and authorized me to send you this response to the Findings and Recommendations outlined in the report.

Response to Findings

Finding 1: There is substantial unused accumulated vacation time in all jurisdictions in San Luis Obispo County.

Response to Finding – *The City of Grover Beach has limits on vacation accrual per bargaining unit and continually monitors leave balances. The City also coordinates with employees to use vacation accumulations before the cap is reached.*

Finding 2: With the exception of the Cities of Grover Beach and Arroyo Grande, all jurisdictions in San Luis Obispo County allow unlimited accrual of sick leave. All jurisdictions but one, however, have a policy allowing the buy back or payoff of accumulated sick leave either annually or upon leaving city employment

Response to Finding – *As noted in the report, the City of Grover Beach does have a cap on the total number of sick leave hours an employee is allowed to accumulate. The City's pay-off policy only applies to City employees who retire or who have worked with the City 20 years or longer.*

Finding 10: Most jurisdictions do not update their personnel rules and regulations after MOU's are developed with each bargaining unit. All personnel rules are incorporated into any new MOU's, but personnel rules are not always updated accordingly.

Response to Finding – *The City of Grover Beach is in the process of updating its personnel rules and regulations.*

154 South Eighth Street ♦ Grover Beach, California 93433 ♦ FAX (805) 489-9657 ♦ www.grover.org

Administrative Services/Water (805) 473-4550 ♦ City Council/City Manager (805) 473-4567 ♦ City Clerk (805) 473-4568
Community Development - Building, Planning & Economic Development (805) 473-4520 ♦ Human Resources (805) 473-4564
Parks & Recreation (805) 473-4580 ♦ Police/Non-Emergency (805) 473-4511 ♦ Public Works (805) 473-4520

Response to Recommendations

Recommendation 1: All Jurisdictions should review their accumulated vacation time and implement steps to address future accumulations and payment of vacation time. .

Response to Recommendation – *The City of Grover Beach agrees with this recommendation. Currently vacation leave balances are reviewed by the City's management staff on a regular basis. Caps are in place for each bargaining unit limiting the ability to accumulate vacation leave. In the past, the City has by policy allowed employees to buy back vacation leave in an effort to control accumulation of vacation time. This policy has been temporarily suspended as a cost-cutting measure.*

Recommendation 2: All Jurisdictions that do not update their personnel rules after implementing new Memorandums of Understanding should update their personnel rules to reflect current practices.

Response to Recommendation – *The City of Grover Beach agrees with this recommendation. The City is currently in the process of updating its personnel rules.*

Recommendation 9: All jurisdictions in the County should constantly monitor their accumulated sick leave, vacation and compensatory time to ensure that they do not incur further unfunded liabilities.

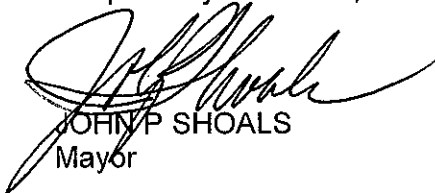
Response to Recommendation – *The City of Grover Beach agrees with this finding and does constantly monitor its accumulated sick leave, vacation and compensatory time.*

Recommendation 10: All jurisdictions in the County should report annually to their citizens on the status of vacation and sick leave accumulations, and compare them with the prior year to demonstrate how they are addressing the unfunded liability issue.

Response to Recommendation – *The City of Grover Beach does not agree with this recommendation. The City currently includes information regarding the status of accumulated leave and the resulting impact to the City's unfunded liability in the City's Annual Financial Statement. The Annual Statement is presented publicly to the City Council and is also available to members of the public upon request.*

Please feel free to contact me if any further information is needed.

Respectfully submitted,



JOHN P. SHOALS
Mayor

c: San Luis Obispo County Grand Jury
via first-class mail: PO Box 4910, San Luis Obispo, CA 93402 (w/ Grand Jury Response Form)
via email: GrandJury@co.slo.ca.us (w/ Grand Jury Response Form)

Response to Grand Jury Report Form

Report Title: "Pay Me Now or Pay Me Later"

Report Date: February 2012

Authorized Responder: John P. Shoals, Mayor

FINDINGS

- I (we) agree with the findings numbered: Finding 10
- I (we) disagree wholly or partially with the findings numbered: Findings 1 & 2
(Attach a statement specifying any portions of the findings that are disputed;
include an explanation of the reasons.)

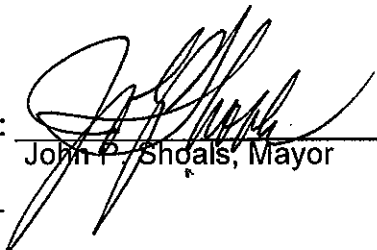
RECOMMENDATIONS

- Recommendations numbered 1 and 9 have been implemented.
(Attach a summary describing the implemented actions.)
- Recommendations numbered 2 have not yet been implemented,
but will be implemented in the future.
(Attach a timeframe for the implementation.)
- Recommendations numbered -- require further analysis.

(Attach an explanation and the scope and parameters of an analysis or study,
and a timeframe for the matter to be prepared for discussion by the officer or
director of the agency or department being investigated or reviewed, including
the governing body of the public agency when applicable. This timeframe shall
not exceed six months from the date of publication of the grand jury report.)

- Recommendations numbered 10 will not be implemented
because they are not warranted or are not reasonable.

(Attach an explanation.)

Date: May 22, 2012 Signed: 
John P. Shoals, Mayor

Number of pages attached (Two) 2