



BOARD OF RETIREMENT

Staff Report

File #: 19-813

Agenda Date: 3/5/2020

Agenda #: 10.

FROM: Colin Bishop, Chief of Member Services

SUBJECT: Returning Retiree Certification: Sandra Harmsen

RECOMMENDATION:

Approve the request to extend re-employment of Sandra Harmsen as Director of the San Bernardino County Workforce Development Department (WDD), from March 28, 2020 to March 27, 2021, because an extreme necessity exists to continue the retiree's employment beyond the 18-month limit, and thus the standards of SBCERA Board Benefits Policy No. 032: "Retirees Returning to Work," have been met.

BACKGROUND:

Ms. Harmsen retired on September 17, 2016 as Director of Workforce Development, and was initially re-employed as a returning retiree for three years from September 27, 2016 through September 27, 2019 as a Contract Project Executive for WDD. Although her re-employment ended over five months ago, circumstances which could not have been anticipated have caused the department to make another request to re-employ Ms. Harmsen for an additional one-year period from March 28, 2020 through March 27, 2021.

Her initial post-retirement employment began after the implementation of the California Public Employees' Pension Reform Act of 2013 (PEPRA), which placed additional restrictions on retirees returning to work. In April 2018, the Board approved an updated version of its policy on "Retirees Returning to Work," which changed some of the processes for reviewing and permitting extensions for the re-employment of retirees, notably adding a provision for Board approval when the period of employment was either not specified or greater than 18 months. Accordingly, in August 2018, Ms. Harmsen's employer filed for an extension for her to continue working until September 2019, and the SBCERA Board of Retirement granted the extension.

During Ms. Harmsen's initial period of re-employment, one of her duties was training and mentoring new leaders within WDD, and on December 3, 2018, WDD hired an Assistant Director to provide administrative oversight of the department. However, the Assistant Director resigned effective February 21, 2020 and two administrative supervisors have resigned within the last month. The departure of these key employees has significantly impacted the leadership of the department and the success of Workforce Innovation and Opportunity Act (WIOA) mandated projects and funding. Exhibit B provides additional background regarding the difficulties in recruiting an experienced workforce development leader, current recruitment efforts, and the subsequent need to employ Ms. Harmsen for an additional one year period.

Pursuant to Government Code section 7522.56, 317680.6, and 31680.7 and SBCERA Benefits Policy No. 032, upon receiving and reviewing the participating employer and retiree's justification to

extend the retiree's employment beyond the 18-month limit for presumed compliance with the statutory "limited duration" standard, the Board must, based on the facts and evidence presented:

1. Find one of the following:

- a. That extreme necessity exists to continue the retiree's employment beyond the 18-month limit; or
- b. In the alternative, that the extension of employment is unavoidable and circumstances exist that could not have been anticipated; or
- c. That there is neither an extreme necessity, nor circumstances that are unavoidable or could not have been anticipated, and thus that the standards of Policy No. 032 are not met.

2. Based on the finding above in part (1) above, the Board:

- a. Approves the request for extension of employment of retiree beyond the 18-month limit. Extension of the employment commences on the date indicated on this certification and will terminate on March 1, 2021; or
- b. Denies the request for extension of employment of retiree beyond the 18-month limit. In a case of any violation of the law as implemented through Policy No. 032, including continued employment beyond the 18-month limit or without prior approval, the Board directs staff to suspend the retiree's retirement benefit and reinstate the retiree to active service. Additionally, staff is directed to commence collection of any retirement benefits received during any unlawful re-employment, as well as contributions from employer and employee.

As noted above, staff recommends that the Board approve this request for the extension of employment of Ms. Harmsen.

BUDGET IMPACT:

None.

STRATEGIC PLANNING GOAL/OBJECTIVE:

Operational Excellence & Efficiency

STAFF CONTACT:

Colin Bishop

ATTACHMENTS:

Exhibit A: Board Summary Worksheet

Exhibit B: Certification Forms and Attachments