



Employer Services Division
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January 23, 2012

Employer ID #2327822217

Ms. Gloria Leon
Administrative Services Director
City of Calistoga
1232 Washington Street
Calistoga, CA 94515

Dear Ms. Leon:

Enclosed are two copies of the Resolution of Intention and Exhibit Amendment to Contract to amend the agency's contract to provide Section 20475 (Different Level of Benefits). Section 21353 (2% @ 60 Modified formula) and Section 20037 (Three-Year Final Compensation) are applicable to local miscellaneous members entering membership for the first time in the miscellaneous classification after the effective date of this amendment to contract, and

Section 20475 (Different Level of Benefits). Section 21369 (2% @ 55 Modified formula) and Section 20037 (Three-Year Final Compensation) are applicable to local safety members entering membership for the first time in the safety classification after the effective date of this amendment to contract.

The indemnification language was added in paragraph 3 of the Amendment to Contract because you have requested a change to existing retirement benefits, provisions or formulas.

Also enclosed are the following documents:

1. Form CON-12, Certification of Governing Body's Action.
2. Form CON-12A, Certification of Compliance with Government Code Section 7507.
3. Summary of Major Provisions (2% @ 60 Formula) for local miscellaneous members.
4. Summary of Major Provisions (2% @ 55 Formula) for local safety members.
5. Form CON-30, Certification of Compliance With Government Code Section 20475.

6. Form CON-11A, Sample Ordinance.

The sample Ordinance is a guide only and is included to allow sufficient time to prepare the Ordinance for a first and final reading. The Resolution of Intention and accompanying documents should not be held pending final reading of the Ordinance.

Any change in the employee or employer contribution rates will become effective after the effective date of this contract amendment.

Disclosure of the cost of this Contract Amendment

We require that the agency disclose the following rates identified in the amendment actuarial valuation for the adoption of this plan amendment:

The employer contribution rate will be 7.733% of reportable earnings for local miscellaneous members entering membership for the first time in the miscellaneous classification after the effective date of this amendment to contract.

The employer contribution rate will be 15.201% of reportable earnings for local safety members entering membership for the first time in the safety classification after the effective date of this amendment to contract.

Government Code Section 7507 requires that the **future annual costs** of the proposed contract be made public at a public meeting at least two weeks prior to the adoption of the final Ordinance. The agency is to certify compliance on the enclosed Certification of Compliance with Government Code Section 7507.

- The local miscellaneous member contribution rate will be 7% of reportable earnings in excess of \$133.33 for those miscellaneous members entering membership for the first time in the miscellaneous classification after the effective date of this amendment to the contract.
- The local safety member contribution rate will be 7% of reportable earnings in excess of \$133.33 for those safety members entering membership for the first time in the safety classification after the effective date of this amendment to the contract.

An agency can only amend its contract to provide a different level of benefits once every three years with respect to each of the member categories.

When amending for Section 20475 (Different Level of Benefits), it is the employer's responsibility to ensure compliance with any Memorandum of Understanding in effect at the time of the contract amendment.

In summary, the following documents must be returned to this office before we can forward the actual contract and other final documents necessary to complete the proposed amendment. DO NOT HOLD THESE DOCUMENTS PENDING ADOPTION OF THE FINAL ORDINANCE.

ORIGINAL SIGNATURES ARE REQUIRED

1. Resolution of Intention, original or certified copy.
2. Certification of Governing Body's Action (CON-12), original.
3. Certification of Compliance with Government Code Section 7507, (CON-12A), original or certified copy.
4. Certification of Compliance with Government Code Section 20475 (CON-30), original or certified copy.

If your agency adopts the Resolution of Intention on February 21, 2012, the earliest date the final Ordinance may be adopted is March 12, 2012. There must be a 20 day period between the adoption of the Resolution of Intention and the adoption of the final Ordinance pursuant to Government Code Section 20471. THERE ARE NO EXCEPTIONS TO THIS LAW.

The effective date of this amendment cannot be earlier than the first day of a payroll period following the effective date of the final Ordinance.

Please do not retype the Amendment to Contract and/or agreement documents. Only documents provided by this office will be accepted. If you have a problem with any of the documents, please contact this office prior to presenting to your governing body for adoption. Another contract amendment cannot be started until this amendment is completed or cancelled.

If you have any questions regarding this letter or the enclosed material, please call (888) CalPERS (225-7377).

Sincerely,

Danielle Brooks
Employer Representative
Public Agency Contract Services

DB:rj

Enclosures