



EXHIBIT

California
Public Employees' Retirement System



AMENDMENT TO CONTRACT

Between the
Board of Administration
California Public Employees' Retirement System
and the
City Council
City of Santa Barbara



The Board of Administration, California Public Employees' Retirement System, hereinafter referred to as Board, and the governing body of the above public agency, hereinafter referred to as Public Agency, having entered into a contract effective August 1, 1948, and witnessed July 29, 1948, and as amended effective August 1, 1959, July 1, 1960, July 1, 1965, July 1, 1966, April 1, 1968, January 1, 1969, August 1, 1969, December 1, 1971, April 1, 1972, July 2, 1977, January 13, 1979, January 27, 1979, January 4, 1986, October 24, 1986, February 17, 1989, April 22, 1989, July 1, 1990, January 1, 1991, February 8, 1991, February 8, 1992, April 1, 1993, May 26, 1995, June 20, 1998, December 30, 2000, June 16, 2001, July 14, 2001 and October 29, 2005 which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

- A. Paragraphs 1 through 14 are hereby stricken from said contract as executed effective October 29, 2005, and hereby replaced by the following paragraphs numbered 1 through 15 inclusive:
 1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age 55 for local miscellaneous members and age 50 for local safety members.

2. Public Agency shall participate in the Public Employees' Retirement System from and after August 1, 1948 making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except those, which by express provisions thereof, apply only on the election of a contracting agency.
3. Public Agency agrees to indemnify, defend and hold harmless the California Public Employees' Retirement System (CalPERS) and its trustees, agents and employees, the CalPERS Board of Administration, and the California Public Employees' Retirement Fund from any claims, demands, actions, losses, liabilities, damages, judgments, expenses and costs, including but not limited to interest, penalties and attorneys fees that may arise as a result of any of the following:
 - (a) Public Agency's election to provide retirement benefits, provisions or formulas under this Contract that are different than the retirement benefits, provisions or formulas provided under the Public Agency's prior non-CalPERS retirement program.
 - (b) Public Agency's election to amend this Contract to provide retirement benefits, provisions or formulas that are different than existing retirement benefits, provisions or formulas.
 - (c) Public Agency's agreement with a third party other than CalPERS to provide retirement benefits, provisions, or formulas that are different than the retirement benefits, provisions or formulas provided under this Contract and provided for under the California Public Employees' Retirement Law.
 - (d) Public Agency's election to file for bankruptcy under Chapter 9 (commencing with section 901) of Title 11 of the United States Bankruptcy Code and/or Public Agency's election to reject this Contract with the CalPERS Board of Administration pursuant to section 365, of Title 11, of the United States Bankruptcy Code or any similar provision of law.
 - (e) Public Agency's election to assign this Contract without the prior written consent of the CalPERS' Board of Administration.
 - (f) The termination of this Contract either voluntarily by request of Public Agency or involuntarily pursuant to the Public Employees' Retirement Law.

- (g) Changes sponsored by Public Agency in existing retirement benefits, provisions or formulas made as a result of amendments, additions or deletions to California statute or to the California Constitution.
4. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:
 - a. Local Fire Fighters (herein referred to as local safety members);
 - b. Local Police Officers (herein referred to as local safety members);
 - c. Employees other than local safety members (herein referred to as local miscellaneous members).
 5. In addition to the classes of employees excluded from membership by said Retirement Law, the following classes of employees shall not become members of said Retirement System:
 - a. **FIRE FIGHTERS AND POLICE OFFICERS WHO DID NOT WAIVE THEIR RIGHTS UNDER THE PENSION SYSTEM CONTINUED UNDER SECTION 1101 OF THE CITY CHARTER OF SANTA BARBARA ON APRIL 1, 1968, AUGUST 1, 1969 AND APRIL 1, 1972.**
 6. Assets heretofore accumulated with respect to local safety members under the local retirement system who waived their rights on April 1, 1968, August 1, 1969 and April 1, 1972 under that system have been transferred to the Public Employees' Retirement System and applied against the liability for prior service incurred thereunder. That portion of assets so transferred which represent the accumulated contributions (plus interest thereof) required of the employees under said local system have been credited to the individual membership account of each such employee under the Public Employees' Retirement System.
 7. The percentage of final compensation to be provided for each year of credited prior and current service as a local miscellaneous member in employment before and not on or after October 29, 2005 shall be determined in accordance with Section 21354 of said Retirement Law (2% at age 55 Full).
 8. The percentage of final compensation to be provided for each year of credited prior and current service as a local miscellaneous member in employment on or after October 29, 2005 shall be determined in accordance with Section 21354.5 of said Retirement Law (2.7% at age 55 Full).

9. The percentage of final compensation to be provided for local safety members hired on or after July 1, 1965 for each year of credited prior service is 0% and for local safety members hired prior to July 1, 1965 for each year of credited prior service is 100%. The percentage of final compensation to be provided for each year of credited current service is 100% and determined in accordance with Section 21362.2 of said Retirement Law (3% at age 50 Full).
10. Public Agency elected and elects to be subject to the following optional provisions:
 - a. Sections 21624, 21626 and 21628 (Post-Retirement Survivor Allowance).
 - b. Section 21024 (Military Service Credit as Public Service).
 - c. Section 20614, Statutes of 1978, (Reduction of Normal Member Contribution Rate). From January 13, 1979 and until January 4, 1986, the normal local miscellaneous member contribution rate shall be 4%. From January 27, 1979 and until January 4, 1986, the normal local safety member contribution rate shall be 5.5%. Legislation repealed said Section effective September 29, 1980.
 - d. Section 20690, Statutes of 1980, (To Prospectively Revoke Section 20614, Statutes of 1978).
 - e. Section 21635 (Post-Retirement Survivor Allowance to Continue After Remarriage) for local safety members only.
 - f. Section 21572 (Increased Level of 1959 Survivor Benefits) for local safety members only.
 - g. Section 20423 ("Local Safety Member" shall include Harbor or Port Police Officers as described in Government Code Section 20423).
 - h. Section 20965 (Credit for Unused Sick Leave) for local fire members only.
 - i. Section 20434 ("Local Fire Fighter" shall include any officer or employee of a fire department employed to perform firefighting, fire prevention, fire training, hazardous materials, emergency medical services, or fire or arson investigation services as described in Government Code Section 20434).
 - j. Section 20042 (One-Year Final Compensation).
 - k. Section 21574 (Fourth Level of 1959 Survivor Benefits) for local miscellaneous members only.

l. Section 21023.5 (Public Service Credit for Peace Corps, AmeriCorps VISTA, or AmeriCorps Service) for local miscellaneous members only.

m. Section 20516 (Employees Sharing Cost of Additional Benefits):

Section 21534.5 (2.7% @ 55 Full formula) and Section 20516 (Employee Sharing Cost of Additional Benefits) for local miscellaneous members. The employee cost sharing contribution is not to exceed 6.162%. The maximum employee cost sharing contribution is the normal cost plus the increase in the accrued liability due to the benefit improvement amortized over 20 years. In no event shall the employee cost sharing contribution attributable to the unfunded liability remain in effect beyond June 30, 2025. Thereafter, in any given contribution year, the maximum employee cost sharing contribution cannot exceed 2.233% of payroll.

Section 21362.2 (3% @ 50 Full formula) effective June 16, 2001 for local fire members.

The employee cost sharing contributions are not to exceed 11.309%. The maximum employee cost sharing contribution is the normal cost plus the increase in the accrued liability due to the benefit improvement amortized over 20 years. In no event shall the employee cost sharing contribution attributable to the unfunded liability remain in effect beyond June 16, 2021. Thereafter, in any given contribution year, the maximum employee cost sharing contribution cannot exceed 5.107% of payroll.

11. Public Agency, in accordance with Government Code Section 20790, ceased to be an "employer" for purposes of Section 20834 effective on January 13, 1979. Accumulated contributions of Public Agency shall be fixed and determined as provided in Government Code Section 20834, and accumulated contributions thereafter shall be held by the Board as provided in Government Code Section 20834.
12. Public Agency shall contribute to said Retirement System the contributions determined by actuarial valuations of prior and future service liability with respect to local miscellaneous members and local safety members of said Retirement System.
13. Public Agency shall also contribute to said Retirement System as follows:
 - a. Contributions required per covered member on account of the 1959 Survivor Benefits provided under Section 21574 of said Retirement Law. (Subject to annual change.) In addition, all assets and liabilities of Public Agency and its employees shall be pooled in a single account, based on term insurance rates, for survivors of all local miscellaneous members.

- b. A reasonable amount, as fixed by the Board, payable in one installment within 60 days of date of contract to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodic investigation and valuations required by law.
 - c. A reasonable amount, as fixed by the Board, payable in one installment as the occasions arise, to cover the costs of special valuations on account of employees of Public Agency, and costs of the periodic investigation and valuations required by law.
14. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of the experience under the Retirement System as determined by the periodic investigation and valuation required by said Retirement Law.
15. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within fifteen days after the end of the period to which said contributions refer or as may be prescribed by Board regulation. If more or less than the correct amount of contributions is paid for any period, proper adjustment shall be made in connection with subsequent remittances. Adjustments on account of errors in contributions required of any employee may be made by direct payments between the employee and the Board.

B. This amendment shall be effective on the _____ day of _____, _____.

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

CITY COUNCIL
CITY OF SANTA BARBARA

BY _____
LORI MCGARTLAND, CHIEF
EMPLOYER SERVICES DIVISION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
PRESIDING OFFICER

Witness Date

Attest:

Clerk