



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 Albany

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 May 1, 1966, and witnessed April 4, 1966, and as amended effective December 15, 1969, July 1, 1971, July 1, 1973, October 1, 1974, December 1, 1977, July 1, 1981, December 28, 1987, June 3, 1988, May 1, 1989, September 5, 1991, May 8, 1992, March 25, 1996, May 1, 2000, December 25, 2000, July 4, 2001, July 7, 2003, January 19, 2004, March 27, 2006, December 4, 2006, July 11, 2011 and November 28, 2011 which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

- A. Paragraphs 1 through 15 are hereby stricken from said contract as executed effective November 28, 2011, 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 entering membership in the miscellaneous classification on or prior to November 28, 2011, age 60 for local miscellaneous members entering membership for the first time in the miscellaneous classification after November 28, 2011 and age 55 for local safety members.

10. Public Agency elected and elects to be subject to the following optional provisions:
 - a. Section 21222.1 (One-Time 5% Increase - 1970). Legislation repealed said Section effective January 1, 1980.
 - b. Section 21222.2 (One-Time 5% Increase - 1971). Legislation repealed said Section effective January 1, 1980.
 - c. Section 21319 (One-Time 15% Increase for Local Miscellaneous Members Who Retired or Died Prior to July 1, 1971). Legislation repealed said Section effective January 1, 2002.
 - d. Section 20903 (Two Years Additional Service Credit) for local miscellaneous members only.
 - e. Section 20965 (Credit for Unused Sick Leave) for local safety members only.
 - f. Section 20042 (One-Year Final Compensation) for local police members and for those local fire members entering membership on or prior to the effective date of this amendment to contract.
 - g. Section 21574 (Fourth Level of 1959 Survivor Benefits) for local safety members only.
 - h. Section 20516 (Employee Sharing Cost of Additional Benefits) applicable to Section 20042 (One-Year Final Compensation) effective July 4, 2001, and Section 21363.1 (3% @ 55 Full formula) effective January 19, 2004 for local police members. The employee cost sharing contribution is not to exceed 13.489%. 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 preceding the 20th anniversary of the effective date of the additional benefits. Therefore, after June 30, 2021, in any given contribution year, the maximum employee cost sharing contribution cannot exceed 10.998%; and after June 30, 2023, in any given contribution year, the maximum employee cost sharing contribution cannot exceed 3.470%.

Section 20516 (Employees Sharing Cost of Additional Benefits) applicable to Section 21363.1 (3% @ 55 Full formula) effective March 27, 2006 for local fire members. The employee cost sharing contributions are 7%. In no event shall the employee cost sharing contribution attributable to the unfunded liability remain in effect beyond March 27, 2026. Thereafter, in any given contribution year, the maximum employee cost sharing contribution cannot exceed 2.433% of payroll.

- i. Section 20475 (Different Level of Benefits). Section 21353 (2% @ 60 Supplemental formula) is applicable to local miscellaneous members entering membership for the first time in the miscellaneous classification after November 28, 2011.

Section 20037 (Three-Year Final Compensation) is applicable to local fire members entering membership for the first time in the fire classification after the effective date of this amendment to contract.

11. Public Agency, in accordance with Government Code Section 20834, shall not be considered an "employer" for purposes of the Public Employees' Retirement Law. Contributions of the Public Agency shall be fixed and determined as provided in Government Code Section 20834, and such contributions hereafter made 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 safety 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.