

In the Matter of the Calculation of Final Compensation of:

Bruce Malkenhorst, Sr., Respondent,
and
City of Vernon, Respondent

OAH Case No. 2013080917

CalPERS Case No. 2012-0671

EXHIBIT BBB (2 PAGES)



Employer Services Division
P.O. Box 942709
Sacramento, CA 94229-2709
Telecommunications Device for the Deaf - (916) 795-3240
888 CalPERS (or 888-225-7377) FAX (916) 795-3005

FILE COPY

August 17, 2006

Employer Code #209

Reply to Section 115

Ms. Marla Aspinwall
Attorney-at-Law
Loeb & Loeb LLP
10100 Santa Monica Blvd, suite 200
Los Angeles, CA 90067

RE: B. Malkenhorst and the City of Vernon appeal

Dear Ms. Aspinwall:

Thank you for your letter dated November 3, 2005, concerning the appeal for Bruce Malkenhorst and the City of Vernon (the City).

CalPERS has determined that setting differing levels of payrate or special compensation by date of hire may be allowed. Persons hired on or after a date certain may reasonably be considered to be similarly situated members of the group or class (which make up a "logical work related grouping") within the definition of group or class in section 20636(e)(1) of the Public Employees' Retirement Law (PERL).

Please note that while it may be permissible to use date of hire in creating a group or class, in order for items of payrate or special compensation to be considered in the calculation of final compensation, all other requirements set forth in the PERL and regulations of the Board must still be met. As a result, each case must be decided separately, based on its facts. In addition, any ruling of the Board on compensation as payrate or special compensation is conditioned on the facts as presented. In the event of changes in the facts, the Board's ruling may also be different.

Based on the description of the longevity, it appears that the date of hire qualification would satisfy the statutory definition of group or class and the compensation would be allowed.

However, we are requesting the City amend their Memorandum of Understanding to combine the longevity provisions for the City Administrator with the longevity provisions for the Department Heads. The City is also asked to provide us with a date that we can expect this to happen.

M. Aspinwall

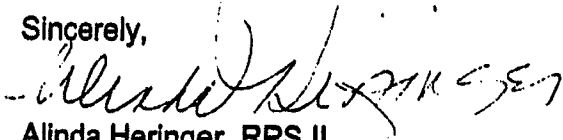
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August 17, 2006

The Benefits Division have been notified to make the adjustment to Mr. Malkenhorst's allowance.

Should you have any further questions regarding this matter please do not hesitate to contact our Compensation Review Unit at (888) 225-7377.

Sincerely,

A handwritten signature in black ink, appearing to read "Alinda Heringer", written over a horizontal line.

Alinda Heringer, RPS II
Compensation Review Unit
Employer Services Division