



CITY OF BEVERLY HILLS

455 NORTH REXFORD DRIVE • BEVERLY HILLS, CALIFORNIA 90210

Julian A. Gold M.D., Mayor

June 4, 2018

Marcie Frost
Chief Executive Officer
California Public Employees' Retirement System
400 Q Street
Sacramento, CA 95811

Re: AB 1912 (Rodriguez) Public employees' retirement: joint powers agreements: liability.
City of Beverly Hills – **REQUEST TO OPPOSE OR REMAIN NEUTRAL**

Dear CEO Frost,

On behalf of the City of Beverly Hills, I write to you to respectfully request that CALPERS either **OPPOSE** or **REMAIN NEUTRAL** on AB 1912 (Rodriguez). This bill would place such substantial burdens and unworkable requirements on cities and we are very concerned that Joint Powers Authorities (JPAs) will no longer be a viable tool for providing cost effective services to our residents.

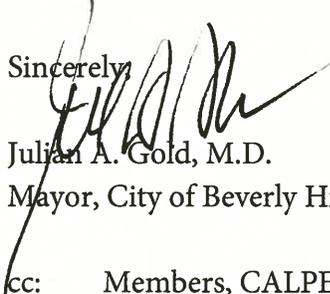
AB 1912 (Rodriguez) would apply retroactive joint and several liability to existing JPA contracts. This liability could result in cities, like ours, incurring significant debts that may exceed our annual revenue without receiving voter approval. This debt could cause cities, through no fault of their own, to violate the California Constitution.

The California constitution prohibits a local agency from incurring debt beyond that agency's ability to pay it back from revenues received in the same fiscal year without first obtaining the approval of two-thirds of its voters. These safeguards were put into place to avoid a situation in which bond issuers might be compelled to increase taxes or foreclose on local government assets.

JPA's are one of the tools that local government agencies use to cost-effectively address service demands and infrastructure needs. Due to the potential financial impact of AB 1912 (Rodriguez), our City would consider potentially removing itself from a JPA or refusing to join a JPA in the future even if joining that JPA could potentially offer services to our residents at a lower cost. The removal of this tool would make it even more challenging to address critical statewide issues including, but not limited to, housing, transportation, water, air quality, and public safety.

For these reasons, the City of Beverly Hills respectfully requests that CALPERS either **OPPOSE** or **REMAIN NEUTRAL** on AB 1912 (Rodriguez). Thank you for your consideration.

Sincerely,



Julian A. Gold, M.D.
Mayor, City of Beverly Hills

cc: Members, CALPERS Executive Board
The Honorable Freddie Rodriguez, 52nd Assembly District
The Honorable Richard Bloom, 50th Assembly District
The Honorable Ben Allen, 26th Senate District
Andrew K. Antwih, Shaw / Yoder / Antwih, Inc.