



CITY OF BEVERLY HILLS

455 NORTH REXFORD DRIVE • BEVERLY HILLS, CALIFORNIA 90210

Julian A. Gold M.D., Mayor

May 30, 2018

The Honorable Freddie Rodriguez
California State Assembly, 52nd District
State Capitol, Room 2188
Sacramento, CA 95814

Re: AB 1912 (Rodriguez) Public Employees' Retirement: Joint Powers Agreements: Liability.
City of Beverly Hills – **OPPOSE**

Dear Assembly Member Rodriguez,

On behalf of the City of Beverly Hills, I write to you in **OPPOSITION** to your AB 1912 (Rodriguez). This bill would place such substantial financial 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.

JPAs 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 must **OPPOSE** your AB 1912 (Rodriguez). Thank you for your consideration.

Sincerely,



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

cc: The Honorable Richard Bloom, 50th Assembly District
The Honorable Ben Allen, 26th Senate District
Andrew K. Antwih, Shaw / Yoder / Antwih, Inc.