



CITY of CALABASAS
CITY COUNCIL AGENDA REPORT

DATE: APRIL 19, 2024

TO: HONORABLE MAYOR AND COUNCILMEMBERS

**FROM: KINDON MEIK, CITY MANAGER
MATTHEW T. SUMMERS, CITY ATTORNEY
RON AHLERS, CHIEF FINANCIAL OFFICER**

SUBJECT: ADOPTION OF RESOLUTION NO. 2024-1893, STATING INTENT TO PURSUE MERGER OF THE AGOURA HILLS / CALABASAS COMMUNITY CENTER'S CONTRACT WITH THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM INTO THE CITY OF CALABASAS' CONTRACT WITH THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

MEETING DATE: APRIL 24, 2024

SUMMARY RECOMMENDATION:

That the City Council Adopt Council Resolution No. 2024-1893 stating intent to pursue merger of the Agoura Hills / Calabasas Community Center Joint Powers Authority's contract with The California Public Employees' Retirement System into the City of Calabasas' contract with the California Public Employees' Retirement System. The merger date is June 20, 2024.

BACKGROUND:

Calabasas and Agoura Hills entered into a Construction Agreement for the planning, design, construction, and maintenance of the Agoura Hills/Calabasas Community Center in June 1996. Calabasas and Agoura Hills also entered into a Joint Powers Agreement on November 24, 1997 to govern the operation of the

Community Center, which created a separate public entity, the Agoura Hills and Calabasas Community Center Joint Powers Authority (the “Joint Powers Authority”). The Cities have amended the Joint Powers Agreement four times—in 1999, 2000, 2004 and 2006. The Joint Powers Authority operated the Community Center until it was forced to close as a result of the COVID-19 pandemic.

The land on which the Community Center sits is jointly owned by Calabasas and Agoura Hills, each owning an undivided half-interest in the land and the improvements thereon (having a street address of 27040 Malibu Hills Road, Calabasas, CA 91301).

As of November 1, 2022, Calabasas leased Agoura Hills’ undivided half-interest in the land on which the Community Center sits, and the improvements thereon. On March 16, 2024, operating under the lease, Calabasas reopened the Community Center.

The two Cities have continued their negotiations regarding a new future for the Community Center, and have agreed in concept that Agoura Hills will transfer its undivided half-interest in the Community Center land and improvements, in return for Calabasas assuming the pension debt owed by the Joint Powers Authority to the California Public Employees’ Retirement System, via merger of the Joint Powers Authority’s PERS Contract into the Calabasas PERS contract.

The City Council is asked to approve, at this time, a Resolution declaring the City’s intent to merge the Agoura Hills/Calabasas Community Center Joint Powers Authority’s PERS Contract into the City of Calabasas PERS contract.

The next step will be consideration, and approval, of a similar Resolution by the Joint Powers Authority’s Board of Directors declaring the Joint Powers Authority’s intent to merge its PERS Contract into the City of Calabasas PERS contract.

Calabasas will also go through a PERS process to amend the City’s PERS contract to merge the Joint Powers Authority’s PERS Contract into the City of Calabasas PERS contract. The PERS Process will encompass another City Resolution of Intention to amend the City’s PERS contract along with an Ordinance to amend the PERS contract. The City must also make the estimated actuarial costs of the merger available for public review. Upon consultation with PERS staff, the City is seeking to complete this PERS process by June 30, 2024. Because of the short time frame to accomplish these tasks, the Ordinance will be an “Urgency Ordinance” and will be effective immediately upon adoption. With a normal

Ordinance there is a 30-day waiting period after the adoption of the Ordinance prior to it becoming effective.

Simultaneously, the Cities of Calabasas and Agoura Hills' City Councils are anticipated to consider the land transfer agreement at their meetings on May 8, 2024. The two Cities will then seek Los Angeles County consent to the land transfer, which is drafted to preserve the two conditions imposed on the two cities when the County donated the land in 1995 – that, in summary, the land shall be used only for public recreational purposes and be equally open to residents of incorporated and unincorporated territory.

FISCAL IMPACT/SOURCE OF FUNDING:

Outright termination of the Joint Powers Authority's PERS contract would cost an estimated \$1.5 million dollars. This amount is payable in full upon the termination of the PERS plan. Instead of paying that price outright, Calabasas would, if the merger of the Joint Powers Authority's PERS Contract into the Calabasas PERS contract is approved and completed, pay only the ongoing unfunded accrued liability per year above the City's existing PERS costs. This amount is currently being calculated by PERS and is expected to be released by the end of April 2024.

REQUESTED ACTION:

That the City Council:

1. Adopt City Council Resolution No. 2024-1893 stating intent to pursue merger of the Agoura Hills / Calabasas Community Center's contract with The California Public Employees' Retirement System into the City of Calabasas' contract with the California Public Employees' Retirement System with a merger date of June 30, 2024;

2. Authorize the City Manager and/or his designee to execute and sign all PERS documents related to the merger, subject to final City Council approval of the Ordinance.

ATTACHMENTS:

Attachment A: City Council Resolution No. 2024-1893