

REPORT TO CITY COUNCIL

DATE: JANUARY 26, 2022

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: NATHAN HAMBURGER, CITY MANAGER

BY: AMY BRINK, DIRECTOR OF COMMUNITY SERVICES
CHRISTY TRUELSEN, DIRECTOR OF FINANCE

SUBJECT: AGOURA HILLS/CALABASAS COMMUNITY CENTER UPDATE AND DISCUSSION

The Agoura Hills/Calabasas Community Center (AHCCC) closed its doors almost two years ago in response to the public health protocols brought on by the COVID-19 pandemic. With its doors closed, the AHCCC was unable to generate revenue through memberships, room rentals, and recreation programs, causing the use of reserve funds and contributions from the two cities to cover operating expenses. Since then, both cities of Agoura Hills and Calabasas have been working with the AHCCC Joint Powers Authority (JPA) to address a reopening plan and the many maintenance issues that exist, including a major roof repair. Working through city staff, an independent inspection of the roof and other maintenance issues was conducted. This investigation determined that the cost of repairs, including the roof, is much higher than what was originally presented to the JPA prior to closure. Taking into consideration the \$166,000 grant awarded by the Regional Park and Open Space District (RPOSD), the cost of the roof and maintenance repairs that the AHCCC is facing surpasses a million dollars. With the lack of revenue, depletion of reserve funds, and the cities' own financial challenges, none of the repairs have been performed to date.

The AHCCC currently receives a \$50,000 annual contribution from each city, which includes the basic utilities and maintenance to keep the building stable. The fiscal year 2021/22 AHCCC budget was only able to be adopted by using these aforementioned funds. During the upcoming budget process, each city will need to determine how they will support the financial shortcomings of the AHCCC.

City staff has been in communication with the City of Calabasas in regards to the potential of a different ownership allocation. One possible allocation, although not the only consideration, that has been discussed is moving away from an even split to an 80/20 division for operations, maintenance, activities run out of the facility, and makeup of the JPA Board with the City of Agoura Hills making up the 20%. The City of Calabasas City Council will be discussing their willingness to move to some type of adjusted cost sharing model during their upcoming meeting as well. It should be noted that this split would not relate to any major facility repairs and the discussion has

centered on the City of Calabasas seeking funding sources to generate the monies to make the repairs independently. The AHCCC Board gave authority to the City of Calabasas to seek funding and provided authorization to make the repairs to the AHCCC roof and related items in June 2021. The City of Calabasas has submitted a request to Los Angeles County Supervisor, Sheila Kuehl, requesting discretionary funds in the amount up to \$1 million to assist in the roof repairs. Staff would ask the City Council consider submitting a letter of support for their request that could be signed by the City Manager.

An important point to highlight is that there are certain costs such as the AHCCC retirement and unemployment benefits that will still need to be split evenly between the two cities as accumulated financial liabilities. Staff is working with our financial consultants to provide an updated cost model and projection related to the retirement benefits that staff will be able to share in the near future. Staff would also strongly recommend that no JPA staff be utilized in the future and that there be consideration of the JPA contracting with the City of Calabasas to operate and staff the facility, which presents an opportunity to be more financially efficient.

The City of Calabasas will be providing a letter proposing a new allocation of interest in the JPA and facility along with a draft operating budget that will be received after the posting of this meeting agenda. Thus, staff will be prepared to provide the updated information as part of its presentation.

RECOMMENDATION

Staff respectfully recommends the City Council consider the information presented and provide any feedback and direction to staff in regards to the Agoura Hills/Calabasas Community Center.