

Council Meeting of
December 4, 2012

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

SUBJECT: Finance – Approve Proposition A fund exchange agreement with the City of Bradbury. Expenditure: \$35,115.17

RECOMMENDATION

Recommendation of the Finance Director that City Council approve an agreement with the City of Bradbury for an exchange for \$35,115.17 in City of Torrance General Funds for \$52,022.47 respectively of Proposition A Local Return Funds from the City of Bradbury and appropriate \$35,115.17 from the General Fund Exchange Reserve.

FUNDING

Funding is available in the General Fund Exchange Reserve.

BACKGROUND

The City has been able to substantially add to funds for transit related projects by exchanging its General Funds for the Proposition A Local Return Funds from other cities in Los Angeles County. Transit can use these Proposition A funds for operations, which enables the City to take an equal amount of Proposition C funds from Transit that can be spent on maintenance and capital improvements to city streets that are used by Transit buses.

Currently, City staff has negotiated an exchange of funds with the City of Bradbury at an average rate of \$.675 of City of Torrance General Funds for each \$1.00 of City of Bradbury Proposition A Local Return Funds.

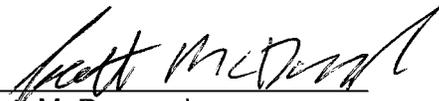
ANALYSIS

The agreement before Council tonight specifies an exchange for fiscal year 2012-2013 of \$35,115.17 of Torrance General Funds for \$52,022.47 of Proposition A Local Return Funds from the City of Bradbury. The exchange ratio is \$.675 on the dollar. Funds derived from

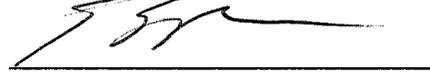
the exchange, and possibly Proposition C funds, have been identified and pledged for the City's transit operational needs, Dial-A-Lift transit operations, new equipment acquisition, and transit related infrastructure needs.

Respectfully submitted,

Eric E. Tsao
Finance Director

By 
Scott McDonough
Audit Manager

CONCUR:


Eric E. Tsao
Finance Director


LeRoy J. Jackson
City Manager

Attachment – Proposition A Assignment Agreement

PROPOSITION A ASSIGNMENT AGREEMENT

This Proposition A Assignment Agreement ("Agreement") is made and entered into this _____ day of December 2012, by and between the City of Bradbury and the City of Torrance, with respect to the following facts:

- A. The City of Torrance operates a municipal transit system and has a need for additional Proposition A Local Return Funds to assist in the financing of its fixed route and Dial-A-Lift transit operations, and to provide funds for acquisition of new transit related equipment.
- B. The City of Bradbury has uncommitted Proposition A Local Return Funds which could be made available to the City of Torrance to assist in providing the project described in Paragraph A of this Agreement. In exchange for the assignment by the City of Torrance of the amount of its General Funds indicated in Section 1 below, the City of Bradbury is willing to assign uncommitted Proposition A Local Return Funds to the City of Torrance for the purpose identified in Paragraph A.

Now, therefore, in consideration of the mutual benefits to be derived by the parties and of the promises herein contained, it is mutually agreed as follows:

1. Exchange. The City of Bradbury agrees to assign \$52,022.47 of its uncommitted Proposition A Local Return Funds to the City of Torrance in fiscal year 2012-2013. In return, the City of Torrance agrees to assign \$35,115.17 in General Funds to the City of Bradbury for fiscal year 2012-2013.
2. Consideration. The City of Bradbury shall assign the agreed upon Proposition A Local Return Funds to the City of Torrance in one lump sum payment. The City of Torrance shall assign the agreed upon General Funds to the City of Bradbury in one lump sum payment. The lump sum payments shall be due and payable within ten (10) days of approval by the Los Angeles County Metropolitan Transportation Authority (LACMTA) of the project described in Paragraph A.
3. Term. This Agreement is effective on the date above written and for such time as is necessary for both parties to complete their mutual obligations under this Agreement.
4. Termination. Termination of this Agreement may be made by either party before the date of approval of the project description covering the funds in question by the LACMTA, so long as written notice of intent to terminate is given to the other party at least five (5) days prior to the termination.
5. Notices. Notices shall be given pursuant to this Agreement by personal service on the party to be notified, or by written notice upon such party

deposited in the custody of the United States Postal Service addressed as follows:

- a. City Clerk
City of Bradbury
600 Winston Avenue
Bradbury, CA 91008
Fax: (626) 303-5154
- b. City Clerk
City of Torrance
3031 Torrance Boulevard
Torrance, CA 90509-2970
Fax: (310) 618-2931

6. Assurances.

- a. The City of Torrance shall use the assigned Proposition A Local Return Funds only for the purpose of providing the project discussed in Paragraph A of this Agreement and within the time limits and eligibility requirements specified in LACMTA's Proposition A Local Return Program Guidelines.
- b. The City of Bradbury is providing Proposition A Local Return Funding only and does not assume any responsibility or obligation for the project described in Paragraph A or any other project undertaken by the City of Torrance.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment Agreement to be executed by their respective officers, duly authorized, on the day and year written above.

CITY OF TORRANCE

THE CITY OF BRADBURY

By: _____
Frank Scotto, Mayor

By: _____
Bruce Lathrop, Mayor

Attest:

Sue Herbers, City Clerk

Claudia Saldana, City Clerk

Approved as to Form:

Approved as to Form:

John L. Fellows III, City Attorney

Cary S. Reisman, City Attorney