

Council Meeting of  
November 14, 2006

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

Members of the Council:

**SUBJECT: Transit- Approve Memorandum of Understanding for  
Proposition 5%- Security Funding.**

### **RECOMMENDATION**

The Transit Director recommends that the City Council approve a Memorandum of Understanding (MOU) with the Los Angeles County Metropolitan Transportation Authority for the regional (Los Angeles County) allocation of Proposition C 5% Security funds for the period from July 1, 2006 to June 30, 2007.

### **FUNDING**

None required for this action.

### **BACKGROUND**

The Los Angeles County Proposition C ordinance earmarks 5% of the funds to improve and expand County rail and bus security. The state Public Utilities Code directs the MTA to make formula allocations of the "5% fund" to the included County transit operators based on annual ridership. For FY 2007 Torrance Transit System has been allocated \$255,812.

### **ANALYSIS**

As specified in the agreement, the 5% funds must be used for security purposes. A transit operator may choose to receive its full allocation and fund its own security program or it may elect to defer all or a portion of the allocation to the MTA in return for security services that the MTA provides through contracts with the Los Angeles Police Department and the Los Angeles County Sheriffs Department.

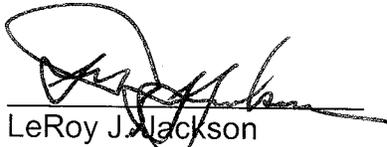
Torrance Transit System historically elects to receive its full allocation which is used to fund contracted security services provided by Securitas Security. Remaining funds are expended on capital purchases to improve security.

Respectfully Submitted,



Kim Turner  
Transit Director

CONCUR:



LeRoy J. Jackson  
City Manager

Attachment:

- A) MOU for Proposition C 5% Transit Security Funds

**MEMORANDUM OF UNDERSTANDING  
FOR PROPOSITION C 5% TRANSIT SECURITY FUNDS**

This Memorandum of Understanding ("MOU") is entered into as of July 1, 2006 by and between the Los Angeles County Metropolitan Transportation Authority (Metro) and City of Torrance ("GRANTEE").

RECITALS:

- A. On November 6, 1990, the voters of the County of Los Angeles approved by majority vote Proposition C, an ordinance establishing a one-half percent sales tax for public transit purposes; and
- B. The Proposition C ordinance states that 5% of the Proposition C Funds are to be used to improve and expand rail and bus security (the "Prop C 5% Security Funds"); and
- C. California Public Utilities Code Section 99285 (j) (SB-1755 Calderon) directs a formula allocation of Prop C 5% Security Funds based on transit ridership to all Eligible/Included Operators; and
- D. Metro, as the agency responsible for administering the tax, has designated this formula allocation of Prop C 5% Security Funds as the funding source for the Transit Security Funds ("TSF") described and programmed by this MOU; and
- E. Metro has entered into a contract with the County of Los Angeles for the provision of transit security services to Metro, the other Eligible/Included Operators and their respective patrons by the Los Angeles Sheriffs Department ("LASD"); and
- F. At this time, the other Eligible/Included Operators can elect to continue to pay and receive services from the LASD under the Metro contract or provide for their own transit security. Therefore, the Eligible/Included Operators can elect to direct their TSF in one of the following ways: (1) allocate 100% of their share of TSF to the Metro for LASD transit security services as specified in the Service LOA, as defined in Recital G below; (2) allocate a portion of their share of TSF to the Metro for LASD transit security services as specified in the Service LOA and retain the remaining portion of the TSF to provide for their own transit security as specified in the Security Plan, as defined in Section 4.2 below; or (3) receive 100 % of their share of the TSF to provide for their own transit security as specified in the Security Plan; and
- G. Commencing with FY 2007, to the extent LASD will provide transit security service to any Eligible/Included Operator, such service will not begin and no payments will be made until the Eligible/Included Operator, the LASD and the Metro enter into a letter of agreement (the "Service LOA"). The Service LOA shall specify the level of LASD service to be provided to those Eligible/Included Operators electing to allocate either 100% or a portion of their TSF to the Metro for LASD transit security services; and

- H. GRANTEE is an Eligible/Included Operator and desires to allocate its share of TSF as provided in this MOU; and
- I. Metro and GRANTEE desire to enter into this MOU to allocate GRANTEE's share of TSF and to agree to the terms and conditions of the TSF.

NOW, THEREFORE, in consideration of the mutual terms and conditions contained herein, Metro and GRANTEE hereby agree as follows:

#### ARTICLE 1 – TERM

- 1.1. This MOU will be in effect from July 1, 2006 through June 30, 2007 unless terminated earlier as provided herein.
- 1.2. The Metro reserves the right to terminate this MOU and withhold TSF if it is determined that the GRANTEE has not used best efforts to adhere to all the terms and conditions contained herein.
- 1.3. This MOU is subject to the “Calderon Bill” to the extent applicable.

#### ARTICLE 2- ALLOCATION OF TSF FUNDS AND INVOICE PROCEDURE

- 2.1. To the extent TSF is available, Metro staff, in coordination with the Eligible/Included Operators, will develop the Annual Proposition C 5% Transit Security Funding Allocation (the "Annual Security Allocation") which will describe (1) Grantee's share of the TSF pursuant to California Public Utilities Code Section 99285 (j); and (2) the distribution of Grantee's share of the TSF. Grantee shall have the opportunity to review and comment on the Annual Security Allocation prior to Metro staff submitting the Annual Security Allocation to the Metro Board for approval.
- 2.2. GRANTEE hereby directs Metro to allocate two hundred fifty five thousand eight hundred and twelve dollars (\$255,812), which is Grantee's share of TSF pursuant to the applicable Annual Security Allocation for FY 07 as approved by the Metro board. If Metro staff, in coordination with the Eligible/Included Operators, develops a mid-year reallocation of the Annual Security Allocation, which is approved by the Metro board, Grantee hereby directs Metro to make such mid-year adjustments to its Annual Security Allocation as approved by the Metro board.
- 2.3. To the extent GRANTEE directs that the Metro retain any TSF to pay for LASD transit security services for GRANTEE in Section 2.1 above, GRANTEE hereby authorizes Metro to take such funds and apply such funds to METRO's contract with the LASD. GRANTEE and Metro understand that commencing with FY 2007 and for each subsequent fiscal year thereafter, Metro will not be authorized to take Grantee's TSF and apply such funds to Metro's contracts with LASD and Grantee shall not receive any

transit security services from the LASD until such time the parties enter into a Service LOA specifying the level of service to be provided to GRANTEE. GRANTEE will not need to submit an invoice for any amounts retained by Metro to pay LASD.

- 2.4. To the extent GRANTEE directs that it receive any TSF, each fiscal year, GRANTEE shall send Metro one invoice for such appropriate amount consistent with the amount shown on the applicable Annual Security Allocation. Metro shall not be obligated to forward any TSF to GRANTEE until it receives an invoice and the Security Plan, unless otherwise agreed to by the parties. Metro shall make payments to Grantee on a quarterly basis, unless otherwise agreed to by the parties.

### ARTICLE 3 - USE OF FUNDS

- 3.1. GRANTEE shall use any TSF provided herein to provide transit security as provided in its Security Plan.
- 3.2. Metro shall use any TSF received hereunder to pay LASD to provide transit security services to GRANTEE as specified in the Service LOA.
- 3.3. GRANTEE understands if it decides to allocate either 100% or a portion of its TSF to the Metro for LASD transit security services, it will need to enter into a Service LOA.
- 3.4. To the extent Grantee receives any TSF, GRANTEE shall not use the TSF to supplement or pay for general police or other security services not related to transit.
- 3.5. To the extent Grantee receives any TSF, GRANTEE shall use TSF for operating or capital security assistance and shall not use TSF to substitute for any other funds, service, or project not specified in this MOU or the Service LOA.

### ARTICLE 4 - AUDIT AND REPORTING REQUIRMENTS

- 4.1. Metro or its designee shall have the right to conduct a financial and compliance audit(s) of the program. To the extent Grantee receives the TSF, GRANTEE agrees to establish and maintain proper accounting procedures and cash management records and documents in accordance with conditions defined by this MOU. GRANTEE shall maintain financial records for three (3) years after the end of the fiscal year within which the TSF was dispersed. Metro may audit as provided herein up to three years after the end of the fiscal year within which the TSF was dispersed.
- 4.2. Pursuant to California Public Utilities Code Section 99285 (j), GRANTEE shall file a cost effective security program to provide transit security (the "Security Plan") with the Metro prior to receiving all or a portion of TSF.
- 4.3. For those Eligible/Included Municipal Operators who directly receive their TSF, the Security Plan shall be submitted annually with the annual invoice. For those

Eligible/Included Municipal Operators who direct all TSF to the METRO for the LASD, the Security Plan stating such may be filed once with the Metro for the duration of the MOU unless there are any changes to the Security Plan in which event, the Eligible/Included Municipal Operator shall once again be required to submit its Security Plan annually with the annual invoice.

#### ARTICLE 5 - MISCELLANEOUS

- 5.1. This MOU along with the Annual Security Allocation, the Service LOA, if any, and the Security Plan, if any, constitute the entire agreement between the parties with respect to the subject matter described herein. No amendments or modifications to this MOU shall be binding upon either party unless such amendment or modification is in writing and duly executed by both parties. This MOU shall not be amended or modified by any acts or conduct of the parties.
- 5.2. GRANTEE agrees to comply with all applicable local, state and federal laws and regulations in the provision of public transit services.
- 5.3. GRANTEE is not a contractor, agent or employee of the Metro. GRANTEE shall not represent itself as a contractor, agent or employee of the Metro and shall have no power to bind the Metro in contract or otherwise.
- 5.4. To the extent GRANTEE receives the TSF, GRANTEE understands and agrees that in programming the TSF, Metro is acting pursuant to its statutory authority and Metro shall have no liability in connection with the use of such TSF. GRANTEE agrees to indemnify METRO for all liability arising out of GRANTEE'S performance in the provision of public transit security services paid for by TSF.
- 5.5. GRANTEE understands and agrees that in programming the FUNDS and entering into this MOU, Metro is acting pursuant to its statutory authority and shall have no liability in connection with the use of these FUNDS for public transit purposes. GRANTEE shall fully indemnify, defend and hold the Metro, its directors, officers, employees and agents harmless from and against any liability and expenses, including without limitation, defense costs, any costs or liability on account of bodily injury, death or personal injury of any person or for damage to or loss of risk of property, any environmental obligation, legal fees and any claims for damages of any nature whatsoever arising out of (i) breach of GRANTEE's obligations under this MOU; (ii) misuse of the FUNDS by GRANTEE or its officers, agents, employees or subcontractors; (iii) any act or omission of the GRANTEE or its officers, agents, employees or subcontractors in the performance and/or provision of the services provided under this MOU.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Understanding to be duly executed as of the dates below with all the formalities required by law.

CITY OF TORRANCE

LOS ANGELES COUNTY  
METROPOLITAN TRANSPORTATION  
AUTHORITY

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: Frank Scotto

Roger Snoble  
Chief Executive Officer

Title: Mayor

Date: \_\_\_\_\_

Date: \_\_\_\_\_

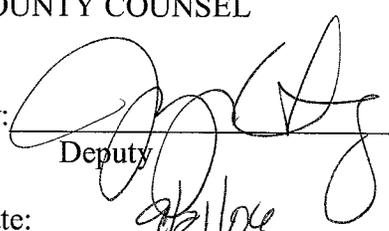
ATTEST:

APPROVED AS TO FORM:

By: Sue Herbers, City Clerk

Raymond G. Fortner, Jr.  
COUNTY COUNSEL

Date: \_\_\_\_\_

By:  \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:

Date: 9/2/06

JOHN L. FELLOWS III  
City Attorney

By: \_\_\_\_\_

Dated: \_\_\_\_\_

