

Council Meeting of
May 13, 2008

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

Members of the Council:

SUBJECT: Transit- Approve Memorandum of Understanding for allocation of Proposition C 40% Discretionary Funds

RECOMMENDATION

Recommendation of the Transit Director that the Mayor execute and the City Clerk attest to the attached Memorandum of Understanding with the Los Angeles County Metropolitan Transportation Authority (LACMTA) for the allocation of Proposition C 40% Discretionary funds for the Municipal Operator Service Improvement Program (MOSIP).

FUNDING

None required for this action.

BACKGROUND

The Los Angeles County Proposition C 40% establishes a one-half percent sales tax for public transit purposes and Metro is the agency responsible for administering the tax. For FY 2008, to the extent the funds are available, LACMTA staff, developed nine hundred seventeen thousand and sixty-nine dollars (\$917,069) as Torrance Transit's funding mark for MOSIP.

ANALYSIS

On July 26, 2007, the LACMTA Board approved the continuation of the MOSIP program for FY 2008. The MOSIP's objectives are as follows:

- a) to improve service to transit users county-wide
- b) to assist LACMTA in reducing its operating and capital costs through collaboration with the municipal operators and LACMTA
- c) to identify overlapping services and develop strategies to operate those services at a reduced cost

- e) to provide input into LACMTA's vehicle purchase plan to reduce costs; and
- f) to continue work with LACMTA on county-wide fare media options and the Universal Fare System to achieve a seamless ride for the transit patrons in Los Angeles County.

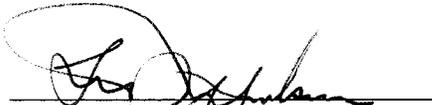
For FY 2008, Torrance Transit will use \$773,426 in support of capital projects and \$143,643 to off-set operating expenses. Torrance Transit Systems recommends accepting these funds to improve service to its transit lines.

Respectfully submitted,



Kim Turner
Transit Director

CONCUR:



LeRoy J. Jackson
City Manager

Attachment:

- A) MOU #MOU.PC02TOR7 For Proposition C 40% Discretionary Funds for the Municipal Operator Service Improvement Program.

MOU # MOU.PC02TOR7

**MEMORANDUM OF UNDERSTANDING
TO ALLOCATE PROPOSITION C 40% DISCRETIONARY FUNDS
FOR THE MUNICIPAL OPERATOR SERVICE IMPROVEMENT PROGRAM (MOSIP)**

This Memorandum of Understanding (“MOU”) is entered into as of July 1, 2007 by and between the Los Angeles County Metropolitan Transportation Authority (“LACMTA”) and the City of Torrance (“GRANTEE”).

WHEREAS, on November 6, 1990, the voters of the County of Los Angeles approved by majority Proposition C, an ordinance establishing a one-half percent sales tax for public transit purposes; and

WHEREAS, the LACMTA, is the agency responsible for administering the tax; and

WHEREAS, on April 26, 2001, the LACMTA Board approved the creation of an ongoing municipal operator service improvement program (“MOSIP”) beginning in FY 2002 to improve service to the transit dependent countywide by reducing overcrowding and expand services; and

WHEREAS, the Board approved \$15 million in Proposition C 40% Discretionary funds for fiscal year 2002 and \$15 million for each of the next four fiscal years with a 3% cumulative increase each year to fund the MOSIP; and

WHEREAS, on July 26, 2007, the LACMTA Board approved the continuation of the MOSIP program for one year FY 2008; and

WHEREAS, the MOSIP objectives are as follows:

- a) to improve service to transit users countywide
- b) to assist LACMTA in reducing its operating and capital costs through collaboration with the municipal operators and LACMTA
- c) to identify overlapping services and develop strategies to operate those services at a reduced cost
- d) to work with LACMTA on new countywide service expansion plans to reduce overcrowding and expand new services to the transit dependent
- e) to provide input into LACMTA's vehicle purchase plan to reduce costs; and
- f) to continue work with LACMTA on countywide fare media options and the Universal Fare System to achieve a seamless ride for the transit patrons in Los Angeles County

WHEREAS, the GRANTEE is an eligible operator and desires to receive the FUNDS from LACMTA for the MOSIP; and

WHEREAS, LACMTA and GRANTEE desire to agree to the terms and conditions of the grant of FUNDS.

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

ARTICLE 1 - TERM

- 1.1. This MOU will be in effect from July 1, 2007 through June 30, 2008 unless terminated earlier as provided herein.
- 1.2. During the term of this MOU, LACMTA and Grantee shall not pursue legislation, legal or other actions to alter the LACMTA Board approved funding sources currently subject to formula allocations.

ARTICLE 2 - ALLOCATION OF PROPOSITION C DISCRETIONARY FUNDS AND INVOICE PROCEDURE

- 2.1. For FY 2008, to the extent the FUNDS are available, LACMTA staff, in coordination with the Eligible/Included Operators, developed nine hundred seventeen thousand and sixty-nine dollars (\$917,069) as GRANTEE's funding marks for the MOSIP (the "Annual Funding Mark"). The funds allocations for MOSIP were developed according to the formula allocation procedure. The Annual Funding Mark describes GRANTEE's share of the FUNDS for the MOSIP to the extent the MOSIP is funded in FY 2008. GRANTEE had the opportunity to review and comment on the Annual Funding Mark prior to LACMTA staff submitting the Annual Funding Mark to the LACMTA Board for approval. LACMTA Board approved the annual funding marks at its July 26, 2007 Board meeting.
- 2.2. If LACMTA staff, in coordination with the Eligible/Included Operators, develops a mid-year reallocation of the Annual Funding Mark which is approved by the LACMTA Board, LACMTA will make such mid-year adjustments to its Annual Funding Mark, as approved by the LACMTA Board, if applicable.
- 2.3. For FY 2008, GRANTEE shall send LACMTA one invoice for the MOSIP in an amount consistent with the amount shown on the Annual Funding Mark. LACMTA shall not be obligated to forward the FUNDS for the MOSIP to GRANTEE until it receives an invoice and the service improvement plan described in Section 3.0 below. LACMTA shall disburse funds for operating purposes monthly in equal portions. LACMTA shall disburse funds for capital purposes in one payment.

ARTICLE 3 - USE OF FUNDS

- 3.0 GRANTEE shall submit a service improvement plan showing the assignment of funds between operating and capital purposes. The service improvement plan should include a description and start date of the service on which these Funds will be spent. The plan should explain how these services will meet the MOSIP plan objectives and benefit transit users. If some or all of the Funds are to be spent on capital projects, the service improvement plan should describe the project cost, schedule, milestone and the project benefit. The service improvement plan may be amended by Grantee in coordination with the LACMTA.
- 3.1 GRANTEE shall use the FUNDS as described in the service improvement plan.
- 3.2 GRANTEE shall utilize the FUNDS in accordance with the LACMTA Municipal Operator Service Improvement (Program) Guidelines (the "GUIDELINES") as approved by BOS in June 2001, including complying with reserve/carryover requirement and lapsing requirements.
- 3.3 GRANTEE shall not use any FUNDS received for the MOSIP to substitute for any other funds, service, or project except as otherwise specifically provided for in this MOU.

ARTICLE 4 - AUDIT AND REPORTING REQUIREMENTS

- 4.1 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 all documents and records related to the MOSIP and the use of the Funds for three (3) years after the end of the fiscal year in which the FUNDS were expended. LACMTA may audit as provided herein up to three years after the end of the fiscal year within which the FUNDS were expended.
- 4.2 GRANTEE shall comply with all Federal National Transit Database reporting requirements and shall annually submit a completed copy of said report to LACMTA.
- 4.3 By November 30, 2007, the GRANTEE shall submit to the LACMTA a completed TPM form which separately reports prior fiscal year data pertaining to all non-formula service, including the use of the Funds for operating transit service.
- 4.4 By December 30, 2007, the GRANTEE shall submit to the LACMTA an annual financial audit report which identifies the use of the FUNDS for transit purposes outlined in the MOSIP guidelines in the Operators Service Improvement Plan.

- 4.5. Operators will provide a quarterly report, to LACMTA describing how the service is meeting the MOSIP objectives. For capital projects, the quarterly report should describe the project progress and estimated completion date.

ARTICLE 5 – MISCELLANEOUS

- 5.1 This grant shall be a one-time grant subject to the terms and conditions agreed to herein and in the GUIDELINES. Except as otherwise provided in this MOU, the grant does not imply nor obligate any future funding commitment on the part of the LACMTA.
- 5.2 GRANTEE understands and agrees that in programming the FUNDS and entering into this MOU, LACMTA is acting pursuant to its statutory authority and shall have no liability in connection with the use of these FUNDS for public transit purposes or for the MOSIP or the projects or services described in the service improvement plan. GRANTEE shall fully indemnify, defend and hold the LACMTA, it directors, officers, employee 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, the service improvement plan and/or the MOSIP.
- 5.3 GRANTEE agrees to comply with all applicable local, state and federal laws and regulations in the provision of public transit services and any services rendered for the MOSIP.
- 5.4 LACMTA reserves the right to terminate this MOU and withhold the FUNDS if it is determined that the GRANTEE has not complied with all the terms and conditions contained herein or in the GUIDELINES
- 5.5 Any change in the MOSIP is subject to a three-fourths vote by the governing board of the LACMTA.
- 5.6 No amendment or modification to this MOU shall be binding upon either party unless such amendment or modification is in writing duly executed by both parties. This MOU shall not be amended or modified by any acts or conduct of the parties.
- 5.7 GRANTEE is not a contractor, agent or employee of the LACMTA. GRANTEE

shall not represent itself as a contractor, agent or employee of the LACMTA and shall have no power to bind the LACMTA in contract or otherwise.

5.8 This MOU and the Guidelines constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior and contemporaneous agreements and understandings.

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: _____

Roger Snoble
Chief Executive Officer

Title: _____

Date: _____

Date: _____

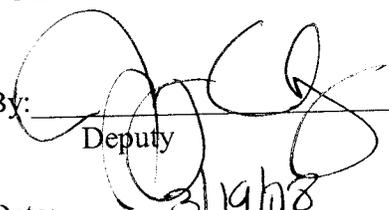
ATTEST:

APPROVED AS TO FORM:

By: _____

Raymond G. Fortner, Jr.
COUNTY COUNSEL

Date: _____

By:  _____
Deputy

Date: 3/19/08

APPROVED AS TO FORM:
JOHN L. FELLOWS III
CITY ATTORNEY

By: _____