Council Meeting of
October 14, 2008

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

Members of the Council:

SUBJECT: Transit - Approve Proposition C 5% Transit Security Funds Memorandum of Understanding.

RECOMMENDATION

Recommendation of the Transit Director that City Council approve the attached Memorandum of Understanding (MOU) with the Los Angeles County Metropolitan Transportation Authority (Metro) for the allocation of Proposition C 5% Security funds for the period from July 1, 2008 to June 30, 2009.

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 Metro to make formula allocations of the *5% Fund* to the included County transit operators based on annual ridership. For FY 2009 Torrance Transit System has been allocated $248,222.

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 Metro in return for security services that Metro provides through contracts with the Los Angeles County Sheriff's Department. Torrance Transit System historically elects to receive its full allocation which is used to fund contracted

security services provided by Command Security Corporation. 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

MOU # MOU.PC09TOR1

Attachment A

MEMORANDUM OF UNDERSTANDING FOR PROPOSITION C 5% TRANSIT SECURITY FUNDS

This Memorandum of Understanding ("MOU") is entered into as of July 1, 2008 by and between the Los Angeles County Metropolitan Transportation Authority (LACMTA) 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. LACMTA, 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. LACMTA has entered into a contract with the County of Los Angeles for the provision of transit security services to LACMTA, the other Eligible/Included Operators and their respective patrons by the Los Angeles Sheriffs Department ("LASD") which contract is scheduled to expire on January 31, 2009; and

F. At this time, the other Eligible/Included Operators can elect to continue to pay and receive services from the LASD under the LACMTA 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 LACMTA 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 LACMTA 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 2009, 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 LACMTA 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 LACMTA 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. LACMTA 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, LACMTA and GRANTEE hereby agree as follows:

ARTICLE 1 – TERM

1.1. This MOU will be in effect from July 1, 2008 through June 30, 2009 unless terminated earlier as provided herein.

1.2. The LACMTA 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, LACMTA 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 LACMTA staff submitting the Annual Security Allocation to the LACMTA Board for approval.

2.2. Grantee's share of TSF pursuant to the applicable Annual Security Allocation for FY 09 as approved by the LACMTA board is two hundred forty eight thousand two hundred and twenty two dollars ($248,222). If LACMTA staff, in coordination with the Eligible/Included Operators, develops a mid-year reallocation of the Annual Security Allocation, which is approved by the LACMTA board, Grantee hereby directs LACMTA to make such mid-year adjustments to its Annual Security Allocation as approved by the LACMTA board.

2.3. To the extent GRANTEE directs that the LACMTA retain any TSF to pay for LASD transit security services for GRANTEE, GRANTEE hereby authorizes LACMTA to take such funds and apply such funds to LACMTA's contract with the LASD. GRANTEE and LACMTA understand that LACMTA will not be authorized to take Grantee's TSF and apply such funds to LACMTA'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 LACMTA to pay LASD.

2.4. To the extent GRANTEE directs that it receive any TSF, each fiscal year, GRANTEE shall send LACMTA one invoice for such appropriate amount consistent with the amount shown on the applicable Annual Security Allocation. LACMTA 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. LACMTA shall make payments to Grantee on a quarterly basis, unless otherwise agreed to by the parties.

2.5. GRANTEE agrees if it elects to allocate all or a portion of its TSF to LACMTA the transit security services may be provided by the LASD or such new contractor hired by LACMTA to perform transit security services. If the contract with LASD is not renewed or extended and a new contractor is not hired to perform transit security services for LACMTA, GRANTEE may re-evaluate GRANTEE's directions regarding the allocation of TSF and amend it accordingly.

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. LACMTA 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 LACMTA 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. LACMTA 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. LACMTA 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 LACMTA 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 LACMTA for the LASD, the Security Plan stating such may be filed once with the LACMTA 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 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.

5.4. To the extent GRANTEE receives the TSF, GRANTEE understands and agrees that in programming the TSF, LACMTA is acting pursuant to its statutory authority and LACMTA shall have no liability in connection with the use of such TSF. GRANTEE agrees to indemnify LACMTA 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 Prop C 5% Security 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 Prop C 5% Security Funds for public transit purposes. 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 Prop C 5% Security Funds by GRANTEE or its officers, agents, employees, contractors or subcontractors; (iii) any act or omission of the GRANTEE or

its officers, agents, employees, contractors 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

By: _____

Name: _____

Title: _____

Date: _____

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

By: _____
Roger Snoble
Chief Executive Officer

Date: _____

ATTEST:

By: _____

Date: _____

APPROVED AS TO FORM:

Raymond G. Fortner, Jr.
COUNTY COUNSEL

By: _____
Deputy

Date: 9/6/08

APPROVED AS TO FORM:

JOHN L. FELLOWS III
City Attorney

By: _____