Council Meeting of
July 14, 2009

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

Members of the City Council:

SUBJECT: Transit – Approve Torrance Transit's FY 2009-2010 Claim for Transportation Development Act (TDA) Funds.

EXPENDITURE: Not applicable

RECOMMENDATION

Recommendation of the Transit Director that City Council approve the submittal of the annual claim to the Los Angeles County Metropolitan Transportation Authority (METRO) for $4,362,898 in Transportation Development Act funding for the Torrance Transit System fiscal year 2009-2010.

FUNDING

Not applicable.

BACKGROUND

Annually, the Torrance Transit System is allocated transit subsidy funding as provided by state statute on a formula basis based on external grant monies that finance the operating and capital needs of our bus system. These funds are shared by formula with all of the other included and eligible systems in Los Angeles County. The specific types of funding sources that are allocated each year in this manner by METRO are 1) Transportation Development Act (TDA) 2) State Transit Assistance (STA); 3) Proposition A Discretionary funds, and 4) Federal Transit Assistance (FTA) Section 5307 capital allocations. In September, 2008 the state adopted a budget which eliminated STA funding for the next five years. Transit intends to off-set the loss of STA funding of approximately $1.9 million annually with increased fare revenue, Measure "R" funding and operating efficiencies.

The formula used for distributing the three primary funding sources of TDA, STA and Proposition A Discretionary is based on 50% of the recipient's annual systemwide bus service miles (excluding weekend miles). The remaining 50% is derived from a factor called "fare units". Fare units are calculated by dividing the bus system's total annual farebox revenue by the system's base fare. For Torrance Transit, the current percentage generated by this 50/50 formula

designating Torrance's share of the countywide funding "pots" is 1.5822% for both TDA/STA and Proposition A Discretionary.

ANALYSIS

METRO and the Southern California Association of Governments (SCAG) prescribe the particular forms contained in the Claim, as well as its overall format. Recipients, nonetheless, determine the purpose for which the monies are used. Staff has programmed a total of $4,362,898 in TDA funds to offset the operating costs of its transit system.

As part of the claim, Transit is required to identify and set aside funds as a local match to federal grant funds for capital expenses. Historically, STA funds have been used for the 10% or 20% local match. However, since STA funds will not be available, Transit is opting to use the more restrictive Municipal Operators Service Improvement Program (MOSIP)/ Proposition C Discretionary 40% monies for the capital match.

Staff has programmed $987,129 in MOSIP funding. A total of $215,377 will be utilized to off-set operating expenses and $ 771,752 as local match funding for the following three (3) FY 2009-10 capital projects:

1) $450,000 as local match (20%) for Capital Preventive Maintenance expenses;
2) $221,752 as local match (10%) for the purchase of three (3) hybrid gasoline-electric buses.
3) $100,000 as local match (20%) for phase two of the Automatic Vehicle Locator (AVL).

Respectfully submitted,

Kim Turner
Transit Director

Concur:

for LeRoy J. Jackson
City Manager

Attachment: A) FY 2009-10 TDA/STA Claim

Attachment A

Public Transportation System Claim

CHECKLIST OF ITEMS FILED

FISCAL YEAR: 2010

CLAIMANT: City of Torrance Transit System DATE: July 14, 2009

The items checked below are enclosed in connection with the claim filed herein:

X 1. **Pages 1 and 2 for TDA and STA**
(See instructions for completing the form in the instruction package).

X 2. **Financial Statement (Table L-1)**
(A separate table must be completed for each mode. The table should be consistent with the table included in the SRTP.)

X 3. **Standard Assurances for Claimants**

X 4. **Governing Body Authorization**
Submit a certified copy of a resolution or minute order.

____ 5. **Justification Statements**

____ 6. **Proposed Commitment Statement(s)**
Complete when requesting long-term capital reserves.

____ 7. **Employee Retirement System Certification Statement**

____ 8. **Proof of Funding Obligation**
Submit tangible evidence of imminent need for capital reserve drawdowns.

____ 9. **Cooperative Agreement or Contract**
Submit copies if applicable

X 10. **TDA Reserves Held by County Auditor (Table 2)**

X 11. **California Highway Patrol Certification (Pull Notice)**
Current within 13 months.

CLAIM FORM

TDA CLAIM FORM

LTF PUBLIC TRANSPORTATION - ARTICLE 4

CLAIMANT: City of Torrance Transit System

CONTACT PERSON: Jim Mills TELEPHONE: (310) 618-6291

DATE: July 14, 2009 FISCAL YEAR: 2010 COUNTY STAFF: Los Angeles

PAYMENT RECIPIENT: City of Torrance, Finance Department

ADDRESS: 3031 Torrance Blvd., Torrance, CA 90503

ATTENTION: Ken Flewellyn, Assistant Finance Director
(Name and Title)

PURPOSE	REQUESTED PAYMENT AND RESERVES	AMOUNT
Article 4 PUC 99260(a)	1. Payment from FY 2009 Allocation	$ 4,362,898
	2. Amount placed in Capital Reserve from current year allocation (Complete Table 2)	$ 0
	3. Total FY 2010 funding mark (1 & 2)	$ 4,362,898

Authorized Signature: _____
(Claimant's Chief Administrator or Finance Officer)

LeRoy J. Jackson, City Manager
(Print name and title)

CONDITION OF APPROVAL:

Approval of this claim and payment by the County Auditor to this claimant are subject to funds being available and to the provisions that such monies will be used only in accordance with the terms and conditions set forth by this claim.

CLAIM FORM

STATE TRANSIT ASSISTANCE FUND

Pursuant to Sections 6730-6735 of the California Administrative Code

CLAIMANT: City of Torrance Transit System

CONTACT PERSON: Jim Mills TELEPHONE: (310) 618-6291

DATE: July 14 2010 FISCAL YEAR: 2010 COUNTY LTF: Los Angeles

PAYMENT RECIPIENT: City of Torrance, Finance Department

ADDRESS: 3031 Torrance Blvd., Torrance, CA 90503

ATTENTION: Ken Flewellyn, Assistant Finance Director
(Name and Title)

PURPOSE	REQUESTED PAYMENT AND RESERVES	AMOUNT
( ) CAC, Section 6730 (a) ( ) CAC, Section 6730 (b) ( ) CAC, Section 6730 (c) ( ) CAC, Section 6731 (a) ( ) CAC, Section 6731 (b) ( ) CAC, Section 6731 (c)	1. Payment from Unal located-Operations	$ -0-
	2. A mount placed in Capital Reserve from current year allocation (Complete Table 2)	$ -0-
	3. Total FY 2010 Fund Mark (1 & 2)	$ -0-

Authorized Signature: _____
(Claimant's Chief Administrator or Finance Officer)

LeRoy J. Jackson, City Manager
(Print name and title)

CONDITION OF APPROVAL:

Approval of this claim and payment by the County Auditor to this claimant are subject to monies being available and to the provisions that such monies will be used only in accordance with the terms and conditions set forth by this claim and SCAG Allocation Instructions.

TABLE L-1
HISTORICAL AND PROJECTED FINANCIAL STATUS
SOURCE OF OPERATING FUNDS
BY YEAR OF EXPENDITURE ($ 000)

MODE: ALL MODES

SOURCE OF OPERATING FUNDS:	2008 Audited	2009 Estimated	2010 Planned
FEDERAL CASH GRANTS AND REIMBURSEMENTS			
FTA Sec. 5307 (Sec. 9)Operating (Preventive Maint)	1,712.0	1,800.0	1,800.0
FTA Sec. 5311 (Sec. 18) Operating			
FTA Sec. 5303 (Sec. 8) Technical Studies			
Other Federal (Specify)			
STATE CASH GRANTS AND REIMBURSEMENTS			
TDA Carryover - prior year	375.4	99.9	288.8
TDA Current from unallocated	5,361.4	5,053.8	4,362.9
STA Current from unallocated	1,048.7	1,895.2	0.0
STA Carryover from prior yrs.	0.0	0.0	0.0
Other State (local match for Prev. Maint.)	428.0	450.0	450.0
LOCAL CASH GRANTS AND REIMBURSEMENTS			
Passenger Fares	2,670.9	3,547.7	3,761.7
Special Transit Service	0.6	3.0	3.0
Auxiliary Transportation Revenues	206.7	200.7	200.7
Non-transportation Revenues	243.7	100.0	100.0
Prop. A %40 Discretionary	3,055.1	3,017.5	3,215.7
Prop. A %25 Local Return	2,349.8	2,391.9	2,391.9
Prop. A from Exchanges	200.0	100.0	388.5
Prop. C %40 Discretionary:			
Base Restructuring	594.1	605.0	616.8
BSIP	197.2	200.8	204.7
Foothill Transit Zone Mitigation	160.3	179.4	113.2
Transit Service Expansion (TSE)	694.5	676.2	688.6
Municipal Operators Service Program	161.9	260.3	538.9
Prop. C %20 Local Return	193.4	1,254.0	965.5
Prop. C %5 Security	203.1	248.2	221.2
Measure R	0.0	0.0	1,058.6
Proposition A Interest	0.0	0.0	297.2
Proposition C Interest	0.0	0.0	528.5
Other Local (Contributions from City)	351.9	672.8	672.8
TOTAL OPERATING REVENUES	20,208.7	22,756.4	22,869.2
TOTAL OPERATING EXPENSES	22,145.0	24,904.4	25,017.2
(less reconciling items)			
Depreciation	1,936.3	2,148.0	2,148.0
Non-cash expenses			
TOTAL NET OPERATING EXPENSES	20,208.7	22,756.4	22,869.2

TABLE L-1
HISTORICAL AND PROJECTED FINANCIAL STATUS
SOURCE AND APPLICATION OF CAPITAL FUNDS
BY YEAR OF EXPENDITURE ($ 000)

MODE: All Modes

SOURCE OF CAPITAL FUNDS:	2008 Audited	2009 Estimated	2010 Planned
FEDERAL CAPITAL GRANTS			
FTA Sec. 3 (5309)	0.0	2,125.6	0.0
FTA Sec. 9 (5307):prog.yr.	754.9	1,523.0	4,195.8
FTA Sec. 9 (5307):expenditure yr	0.0	0.0	0.0
Congestion Mitigation & Air Quality (CMAQ)	0.0	0.0	0.0
Capital Formula Carryover Balance	0.0	0.0	0.0
FTA Sec. 9 Debt Service	0.0	0.0	0.0
STATE CAPITAL GRANTS AND SUBVENTIONS			
TDA (ART 4)-Carryover Prior Year	0.0	0.0	0.0
TDA current FY Allocation	0.0	0.0	0.0
TDA Reserves	0.0	0.0	0.0
STA current FY Allocation	0.0	0.0	0.0
STA from Reserves	0.0	100.1	0.0
MOSIP Reserve	0.0	0.0	0.0
LOCAL CAPITAL GRANTS			
System Generated	0.0	0.0	0.0
General Fund	0.0	0.0	0.0
Prop. A Local Return	0.0	0.0	0.0
Prop. A Discretionary	0.0	0.0	0.0
Prop. C Discretionary		0.0	0.0
Prop. C Local Return	0.0	0.0	0.0
Prop. C Other (Specifiy) Security	0.0	0.0	0.0
Other Local (Specify) MOSIP	161.7	465.0	772.0
TOTAL CAPITAL REVENUE	916.6	4,213.7	4,967.8
TOTAL CAPITAL EXPENSES	916.6	4,213.7	4,967.8

TABLE L-1
HISTORICAL AND PROJECTED FINANCIAL STATUS
SOURCE OF OPERATING FUNDS
BY YEAR OF EXPENDITURE ($ 000)

MODE: MAX

SOURCE OF OPERATING FUNDS:	2008 Audited	2009 Estimated	2010 Planned
FEDERAL CASH GRANTS AND REIMBURSEMENTS			
FTA Sec. 5307 (Sec. 9)Operating (Preventive Maint)	0.0	0.0	0.0
FTA Sec. 5311 (Sec. 18) Operating			
FTA Sec. 5303 (Sec. 8) Technical Studies			
Other Federal (Specify)			
STATE CASH GRANTS AND REIMBURSEMENTS			
TDA Carryover - prior year			
TDA Current from unallocated	0.0	0.0	0.0
STA Current from unallocated			
STA Carryover from prior yrs.			
Other State (local match for Prev. Maint.)	0.0	0.0	0.0
LOCAL CASH GRANTS AND REIMBURSEMENTS			
Passenger Fares	152.9	100.0	150.0
Special Transit Service	0.0	0.0	0.0
Auxiliary Transportation Revenues	0.0	0.0	0.0
Non-transportation Revenues	0.0	0.0	0.0
Prop. A %40 Discretionary	0.0	0.0	0.0
Prop. A %25 Local Return	0.0	0.0	0.0
Prop. A Interest	0.0	0.0	0.0
Prop. A from Exchanges	0.0	0.0	0.0
Prop. C %40 Discretionary:			
Base Restructuring	0.0	0.0	0.0
BSIP	0.0	0.0	0.0
Foothill Transit Zone Mitigation	0.0	0.0	0.0
Transit Service Expansion (TSE)	469.0	437.7	437.7
Municipal Operators Service Program	0.0	0.0	0.0
Prop. C %20 Local Return	0.0	0.0	0.0
Prop. C %5 Security	0.0	0.0	0.0
Prop. C Interest	0.0	0.0	0.0
Other Local (Contributions from City)	351.9	672.8	659.3
TOTAL OPERATING REVENUES	973.8	1,210.5	1,247.0
TOTAL OPERATING EXPENSES	973.8	1,210.5	1,247.0
(less reconciling items)			
Depreciation	-	-	-
Non-cash expenses			
TOTAL NET OPERATING EXPENSES	973.8	1,210.5	1,247.0

TABLE L-1
HISTORICAL AND PROJECTED FINANCIAL STATUS
SOURCE OF OPERATING FUNDS
BY YEAR OF EXPENDITURE ($ 000)

MODE: TRANSIT

SOURCE OF OPERATING FUNDS:	2008 Audited	2009 Estimated	2010 Planned
FEDERAL CASH GRANTS AND REIMBURSEMENTS			
FTA Sec. 5307 (Sec. 9)Operating (Preventive Maint)	1,712.0	1,800.0	1,800.0
FTA Sec. 5311 (Sec. 18) Operating			
FTA Sec. 5303 (Sec. 8) Technical Studies			
Other Federal (Specify)			
STATE CASH GRANTS AND REIMBURSEMENTS			
TDA Carryover - prior year	375.4	99.9	288.8
TDA Current from unallocated	5,361.4	5,053.8	4,362.9
STA Current from unallocated	1,048.7	1,895.2	0.0
STA Carryover from prior yrs.	0.0	0.0	0.0
Other State (local match for Prev. Maint.)	428.0	450.0	450.0
LOCAL CASH GRANTS AND REIMBURSEMENTS			
Passenger Fares	2,518.0	3,447.7	3,661.7
Special Transit Service	0.6	3.0	3.0
Auxiliary Transportation Revenues	206.7	200.7	200.7
Non-transportation Revenues	243.7	100.0	100.0
Prop. A %40 Discretionary	3,055.1	3,017.5	3,215.7
Prop. A %25 Local Return	2,349.8	2,391.9	2,391.9
Prop. A from Exchanges	200.0	100.0	388.5
Prop. C %40 Discretionary:			
Base Restructuring	594.1	605.0	616.8
BSIP	197.2	200.8	204.7
Foothill Transit Zone Mitigation	160.3	179.4	113.2
Transit Service Expansion (TSE)	225.5	238.5	250.9
Municipal Operators Service Program	161.9	260.3	538.9
Prop. C %20 Local Return	193.4	1,254.0	965.5
Prop. C %5 Security	203.1	248.2	221.2
Measure R	0.0	0.0	1,058.6
Proposition A Interest	0.0	0.0	297.2
Proposition C Interest	0.0	0.0	528.5
TOTAL OPERATING REVENUES	19,234.9	21,545.9	21,658.7
TOTAL OPERATING EXPENSES	21,171.2	23,693.9	23,806.7
(less reconciling items)			
Depreciation	1,936.3	2,148.0	2,148.0
Non-cash expenses	-	-	-
TOTAL NET OPERATING EXPENSES	19,234.9	21,545.9	21,658.7

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

PUBLIC TRANSPORTATION CLAIM

**STANDARD ASSURANCES FOR APPLICANTS
FOR LOCAL TRANSPORTATION FUNDS (LTF) AND
STATE TRANSIT ASSISTANCE FUNDS (STAF)**

Claimant: City of Torrance Transit System **Fiscal Year:** 2010

PLEASE INITIAL ALL APPLICABLE PARAGRAPHS PURSUANT TO WHICH THE CLAIM IS BEING SUBMITTED.

MTA TDA GUIDE SECTION		Initial
1.	**CERTIFIED FISCAL AND COMPLIANCE AUDIT**	KT FS
1.8.1 1.8.3	Claimant certifies that it has submitted a satisfactory, independent fiscal and compliance audit, with required certification statement, to SCAG, MTA, and the Department of Transportation, pursuant to PUC Section 99245 and CAC Section 6664 for the prior fiscal year (project year minus two). Claimant assures that this audit requirement will be completed for the current fiscal year (project year minus one), and submitted to MTA no later than 120 days after the close of the fiscal year.	
2.	**90-DAY ANNUAL REPORT (STATE CONTROLLER'S REPORT)**	KT FS
1.8.2 1.8.3	Claimant certifies that it has submitted a State Controller's Report in conformance with the Uniform System of Accounts and Records, to SCAG, MTA, and the State Controller, pursuant to PUC Section 99243, for the prior year (project year minus two). Claimant assures that this report will be completed for the current fiscal year (project year minus one), and submitted no later than 90 days after the close of the fiscal year.	
3.	**PART-TIME EMPLOYEES***	
5.6.2b	Claimant certifies that it is not precluded, by any contract entered into on or after June 28, 1979, from employing part-time drivers or contracting with common carriers of persons operating under a franchise or license. Claimant further certifies that no person who was a full-time employee on June 28, 1979, shall have his or her employment, excluding overtime, reduced as a result of it employing part-time drivers or contracting with those common carriers. (PUC Section 99314.5c)	

STANDARD ASSURANCES FOR APPLICANTS
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4. **FIFTY PERCENT EXPENDITURE LIMITATION**

2.2.1 Claimant filing a claim pursuant to PUC Section 99268.1 certifies that it was in compliance with PUC Section 99268 during the 1978-79 fiscal year, and further certifies that it will remain in compliance with that section during the project year.

5. **REVENUE RATIOS FOR OLDER OPERATORS** N/A

2.2.2 Claimant filing a claim pursuant to PUC Section 99268.2 certifies that it will maintain for the project year that ratio of fare revenues and local support to operating cost which was maintained during the 1978-79 fiscal year, and further assures for the project year that it reasonably anticipates achieving the ratio of fare revenues to operating cost at least equal to the ratio maintained in FY 1978-79, or (a) 20 percent if serving an urbanized area, and (b) 10 percent if serving a nonurbanized area, whichever is greater.

6. **REVENUE RATIOS FOR NEWER URBANIZED AREA OPERATORS** N/A

2.2.2 Claimant filing a claim pursuant to PUC Section 99268.3 certifies that it will maintain for the project year at least that ratio of fare revenues and local support to operating cost which was maintained during FY 1978-79 if that ratio was greater than 20 percent; claimant further assures, for the project year, that it reasonably anticipates achieving a ratio of fare revenues to operating cost equal to or greater than 20 percent for the project year.

7. **REVENUE RATIOS FOR NEWER NON-URBANIZED AREA OPERATORS** N/A

2.2.2 Claimant filing a claim pursuant to PUC Section 99268.4 certifies that it will maintain for the project year at least that ratio of fare revenues and local support to operating cost which was maintained during FY 1978-79 if that ratio was greater than 10 percent; claimant further assures, for the project year, that it reasonably anticipates achieving a ratio of fare revenues to operating cost equal to or greater than 10 percent.

8a. **REVENUE RATIOS FOR EXCLUSIVE SERVICES TO ELDERLY AND HANDICAPPED**

2.2.3 Claimant filing a claim pursuant to PUC Section 99268.5 certifies that, for the purpose of the claim, it provides services using vehicles for the exclusive use of elderly and handicapped persons.

STANDARD ASSURANCES FOR APPLICANTS
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MTA TDA GUIDE SECTION		Initial
8b.	**REVENUE RATIOS FOR PARATRANSIT SERVICES**	N/A
2.2.3	Claimant filing a claim pursuant to PUC Section 99275.5c (Article 4.5) further certifies that, for the project year, it reasonably anticipates achieving the performance criteria, local match requirements, or fare recovery ratios adopted by MTA.	
9.	**EXTENSION OF SERVICE**	N/A
1.8.4 2.2.5	Claimant that received an allocation of Local Transportation Funds for an extension of service pursuant to PUC Section 99268.8 certifies that it will file a report of these services pursuant to CAC Section 6633.8b within 90 days after the close of the fiscal year in which that allocation was granted.	
10.	**RETIREMENT SERVICE**	
2.1.7	Claimant filing a claim pursuant to PUC Section 99260 certifies that: (a) the current cost of its retirement system is fully funded with respect to the officers and employees of its public transportation system; or (b) the operator is implementing a plan approved by the transportation planning agency which will fully fund the retirement system for such officers and employees within 40 years; or (c) the operator has a private pension plan which sets aside and invests, or on a current basis, funds sufficient to provide for the payment of future benefits, and which is fully compliant with the requirements stated in PUC Sections 99272 and 99273.	
11a.	**USE OF FEDERAL FUNDS**	N/A
2.2.1 2.2.8	Claimant filing a claim for TDA funds for capital intensive projects pursuant to PUC Sec. 99268.7 certifies that it has made every effort to obtain federal funding for any project which is funded pursuant to PUC Sec. 99268.7.	
11b.	Claimant qualifying for funds pursuant to PUC Sec. 99268.1 and filing a claim for TDA funds in	N/A
2.2.1d	excess of the amount allowed under PUC Sec. 99268 certifies that such funds are required in order to obtain maximum federal operating funds in the year such funds are claimed, pursuant to PUC Sec. 99267.5 and CAC Sec. 6633.1.	

STANDARD ASSURANCES FOR APPLICANTS
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12. **CHP CERTIFICATION**
Claimant filing a claim for Local Transportation
2.2.9 Funds has included in the claim a certification completed within the last 13 months by the California Highway Patrol indicating compliance with Vehicle Code Section 1808.1, indicating that the operator has participated in a "pull notice system" to examine driver's records, as specified in PUC Sec. 99251.

13. **STA EFFICIENCY STANDARDS***
Beginning in FY 1992, claimant filing a claim for State Transit Assistance Funds for operating purposes certifies that it has met the efficiency standards which limit cost per hour increases, pursuant to PUC Sec. 99314.6.

14. **REDUCED TRANSIT FARES**
Claimants of TDA funds who offer reduced fares to senior citizens certify that: (a) The Federal Medicare Identification Card is sufficient identification to receive senior citizen reduced fares if such fares are available; and (b) A disabled person or disabled veteran identification card issued pursuant to subdivision (d) of Vehicle Code Sections 22511.5 or 22511.9 (whichever is applicable) is sufficient identification to receive disabled person reduced fares if such reduced fares are available.

***STAP Claimants Only.**

City of Torrance
(Legal Name of Applicant/Claimant)

(Authorizing Signature)

(Authorizing Signature)

Kim Turner, Transit Director
(Print Name & Title)

Eric Tsao, Finance Director
(Print Name & Title)

DEPARTMENT OF CALIFORNIA HIGHWAY PATROL

TRANSIT OPERATOR COMPLIANCE CERTIFICATE

CHP 339 (Rev 7-90) OPI 062

TRANSIT OPERATOR NAME		
TORRANCE TRANSIT SYSTEMS		
ADDRESS		TELEPHONE NUMBER
20500 MADRONA AVENUE		310 781-6920
CITY	ZIP CODE	COUNTY
TORRANCE	90503	LOS ANGELES

This is to certify that the above named transit operator was inspected on this date and found to be in compliance with California Vehicle Code Section 1808.1, regarding participation in the Department of Motor Vehicles Pull Notice Program, and with Section 12804.6, regarding transit bus operator certificates.

ISSUED BY	I.D. NUMBER	DATE
C CRISTOBAL	A07812	12-16-2008

Destroy previous editions.