

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

Council Meeting of
October 27, 2009

Members of the Council:

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

Expenditure: N/A

RECOMMENDATION:

Recommendation of the Transit Director that City Council approve a 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, 2009 to June 30, 2012.

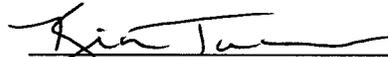
FUNDING:

None required for this action.

BACKGROUND & 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. Fiscal Year 2010 has \$222,159 of programmed funding. Funding may vary in subsequent years.

Respectfully submitted,



Kim Turner
Transit Director

CONCUR:



LeRoy J. Jackson
City Manager

Attachments: A) MOU for Proposition C 5% Transit Security Funds

MOU # MOU.PC10TOR1**MEMORANDUM OF UNDERSTANDING
FOR PROPOSITION C 5% TRANSIT SECURITY FUNDS**

This Memorandum of Understanding ("MOU") is entered into as of July 1, 2009 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 June 12, 2012 unless sooner terminated by LACMTA; 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 2010, 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, 2009 through June 30, 2012 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. Each fiscal year, 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. For each year covered by this MOU, GRANTEE hereby directs LACMTA to allocate Grantee's share of TSF pursuant to the applicable Annual Security Allocation for that fiscal year as approved by the LACMTA board. Attached as Exhibit A is the Annual Security Allocation for FY 2010. 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.

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, its 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

LOS ANGELES COUNTY
METROPOLITAN TRANSPORTATION
AUTHORITY

By: _____

By: _____

Name: _____

Arthur T. Leahy
Chief Executive Officer

Title: _____

Date: _____

Date: _____

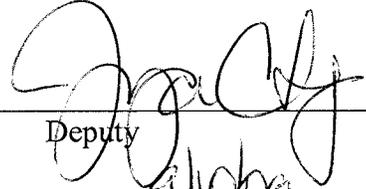
ATTEST:

APPROVED AS TO FORM:

By: _____

Robert E. Kalunian
ACTING COUNTY COUNSEL

Date: _____

By:  _____
Deputy

Date: _____

APPROVED AS TO FORM:

JOHN L. FELLOWS III
City Attorney

By: _____

Patrick Q. Sullivan
Deputy City Attorney

Date: _____

LACMTA
Transit Security Funding Allocation
FISCAL YEAR 2010

Operators	FY 2008		Percent of Total Unlinked Passengers	Total Funding Allocation	Operator Allocation Decisions		
	Unlinked Passengers	Total Funding			Direct Allocation to Muni	Allocation to Partnership	Total
Antelope Valley	3,070,517	\$ 141,356	0.5261%	\$ 141,356	\$ 141,356	-	\$ 141,356
Arcadia	107,327	4,941	0.0184%	4,941	4,941	-	4,941
Claremont	51,600	2,375	0.0088%	2,375	2,375	-	2,375
Commerce	658,944	30,336	0.1129%	30,336	30,336	-	30,336
Culver City	6,055,246	278,763	1.0376%	278,763	278,763	-	278,763
Foothill	14,562,000	670,385	2.4952%	670,385	670,385	-	670,385
Gardena	4,432,500	204,057	0.7595%	204,057	204,057	-	204,057
LADOT Local	8,883,368	408,960	1.5222%	408,960	0	408,960	408,960
LADOT Express	1,663,712	76,592	0.2851%	76,592	0	76,592	76,592
La Mirada	50,204	2,311	0.0086%	2,311	2,311	-	2,311
Long Beach	27,168,914	1,250,764	4.6554%	1,250,764	1,250,764	-	1,250,764
Montebello	9,832,000	452,632	1.6847%	452,632	452,632	-	452,632
Norwalk	2,945,792	135,614	0.5048%	135,614	135,614	-	135,614
Redondo Beach DR	4,490	207	0.0008%	207	207	-	207
Redondo Beach MB	351,380	16,176	0.0602%	16,176	16,176	-	16,176
Santa Clarita	3,749,491	172,614	0.6425%	172,614	172,614	-	172,614
Santa Monica	20,986,000	966,124	3.5960%	966,124	966,124	-	966,124
Torrance	4,825,700	222,159	0.8269%	222,159	222,159	-	222,159
Subtotal	109,399,185	5,036,365	18.7456%	5,036,365	4,550,813	485,552	5,036,365
Metro Bus Ops.	474,200,000	21,830,549	81.2544%	21,830,549	0	21,830,549	21,830,549
Total	583,599,185	\$ 26,866,914	100.0000%	\$ 26,866,914	\$ 4,550,813	\$ 22,316,101	\$ 26,866,914

1. Total funding is 90% of Prop C 5% Transit Security:
 Estimated Revenue: \$ 29,852,127
 90% Thereof: \$ 26,866,914

2. Metro operations data includes unlinked passengers for bus and rail.