

Council Meeting of
December 8, 2009

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

Members of the Council:

SUBJECT: Finance – Proposition A Fund Exchange Agreement with the City of La Verne. Expenditure: \$202,500

RECOMMENDATION

Recommendation of the Finance Director that the City Council approve the attached agreement with the City of La Verne for an exchange for \$202,500 in City of Torrance General Funds for \$300,000 respectively of Proposition A Local Return Funds from the City of La Verne and appropriate \$202,500 from the General Fund Proposition A Exchange Reserve.

FUNDING

Funding is available in the General Fund Proposition A Exchange Reserve.

BACKGROUND

The City has been able to substantially add to funds for transit projects by exchanging its General Funds for the Proposition A Local Return Funds from other cities in Los Angeles County.

Currently, City staff has negotiated an exchange of funds with the City of La Verne at an average rate of \$.675 in City of Torrance General Funds for each \$1.00 of City of La Verne Proposition A Funds.

ANALYSIS

The agreement before Council tonight specifies an exchange for fiscal year 2009-2010 of \$202,500 in Torrance General Funds for \$300,000 in Proposition A Local Return Funds from the City of La Verne. This exchange ratio is \$.675 on the dollar. Funds derived from the exchange, and possibly Proposition C funds, have been identified and pledged for the

City's transit operational needs, Dial-A-Lift transit operations, new equipment acquisition, and transit related infrastructure needs.

Respectfully submitted,

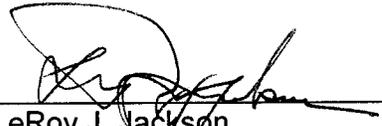
Eric E. Tsao
Finance Director

By 
for Kenneth A. Flewellyn
Assistant Finance Director

CONCUR:



Eric E. Tsao
Finance Director



LeRoy J. Jackson
City Manager

Attachment - Proposition A Assignment Agreement

PROPOSITION A ASSIGNMENT AGREEMENT

This Proposition A Assignment Agreement ("Agreement") is made and entered into this _____ day of December, 2009, by and between the City of La Verne and the City of Torrance, with respect to the following facts:

- A. The City of Torrance operates a municipal transit system and has a need for additional Proposition A Local Return funds to assist in the financing of its fixed route and Dial-A-Lift transit operations, and to provide funds for acquisition of new transit related equipment.
- B. The City of La Verne has uncommitted Proposition A Local Return funds which could be made available to the City of Torrance to assist in providing the project described in Paragraph A of this Agreement. In exchange for the assignment by the City of Torrance of the amount of its general funds indicated in Section 1 below, the City of La Verne is willing to assign uncommitted Proposition A Local Return funds to the City of Torrance for the purpose identified in Paragraph A.

Now, therefore, in consideration of the mutual benefits to be derived by the parties and of the promises herein contained, it is mutually agreed as follows:

1. Exchange. The City of La Verne agrees to assign \$300,000 of its Fiscal Year 2009-10 Proposition A Local Return Funding authority to the City of Torrance. In return, the City of Torrance agrees to assign \$202,500 in general funds to the City of La Verne for an average rate of \$.675 in City of Torrance General Funds for each \$1.00 of City of La Verne Proposition A Funds.
2. Consideration. The City of La Verne shall assign the agreed upon Proposition A Local Return funds to the City of Torrance in one lump sum payment. The City of Torrance shall assign the agreed upon general funds to the City of La Verne in one lump sum payment. The lump sum payments shall be due and payable within ten (10) days of approval by the Los Angeles County Metropolitan Transportation Authority (LACMTA) of the project described in Paragraph A.
3. Term. This Agreement is effective on the date above written and for such time as is necessary for both parties to complete their mutual obligations under this Agreement.
4. Termination. Termination of this Agreement may be made by either party before the date of approval of the project description covering the funds in question by the LACMTA, so long as written notice of intent to terminate is given to the other party at least five (5) days prior to the termination.
5. Notices. Notices shall be given pursuant to this Agreement by personal service on the party to be notified, or by written notice upon such party

deposited in the custody of the United States Postal Service addressed as follows:

a. City Clerk
City of La Verne
3660 "D" Street
La Verne, CA 91750

b. City Clerk
City of Torrance
3031 Torrance Boulevard
Torrance, CA 90509-2970
Fax: (310) 618-2931

6. Assurances.

a. The City of Torrance shall use the assigned Proposition A Local Return funds only for the purpose of providing the project discussed in Paragraph A of this Agreement and within the time limits and eligibility requirements specified in LACMTA's Proposition A Local Return Program Guidelines.

b. The City of La Verne is providing Proposition A Local Return funding only and does not assume any responsibility or obligation for the project described in Paragraph A or any other project undertaken by the City of Torrance.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment Agreement to be executed by their respective officers, duly authorized, on the day and year written above.

CITY OF TORRANCE

CITY OF LA VERNE

By: _____
Frank Scotto, Mayor

By: _____
Don Kendrick, Mayor

Attest:

Sue Herbers, City Clerk

Evelyn Clark, City Clerk

Approved as to Form:

Approved as to Form:

John L. Fellows III, City Attorney

Robert Kress, City Attorney