

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 Palos Verdes Estates. Expenditure: \$70,000**

### **RECOMMENDATION**

Recommendation of the Finance Director that the City Council approve the attached agreement with the City of Palos Verdes Estates for an exchange for \$70,000 in City of Torrance General Funds for \$100,000 respectively of Proposition A Local Return Funds from the City of Palos Verdes Estates and appropriate \$70,000 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 Palos Verdes Estates at an average rate of \$.70 in City of Torrance General Funds for each \$1.00 of City of Palos Verdes Estates Proposition A Funds.

### **ANALYSIS**

The agreement before Council tonight specifies an exchange for fiscal year 2009-2010 of \$70,000 in Torrance General Funds for \$100,000 in Proposition A Local Return Funds from the City of Palos Verdes Estates. This exchange ratio is \$.70 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,

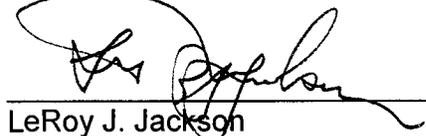
Eric E. Tsao  
Finance Director

By   
FC17 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 Palos Verdes Estates 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 Palos Verdes Estates 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 Palos Verdes 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 Palos Verdes agrees to assign \$100,000 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 \$70,000 in general funds to the City of Palos Verdes Estates.
2. Consideration. The City of Palos Verdes 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 Palos Verdes 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. Joseph Hoefgen, City Manager  
City of Palos Verdes Estates  
340 Palos Verdes Drive West  
Palos Verdes Estates, CA 90274

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 Palos Verdes 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 PALOS VERDES ESTATES

By: \_\_\_\_\_  
Frank Scotto, Mayor

By: \_\_\_\_\_  
Ellen Perkins, Mayor

Attest:

\_\_\_\_\_  
Sue Herbers, City Clerk

\_\_\_\_\_  
Judy Smith, City Clerk

Approved as to Form:

Approved as to Form:

\_\_\_\_\_  
John L. Fellows III, City Attorney

\_\_\_\_\_  
Joseph Pannone, City Attorney