

Council Meeting of  
**February 2, 2010**

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

**Members of the Council:**

**SUBJECT:** Transit- Approve Proposition A Interest 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 A Interest funds for the period from July 1, 2009 to June 30, 2010.

**FUNDING:**

None required for this action.

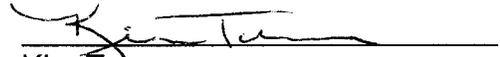
**BACKGROUND/ANALYSIS:**

On November 4, 1980, the voters of Los Angeles County approved Proposition A, an ordinance establishing a one-half percent sales tax for public transit purposes. As the regional transit operator, the Los Angeles County Metropolitan Transportation Authority (LACMTA) has agreed to allocate portions of this funding to eligible municipal transit agencies. Torrance Transit is a municipal transit agency, and under the attached Memorandum of Understanding is eligible to receive \$297,161 In Proposition A Interest for Fiscal Year 2009-2010. This is a one-time agreement and funding may not be available in future years.

As specified in the agreement, the funds must be used for transit-related purposes.

Transit will dedicate these funds towards Operational needs to cover funding shortfalls from the State of California.

Respectfully submitted,

  
\_\_\_\_\_  
Kim Turner  
Transit Director

CONCUR:

*for*   
\_\_\_\_\_  
LeRoy J. Jackson  
City Manager

Attachments: A) MOU for Proposition A Interest Funds

**City Manager's Note –**

**The Transit Department met the deadlines listed in the MOU and complied with all procedures and requirements. The MOU arrived in early January 2010 from the Metropolitan Transportation Authority (Metro) and was processed immediately upon arrival.**

**MEMORANDUM OF UNDERSTANDING**  
**Proposition A Interest Fund**

This Memorandum of Understanding (the "MOU") is entered into by and between City of Torrance (the "Grantee") and the Los Angeles County Metropolitan Transportation Authority ("LACMTA").

WHEREAS, on November 4, 1980, the voters of Los Angeles County approved by majority Proposition A, an ordinance establishing a one-half percent sales tax for public transit purposes; and

WHEREAS, the LACMTA is the agency responsible for administering the tax; and

WHEREAS, each year the LACMTA may, but it is not obligated to, include in its annual budget process an allocation of Proposition A Interest Fund ("Funds") to included and eligible operators; and

WHEREAS, for FY 2010 LACMTA included an allocation of Proposition A Interest Fund to Grantee; and

WHEREAS, the Grantee desires to receive the Funds from LACMTA for public transit purposes; and

WHEREAS, LACMTA and Grantee desire to agree to the terms and conditions of the grant of Funds to the Grantee.

NOW, THEREFORE, in consideration of the mutual terms and conditions contained herein, LACMTA and Grantee hereby agree as follows:

**ARTICLE 1.           TERM**

1.0                   This MOU shall be in effect from July 1, 2009 until June 30, 2010, unless terminated earlier as provided herein.

**ARTICLE 2.           USE OF FUNDS**

2.0                   Grantee shall utilize the Funds in accordance with the LACMTA Proposition A Discretionary Fund Guidelines (the "Guidelines") adopted, and in accordance with the LACMTA Board's action in approving this grant of Funds. The Grantee agrees to comply with all applicable provisions of the Guidelines.

2.1                   Grantee shall use the Funds only for operating assistance of public transit and shall not use the Funds to substitute for any other funds, service, or project not specified in this MOU.

2.2 Any unspent Funds by the end of FY 2010 must be returned to LACMTA no later than 60 days after the completion of any required fiscal and compliance audits unless otherwise agreed to in writing by the parties.

2.3 Grantee agrees to continue reporting Transit Performance Measurement (TPM) data to LACMTA as required under the TPM Guidelines adopted pursuant to AB 103 (PUC Section 130380). The TPM data will be evaluated as needed by LACMTA. Only the services included in the TPM program are eligible for the Funds.

#### ARTICLE 3. PAYMENT OF FUNDS - REIMBURSEMENT TO GRANTEE

3.0 To the extent the Funds are available, LACMTA shall pay Grantee two hundred ninety-seven thousand one hundred sixty-one dollars (\$297,161) of Proposition A Interest funds.

3.1 The Funds will be disbursed after this MOU has been fully executed and Grantee has submitted one invoice to LACMTA requesting the Funds. LACMTA shall not be obligated to forward the Funds to Grantee until it receives an invoice. LACMTA shall make payment to Grantee on a monthly basis.

#### ARTICLE 4. REPORTING AND AUDIT REQUIREMENTS

4.0 For the term of this MOU, Grantee shall comply with all Transportation Development Act (TDA) and National Transit Database (NTD) reporting requirements and shall annually submit a completed copy of said reports to LACMTA.

4.1 By November 1, 2009, the Grantee shall submit to the LACMTA a completed TPM form, which separately reports data pertaining to these Funds and to the applicable fiscal year.

4.2 LACMTA or its designee shall have the right to conduct a financial and compliance audit of the Fund. Grantee agrees to establish and maintain proper accounting procedures and cash management records and documents in accordance with conditions defined by this MOU and the Guidelines.

#### ARTICLE 5. CONDITIONS

5.0 This grant is subject to the terms and conditions agreed herein and in

the Guidelines. This grant does not imply nor obligate any future funding commitment on the part of LACMTA.

- 5.1 Grantee agrees to comply with all applicable local, state and federal laws, rules and regulations in the provision of public transit services.
- 5.2 Grantee understands and agrees that in programming these 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 these Funds for public transit purposes. Grantee agrees to indemnify LACMTA for all liability arising out of Grantee's use of the Funds and Grantee's performance in the provision of public transit services paid for by these Funds.
- 5.3 Grantee is not a contractor, agent or employee of the MTA. Grantee shall not represent itself as a contractor, agent or employee of the MTA and shall have no power to bind the MTA in contract or otherwise.
- 5.4 No amendment or modification to this MOU shall be binding upon either party unless such amendment or modification is in writing duly executed by both parties. This MOU shall not be amended or modified by any acts or conduct of the parties.

#### ARTICLE 6. PENALTIES

- 6.0 The LACMTA reserves the right to terminate this MOU and withhold Funds if it is determined that the Grantee has not made every effort to comply with the terms of this MOU and the Guidelines.
- 6.1 Any withholding of Funds, termination of the MOU, or imposition of any financial penalty against Grantee under the Guidelines is subject to a two-thirds affirmative vote of the LACMTA governing board.

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: \_\_\_\_\_

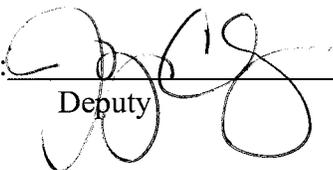
ATTEST:

APPROVED AS TO FORM:

By: \_\_\_\_\_

Robert E. Kalunian  
ACTING COUNTY COUNSEL

Name: \_\_\_\_\_

By:  \_\_\_\_\_  
Deputy

Title: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO FORM:

JOHN L. FELLOWS III  
City Attorney

By: \_\_\_\_\_

Patrick Q. Sullivan  
Assistant City Attorney

Date: \_\_\_\_\_