

Council Meeting of
July 13, 2010

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

Members of the City Council:

SUBJECT: Transit – Approve Torrance Transit’s FY 2010-2011 Claim for Transportation Development Act (TDA) and State Transit Assistance (STA) 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 \$3,761,275 in Transportation Development Act funds and \$1,009,408 in State Transit Assistance funds for the Torrance Transit System fiscal year 2010-2011.

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; 4) Measure R; and 5) Federal Transit Assistance (FTA) Section 5307 capital allocations.

The formula used for distributing the four primary funding sources of TDA, STA, Measure R 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 1.6147% for TDA, STA, Measure R 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 \$3,761,275 in TDA funds and \$1,009,408 in STA funds to off-set 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 be utilized to off-set operating expenses staff 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 \$1,004,708 in MOSIP funding. A total of \$454,708 will be utilized to off-set operating expenses and \$550,000 as local match funding for the first two FY 2010-11 capital projects. The third capital project the Torrance South Bay Rapid Bus Line (FY10-11 Strategic Plan-Continuous Improvement Key Performance Indicator –Strategic Priority #10- page 154) is being funded by Metro for the purchase of eight (8) buses and two-years operating expenses. The local matching funds will be Proposition A Discretionary funds.

- 1) \$450,000 as local match (20%) for Capital Preventive Maintenance expenses;
- 2) \$100,000 as local match (20%) for phase two of the Automatic Vehicle Locator (AVL);
- 3) \$ 948,000 as local match (12%) for Torrance South Bay Rapid Bus Line

CM Note: The MOSIP/Proposition C and the Proposition C funded capital projects will be brought forward as separate agenda items for action by Council in Fall 2010.

Respectfully submitted,



Kim Turner
Transit Director

Concur.



LeRoy J. Jackson
City Manager

Attachment: A) FY 2010-11 TDA/STA Claim

Public Transportation System Claim

CHECKLIST OF ITEMS FILED

FISCAL YEAR: 2011

CLAIMANT: City of Torrance Transit System DATE: July 13, 2010

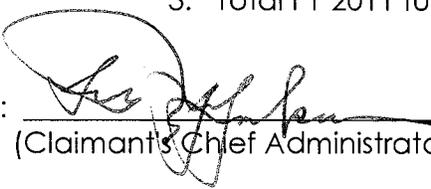
The items checked below are enclosed in connection with the claim filed herein:

- 1. **Pages 1 and 2 for TDA and STA**
(See instructions for completing the form in the instruction package).
- 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.)
- 3. **Standard Assurances for Claimants**
- 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
- 10. **TDA Reserves Held by County Auditor (Table 2)**
- 11. **California Highway Patrol Certification (Pull Notice)**
Current within 13 months.

CLAIM FORMTDA CLAIM FORM
LTF PUBLIC TRANSPORTATION - ARTICLE 4CLAIMANT: City of Torrance Transit SystemCONTACT PERSON: Jim MillsTELEPHONE: (310) 618-6291DATE: July 13, 2010FISCAL YEAR: 2011COUNTY STAFF: Los AngelesPAYMENT RECIPIENT: City of Torrance, Finance DepartmentADDRESS: 3031 Torrance Blvd., Torrance, CA 90503ATTENTION: Ken Flewellyn, Assistant Finance Director
(Name and Title)

PURPOSE	REQUESTED PAYMENT AND RESERVES	AMOUNT
Article 4 PUC 99260(a)	1. Payment from FY 2011 Allocation	\$ <u>3,761,275</u>
	2. Amount placed in Capital Reserve from current year allocation (Complete Table 2)	\$ <u>0</u>
	3. Total FY 2011 funding mark (1 & 2)	\$ <u>3,761,275</u>

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 SystemCONTACT PERSON: Jim MillsTELEPHONE: (310) 618-6291DATE: July 13, 2010 FISCAL YEAR: 2011COUNTY LTF: Los AngelesPAYMENT RECIPIENT: City of Torrance, Finance DepartmentADDRESS: 3031 Torrance Blvd., Torrance, CA 90503ATTENTION: Ken Flewellyn, Assistant Finance Director
(Name and Title)

PURPOSE	REQUESTED PAYMENT AND RESERVES	AMOUNT
<input type="checkbox"/> CAC, Section 6730 (a)	1. Payment from Unallocated-Operations	\$ <u>1,009,408</u>
<input type="checkbox"/> CAC, Section 6730 (b)		
<input type="checkbox"/> CAC, Section 6730 (c)	2. A amount placed in Capital Reserve from current year allocation (Complete Table 2)	\$ <u>-0-</u>
<input type="checkbox"/> CAC, Section 6731 (a)		
<input type="checkbox"/> CAC, Section 6731 (b)	3. Total FY 2011 Fund Mark (1 & 2)	\$ <u>1,009,408</u>
<input type="checkbox"/> CAC, Section 6731 (c)		

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.