

Council Meeting of  
July 19, 2011

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

Members of the City Council:

**SUBJECT:** Transit – Approve Transit’s Fiscal Year 2011-2012 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 (LACMTA) for \$4,644,999 in Transportation Development Act funds and \$878,094 in State Transit Assistance funds for the Torrance Transit System fiscal year 2011-2012.

**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 LACMTA 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 1.6830% for TDA, STA, Measure R and Proposition A Discretionary.

## **ANALYSIS**

LACMTA 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 \$4,644,999 in TDA funds and \$878,094 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 or Municipal Operators Service Improvement Program (MOSIP)/ Proposition C Discretionary 40% funds have been used for the 20% local match. For FY 12 the California Department of Transportation (Caltrans) has been approved by the Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA) for the use of "toll-credits" as the local matching requirement. The amount of credit a state can earn is determined by the amount of toll revenue used for capital expenditures to build or improve public highway facilities. Caltrans has received an approval from the FHWA for \$5.7 billion in toll credits. Torrance Transit intends to use \$2,107,106 of the toll credits for the listed projects below.

A total of seven (7) projects comprise the FY 12 capital program:

- 1) \$1,392,706 as local match for the purchase of twelve (12) Compressed Natural Gas (CNG) buses. Total cost of project is \$6,963,528.
- 2) \$450,000 as local match (20%) for Capital Preventive Maintenance expenses. Total cost of project is \$2,250,000.
- 3) \$ 187,400 as local match for the Retro-fitting of the current maintenance facility for Compressed Natural Gas (CNG) buses. Total cost of project is \$937,000.
- 4) \$20,000 as local match (20%) for bus refurbishing (re-painting and body work on older buses). Total cost of project is \$100,000.
- 5) \$30,000 as local match (20%) for the purchase and installation of a garage hoist. The total cost of the project is \$150,000.
- 6) \$15,000 as local match (20%) for the purchase of a Fall Restraint System. The system is required to provide maintenance for our alternate fuel vehicles. The total cost of the system is \$75,000.
- 7) \$12,000 as local match (20%) for the purchase of shop equipment (Brake Lathe). The total cost of the project is \$60,000,

The total federal share (80%) of the seven projects is \$8,428,422 and the local matching requirement (20%) is \$2,107,106 for total project expenditure of \$10,535,528.

Respectfully submitted,



Kim Turner  
Transit Director

Concur:

  
LeRoy J. Jackson  
City Manager

Attachment: A) FY 2011-12 TDA/STA Claim

## Public Transportation System Claim

### CHECKLIST OF ITEMS FILED

**FISCAL YEAR: 2012**

CLAIMANT: City of Torrance Transit System DATE: July 19, 2011

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 FORM**

## TDA CLAIM FORM

## LTF PUBLIC TRANSPORTATION - ARTICLE 4

CLAIMANT: City of Torrance Transit SystemCONTACT PERSON: Jim MillsTELEPHONE: (310) 618-6291DATE: July 19, 2011FISCAL YEAR: 2012COUNTY STAFF: Los AngelesPAYMENT RECIPIENT: City of Torrance, Finance DepartmentADDRESS: 3031 Torrance Blvd., Torrance, CA 90503ATTENTION: Ken Flewellyn, Assistant Finance Director  
(Name and Title)

<b>PURPOSE</b>	<b>REQUESTED PAYMENT AND RESERVES</b>	<b>AMOUNT</b>
Article 4 PUC 99260(a)	1. Payment from FY 2012 Allocation	\$ <u>4,644,999</u>
	2. Amount placed in Capital Reserve from current year allocation (Complete Table 2)	\$ <u>0</u>
	3. Total FY 2012 funding mark (1 & 2)	\$ <u>4,644,999</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 19, 2011 FISCAL YEAR: 2012COUNTY 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 Unal located-Operations	\$ <u>878,094</u>
<input type="checkbox"/> CAC, Section 6730 (b)		
<input type="checkbox"/> CAC, Section 6730 (c)	2. A mount placed in Capital Reserve from current year allocation	\$ <u>-0-</u>
<input type="checkbox"/> CAC, Section 6731 (a)	(Complete Table 2)	
<input type="checkbox"/> CAC, Section 6731 (b)	3. Total FY 2012 Fund Mark (1 & 2)	\$ <u>878,094</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.