

**MEMORANDUM OF UNDERSTANDING  
TO ALLOCATE  
MEASURE R 20% BUS OPERATION FUNDS**

This Memorandum of Understanding ("MOU") is entered into as of July 1, 2025, by and between the Los Angeles County Metropolitan Transportation Authority ("LACMTA") and City of Redondo Beach ("GRANTEE").

WHEREAS, on November 4, 2008, the voters of the County of Los Angeles approved Measure R, an ordinance establishing a one-half percent sales tax (the "FUNDS") for better public transportation and quality of life purposes; and

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

WHEREAS, LACMTA and GRANTEE desire to agree to the terms and conditions of the grant of FUNDS from the Measure R 20% Bus Operation Program ("Program").

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

**ARTICLE 1 - TERM**

- 1.1. This MOU will be in effect from July 1, 2025, through June 30, 2035, unless terminated earlier as provided herein.

**ARTICLE 2 – ALLOCATION OF MEASURE R FUNDS AND INVOICE PROCEDURE**

- 2.1. Each fiscal year, to the extent the FUNDS are available, LACMTA staff, in coordination with the Eligible/Included Operators, will develop funding marks for the Program to be funded that fiscal year (the "Annual Funding Marks"). The Annual Funding Marks will describe GRANTEE's share of the FUNDS for the Program that fiscal year. GRANTEE shall have the opportunity to review and comment on the applicable Annual Funding Marks prior to LACMTA staff submitting the Annual Funding Marks to the LACMTA Board for approval.
- 2.2. For each fiscal year covered by this MOU, GRANTEE hereby directs LACMTA to allocate to GRANTEE its share of the Program FUNDS pursuant to the applicable Annual Funding Marks for that fiscal year as approved by the MTA Board. If LACMTA staff, in coordination with the Eligible/Included Operators, develops a mid-year reallocation of any Annual Funding Marks for the Program that is approved by the LACMTA Board, GRANTEE hereby directs and authorizes LACMTA to make such mid-year adjustments to its Annual Funding Marks, as approved by the LACMTA Board, if applicable.

- 2.3. Each fiscal year, GRANTEE shall send LACMTA one invoice for an amount intended to be used during the year consistent with the amount shown on the applicable Annual Funding Marks. LACMTA shall not be obligated to forward the Program FUNDS to GRANTEE until it receives an invoice, and the annual Improvement Plan as described in the GUIDELINES as defined in Section 3.1 below. LACMTA shall make payments to GRANTEE in equal 1/12 portion of GRANTEE's annual allocation on a monthly basis, unless otherwise agreed to in writing by the parties. Program FUNDS may be reserved or carried over in accordance with Article 3.3.

#### ARTICLE 3 - USE OF FUNDS

- 3.1. GRANTEE shall utilize the Program FUNDS in accordance with the LACMTA Measure R 20% Bus Operations Guidelines (the "GUIDELINES") and the annual Improvement Plan.
- 3.2. GRANTEE shall not use the Program FUNDS to substitute for any other funds, service, or project except as otherwise specifically provided for herein or in the GUIDELINES.
- 3.3. GRANTEE may use, reserve or carry-over its allocation to the next fiscal year; however the Program FUNDS will be held by LACMTA until requested by the GRANTEE. Program FUNDS will retain their original year of allocation for the purpose of applying the lapsing requirement set forth in the GUIDELINES.

#### ARTICLE 4 – AUDIT AND REPORTING REQUIREMENTS

- 4.1. Grantee shall meet its audit obligations set forth in the GUIDELINES. Each fiscal year, LACMTA or its designee shall have the right to conduct its own financial and compliance audit(s) of the Program. GRANTEE agrees to establish and maintain proper accounting procedures and cash management records and documents in accordance with conditions defined by this MOU. GRANTEE shall maintain financial records for three (3) years after the end of the fiscal year within which the Program FUNDS were dispersed. LACMTA may audit as provided herein up to three years after the end of the fiscal year within which the Program FUNDS were dispersed. If the audit indicates that GRANTEE did not expend all the FUNDS received during the fiscal year, such unexpended FUNDS must be returned to LACMTA within 60 days of the completion of the financial and compliance audit(s). Such unexpended FUNDS will be treated as carryover FUNDS and held by LACMTA on behalf of GRANTEE for a period of two years. LACMTA will work with the GRANTEE to address any carry-over fund balance.
- 4.2. GRANTEE shall comply with all Federal National Transit Database reporting requirements and shall annually submit a completed copy of said report to LACMTA.
- 4.3. By January 31st of each year, the GRANTEE shall submit to the LACMTA a completed TPM form.
- 4.4. By December 31st of each year, the GRANTEE shall submit to the LACMTA an annual financial audit report which identifies the use of the Program FUNDS for transit operations

purposes as outlined in the GUIDELINES.

- 4.5 GRANTEE will provide an annual report to LACMTA describing how uses of the Program FUNDS are contributing to accomplishing the Program objectives. LACMTA will compile GRANTEE's annual report into a regional annual Measure R 20% Program update for the LACMTA Board. The Program FUNDS may be used to supplement existing state, federal and local transit funds in order to maintain the provision of the existing transit services in the event of a current or projected funding shortfall.

## ARTICLE 5 - MISCELLANEOUS

- 5.1. Each grant given pursuant to an Annual Funding Mark shall be subject to the terms and conditions agreed to herein and in the GUIDELINES. Notwithstanding the term of this MOU, each grant does not imply nor obligate any future funding commitment on the part of the LACMTA.
- 5.2. GRANTEE understands and agrees that in programming the Program 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 Program FUNDS for public transit purposes. GRANTEE shall fully indemnify, defend and hold the LACMTA, its directors, officers, employees and agents harmless from and against any liability and expenses, including without limitation, defense costs, any costs or liability on account of bodily injury, death or personal injury of any person or for damage to or loss of risk of property, any environmental obligation, legal fees and any claims for damages of any nature whatsoever arising out of (i) breach of GRANTEE's obligations under this MOU; (ii) use of the Program FUNDS by GRANTEE or its officers, agents, employees or subcontractors; (iii) any act or omission of the GRANTEE or its officers, agents, employees or subcontractors in the performance and/or provision of the services funded under the Program.
- 5.3. GRANTEE agrees to comply with all applicable local, state and federal laws and regulations in the provision of public transit services and any services funded under the Program. Grantee shall comply with the GUIDELINES.
- 5.4. The LACMTA reserves the right to terminate this MOU and withhold the Program FUNDS if it is determined that the GRANTEE has not complied with all the terms and conditions contained herein or in the GUIDELINES. Any withholding of Program FUNDS or termination of the MOU is subject to the 2/3 vote of LACMTA Board.
- 5.5. 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.
- 5.6. GRANTEE is not a contractor, agent or employee of the LACMTA. GRANTEE shall not represent itself as a contractor, agent or employee of the LACMTA and shall have no power to bind the LACMTA in contract or otherwise.

5.7. This MOU constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior and contemporaneous agreements and understandings.

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 REDONDO BEACH

LOS ANGELES COUNTY  
METROPOLITAN TRANSPORTATION  
AUTHORITY

BY: \_\_\_\_\_  
James A. Light  
Mayor

BY: \_\_\_\_\_  
Stephanie N. Wiggins  
Chief Executive Officer

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

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

Approved As To Form:

APPROVED AS TO FORM:

Joy A. Ford  
City Attorney

DAWYN R. HARRISON  
County Counsel

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

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

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

Date: 

5/14/2025
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