

**MEMORANDUM OF UNDERSTANDING TO ALLOCATE PROPOSITION C 40%
DISCRETIONARY FUNDS**

This Memorandum of Understanding ("MOU") is entered into as of July 1, 2022, by and between the Los Angeles County Metropolitan Transportation Authority ("LACMTA") and City of Redondo Beach ("GRANTEE").

WHEREAS, on November 6, 1990, the voters of the County of Los Angeles approved by majority Proposition C, 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, from time to time, the LACMTA Board has identified, Proposition C 40% Discretionary Funds (the "FUNDS") as the funding source for the following programs: Proposition C Interest Funds ("PCI"), Transit Service Expansion ("TSE"), Foothill Mitigation ("FMIT"), Recession Mitigation ("RM"), Fair Share Allocation ("SHARE"), Bus System Improvement Plan ("BSIP") and Base Restructuring ("BASE").

WHEREAS, the GRANTEE is an eligible operator and desires to receive the FUNDS from LACMTA for the following programs (please check as applicable) (referred to, individually as a "Program" and collectively, as "Programs."):

<input type="checkbox"/> Prop C. Interest Funds	<input checked="" type="checkbox"/> Foothill Mitigation
<input type="checkbox"/> Transit Service Expansion	<input type="checkbox"/> Base Restructuring
<input checked="" type="checkbox"/> Bus System Improvement Plan	

WHEREAS, LACMTA and GRANTEE desire to agree to the terms and conditions of the grant of FUNDS for the GRANTEE's Programs ("MOU").

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, 2022, through June 30, 2032, unless terminated earlier as provided herein.

**ARTICLE 2 – ALLOCATION OF PROPOSITION C DISCRETIONARY 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 those Programs to be funded that fiscal year (the "Annual Funding Marks"). The Annual Funding Marks will describe GRANTEE's share of the FUNDS for GRANTEE's Programs to the extent such Programs are funded 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 GRANTEE's share of the FUNDS pursuant to the applicable Annual Funding Marks for that fiscal year as approved by the LACMTA Board. Attached as "Exhibit A" are the applicable Annual Funding Marks for GRANTEE's Projects in FY 2023. If LACMTA staff, in coordination with the Eligible/Included Operators, develops a mid-year reallocation of any Annual Funding Marks 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 each GRANTEE Program in an amount consistent with the amount shown on the applicable Annual Funding Marks. LACMTA shall not be obligated to forward the FUNDS for a particular Program to GRANTEE until it receives an invoice. For each Program, LACMTA shall make payments to GRANTEE on a quarterly basis, unless otherwise agreed to in writing by the parties.

ARTICLE 3 - USE OF FUNDS

- 3.1. GRANTEE shall utilize the FUNDS (i) in accordance with the LACMTA Proposition C 40% Discretionary Guidelines (the "GUIDELINES") (as adopted by LACMTA in May 1992, (ii) only for operating assistance of the applicable Program transit services in the year of allocation for which GRANTEE has received FUNDS, and cannot be carried over to the next fiscal year and (iii) in accordance with LACMTA Board action in approving the FUNDS to GRANTEE.
- 3.2. GRANTEE shall not use any FUNDS received for a particular Program to substitute for any other funds, service, or project except as otherwise specifically provided for in this MOU.
- 3.3. GRANTEE shall utilize the BSIP FUNDS for services that will relieve overcrowding for the most transit dependent customers and results in improving service quality for the transit dependent.
- 3.4. GRANTEE shall not use any FUNDS received for the SHARE or RM Program to substitute for other funds; provided, however, GRANTEE may use the FUNDS received for the SHARE or RM Program to substitute for the following funds only: (I) Formula Allocation Procedure funds; (ii) Proposition A Discretionary funds; (iii) if GRANTEE has incurred debts or is planning to incur debts to balance its operating and capital budgets for the same fiscal year in which the FUNDS were programmed (the "Same Fiscal Year"), GRANTEE may use the FUNDS received for the SHARE or RM Program in lieu of such borrowings; and/or (iv) Proposition A & C Local Return funds budgeted for the Same Fiscal Year which

were originally programmed as operating revenues and which have been reprogrammed for capital purposes; provided, however, the total amount of FUNDS received for the SHARE or RM Program budgeted in the Same Fiscal Year as operating revenues does not decrease as a result of such reprogramming and the Maintenance of Effort continues to be met.

- 3.5. Any unspent FUNDS received for a particular Program must be returned to LACMTA no later than 60 days after the completion of any required fiscal and compliance audits of such program performed either by the LACMTA or GRANTEE, unless otherwise agreed to in writing by the parties.

ARTICLE 4 – AUDIT AND REPORTING REQUIREMENTS

- 4.1. Each fiscal year, LACMTA or its designee shall have the right to conduct a financial and compliance audit(s) of GRANTEE's Programs. 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 FUNDS were dispersed. LACMTA may audit as provided herein up to three years after the end of the fiscal year within which the FUNDS were dispersed.
- 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 by January 31st of each fiscal year.
- 4.3. By January 31st of each fiscal year, the GRANTEE shall submit to the LACMTA a completed TPM form which separately reports prior fiscal year data pertaining to all non formula service.
- 4.4. By December 31st of each fiscal year, the GRANTEE shall submit to the LACMTA an annual financial audit report which identifies the use of the FUNDS for transit purposes.

ARTICLE 5 - MISCELLANEOUS

- 5.1. Each grant given pursuant to an Annual Funding Mark shall be a one-time grant 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 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 or for any of the Programs. 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) misuse of the 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 provided under the GRANTEE'S Programs.

- 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 rendered for the GRANTEE's Programs.
- 5.4. The LACMTA reserves the right to terminate this MOU and withhold the FUNDS if it is determined that the GRANTEE has not complied with all the terms and conditions contained herein or in the GUIDELINES.
- 5.5. Any withholding of FUNDS, termination of the MOU, or imposition of any financial penalty against GRANTEE pursuant to the GUIDELINES is subject to nine (9) affirmative votes by the governing board of the LACMTA.
- 5.6. 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.
- 5.7. 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.
- 5.8. 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.

GRANTEE
CITY OF REDONDO BEACH

LOS ANGELES COUNTY
METROPOLITAN TRANSPORTATION
AUTHORITY

By: _____
William C. Brand
Mayor

By: _____
Stephanie N. Wiggins
Chief Executive Officer

Date: _____

Date: _____

APPROVED AS TO FORM:

APPROVED AS TO FORM:

By: _____
Michael W. Webb
City Attorney

DAWYN R. HARRISON
Acting County Counsel

By: _____
Deputy 

Date: _____

Date: 7/12/2022

ATTEST:

By: _____
Eleanor Manzano
City Clerk

Date: _____

	Zero-fare Compensation	Foothill Transit Mitigation	Transit Service Expansion	Discretionary Base Restruct.	BSIP Overcrowding Relief	TOTAL
<u>INCLUDED OPERATORS</u>						
Metro Bus Ops.	\$ -	\$ 12,412,094	\$ -	\$ -	\$ 12,511,239	\$ 24,923,334
Arcadia	-	15,102	-	-	23,608	38,710
Claremont	-	4,967	-	-	-	4,967
Commerce	900,736	13,963	-	270,194	-	1,184,893
Culver City	-	264,274	260,439	-	181,996	706,709
Foothill	-	-	360,470	2,163,140	1,007,098	3,530,708
Gardena	-	242,417	748,595	-	189,989	1,181,001
La Mirada	-	3,689	-	-	-	3,689
Long Beach	-	1,094,897	2,471,477	-	892,094	4,458,468
Montebello	-	388,746	-	1,233,930	235,485	1,858,161
Norwalk	-	151,212	-	-	60,928	212,140
Redondo Beach DR/MB	-	34,947	-	-	4,325	39,272
Santa Monica	-	964,893	-	-	863,105	1,827,998
Torrance	-	313,760	876,524	785,150	260,598	2,236,032
Subtotal Included	900,736	3,492,867	4,717,505	4,452,414	3,719,226	17,282,748
<u>ELIGIBLE OPERATORS</u>						-
Antelope Valley	-	29,840	408,166	-	51,804	489,810
Santa Clarita	-	24,953	213,483	-	55,413	293,849
LADOT Local/Express	-	602,942	2,932,371	-	162,427	3,697,740
Foothill BSCP	-	-	-	-	-	-
Subtotal Eligible	-	657,735	3,554,020	-	269,644	4,481,399
City of Lynwood Trolley			233,639	-	-	233,639
Total Municipal Operators	900,736	4,150,602	8,505,164	4,452,414	3,988,870	21,997,786
						-
TOTAL	\$ 900,736	\$ 16,562,696	\$ 8,505,164	\$ 4,452,414	\$ 16,500,109	46,921,120