

May 22, 2003

Honorable Mayor and Members of
the Hermosa Beach City Council

Regular Meeting of
May 27, 2003

**PROPOSED EXTENSION OF COOPERATIVE AGREEMENT FOR THE WAVE
DIAL-A-RIDE PROGRAM WITH THE CITY OF REDONDO BEACH FOR A
PERIOD OF 18 MONTHS.**

Recommendation:

That the City Council review the attached information and provide direction to staff on the program, any changes, and the proposed extension for operation of the Wave Program.

Background:

The City has participated in the Wave Program since 1987. The program is jointly funded with Redondo Beach through Proposition A transportation funds. The joint program receives additional funding because of this cooperative operating arrangement. The present agreement with Redondo Beach runs through June 30, 2003, as does the contract with the service provider, Laidlaw Inc. They have been the contractor for the last 5 years. The City of Redondo Beach has entered into discussions with Laidlaw to extend the existing contract for 18 months to allow them time to evaluate and consider various service options. They have requested that we also enter into an extension and participate in the review process with them. I have met with the Transit Manager for Redondo Beach and explained that the City Council has expressed its concern about the cost of the service and the option of using a taxi voucher system as part of the mix of services that is offered by the Wave Program.

The projected Wave costs for Hermosa Beach for 2003-04 fiscal year is \$217,094. All of the program costs are covered with Prop A funds. The Wave provided a total of 28,378 trips in 2001-02. This includes the transportation of children from View School to the After School Program at South Park and the Fiestas and other special events. I have attached some cost and use information that was provided by Redondo Beach. I am checking these numbers now and will have an update at the meeting. It appears that the City Council has the following options:

1. Direct staff to return with a cooperative agreement extending the present contract as proposed and participate in the service review and return with recommendations for changes in the services provided by the Wave Program;
2. Direct staff to inform Redondo Beach that we no longer wish to participate in the program and either start our own program or rely on the taxi program. This would require the City to do all of the administrative work that is now

performed by Redondo Beach. It may be that we would want to develop an alternative approach, cost it out and stay with the existing Wave Program until we are ready to start our own program.

Staff needs to know what the goal is that we would like to achieve. With that in mind, we can return with a proposed program. Staff would also recommend that the City Council conduct a public hearing on this issue once an alternative has been developed.

Proposition A Funds result from the ½¢ sales tax approved by the Los Angeles County voters in 1980. The cities in the County receive 25% of the revenue generated by this tax as “local return” to be used by cities and the County for public transit, Para transit and related services. Proposition A Funds can be traded for unrestricted funds with other cities.

Respectfully submitted,

Stephen R. Burrell
City Manager