

CITY OF LOS ANGELES
CALIFORNIA

JUNE LAGMAY
City Clerk

HOLLY L. WOLCOTT
Executive Officer



ANTONIO R. VILLARAIGOSA
MAYOR

Office of the
CITY CLERK

Council and Public Services
Room 395, City Hall
Los Angeles, CA 90012
General Information - (213) 978-1133
Fax: (213) 978-1040

When making inquiries relative to
this matter, please refer to the
Council File No.

www.cityclerk.lacity.org

August 1, 2011

To All Interested Parties:

The City Council adopted the action(s), as attached, under Council File No. 11-1015,
at its meeting held July 27, 2011.

City Clerk
io

44

TO THE COUNCIL OF THE
CITY OF LOS ANGELES

Your **BUDGET AND FINANCE Committee**

reports as follows:

BUDGET AND FINANCE COMMITTEE REPORT relative to the Photo Red Light Program.

Recommendation for Council action, as initiated by Motion (Cárdenas – Parks):

INSTRUCT the City Administrative Officer (CAO) and Chief Legislative Analyst (CLA) to work with the vendor of the Photo Red Light Program (PRLP), American Traffic Solutions, to negotiate all cost issues and other elements, including equipment removal, for a phase out approach to the PRLP and terminate the issuance of photo red light citations as of August 1, 2011.

Fiscal Impact Statement: The CLA reports that the Fiscal Year (FY) 2011-12 Budget assumed that the City would receive revenue from the PRLP of \$3.6 million and assumed contract expenditures of \$2.76 million resulting in net revenue of \$848,000. Factoring in the approximately \$600,000 Los Angeles Police Department/Department of Transportation (LAPD/DOT) staff costs results in a positive budget impact of approximately \$245,000. It is estimated that terminating the PRLP as of August 1, 2011 could result in the City receiving revenue amounting to \$2.5 million because of the lag time to process photo red light citations and payments made by violators. Contract payments of \$2.5 million would be avoided. Expenditures would total approximately \$400,000 (one month contract payment of \$256,000 + DOT overtime staff costs of \$155,000 to remove PRL equipment) resulting in net revenue of \$2.1 million, and a FY 2011-12 Budget positive impact of \$1.5 million factoring in the LAPD/DOT staff costs. Net revenue would decrease, however, with expenditures for technology costs to transition the data from the vendor to LAPD; that amount is currently unknown. With PRLP termination, it is likely that revenue would phase out in FY 2012-13 with the City potentially receiving approximately \$880,000, and a positive budget impact of \$274,000 factoring in LAPD/DOT staff costs. If the PRLP is completely terminated with no phase-out, the FY 2011-12 Budget would result in a negative impact of approximately (\$200,000). LAPD/DOT staff costs of \$600,000 to administer the PRLP are on-going General Fund expenditures as these positions will continue in other assignments if the Program is concluded.

Community Impact Statement: Yes,
Midtown North Hollywood Neighborhood Council
Northridge East Neighborhood Council
Sherman Oaks Neighborhood Council

(Audits and Governmental Efficiency Committee report to be submitted in Council. If public hearing is not held in Committee, an opportunity for public comment will be provided.)

SUMMARY

At its meeting of July 25, 2011, the Budget and Finance Committee considered a Motion (Cárdenas – Parks) and CLA reports relative to the Photo Red Light Program (PRLP). The CLA

reports that on June 22, 2011, City Council considered the above-referenced Motion to extend the contract with American Traffic Solutions (ATS), on a month-to-month basis up to one year, pending completion of reviews on traffic safety and revenue issues. The matter was referred to Budget and Finance and Audits and Governmental Efficiency Committees for evaluation of the financial impact of the PRLP; status of amending the California Vehicle Code to strengthen enforcement for failure to appear in court or pay the fine; results of discussion with the Los Angeles Superior Court regarding enforcement issues; feasibility of the City to take enforcement action rather than the Superior Court; and whether ATS would comply with the Arizona policy if it established a subsidiary in California. The CLA's Office was instructed to prepare an informational report on these issues which is attached to the Council file.

During Committee discussion, representatives of the CLA, DOT and City Attorney provided a summary of the information in the CLA report and responded to related questions from Committee members. The Executive Director, Board of Police Commissioners, provided additional information regarding decisions of the Police Commission relating to the PRLP.

After further consideration and an opportunity for public comment, the Budget and Finance Committee recommended that Council approve the Committee recommendation as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully submitted,

BUDGET AND FINANCE COMMITTEE



| <u>MEMBER</u> | <u>VOTE</u> |
|---------------|-------------|
| PARKS: | YES |
| ENGLANDER: | YES |
| ROSENDAHL: | YES |
| HUIZAR: | YES |
| KORETZ: | YES |

ep
11-1015_rpt_bfc_7-26-11

Not Official Until Council Acts

ADOPTED
* as amended
JUL 27 2011
see attached Motion
LOS ANGELES CITY COUNCIL

44

Approved 7/27/11

TO THE COUNCIL OF THE
CITY OF LOS ANGELES

Your AUDITS AND GOVERNMENTAL EFFICIENCY COMMITTEE

reports as follows:

AUDITS AND GOVERNMENTAL EFFICIENCY COMMITTEE REPORT relative to the Photo Red Light Program.

Recommendation for Council action:

CONCUR with the action of the Budget and Finance Committee taken at its meeting of July 25, 2011 relative to an instruction to the City Administrative Officer (CAO) and Chief Legislative Analyst (CLA) to work with the vendor of the Photo Red Light Program (PRLP), American Traffic Solutions (ATS), to negotiate all cost issues and other elements, including equipment removal, for a phase out approach to the PRLP and terminate the issuance of photo red light citations as of August 1, 2011.

Fiscal Impact Statement: The CLA reports that the Fiscal Year (FY) 2011-12 Budget assumed that the City would receive revenue from the PRLP of \$3.6 million and assumed contract expenditures of \$2.76 million resulting in net revenue of \$848,000. Factoring in the approximately \$600,000 Los Angeles Police Department/Department of Transportation (LAPD/DOT) staff costs results in a positive budget impact of approximately \$245,000. It is estimated that terminating the PRLP as of August 1, 2011 could result in the City receiving revenue amounting to \$2.5 million because of the lag time to process photo red light citations and payments made by violators. Contract payments of \$2.5 million would be avoided. Expenditures would total approximately \$400,000 (one month contract payment of \$256,000 plus DOT overtime staff costs of \$155,000 to remove PRL equipment) resulting in net revenue of \$2.1 million, and a FY 2011-12 Budget positive impact of \$1.5 million factoring in the LAPD/DOT staff costs. Net revenue would decrease, however, with expenditures for technology costs to transition the data from the vendor to LAPD; that amount is currently unknown. With PRLP termination, it is likely that revenue would phase out in FY 2012-13 with the City potentially receiving approximately \$880,000, and a positive budget impact of \$274,000 factoring in LAPD/DOT staff costs. If the PRLP is completely terminated with no phase-out, the FY 2011-12 Budget would result in a negative impact of approximately (\$200,000). LAPD/DOT staff costs of \$600,000 to administer the PRLP are on-going General Fund expenditures as these positions will continue in other assignments if the Program is concluded.

Community Impact Statement: Yes
Midtown North Hollywood Neighborhood Council
Northridge East Neighborhood Council
Sherman Oaks Neighborhood Council

Summary:

At its regular meeting of July 26, 2011, the Audits and Governmental Efficiency Committee considered a Motion (Cárdenas – Parks) and CLA reports relative to the PRLP. The CLA reports that on June 22, 2011, City Council considered the above-referenced Motion to extend the contract with American Traffic Solutions (ATS), on a month-to-month basis up to one year, pending completion of reviews on traffic safety and revenue issues. The matter was referred to Budget and Finance and Audits and

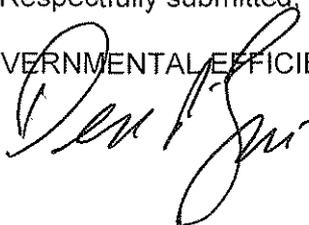
Governmental Efficiency Committees for evaluation of the financial impact of the PRLP; status of amending the California Vehicle Code to strengthen enforcement for failure to appear in court or pay the fine; results of discussion with the Los Angeles Superior Court regarding enforcement issues; feasibility of the City to take enforcement action rather than the Superior Court; and whether ATS would comply with the Arizona policy if it established a subsidiary in California. The CLA's Office was instructed to prepare an informational report on these issues which is attached to the Council file.

Representatives of the Chief Legislative Analyst (CLA), the Los Angeles Department of Transportation, and ATS appeared before the Committee to discuss the PRLP and responded to related questions. During the discussion, the issue of the court's process in handling the citations was raised and the Committee inquired that if the recipient of a Photo Red Light citation fails to respond, how long Failure to Appear information is kept on file by the Court, what are the consequences of having such a failure to appear on file, and how would a failure to appear for a Photo Red Light citation affect other citations or warrants on file with the Court. The Committee requested that the LAPD and CLA to obtain further clarification from the Court regarding this issue and provide it to the Council during its consideration of this item.

After providing an opportunity for public comment, the Committee recommended that Council approve the Committee recommendation as detailed above. This matter is now submitted to Council for its consideration.

Respectfully submitted,

AUDITS AND GOVERNMENTAL EFFICIENCY COMMITTEE



MEMBER VOTE

ZINE YES
PARKS YES
ENGLANDER YES

REW
7/27/11
11-1015_rpt_age_07-26-2011

Not Official Until Council Acts

ADOPTED
** as amended*
JUL 27 2011
See attached Motion
LOS ANGELES CITY COUNCIL

MOTION

I HEREBY MOVE that the Council ADOPT the following recommendation relative to the Photo Red Light Program (PRLP) (Item No. 44, Council file No. 11-1015):

REQUEST the City Attorney to review the contract and advise the Council as to whether or not any amendment or supplemental contract, or no action at all, other than a demand letter to the contractor, is necessary.

PRESENTED BY _____
PAUL KREKORIAN
Councilmember, 2nd District

SECONDED BY _____
PAUL KORETZ
Councilmember, 5th District

July 27, 2011
CF No. 11-1015

ADOPTED

JUL 27 2011

LOS ANGELES CITY COUNCIL