

**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

<u>MEMBER VOTE</u>	
ZINE	YES
PARKS	YES
ENGLANDER	YES

REW
7/27/11
[11-1015](#)_rpt_age_07-26-2011

Not Official Until Council Acts