

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

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