

INTRADEPARTMENTAL CORRESPONDENCE

March 15, 2012
16.2

TO: The Honorable Board of Police Commissioners

FROM: Chief of Police

SUBJECT: MONTHLY PHOTO RED LIGHT PROGRAM COST ANALYSIS FOR
JANUARY 2012

RECOMMENDED ACTION

1. That the Board of Police Commissioners (Board) REVIEW and APPROVE this report relative to the Monthly Photo Red Light (PRL) Program Cost Analysis for January.
2. That the Board AUTHORIZE the Chief of Police to execute Amendment No. 2 to the first Supplemental Agreement to contract No. C-109495.

BACKGROUND

On July 27, 2011, the City Council elected to discontinue the operation of the PRL cameras, effective July 31, 2011, and to phase-out the PRL Program, allowing time for the City to collect revenue from any outstanding red light violations. The City Council also instructed the Department, with the assistance of the Chief Legislative Analyst and City Administrative Officer, to negotiate a supplemental agreement with the PRL contractor, American Traffic Solutions (ATS), to phase-out the PRL Program.

On September 20, 2011, the Board approved the supplemental agreement and directed the Department to provide monthly updates on the court revenue received from outstanding PRL citations.

DISCUSSION

On the 20th of every month, the Los Angeles Superior Court (LASC) provides the Department with a report of the City's share of total PRL revenue collected during the prior calendar month. The report, titled *Estimated and Unadjusted Red Light Revenue*, must be adjusted for the *Court Reporter's Salary Fund*, per Government Code 72712. The City's contribution to this fund fluctuates from month to month, but is generally an average deduction of approximately 18 percent (per the City Controller's Audit of the PRL Program, 2010). The below revenue figures should therefore be understood as close approximations, and not as the exact amount of revenue actually deposited with the City.

There are two categories of court revenue. The first category is Court Trial Revenue, which consists of revenue that is received after a citation has been contested through the traffic trial process. This includes physical court appearances, as well as "Trial by Declarations" (TBDs).

Court Trial Revenue figures are obtained from the case tracking logs of PRL officers who appear in court and record the disposition of each case.

The second category of court revenue is Non-Trial Revenue, which consists of revenue that is received outside of the traffic trial process. This includes forthwith payments (uncontested payments received within the due date), as well as payments on delinquent citations that are received as a result of the court's collection procedures. Non-Trial Revenue figures are obtained from the LASC *Estimated and Unadjusted Red Light Revenue* report.

JANUARY ANALYSIS

In January 2012, PRL revenue exceeded expenses, resulting in a net revenue gain of \$7,452. There were 350 PRL cases that were contested in court, resulting in approximately \$36,400 in Trial Revenue (City share), while the Non-Trial Revenue was \$33,505, resulting in a total City share gross PRL revenue of \$69,905 (or \$57,322 after deducting 18% for the Court Reporter Salary Fund). PRL related expenses were the usual \$11,340 paid to ATS, and Department staffing expenses of \$38,530. See details in the tables below:

PRL STAFF COST

Department	Position	Annual Salary Cost	Annual Indirect Cost	Annual Total	Monthly Total
Police	(1) Sgt II (20%)	\$22,632	\$11,363	\$33,995	\$2,833
	(2) PO III	\$192,489	\$100,409	\$292,898	\$24,408
	(1) PO II	\$83,203	\$45,107	\$128,310	\$10,693
DOT	(1) Sr. Transp. Eng. (5%)	\$ 6,450	\$ 707	\$ 7,157	\$596
TOTAL COSTS		\$304,774	\$157,586	\$462,360	\$38,530

JANUARY PRL COST ANALYSIS

Number of Trials/TBDs 350

REVENUE

Trial Revenue \$36,400
Non-Trial Revenue \$33,505
Revenue Sub-Total **\$69,905**

18% adjustment (GC72712) (\$12,583)
Total Gross Revenue **\$57,322**

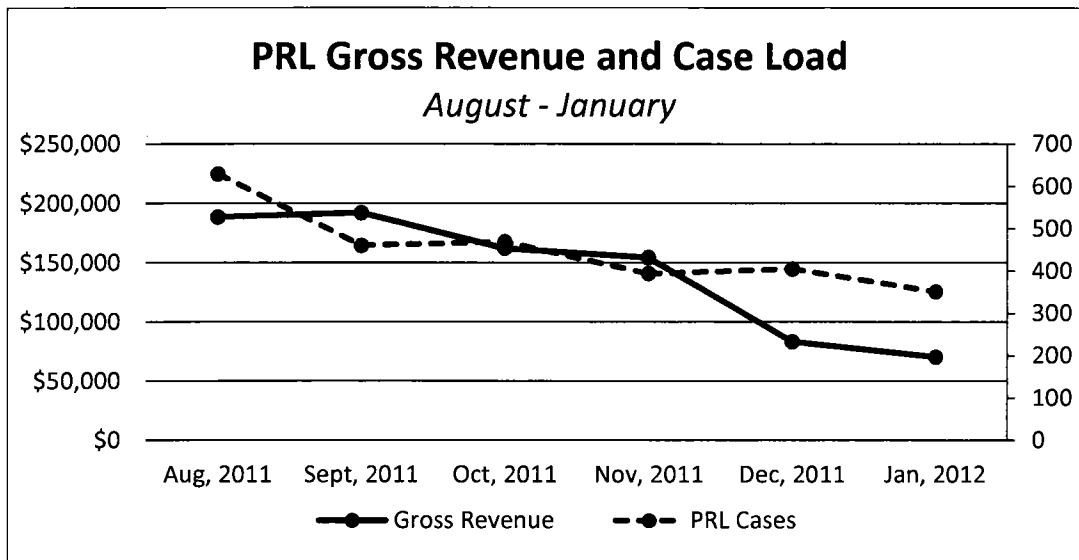
EXPENSES

Contractor Cost (\$11,340)
LAPD/LADOT Staff (\$38,530)

TOTAL NET CITY REVENUE **\$7,452**

SIX-MONTH ANALYSIS

The PRL case load (dashed line) has experienced a slight but steady decrease over the last six months. The decrease in revenue (solid line) for December and January is attributable mostly to a decrease in the “forthwith” payments. It is likely that forthwith payments will continue to decrease as less and less defendant payment deadlines are outstanding (see below chart).



PRL Six-Month Revenue Since Camera Deactivation

Month	PRL Cases	Gross Revenue	Net Revenue**
Sept, 2011	459	\$191,539	\$107,192
Nov, 2011	393	\$153,874	\$76,307
Jan, 2012	350	\$69,905	\$7,452

*August shows an extraordinarily high case load due to a large influx of TBDs that month. For example, the month prior (July 2011) had 472 cases.

**Net Revenue = Gross Revenue – (18% deduction for Court Reporter fund, Contractor fees, and Department salaries). Note: Contractor fees in August were \$50,590, instead of the usual \$11,340.

OPTION TO EXTEND THE SUPPLEMENTAL AGREEMENT

The term of Amendment No. 1 of the Supplemental Agreement expired on February 29, 2012. The agreement gave the City discretion to extend the Agreement on a month-to-month basis. Although revenues from LASC slightly exceeded PRL program costs in January, revenues are likely to decrease in coming months. As court case load continues to decrease, the Department can decrease the personnel resources assigned to the PRL unit in order to keep PRL expenses more commensurate with revenues.

It should also be noted that PRL officers continue to prosecute hundreds of contested cases each month, which require support services and access to the PRL database provided by ATS. For example, there are currently 290 court trials set on calendar for the month of March. If the contract expires and the support services are discontinued, these cases will be dismissed, resulting in refunds of all the bail money that has been posted by defendants. This represents a maximum potential City revenue loss of \$37,334 (for March). Subsequent months may also see lost revenue as several hundred cases are dismissed.

RECOMMENDATIONS

It is recommended that the Board of Police Commissioners authorize the Chief of Police to execute Amendment No. 2 to the First Amendment to the Supplemental Agreement to extend the term to March 31, 2012, with the option to extend for no more than five additional months, subject to Board review and approval.

If you have any questions regarding this matter, please have a member of your staff contact Captain Philip S. Fontanetta, Commanding Officer, Emergency Operations Division, at (213) 486-0680.

Respectfully,

A handwritten signature in black ink, appearing to read 'C. Beck', written over a white background.

CHARLIE BECK
Chief of Police

Print: 02/16/2012 8:04 AM

Los Angeles Superior Court
Estimated & Unadjusted Red Light Camera Revenue & Payment Transaction Counts
Month: January, 2012

This report contains unadjusted and unaudited data and is for estimating purposes only. The report does not match the monthly revenues cities receive because of statutorily required adjustments.

City	Revenue			Payment Transaction Counts			
	General	Traffic	Total	Continuance	Disposition	Other	Total
BALDWIN PARK	\$29,705.14	\$18,724.53	\$48,429.67	168	230	18	416
BELL GARDENS	\$7,417.17	\$4,580.49	\$11,997.66	50	58	2	110
BEVERLY HILLS	\$106,758.48	\$64,233.49	\$170,991.97	563	559	135	1257
COMMERCE	\$44,570.75	\$27,641.09	\$72,211.84	246	296	32	564
COMPTON	\$0.00	\$0.00	\$0.00	0	1	0	1
COVINA	\$14,608.13	\$9,176.88	\$23,785.01	71	129	11	211
CULVER CITY	\$41,169.84	\$25,307.97	\$66,477.81	249	217	67	533
EL MONTE	\$0.00	\$0.00	\$0.00	1	1	0	2
GARDENA	\$23,259.01	\$12,828.66	\$36,087.67	107	205	26	338
GLENDALE	\$25,819.37	\$14,897.17	\$40,716.54	200	101	22	323
HAWTHORNE	\$41,536.11	\$26,705.01	\$68,241.12	291	191	24	506
INGLEWOOD	\$39,409.28	\$23,975.93	\$63,385.21	266	378	31	675
L.A. COUNTY	\$10,026.88	\$8,049.55	\$18,076.43	24	46	6	76
LANCASTER	\$5,850.79	\$3,869.59	\$9,720.38	32	111	21	164
LONG BEACH	\$1,345.79	\$889.47	\$2,235.26	4	57	12	73
LOS ANGELES	\$41,055.56	\$28,849.27	\$69,904.83	188	547	204	939
LOS CERRITOS	\$16,718.43	\$10,503.17	\$27,221.60	107	103	22	232
LYNWOOD	\$4,313.28	\$2,813.24	\$7,126.52	24	34	2	60
MAYWOOD	\$0.00	\$0.00	\$0.00	0	2	0	2
MONTEBELLO	\$27,047.38	\$16,656.33	\$43,703.71	159	195	16	370
MTA	\$622.81	\$111,140.33	\$111,763.14	367	490	168	1025
PASADENA	\$14,882.62	\$9,351.43	\$24,234.05	97	74	25	196
SANTA CLARITA	\$27,986.70	\$17,120.42	\$45,107.12	179	137	22	338
SANTA FE SPRINGS	\$0.01	(\$0.01)	\$0.00	0	1	0	1
SOUTH GATE	\$22,903.01	\$13,777.87	\$36,680.88	143	200	12	355
WALNUT	\$11,721.54	\$7,036.54	\$18,758.08	77	74	8	159
WEST HOLLYWOOD	\$50,216.99	\$31,773.47	\$81,990.46	226	327	87	640
WHITTIER	\$185.54	\$32.74	\$218.28	0	2	1	3

**AMENDMENT NO. 2 TO THE FIRST SUPPLEMENTAL AGREEMENT TO CONTRACT NO.
C-109495
BETWEEN THE CITY OF LOS ANGELES AND
AMERICAN TRAFFIC SOLUTIONS**

This **AMENDMENT NO. 2 TO THE FIRST SUPPLEMENTAL AGREEMENT** to Contract No. C-109495 is made and entered into by and between the City of Los Angeles, California, a municipal corporation (hereinafter referred to as the "City") and American Traffic Solutions, an Arizona based company (hereinafter referred to as "Contractor").

RECITALS

WHEREAS, on or about November 30, 2011, the Parties entered into the First Supplemental Agreement, for the Contractor to provide services, equipment and technology access during the phase out of the Photo Red Light Program; and

WHEREAS, the term of the First Supplemental Agreement ends on January 31, 2012; and

WHEREAS, the First Supplemental Agreement provides that the City may elect to extend the term, at the City's sole discretion, on a month-to-month basis starting on February 1, 2012, for no more than six additional months, and ending on July 31, 2012; and

WHEREAS, the Board of Police Commissioners directed staff to provide monthly reports regarding the progress of the phase out and any continued need for the continuation of the Supplemental Agreement; and

WHEREAS, the City desires to exercise the option to extend the term, to allow time for the City to continue to collect revenue from any outstanding red light violations.

NOW THEREFORE, in consideration of the premises, and of the terms, covenants and conditions set forth herein and in Contract No. C-109495, the parties hereto covenant, agree and represent as follows:

1. The First Supplemental Agreement to Contract No. C-109495, entered into on or about November 30, 2011 (including all subsequent amendments thereto) is incorporated herein by this reference, as though set forth at length, except as modified below.
2. Section 4.0, Term of Agreement, is amended to read in its entirety, as follows:

The term of this Amendment No. 2 to the First Supplemental Agreement to Contract No. C-109495 shall be extended by one month starting on March 1, 2012, and ending on March 31, 2012, subject to the termination provisions herein.

3. **Effective Date.** The Effective Date of this Amendment No. 2 to the First Supplemental Agreement shall be March 1, 2012, subject to the approval of the Board of Police Commissioners.

4. Except as amended herein, all other terms and provisions of the First Supplemental Agreement to Contract No. C-109495 incorporated herein remain unchanged and in full force and effect.

5. **Ratification.** City required that Contractor's services be provided continuously on an ongoing basis, and at the City's request, the Contractor provided services prior to the execution of this Amendment. To the extent that those services were performed in accordance with the terms and conditions of this Amendment, those services are hereby ratified and payment therefore is authorized subject to the terms and conditions of this Amendment.

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IN WITNESS THEREOF, the parties hereto have caused the Agreement to be executed by their respective duly authorized representatives.

For: The City of Los Angeles

By: 
CHARLIE BECK
Chief of Police

Date: MARCH - 14 - 2012

For: American Traffic Solutions

By: 
JAMES D. TUTON
President and CEO

Date: 2/15/2012

By: 
GEORGE HITTNER
Vice President and General Counsel

Date: 2/17/2012

APPROVED AS TO FORM:
Carmen A. Trutanich, City Attorney

ATTEST:
June Lagmay, City Clerk

By: _____
TERRY MARTIN-BROWN
Assistant City Attorney

By: _____

Date: _____

Date: _____

City Business Tax Registration Number: 0002467920-0001-0
Internal Revenue Service Taxpayer Identification Number: 48-1114931
Agreement Number: C-109495