

City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 24, 2008

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: BUDGET MEMO # 45: REVISITING IMPLEMENTATION OF A RED LIGHT CAMERA PROGRAM

During the budget deliberations for FY 2008, City Council authorized the renewal of a Red Light Camera program for the City. Estimated costs included \$565,000 for the Police Department's FY 2008 budget assuming a three-camera program, plus \$115,000 for two SPOs. The \$565,000 has not been spent, and the two SPO positions were filled in August 2007 to prepare for the program.

Staff began to develop a new Red Light Camera program last summer, and acquired information from several companies. Before an RFP could be issued, I directed departments to develop additional budget reductions for the FY 2009 budget process. As part of his required \$1.1 million reduction plan, Chief Baker proposed and I agreed, to recommend elimination of the Red Light Camera program, which would result in gross savings of \$680,000 and 2 FTEs (page 2-15 of the FY 2009 Proposed budget). Of this amount, \$115,000 results from eliminating the two SPO positions. When offsetting this savings by estimated foregone ticket revenue of \$455,000, the net savings to the City to eliminate the Red Light camera program is \$225,000 per year.

The recommendation to eliminate the Red Light Camera program is based on several considerations. To achieve the substantial budget reductions required for FY 2009, staff examined all aspects of the Police Department and selected reductions that, while undoubtedly painful and unpopular, preserve the core missions of public safety – to respond to citizen calls, protect persons and property, and investigate crimes.

The Red Light Camera program is not considered a core public safety service, and it emerged as a candidate for the alternative budget in FY 2009.

Our experience with Red Light Camera enforcement from 1997 – 2005 shows that it cost the City after the second year, averaging a net of \$212,000 annually.

Alexandria's Previous Red Light Camera Program. From 1997 to 2005, the City operated a Red Light Camera enforcement program. During that period, Lockheed Martin, the City's red light contractor, initially charged about \$275,000 to install and rotate one camera, and to process violations. Later the cost increased to \$333,000 for a three-camera program. The cameras were periodically rotated to four locations in the City. The City received all fine revenues and paid Lockheed Martin out of the revenues. By the third year of the program, the City was collecting less in fine revenue than the program cost, and additional general funds were needed to pay the contractor's cost.

During this period, the Alexandria Police Department used SPOs to review and verify camera images of possible violations, transmit valid citations to the contractor for billing, check violators' license information at the DMV, and answer calls about the program. The SPOs handled all reviews of the citation images while performing their primary security duties at 2003 Mill Road and the Police offices at 2034 Eisenhower Avenue. The number of camera images averaged 1,553 per month for the 92 months the former Red Light Camera program was in operation, or 142,953 total images. Of this total, about 30,000 images could not be verified, and about 30,000 citations were issued to out-of-state drivers that were not readily collectable. The remaining 82,000 resulted in billable citations issued to Virginia drivers.

After the Red Light Camera program ended in 2005, the Police Department was able to reduce the number of SPOs on its force. Two SPO positions were eliminated because the Red Light Camera program workload ended, and their security functions at 2003 Mill Road had been largely assumed by the Sheriff's Office, which screens all visitors as they enter the parking lot. The other important records-related duties performed by the SPOs were divided among those remaining. When City Council re-authorized a Red Light Camera program for FY 2008, it became necessary to add back two SPO positions to the Police Department.

Alexandria uses SPOs rather than sworn police officers to review the Red Light Camera images. The SPO is a less expensive civilian, uniformed position with limited enforcement powers. A recent staff survey of neighboring jurisdictions that are considering implementing new Red Light Camera programs reveals that they employ regular police officers to handle the internal management of the program. Fairfax County would assign 11 police officers and one captain to staff their program. Arlington County estimates that 5 police officers will be needed to review their Red Light citations, and Fairfax City plans to assign one Lieutenant and 3 police officers. We believe that Alexandria's practice of assigning 2 SPOs to verify red light violations is more efficient. The expected workload of more than 1,500 images per month, handling questions and complaints, and providing information about the program, requires at least two SPOs.

New Features of Red Light Camera Enforcement Programs. The red light enforcement industry has expanded greatly since 1997. Today several companies guarantee they will operate a local government program without cost, even if fines do not cover the program costs (no-cost or cost-neutral plans). This is accomplished by a monthly reconciliation of fines collected compared to the vendor's program costs. If there are surplus revenues from fines, the extra revenues may

accrue to the local government per the terms of the contract. If the revenues do not cover the program costs as established by the company, the company will absorb the costs. Redflex, American Traffic Systems (ATS), Nestor Traffic Systems, LaserCraft, and Traffipax are among the companies that might bid on a red light enforcement program for Alexandria. These firms are all well known and each has numerous contracts in jurisdictions across the United States. If City Council directs implementation of the program, Purchasing and Police staff would work to ensure that the best possible contract is obtained for the City.

In the past under the Lockheed Martin contract, Alexandria officials were able to periodically have the contractor move cameras to different intersections in the City. The additional cost to use three cameras rather than one was about \$50,000 per year. The ability to have the cameras rotated gave the City flexibility to address red light violations at problem intersections for minimal additional cost. Based on the preliminary research conducted last year, it is staff's understanding that under the cost-neutral or no-cost contracts, the vendor will install each camera at fixed location, and the cost for each additional camera is about \$100,000 annually. Staff believe that rotating cameras would not be an option, at least not without substantial additional costs.

Under a no-cost or cost-neutral program agreement, staff assumes the cost of Red Light Camera enforcement today would be at least \$480,000 for a one-camera program including staff, and up to \$680,000 for a three-camera program. The City would need to generate more than \$680,000 in annual fines to realize net revenues from a three camera program. In the past even with rotating cameras this level of revenue was never achieved.

The City will not expend the \$565,000 budgeted in FY 2008 to start up a new Red Light Camera program. If we were successful in establishing a satisfactory cost-neutral contract, the Police Department has the minimum necessary staffing in place to manage it. If City Council supports my recommendation to eliminate the Red Light Camera program, the City will realize savings of at least \$115,000 from 2 FTEs during FY 2009. The original savings estimate of \$225,000 included in the FY 2009 Proposed Budget did not assume that the contract would be cost neutral.

Staff:

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