

City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 30, 2007

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: BUDGET MEMO # 24: THE RED LIGHT CAMERA PROGRAM

Summary Analysis:

The net cost of a red light camera program is uncertain. A red light camera program with tickets capped at \$50 per violation possibly could provide the City on a net basis up to \$43,000, or it could cost the City up to \$280,000, depending on how many cameras are made operational, one-time start up costs, annual contract costs, annual staffing costs, and annual revenues from fines. Thereafter, during the next few years, annual net costs would range from a positive of \$70,000 to a negative of up to \$230,000, though revenues would be likely to decrease over time, and therefore negatively affect net costs.

If Council wanted to re-implement the red light camera program, it would need to add in excess of \$50,000 to the FY 2008 budget. Such an add would need an early request by April 2 for it to be advanced by an individual member of City Council.

FY 2008 and FY 2009 Net City cost of a Red Light Camera Program (\$ thousands)

# of Cameras	Startup Expense	Annual Expense**	Total Expense	Revenues*	Net Cost FY 2008	Net Cost FY 2009
1	\$27-\$52	\$425-\$480	\$452-\$532	\$250	\$202-\$282	\$175-\$230
2	\$27-\$77	\$525-\$580	\$552-\$657	\$500	\$52-\$157	\$25-\$80
3	\$27-\$102	\$680	\$707-\$782	\$750	Plus \$43 to -\$32	Plus \$70

*Based on average revenue per camera for first five years of program. Revenues are likely to decrease over time.

** The 1-2 camera options includes the cost of 1 or 2 special police officers. The three camera option includes the cost of 2 police officers.

History:

From 1997 until 2005, the City administered a red light camera program. From 1997 until 2001, the City maintained one camera which rotated among three intersections: Duke and Walker Streets, Seminary Road and Nottingham Drive, and Patrick and Gibbon Streets. In 2002, the an additional camera was added and rotated among the three intersections. In March 2004, a third camera was added to the program.

Revenues and Expenditures:

During the earlier incarnation of the program, the fine for a red light violation was capped at \$50. The current bill introduced in the General Assembly also caps the fine at \$50. The table below shows the annual revenues and contract expenditures during the eight year history of the program.

Revenues and Expenses from Red Light Camera Program

Fiscal Year	Revenue Collected	Contract Expenditures	Net Cost (-) or Gain (+) (not including Police personnel*)	# of cameras
1998	\$304,824	\$315,000	-\$10,176	1 @ 3 marked intersections
1999	\$582,577	\$275,000	+\$307,577	1 @ 3 marked intersections
2000	\$249,203	\$275,000	-\$25,797	1 @ 3 marked intersections
2001	\$105,090	\$279,833	-\$174,743	1 @ 3 marked intersections
2002	\$230,272	\$333,000	-\$102,728	2 @ 4 marked intersections
2003	\$266,352	\$333,000	-\$66,648	2 @ 4 marked intersections
2004	\$239,637	\$333,000	-\$93,363	2 @ 4 marked intersections
2005	\$463,635	\$339,327	-\$124,308	3 @ 4 marked intersections

- The City estimates 1 to 2 Special Police Officers would be necessary to manage the program. The cost for 2 Special Police Officers in FY 2008 is estimated at \$115,000.

From the City's previous experience with the program, red light camera revenue decreased over time as drivers were deterred from running red lights by the program, and changed their behavior accordingly. A substantial number of drivers ignored citations believing that they would not be prosecuted.

Program expenses:Startup expenses

Based on the City's earlier experience with the program, the major startup costs for the program include the costs for advertising and a community education program, estimated at \$20,000, and the cost to prepare intersections at which the camera might be placed, estimated at \$25,000. If a new camera were placed at one of the intersections previously prepped for a camera, the preparation cost will likely be reduced or eliminated. There's also an estimated expense for flashing signage of \$7,500. Total one-time projected startup costs for one camera are expected to range \$27,500-\$52,000.

Annual expenses

In 2001, the City agreed to pay a contractor \$333,000 annually for all costs associated with a

single camera program, including rotating the camera, servicing the camera, and processing violations. Adjusted for inflation, the cost in 2007 would be \$365,000 annually. This is a service which would be contracted out. Each additional camera is likely to increase contract costs by \$100,000 annually. In addition, from their previous experience with the program, the City estimates that one to two Special Police Officers (+1.0-2.0 FTE's) would be required to review possible violations, check violators' licenses at the DMV, run follow up notices, and answer questions about the program, at an estimated cost of \$57,500 to \$115,000 annually.

Projected annual expenses for a one camera program are estimated from \$425,000 to \$480,000.

Total Cost to the City:

After the program operates for one year, the annual cost to the City is projected to range from \$230,000 to a positive of \$70,000 depending on the number of cameras.