

CITY OF LOS ANGELES
INTRA-DEPARTMENTAL CORRESPONDENCE

Date: September 2, 2016

To: The Honorable City Council
c/o City Clerk, Room 395, City Hall
Attention: Honorable Paul Krekorian, Chair, Budget and Finance Committee

From: Seleta J. Reynolds,  General Manager
Department of Transportation

Subject: **AUTHORIZATION TO HIRE STAFF TO CONDUCT PARKING CITATION INITIAL REVIEWS**

SUMMARY

Currently, the City of Los Angeles' initial review of contested parking citations is contracted out to a processing agency. A recently upheld judgement by the Superior Court of Los Angeles County requires that the City, as the issuing agency, conduct the initial reviews of contested parking citations and not delegate this duty to an outside agency. To comply with this mandate, this report is requesting authority to hire additional City staff to make the initial review decisions.

RECOMMENDATIONS

That the Council, subject to the concurrence of the Mayor:

1. AUTHORIZE the General Manager of the Los Angeles Department of Transportation (LADOT) to hire:
 - a. Sixteen (16) resolution authority Administrative Clerks, 1358-0
 - b. One (1) Sr. Administrative Clerk, Class Code 1368-0
 - c. One (1) Management Analyst II, Class Code 9184-2.
2. AUTHORIZE As-Needed Administrative Clerks to be used to maintain full staffing of the exempt Administrative Clerks.
3. DIRECT the LADOT and the City Administrative Officer to report back on the process of taking over initial reviews from the LADOT's contractor, including additional funding requirements.

BACKGROUND

In March 2012, Cody Weiss (Weiss) received a parking citation for a violation of Los Angeles Municipal Code section 80.69(c), for exceeding a two-hour posted time limit. Weiss timely contested the citation by filing an online statement claiming his vehicle was not parked in excess of two hours. He provided no evidence to support his statement; he simply declined responsibility for the parking violation, and requested that this citation be dismissed immediately. In April 2012, after an initial review performed by the LADOT's citation processing agency (Xerox), Weiss received a letter advising him that an initial review had been performed and the citation would not be cancelled. Although Weiss could have sought administrative review of this denial, he did not. Instead, he paid the \$55 citation. In January 2013, Weiss filed a petition with the court seeking a writ of mandate directing the City and Xerox to provide a legally sufficient initial review.

In July 2014, the trial court of the Superior Court of Los Angeles County issued a peremptory writ of mandate and ordered the City, as the issuing agency, to conduct the initial review of contested parking citations. This meant that the City could not contract, subcontract, or otherwise delegate the duty to make initial review decisions to any other entity or processing agency. Xerox was permanently precluded from making initial review decisions.

Subsequent to this order, the City and Xerox filed an appeal to the Court of Appeal of the State of California. In August 2016, the appellate court affirmed the judgment of the Superior Court and stated in its ruling that "section 40215, subdivision (a) requires the City, as the issuing agency, to conduct the initial review of contested parking citations, and does not permit delegation of that duty to its processing agency, Xerox."

DISCUSSION

On August 25, 2016, the City Attorney's Office advised LADOT that the transition of the initial review process must take place by October 7, 2016 or shortly thereafter. The City Attorney advised LADOT that if the department does not take over the initial review process by this date, the City may face serious legal ramifications. This matter was discussed with representatives of the City Administrative Officer (CAO) and the City Attorney and they agreed that the department should proceed as expeditiously as possible.

LADOT is requesting 18 administrative staff to field check contested citations and make initial review decisions. The positions requested are based on the number of citations investigated and reviewed. Xerox will continue to maintain a call center for the City to receive calls and mail from the public contesting citations. The materials gathered from Xerox will be presented to City staff for review and to make a decision. Facility issues and other resources will be addressed internally or through a subsequent report.

FISCAL IMPACT STATEMENT

LADOT issues approximately 2.5 million parking citations per year, generating nearly \$152 million in revenue. Of the total number of citations issued, approximately 142,000 or 5.62% are contested through the initial review process. Of the 142,000 contested citations, approximately 83,251 or 58.44% are found upheld. Using an average citation amount of \$68, this represents gross revenue to the City of \$5.7 million. Any delays in performing the initial reviews will negatively affect the motoring public and impact the current adjudication process. Longer delays leading to automatic dismissal of the citations would result in less General Fund revenue.

The full year salary cost for the staff requested in recommendation one are estimated at \$733,124 annually. The cost for the estimated nine months remaining in 2016-17 are \$549,843. Related costs are estimated at \$419,076 for a full year and \$373,329 for the remainder of 2016-17. Additional costs are anticipated and LADOT and the CAO will work together to identify funding to pay the first year salary costs and report back in the Mid-Year Financial Status Report. Funding for future years is anticipated to be provided through the annual budget process.

SJR/JK/RA:wg