

CITY OF REDDING



777 Cypress Avenue, Redding, CA 96001-2718

P.O. Box 496071, Redding, CA 96049-6071

If anyone wishes to address the City Council on any item considered at this meeting before or during Council's consideration of that item, please fill out a blue Speaker Request Form, which is located in the lighted alcoves at the back of the Council Chambers, and submit it to the City Clerk. The City Council will allocate up to a maximum of three minutes per speaker for each agenda item. Staff reports are available on-line at the City's web site at www.cityofredding.org or in the Public View binder located on the podium at the north side of the Chambers.

Agenda

Regular Meeting
Redding City Council
Council Chambers (Doors open 30 minutes prior)
777 Cypress Avenue
Redding, CA

May 16, 2017

6:00 PM

1. CALL TO ORDER - MAYOR BRENT WEAVER

- A. *Pledge of Allegiance*
- B. *Invocation - Imam Abu Bakr Salahuddin "Abu", Islamic Center of Redding*
- C. *Roll Call*
- D. *Introduction of City Council meeting participants*

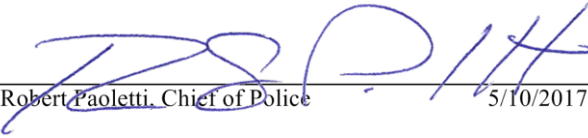
2. PRESENTATIONS

- 2A. Presentation by Hilari Freeman, Director/Head Coach of the Redding Composite Mountain Bike Team, providing an update on present and future activities.
[A-050-060]
- 2B. Presentation by Lynn Dorroh, Chief Executive Officer for Hill Country Community Clinic, regarding its new facility, the Hill Country CARE Center, providing mental health services in downtown Redding.
[A-050-060]
- 2C. Adopt **Resolution** honoring Kurt Starman for distinguished service as the Redding City Manager; and associated presentations.
[A-050-080/A-050-060-600]



CITY OF REDDING

REPORT TO REDDING CITY COUNCIL

MEETING DATE: May 16, 2017 ITEM NO. 9.9(c) [P-150-150]	FROM: Robert Paoletti, Chief of Police
SUBJECT: 9.9(c)--Renew Contract with Redflex Traffic Systems	
APPROVED BY	
 Robert Paoletti, Chief of Police 5/10/2017	 Kurt Starman, City Manager 5/10/2017

Recommendation

Approve Amendment to Contract C-4649 with Redflex Traffic Systems, Inc. (Redflex) to provide red light camera enforcement at selected intersections in a continued effort to reduce traffic collisions and increase public safety for a term ending June 1, 2021.

Background

On February 6, 2007, the City Council approved a contract with Redflex to provide red light photo enforcement at several intersections in the City of Redding. The City currently has eight photo enforcement cameras at five intersections. On April 17, 2012, the City Council reviewed the red light camera program and authorized a new contract with Redflex. The current contract will expire on June 1, 2017.

RPD has worked with the City Attorney’s Office to negotiate a mutually beneficial contract. The renegotiated contract allows the City more flexibility in administering the program and includes cost savings to the City of Redding. The significant changes from the prior contract include:

- The City of Redding will pay Redflex a fixed fee of \$4,375 per month (the previous contract was \$4,500 per month) for each of the following designated intersection approaches: Eastbound Cypress Avenue at Bechelli Lane, Westbound Cypress Avenue at Bechelli Lane, Westbound Shasta Street at Market Street, Southbound Market Street at Shasta Street, Northbound Lake Boulevard at Market Street, Northbound Pine Street at Tehama Street, Southbound Hilltop Drive at Cypress Avenue and Eastbound Cypress Avenue at Hilltop Drive (eight total approaches).
- Revocation of the cost-neutrality balance on the prior contract. On June 1, 2017, the City’s cost neutrality balance will be zero dollars. As such, no amount will be owed to Redflex to pay past fixed-fee charges.
- Redflex will increase the operating costs afforded to the customer (City of Redding) to \$900 per month for each of the eight designated intersection approaches.

Issues

Should the City Council accept the First Amendment to the Exclusive Agreement between the City of Redding and Redflex Traffic Systems, Inc. to continue red light camera enforcement in the City of Redding?

Alternatives

The City Council could:

1. Approve the contract with Redflex Traffic Systems, Inc. (**Staff Recommendation**)
2. Decline to approve the contract with Redflex Traffic Systems, Inc.
3. Provide alternative direction to staff.

Fiscal Impact

There is no General Fund impact. The cost of the program is fully offset by revenues received and the cost neutrality clause, which allows RPD to remit to Redflex only the amount received from the citations after deducting the cost of reviewing the infractions if revenue is insufficient to cover it.

Conclusion

The technology of red light camera enforcement provides a highly efficient and cost-effective method of reducing intersection collisions at no cost to the City. The benefits include a reduction in injuries to victims of these preventable collisions and allowing officers to be more proactive in other areas.

Attachments:

Amendment (Available online)

**FIRST AMENDMENT TO THE EXCLUSIVE AGREEMENT
BETWEEN THE CITY OF REDDING, CALIFORNIA AND
REDFLEX TRAFFIC SYSTEMS, INC. FOR
TRAFFIC CAMERA SAFETY IMPOROVEMENT PROGRAM**

This First Amendment (the “First Amendment”) to the Exclusive Agreement between the City of Redding, California and Redflex Traffic Systems, Inc. for Traffic Camera Safety Improvement Program is executed this _____ day of _____ 2017 (the “Execution Date”) by and between Redflex Traffic Systems, Inc. (California) (“Redflex”) and the City of Redding, California (the “City”) (individually a “Party” and collectively the “Parties”).

RECITALS

- A. Redflex and the City previously entered into the Exclusive Agreement between the City of Redding, California and Redflex Traffic Systems, Inc. for Traffic Camera Safety Improvement Program dated June 1, 2012 to provide automated red light photo enforcement in the City (the “Original Agreement”);
- B. The Initial Term of the Original Agreement expires on June 1, 2017;
- C. The City’s “Customer Operating Costs” outlined in the Original Agreement will change; and
- D. Redflex and the City desire to amend the Original Agreement to extend the Term, modify the City’s “Customer Operating Costs,” and otherwise modify the Original Agreement as set forth below.

The parties agree as follows:

TERMS AND CONDITIONS

1. Term of Agreement. The City exercises its right to extend the Initial Term of the Original Agreement for both the first and the second consecutive two (2) year periods as set forth in Section 2 of the Original Agreement. The Renewal Term will commence on June 1, 2017 and expire on June 1, 2021.

2. Increased “Customer Operating Costs”. Exhibit “D” to the Original Agreement is revoked in its entirety and the following substituted in its place:

[THIS PART INTENTIONALLY LEFT BLANK]

Attachment: Amendment (Available online) (3702 : 9.9(c))--Renew Contract with Redflex Traffic Systems)

EXHIBIT "D"

COMPENSATION & PRICING

Fixed Monthly Fee

As full remuneration for performing all of the services contemplated in this Agreement, Customer agrees to pay the following:

- Customer shall be obligated to pay Redflex a fixed fee of \$4,375 per month for the following Designated Intersection Approaches: Cypress Ave and Bechelli Lane, Cypress Ave and Bechelli Lane, Shasta St. and Market St., Market St. and Shasta St., Lake Blvd and Market Street, Pine St and Tehama St., Pine St and Shasta St. (if installed), Hilltop Drive and Cypress Ave (if installed).
- Customer shall be obligated to pay Redflex a fixed fee of \$5,700 per month for each Designated Intersection Approach not listed or identified above.

Cost Neutrality.

Cost neutrality is assured to the Customer. The Customer will never be required to pay Redflex more than actual cash received.

The City shall be obligated to pay the cumulative balance invoiced by Redflex, which shall be deducted from the gross cash received and held by Redflex and payable to the City, in accordance with the terms set forth herein, to the extent the **gross cash received and payable to the City exceeds the amount invoiced by Redflex. In the event that a balance remains unpaid due to a deficit in gross cash received by the Customer compared to invoiced amounts, Redflex shall retain with each monthly billing cycle, an accounting of such gross receipts supporting the amount withheld from the Customer.**

In the event that the contract ends or is terminated and an invoiced balance is still owed to Redflex, all subsequent receipts from automated red light violations for a period of 12 months from date of termination will be applied to such balance and paid to Redflex

Payment will only be made by City up to the amount of cash received by the City through the collection of red light citations up to the amount currently due, and collected and managed by Redflex.

Cost neutrality is guaranteed except as follows:

- If the authorized officer fails to approve verified violations by the due date;
- If systems are de-activated due to City requirement other than road construction or Approach Relocation per Exhibit B Section 1.12;

Customer Operating Costs.

Any gross cash receipts received by the Customer from Shasta County through the collection of red light citations shall first be applied to the Customer's monthly program operating costs ("Customer Operating Costs") which has been established at Nine Hundred Dollars (\$900.00)

per Operational Approach per month. In order to ensure cost neutrality to the Customer, Customer shall only be obliged to pay Redflex from the gross cash receipts received from Shasta County after first withholding Customer Operating Costs. In the event that a balance remains unpaid due to a deficit in gross cash received by the Customer compared to the invoiced amount, Customer will provide Redflex, with payments, an accounting of such amounts supporting non-payment of the full invoiced amount and balance remaining.

Example

Month 1

Gross Revenue to City for month	\$40,000
Withheld Operating Cost (8 x \$900)	\$7,200
Balance	\$32,800
Redflex Invoice for month 1	\$42,000
Payment to Redflex	\$32,800

Check payable to Redflex for Thirty Two Thousand Eight Hundred Dollars (\$32,800) with accounting as above. Remaining balance of Nine Thousand Two Hundred Dollars (\$9,200) carried forward under Cost Neutrality provision.

Month 2

Gross Revenue to City for month	\$60,000
Withheld Operating Cost (8 x \$900)	\$7,200
Balance	\$52,800
Redflex Invoice month 2	\$42,000
Balance unpaid month 1	\$9,200
Total Outstanding	\$51,200
Payment to Redflex	\$51,200

Check payable to Redflex for Fifty One Thousand Two Hundred Dollars (\$51,200) with accounting as above. No remaining balance to carry forward this month under the Cost Neutrality provisions, and Customer retains the balance of One Thousand Six Hundred Dollars (\$1,600).

Business Assumptions for All Pricing Options:

1. Redflex construction will be able to utilize existing conduit for installation where space is available. If it is determined that new conduit must be installed the cost of the installation of the same shall be borne by Redflex.
2. Each year, on the anniversary date of the contract, the pricing will increase by the CPI. CPI will be derived from the publication of the U.S. Department of Labor Consumer Price Index for U.S. City average.
3. Except where a balance remains unpaid due to a deficit in the gross cash received as described herein, Customer agrees to pay Redflex within thirty (30) days after the invoice is received. A monthly late fee of 1.5% is payable for amounts remaining unpaid 60 days from date of invoice.

4. The provision of all necessary communication, broadband and telephone services to the Designated Intersection Approaches will be the sole responsibility of Redflex
5. The on-going provision of any and all necessary electrical power to the Designated Intersection Approaches will be the sole responsibility of the Customer
6. The Customer shall require any and all employees who may operate or occupy the Equipped Motor Vehicles to complete a mandatory training program to insure that (a) the Equipped Motor Vehicles are operated in a safe manner and (b) all warnings and instructions that accompany the Equipped Motor Vehicles are understood and heeded.
7. Redflex shall be solely responsible for installing required signage. Redflex shall be solely responsible for the fabrication of any signage, notices or other postings required pursuant to any law, rule or regulation of any Governmental Authority ("Signage"), including but not limited to the Vehicle Code, and Customer shall assist in determining the placement of such Signage. Redflex shall submit signage design drawings to the appropriate local authority for approval. Any changes or modifications to signage requirements will be the responsibility of the Customer.
8. Required Credit Card fees will not be considered to be revenue received and are the responsibility of the violator.
9. Term extension

The amendment to Exhibit D as outlined in this First Amendment is not effective until June 1, 2017, and the terms of Exhibit D attached to the Original Agreement remain in effect until June 1, 2017.

3. Cost Neutrality Balance. The Parties agree that as of June 1, 2017, the City's Cost Neutrality balance is Zero Dollars (\$0.00). After June 1, 2017, unpaid invoices will accumulate as outlined in Exhibit D to the Original Agreement as revoked and replaced by this First Amendment. Nothing in this First Amendment shall be construed as relieving the City of its obligations under the Original Agreement to pay invoices sent by Redflex for current fees arising before June 1, 2017.

4. Notices. Section 9 of the Original Agreement is amended to change the notice address for Redflex to the following:

Redflex Traffic Systems, Inc.
Attn: Legal Department
5651 W. Talavi Blvd., Suite 200
Glendale, AZ 85306
Facsimile: (623) 207-2056
Email: legaldepartment@redflex.com

The amendment to Section 9 as outlined in this First Amendment is effective immediately, and all notices shall be served on Redflex at the address listed in this First Amendment.

5. Enforceability of Non-Amended Terms and Conditions. Except as expressly amended in this First Amendment, the terms and conditions of the Original Agreement shall remain in full force and effect. To the extent that this First Amendment conflicts with the terms and conditions of the Original Agreement, this First Amendment shall control. Any capitalized terms not defined in the First Amendment shall have the meanings ascribed to them in the Original Agreement.

[SIGNATURE PAGE TO FOLLOW]

CITY OF REDDING, CALIFORNIA

REFLEX TRAFFIC SYSTEMS, INC.

Name:
City Mayor

Michael Finn
CEO and President

ATTEST:

Name:
Position:

Attachment: Amendment (Available online) (3702 : 9.9(c))--Renew Contract with Redflex Traffic Systems

Signature Page to the First Amendment to the Exclusive Agreement Between the City of Redding, California and Redflex Traffic Systems, Inc. for Traffic Camera Safety Improvement Program