

RedFlex Contract



TO: Robert Garza, City Manager

FROM: Victoria Fredrick, Financial Services Director

DATE: February 5, 2014

SUBJECT: **Red Flex Work Session 2/10/14**

Police Department and Finance staff will provide an update of the Redflex contract, to include:

- Police Department processes
- List of projects that have been funded by revenue
- Statistical information related to revenue received

A representative of Redflex and transportation will be attending the work session and be available to answer questions.

cc: Mark Winson, ACM/CAO
Brian Denmark, ACM/COO



Safe Traffic Operations Program



Program History

- September 15, 2008 – City council passes the Safe Traffic Operations Program ordinance (27-7 LCMC) authorizing photo-enforcement of speed and red light violations.
- September 22, 2008 – the City of Las Cruces and Redflex Traffic Systems enter into agreement whereby Redflex will provide Photo-enforcement services to the City.
- March 30, 2009 – LCPD begins issuing citations for violations captured by the STOP cameras.

Program History

- Original STOP Camera Locations:
 - Main/Solano (Eastbound)
 - Main/Solano (Westbound)
 - Avenida De Mesilla/Valley (Southbound)
 - Avenida De Mesilla/Valley (Northbound)
 - Lohman/Walnut (Eastbound)
 - Lohman/Walnut (Westbound)
 - Lohman/Telshor (Eastbound)
 - Lohman/Telshor (Westbound)

Program History

- June 15, 2009 – City Council amends the STOP ordinance in response to changes in state law. (fines capped at \$100, 50% goes to state, hearing officer appointed by District Court)
- March 2010 – the New Mexico State Transportation Commission enacts new policy restricting photo-enforcement on state roads.
- May 2010 – STOP cameras at eastbound and westbound Main/Solano and the southbound camera at Avenida De Mesilla/Valley go inactive in compliance with State Transportation Commission Policy 70.

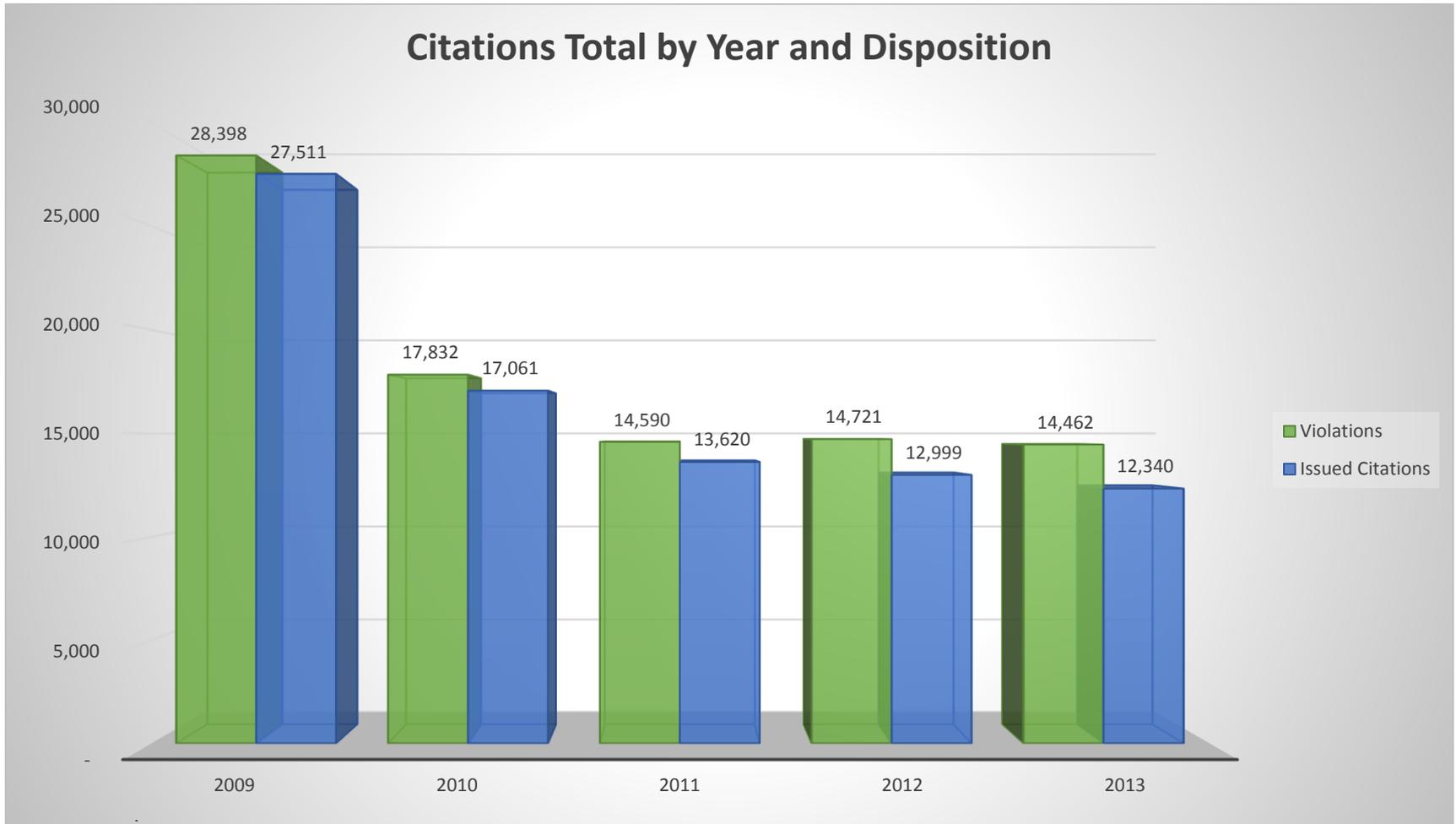
Program History

- Current STOP Camera Locations:
 - Avenida De Mesilla/Valley (Northbound)
 - Lohman/Walnut (Eastbound)
 - Lohman/Walnut (Westbound)
 - Lohman/Telshor (Eastbound)
 - Lohman/Telshor (Westbound)

Program History

- March 30, 2014 – The agreement between City of Las Cruces and Redflex Traffic Systems for photo-enforcement services will expire.
- The city may extend the agreement for an additional two (2) years.

STOP Citation Statistics



Note:

2009 = 7 camera locations
2010 = 8 camera locations
2011-2013 = 5 camera locations

Redflex Violations

- ▶ All violations are reviewed for accuracy by an LCPD Traffic Officer assigned full time to the STOP project.
- ▶ After the violation is approved by the officer Redflex then mails out a STOP citation to the registered owner of the vehicle.

Payment Provisions

- ▶ Redflex
 - Performs all collection activity
 - Compensated monthly on a variable “Per Paid Citation” fee for citations collected:
 - 1 to 90 citations = \$48.00 per paid citation
 - 91 to 180 citations = \$38.00 per paid citation
 - 181+ citations = \$28.00 per paid citation

Payment Provisions

- ▶ State
 - 50% of total amount collected per month after deduction of Redflex fees, Hearing Officer fees and Auditing fee

- ▶ Hearing Officer
 - Contractual agreement with outside certified legal council to hear appeals
 - Fee based upon each hearing at an average cost of \$70 per hearing

Financial Calculations – 5 year results

Citation count	83,531
Amount per citation	\$100
5-year citation value	\$8,353,100
Average rate of collection by Redflex	66%
Total amount provided to City	\$5,471,000

Financial Calculation – 5 year results

Amount provided to City	\$5,471,000
LESS:	
Redflex fees	(\$2,107,000)
State share	(1,394,000)
PD Administration costs	(338,000)
Hearing Officer	(198,000)
Audit fees	<u>(16,000)</u>
 Total Operating Exp	 <u>(\$4,053,000)</u>
Available for City Safety projects	<u>\$ 1,418,000</u>
 Approximate amount per year	 <u>\$ 283,600</u>

City Safety Projects

- ▶ Police Vehicles \$882,000
 - 32 cruisers

- ▶ Advanced Traffic Management System Integration \$500,000
 - fiber optic connectivity technology
 - Highway 70 corridor upgrades Del Rey to Solano
 - Lohman corridor upgrades Roadrunner to Walnut to Traffic Operations building

Redflex Aging

Current amounts outstanding as of June 30, 2013

Current (30 days)	\$	70,850
31-60 days	\$	35,450
61-90 days	\$	38,930
91-120 days	\$	41,700
120+ days	\$	2,746,850

Redflex Aging

Assuming that receivables are considered potentially uncollectible at 91+ days:

91-120 days	\$ 41,700
120+ days	\$2,746,850
Total estimated uncollectible for 5 years	\$2,788,550 34%

End of Presentation