

Ventura County Grand Jury 2016 - 2017



Final Report

Oxnard Red Light Cameras

May 25, 2017

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Oxnard Red Light Cameras

Summary

The 2016-2017 Ventura County Grand Jury (Grand Jury) received a complaint regarding the operation of the red light cameras (RLC) in the City of Oxnard (City). The Grand Jury opened an investigation to review the cost and operation of red light cameras at eight intersections in the City.

Research by the Insurance Institute for Highway Safety shows accidents are reduced at intersections with red light camera systems.

Oxnard instituted its RLC program in 1997. The current contract was signed in 2008 with Redflex Traffic Systems, Inc. (Redflex). As of December 31, 2016, the City had an accrued negative balance of over \$800,000, which is to be “reconciled” upon termination of the contract.

The Grand Jury concluded the Redflex contract was not well vetted by the City prior to signing. The contract’s effective date is missing. The Cost Neutrality clause is vague and does not make it clear if the City is required to pay any accrued balance at the end of the contract period.

The Grand Jury concluded the RLC program, as currently structured, is likely to generate a significant outstanding balance. The fact that a sizeable outstanding balance was allowed to accrue suggests the City has not employed proper oversight in regards to the RLC program. The Grand Jury recommends the City Council require an audit of the RLC program dating back to the 2008 Redflex contract. The audit should examine if adequate oversight, financial controls, and procedures were employed in the management of the program.

The Grand Jury concluded the duration of the yellow lights at four RLC intersections, as reported by the City, is not in conformance with State standards. Even small inaccuracies in yellow light durations pose a potential financial liability to the City as citations could be dismissed. The Grand Jury recommends the City Council direct a program be instituted, starting with the RLC intersections, to ensure yellow light duration at all intersections is set in accordance with State standards.

The Grand Jury recommends the City Council arrange for the installation of the required Photo Enforced sign at the intersection of southbound Victoria Avenue and Channel Islands Boulevard.

Background

The RLC system uses cameras coupled with magnetic sensors in the pavement to record a driver’s response to a red light. An infraction occurs when a vehicle crosses the stop line and enters the intersection after the light turns red. The system takes sequential digital photos and short videos which record a vehicle’s relative position in the intersection. The photos document:

- time of day

- speed of the vehicle
- location of the vehicle at the time the light changed to red
- elapsed time between the changing of the light to red and the vehicle crossing the stop line into the intersection
- driver’s face
- vehicle’s license plate

The images and data are reviewed by Redflex Traffic Systems, Inc. (Redflex) and approved by the Oxnard Police Department prior to the issuance of a citation. In California, registered owners are cited only if the driver’s image is clearly visible.

Research by the Insurance Institute for Highway Safety shows accidents are reduced at intersections with RLC systems. City officials state the purpose of the RLC system is for safety and not to generate income.

Oxnard began its RLC enforcement program in 1997. (Ref-01)

Methodology

The Grand Jury reviewed the use of RLCs and conducted interviews with City officials. The contract and financial data related to the revenue and expense of the system were reviewed. On behalf of the Grand Jury, an independent Registered Professional Traffic Engineer compared the yellow phase duration as supplied by the City to State standards. The Grand Jury checked all eight RLC intersections for proper signage.

Facts

- FA-01.** In 2008, the City entered into a five year contract with Redflex to install, operate, and maintain a new RLC system. The contract was dated the 23rd of September. The year was not indicated.
- FA-02.** The contract was subsequently extended for two, one year terms. In October, 2015, the contract was extended on a month to month basis.
- FA-03.** Per the contract, Redflex invoices the City a fixed fee of \$30,500 per month. The City pays Redflex an amount equal to the monthly RLC revenue less the City’s operating costs of \$2,562.
- FA-04.** For the 24 month period from January, 2015 through December, 2016:
 - RLC monthly revenue to the City ranged from a low of \$17,794 to a high of \$32,254, before operating costs were deducted.

- In each of the 24 months, after operating costs were deducted, the City's payment to Redflex was less than Redflex's invoice amount of \$30,500.
- The difference between the invoice amount and the payment by the City ranged from a high of \$15,268 to a low of \$808. The average monthly shortfall during the 24 month period was \$7,976.

(Att-01)

FA-05. The contract contains a "Cost Neutrality" clause which establishes the City will not pay more per month than actual receipts from RLC fines, less operating costs. If the amount of fines collected is less than the Redflex invoice amount, the difference accrues as an outstanding balance. The contract states, "Cost neutrality will be reconciled and any necessary adjustments made at the end of the contract." As of December 31, 2016, the outstanding negative balance of such accruals was \$806,460. The outstanding balance accrued from the first Redflex contract signed in 2008. (Att-02)

FA-06. The City's interpretation of the Cost Neutrality clause is that the accrued balance is to be zeroed out at the end of the contract. They contend there is no specific language detailing any type of repayment requirement. (Att-02)

FA-07. All RLC infractions submitted by Redflex are reviewed by the City before citations are issued. The typical RLC fine is \$490. After County and State administrative fees, approximately \$154 is remitted to the City. In 2016, 9,668 RLC incidents were processed. A majority were rejected. There were 4,131 citations issued. As of March 2017, approximately 23% of these citations had not been paid.

FA-08. Yellow light duration in California is established in conformance with the California Manual on Uniform Traffic Control Devices 2014 (CA MUTCD). The yellow light phase duration was modified by the CA MUTCD in August, 2015. Yellow light duration is directly related to the observed speed of traffic. The higher the speed, the longer the duration. The City allows a 0.2 second grace period after the light turns red before considering a violation has occurred. (Ref-02)

FA-09. The City maintains the yellow light duration at all eight RLC intersections is in compliance with the CA MUTCD. An independent traffic engineer determined the minimum yellow light duration, as reported by the City, at four RLC intersections is not in compliance with CA MUTCD standards. (Att-03).

FA-10. California Vehicle Code 21455.5(a) requires signage at RLC intersections: "...(1) Identifies the system by signs posted within 200 feet of an intersection where a system is operating that clearly indicate the system's presence and are visible to traffic approaching from all directions in which the automated traffic enforcement system is being utilized to issue citations...". Seven of eight RLC intersections in the City had the required

signage. The sign was missing at southbound Victoria Avenue and Channel Islands Boulevard. (Ref-03)

Conclusions

- C-01.** The Redflex contract was not well vetted by the City prior to signing. The contract’s effective date is missing. The Cost Neutrality clause is vague and does not make it clear if the City is required to pay any accrued balance at the end of the contract period. If the City does not prevail in its interpretation of the clause, the City may be exposed to a significant financial liability. (FA-01, FA-02, FA-05, FA-06, FA-07)
- C-02.** It appears the RLC program as currently structured is likely to generate a significant outstanding balance. The fact that an \$806,460 balance was allowed to accrue over nine years, despite multiple contract extensions, suggests the City has not employed proper oversight in regards to the RLC program. (FA-03, FA-04)
- C-03.** The duration of the yellow light at four RLC intersections, as reported by the City, is not in conformance with the CA MUTCD. Even small inaccuracies in yellow light durations pose a potential financial liability to the City as citations could be dismissed. (FA-06, FA-07, FA-08, FA-09)
- C-04.** The missing required Photo Enforced sign at the intersection of southbound Victoria Avenue and Channel Islands Boulevard poses a potential loss of revenue to the City. Resulting citations could be dismissed. (FA-10)

Recommendations

- R-01.** The Grand Jury recommends the City Council ensure any future RLC contracts do not obligate the city to pay vendors more than the revenue collected by the City, less operating expenses. (C-01)
- R-02.** The Grand Jury recommends the City Council require an audit of the RLC program, dating back to the 2008 Redflex contract. The audit should examine if adequate oversight, financial controls, and procedures were employed in the management of the program. (C-02)
- R-03.** The Grand Jury recommends the City Council direct a program be instituted, starting with the RLC intersections, to ensure yellow light duration at all intersections is set in accordance with the CA MUTCD. (C-03)
- R-04.** The Grand Jury recommends the City Council arrange for the installation of the required Photo Enforced sign at the intersection of southbound Victoria Avenue and Channel Islands Boulevard. (C-04)

Responses

Responses Required From:

City Council, City of Oxnard (C-01, C-02, C-03, C-04, R-01, R-02, R-03, R-04)

References

- Ref-01.** IIHS-HLDI Red Light Camera Forum, “Red light running new research”, July 28, 2016, <http://www.iihs.org/iihs/topics/presentations> (accessed May 4, 2017).
- Ref-02.** CA.GOV, Caltrans, “CA MUTCD 2014 Archive”, <http://www.dot.ca.gov/trafficops/camutcd/camutcd2014.html> (accessed May 4, 2017).
- Ref-03.** California Legislative Information, California Vehicle Code 21455.5(a), https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=VEH§ionNum=21455.5 (accessed May 4, 2017).

Attachments

- Att-01.** Oxnard Police Department Payments to Redflex
- Att-02.** Cost Neutrality Clause of Redflex Contract
- Att-03.** Oxnard RLC Intersection Yellow Phase Duration

Glossary

<u>TERM</u>	<u>DEFINITION</u>
CA MUTCD	California Manual on Uniform Traffic Control Devices
City	City of Oxnard
Grand Jury	2016-2017 Ventura County Grand Jury
Police Department	Oxnard Police Department
Redflex	Redflex Traffic Systems, Inc.
RLC	Red Light Camera

Attachment 01

Oxnard Police Department Payments to Redflex

**Oxnard Police Dept.
Payments to Redflex**

Month/Year	Revenue	Operating Costs	Payment to Redflex	Cumulative Balance	Invoice Amount
Jan-15	20,781.95	2,561.80	18,220.15	627,308.25	30,500.00
Feb-15	23,255.76	2,561.80	20,693.96	637,114.29	30,500.00
Mar-15	28,321.98	2,561.80	25,760.18	641,854.11	30,500.00
Apr-15	22,257.79	2,561.80	19,695.99	652,658.12	30,500.00
May-15	18,809.59	2,561.80	16,247.79	666,910.33	30,500.00
Jun-15	19,341.04	2,561.80	16,779.24	680,631.09	30,500.00
Jul-15	23,018.29	2,561.80	20,456.49	690,674.60	30,500.00
Aug-15	22,789.17	2,561.80	20,227.37	700,947.23	30,500.00
Sep-15	30,210.69	2,561.80	27,648.89	703,798.34	30,500.00
Oct-15	23,034.57	2,561.80	20,472.77	713,825.57	30,500.00
Nov-15	22,107.08	2,561.80	19,545.28	724,780.29	30,500.00
Dec-15	27,410.72	2,561.80	24,848.92	730,431.37	30,500.00
Jan-16	28,125.28	2,561.80	25,563.48	735,367.89	30,500.00
Feb-16	31,332.91	2,561.80	28,771.11	737,096.78	30,500.00
Mar-16	32,012.99	2,561.80	29,451.19	738,145.59	30,500.00
Apr-16	32,253.60	2,561.80	29,691.80	738,953.79	30,500.00
May-16	28,726.80	2,561.80	26,165.00	743,288.79	30,500.00
Jun-16	29,008.54	2,561.80	26,446.74	747,342.05	30,500.00
Jul-16	29,176.02	2,561.80	26,614.22	751,227.83	30,500.00
Aug-16	27,721.59	2,561.80	25,159.79	756,568.04	30,500.00
Sep-16	26,594.56	2,561.80	24,032.76	763,035.28	30,500.00
Oct-16	18,121.13	2,561.80	15,559.33	777,975.95	30,500.00
Nov-16	17,793.69	2,561.80	15,231.89	793,244.06	30,500.00
Dec-16	19,845.56	2,561.80	17,283.76	806,460.30	30,500.00

Totals \$602,051.30 \$61,483.20 \$540,568.10 \$732,000.00

Attachment 02

Cost Neutrality Clause of Redflex Contract

(From Redflex contract page 26)

EXHIBIT "D"

Cost Neutrality

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

The Customer agrees to pay Redflex within thirty (30) days after the invoice is received. Customer shall be obligated to pay the cumulative balance invoiced by Redflex, in accordance with terms set forth above, to the extent of **gross cash received by the Customer from automated red light violations, less Operating Cost as outlined above. In the event that a balance remains unpaid due to a deficit in gross cash received by the Customer compared to invoiced amounts, Customer will provide to Redflex with each monthly payment, an accounting of such gross receipts supporting the amount withheld.**

1. Payment will only be made by Customer up to the amount of cash received by Customer through the collection of red light and/or Railway Crossing citation up to the amount currently due.
2. Customer to open special revenue account and payments to Redflex will come only from the available balance in that account up to the amount currently due, including any unpaid prior invoiced amounts.
3. Cost neutrality will be reconciled and any necessary adjustments made at the end of the contract.
4. Cost neutrality is guaranteed except as follows:
 - If police fail to approve violations by the due date
 - If systems are de-activated due to Customer requirement
 - If collections are not reasonably pursued
 - If extreme circumstances beyond the control of Redflex cause the shortage

Attachment 03

Oxnard RLC Intersection Yellow Phase Duration

Oxnard RLC Intersection Yellow Phase Duration

Yellow Phase Duration (seconds) for Straight Through and Right Turns				
Direction/ Posted Speed Limit	Direction/ 85th Percentile Speed	Intersection	Provided by the City of Oxnard	State Standard*
NB & SB 45 - 40	SB 39 NB 51	ROSE AVENUE @ GONZALES ROAD	4.6	SB 3.9 NB 5.0
NB & SB 40 - 40	NB 42 SB 42	SAVIERS ROAD @ CHANNEL ISLANDS BLVD	4.1	4.3
NB & SB 50 - 50	NB 48 SB 48	VICTORIA AVENUE @ CHANNEL ISLANDS BLVD	4.8	4.7
WB 45	WB 42	GONZALES ROAD @ SNOW AVENUE	4.6	4.3
WB & EB 35 -35	WB 43.1 EB 43.1	FIFTH STREET @ VENTURA ROAD	4.2	4.3
NB 40	NB 43	ROSE AVENUE @ FIRST STREET	4.4	4.3
NB 50	NB 53	VICTORIA AVENUE @ WOOLEY ROAD	4.8	5.0
WB & EB 45 -45	WB 44 EB 44	GONZALES ROAD @ VENTURA ROAD	4.6	4.3

*State standard as verified by independent Registered Professional Traffic Engineer

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