

# CITY OF REDDING



## OFFICE OF THE CITY CLERK

777 Cypress Avenue, Redding, CA 96001

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

530.225.4055 FAX 530.225.4463

Connie Strohmayer, City Clerk

Pamela Mize, Assistant City Clerk

May 20, 2009

Redflex Traffic Systems Inc.  
Attn: Karen Turner  
23751 N. 23<sup>rd</sup> Ave. Suite 150  
Phoenix, AZ 85085-1854

**SUBJECT:** First Amendment to Agreement for Photo Red Light Enforcement Program, C-4649

Dear Ms. Turner:

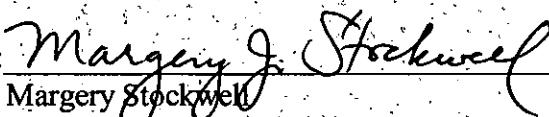
Enclosed is a fully executed original of the above subject Amendment to Agreement by and between the City of Redding and Redflex Traffic Systems regarding the Photo Red Light Enforcement Program.

The agreement was approved by the Redding City Council at its regular meeting of April 21, 2009.

If you have any questions regarding this matter, or if we can be of assistance, please contact the Office of the City Clerk at (530) 225-4439.

Sincerely,

CONNIE STROHMAYER  
City Clerk

By:   
Margery Stockwell  
Executive Assistant I

Enclosure



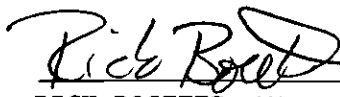


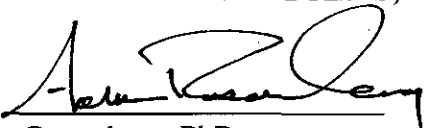
All other provisions of the Agreement shall remain in effect.

IN THE WITNESS WHEREOF, the parties hereto have executed the Amendment as of the first date first set forth above.

CITY OF REDDING

REDFLEX TRAFFIC SYSTEMS, INC.,

By:   
RICK BOSETTI, MAYOR

By:   
Aaron Rosenberg, PhD  
Executive Vice President  
Redflex Traffic Systems Inc

ATTEST:

  
CONNIE STROHMAYER, City Clerk


Form Approved  
  
Barry E. DeWalt  
Assistant City Attorney

EXHIBIT "D"  
COMPENSATION & PRICING

Commencing on executed date of this First Amendment, and on the expiration of the Warning Period for each Designated Intersection Approach, Customer shall be obligated to pay Redflex a fixed fee of \$5,500 for one to two lanes, and \$6,000 for three or four lanes as full remuneration for performing all of the services contemplated in the Agreement.

**Cost Neutrality**

Cost neutrality is assured to Customer. Cost neutrality is assured to Customer using this methodology as Customer will never pay Redflex more than actual cash received.

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

1. 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 the date of termination will be applied to such balance and paid to Redflex.
2. Payment will only be made by Customer up to the amount of cash received by Customer from the County through collection of red light citation up to the amount currently due.
3. 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.
4. Intersection approaches can be relocated to a new site at the customers request and expense.

**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 \$500 per Operational Approach per month. In order to ensure cost neutrality to the Customer, Customer will 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 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 full invoiced amount and balance remaining.

Example:

Month 1

Gross Revenue to City for month	\$40,000
Withheld Operating Cost (7 x \$500)	\$3,500
Balance	\$36,500
Redflex Invoice for month 1	\$42,000
Payment to Redflex	\$36,500

Check to Redflex for \$36,500 with accounting as above. Remaining balance of \$5,500 carried forward under Cost Neutrality provisions.

Month 2

Gross Revenue to City for month	\$56,000
Withheld Operating Cost (7 x \$500)	\$3,500
Balance	\$52,500
Redflex Invoice month 2	\$42,000
Balance unpaid month 1	\$5,500
Total Outstanding	\$47,500
Payment to Redflex	\$47,500

Check to Redflex for \$47,500 with accounting as above. No Remaining balance to carry forward this month under Cost Neutrality provisions and City retains balance of \$5,000.

**BUSINESS ASSUMPTIONS FOR ALL PRICING OPTIONS:**

1. Redflex construction will be able to utilize existing conduit for installation where space is available.
2. Each year 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.

“Customer”

CITY OF REDDING

By: *Rick Bozetti*  
Name: RICK BOSETTI  
Title: Mayor

“Redflex”

REDFLEX TRAFFIC SYSTEMS, INC.,

By: *Aaron Rosenberg*  
Name: Aaron Rosenberg  
Title: Executive Vice President  
Redflex Traffic Systems Inc

**ATTEST:**

*Connie Strohmayer*  
CONNIE STROHMAYER, City Clerk

Form Approved  
*Barry E. DeWalt*  
Barry E. DeWalt  
Assistant City Attorney