

Memorandum



Date: January 20, 2011

To: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

Subject: Fiscal Impact for Ordinance Implementing the Mark Wandall Safety Traffic Act

Supplement to
Agenda Item No. 7(A)

The Mark Wandall Traffic Safety Act, better known as the Red Light Running Camera Program (RLRC), was passed and later signed by former Governor Charlie Crist on May 18th, 2010 and became effective on July 1, 2010. The RLRC program creates statewide standards for cities and counties, through ordinances, to install and operate video cameras as traffic enforcement devices. The cameras will give traffic enforcement officers an additional tool to combat red light running drivers in Florida. State Statute 316.0083 provides for a \$158 fine, which breaks down as follows:

- \$75 – Retained by the City or County where the violation took place
- \$70 – Remitted to the Department of Revenue (DOR)
- \$10 – Remitted to DOR for deposit into the Department of Health Administrative Trust Fund
- \$ 3 – Remitted to DOR for deposit into the Brain and Spinal Cord Injury Trust Fund

The implementation of a red-light camera program in the Unincorporated Municipal Service Area (UMSA) will have a fiscal impact on Miami-Dade County, the basis of which contains a great number of assumptions that will remain as such until a Request for Proposals (RFP) has been completed, a contract is negotiated with a vendor(s), and the program is actually implemented. These factors include, but are not limited to, the number of intersections that will be implemented over a specified time period, the number of valid violations, the number of violations paid and violations challenged in court, the terms of the contract with the selected vendor(s), and potential administrative costs.

Because this program is designed to provide an additional tool for traffic enforcement and not a program to generate revenue, and based on the experience of other jurisdictions, the projected number of violations below is merely an estimate and resulting revenue is expected to decrease over time as drivers become more aware of the program. As you review the revenue estimate below, please keep in mind that the proposed ordinance prohibits the use of traffic infraction detectors to enforce right turns on red (red light signal violations when a driver is making a right turn where such turns are permissible). This exclusion results in a decrease in revenue generated for UMSA when compared to the revenue reports you may have heard in the media for municipalities where such programs already exist.

Cost Analysis:

Based on assumptions provided from multiple sources, including major red light camera vendors and other jurisdictions, Miami-Dade County would implement cameras at 200 approaches. It is estimated that 113 violations would be recorded per month at each approach for MDPD to review, and 100 violations per month/per approach would be issued. It is further assumed that 75 percent of violations would be paid; thus, annual gross revenue is estimated to be \$13.5 million. Assuming the County leases the 200 systems at a cost of \$4,000 per month per camera system, the annual leasing cost is estimated to be \$9.6 million per year. Including additional vendor fees associated with data storage, the total vendor cost is estimated to be \$9.9 million. Processing costs to review the 271,000 (113 x 12 x

200) annual violations is estimated to be \$4.79 per violation or \$1.3 million. Therefore, there would be a net positive fiscal impact of \$2.3 million. If paid violations exceed the levels assumed, the net revenue to the County will be greater. If paid violations fall short of the levels assumed, the County could see a decrease of the forecasted revenue.

However, the above analysis considers only tickets issued for red light running infractions, and does not take into account other administrative and operational costs (which are provided below) or the reduction in the number of violations issued as compliance increases over time. These numbers are also annual estimates that do not reflect the first year of implementation as the 200 cameras are phased in over a period of time.

Other jurisdictions have utilized significantly higher revenue estimates for purposes of budgeting for the current and future fiscal years. These jurisdictions use different thresholds for issuing violations, such as issuing violations for right-turn-on-red based on different mitigating circumstances or for making improper left hand turns. With so many variations of the program that currently exist, this is one reason that it would be difficult to implement a uniform Countywide program that all participating cities would voluntarily enter into and agree upon. Clearly, jurisdictions that enforce more than red light running straight through intersections will issue more violations and see higher revenue.

Another issue to be aware of is that some of the additional costs associated with the program would have to be absorbed by the Countywide general fund (Court, Clerk and a portion of the Police Department's Finance Unit's costs), while any revenue received would accrue to the UMSA general fund.

Additional Expenses:

Other County departments impacted by this proposed ordinance include the Eleventh Judicial Circuit (Courts), the Clerk of Courts, Finance, and Public Works. The impact for each department is as follows:

- **Courts:** The Administrative Office of the Courts (AOC) is concerned that depending upon the number of people who challenge the citation, they may need up to two courtrooms, two hearing officers, support personnel, and security services. The Richard E. Gerstein Justice Building, where current cases are being heard, has no additional courtroom space available to handle the increase in workload. Current implementation by municipalities may have an impact as well. The AOC has provided three scenarios which may accommodate the increase in caseload as more and more municipalities bring traffic cameras online (see attachment).
- **Clerk of Courts:** Based on the attached information provided by the AOC, the Clerk of Courts has determined that under Scenario 1 (building out of other courthouses), the costs per hearing officer would be \$171,800 per year; Scenario 2 (night court) would be too cost prohibitive and therefore is not recommended; and, under Scenario 3 (each municipality handling their own cases), the costs per hearing officer would be \$89,200 per year. A total average cost to the Clerk of Courts is estimated to be up to \$140,000 per year.
- **Finance:** If the vendor chosen for the program provides billing, collection, and processing services (as is typically included in such contracts), the department estimates it will need three additional positions. The total annual cost for the additional positions, including supplies, space, furniture, etc. could be up to \$250,000.
- **Public Works Department (PWD):** The department expects no net fiscal impact. PWD will charge approximately \$1,000 per permit, and one permit will be required for each approach implemented. This fee is expected to cover costs to the department.

Conclusion:

There are a number of factors that will determine the final fiscal impact to the County. As contract specifics become finalized and agreed upon, and as the program begins to be implemented, the final impact to the County will then be realized and will vary over time as driver behavior is modified. From the cost analysis above, total revenues is estimated to be \$13.5 million and total expenses could be up to \$11.6 million, resulting in a net positive fiscal impact of approximately \$2 million.

If right turn on red infractions were permissible, Miami-Dade County would implement cameras at 250 approaches, with revenue estimated at \$33.8 million per year. Total vendor costs are estimated to be \$12.3 million, which includes the leasing costs and additional vendor fees. Processing costs for police to review the violations (675,000 annual violations) is estimated to be \$4.25 per violation or a total annual cost of \$2.9 million. Therefore the net positive impact under this scenario, not considering costs associated with the Court System, is estimated to be \$18.2 million. Expenses for the Finance department may increase dependent on the number of unpaid or challenged right turn on red violations.

Expenses for the Courts and Clerk of Courts remain unknown due to the uncertainty of other jurisdictions implementing the program for the first time and jurisdictions that currently operate a program increasing the number of approaches. Finally, revenues and expenditures will fluctuate for the first year as the installation of cameras is phased in over time.

Attachment

Fis0211 (c)



ELEVENTH JUDICIAL CIRCUIT OF FLORIDA
ADMINISTRATIVE OFFICE OF THE COURTS

JOEL H. BROWN

CHIEF JUDGE

SANDRA M. LONERGAN

TRIAL COURT ADMINISTRATOR

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January 6, 2011

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Miami Dade County
111 NW 1st Street, 22nd Floor
Miami, Florida 33128

RE: Mark Wandall Red Light Camera Law - Impact on 11th Circuit of Florida.

Dear Mr. Wilson,

As requested, we have been asked to provide a cost estimate for red light camera cases. At present, eleven (11) municipalities have instituted red light cameras since the Mark Wandall Red Light Camera Law passed. The current number of cameras in these municipalities is unknown at this time. At yesterday's meeting, we learned Miami-Dade County will place 200 cameras on county roads. We also learned the City of Miami will be installing 81 cameras by February of this year.

We do know that from October 15, 2010, through December 31, 2010, the court received 10,400 citations. The court has managed this caseload by scheduling 35 cases an hour before a hearing officer three times a week. We have scheduled these cases through January 24, 2011.

In order for the court to handle the workload generated by the 200 cameras Miami-Dade County intends to install, we estimate we will need two additional hearing officers, two courtrooms, support personnel and security. We bring to your attention, the Richard E. Gerstein Justice Building, where current cases are heard, has no additional courtroom space available to handle this increasing caseload. Another big concern is that municipalities already participating in the red light program are adding more cameras which will increase volume and the remaining municipalities will begin participating in the program which would likely triple the amount of active cameras increasing our caseload proportionately. Please note, the increase in caseload will mean more hearing officers, courtrooms, etc. to provide timely case disposition.

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As we do not have any extra courtrooms, we envision three scenarios which may accommodate the increase in caseload as more municipalities bring traffic cameras online.

Scenario 1

A one-time cost for building out shell courtrooms in the Caleb Center, Hialeah and South Dade courthouses would seem feasible with costs for security and interpreters absorbed within the current cost structure.

Scenario 2

The establishment of night court which was implemented in the past, but terminated because it was too costly. We have re-evaluated its feasibility over the years, but found it cost prohibitive.

Scenario 3

Each municipality would manage their own caseload at city hall. We would only have costs for hearing officers, interpreters, and two clerks per hearing officer. The municipality would provide office space, security, computer equipment, and a place where payments can be made by defendants.

We understood from the meeting that there is a significant drop off in violations after the first year. As citations go down, we can adjust our need for resources.

As you can see, the implementation of the new law significantly impacts the court's resources. We hope we have addressed your request and we look forward to working with you on this endeavor. If additional information is needed after you submit Friday's final report, please let us know.

Sincerely,



Sandra M. Lonergan
Trial Court Administrator

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