

City Policy for the Neighbourhood Renewal Program

A policy to ensure the long term sustainability of the Neighbourhood Renewal Program

Recommendation:

That Executive Committee recommend to City Council:

That Policy C595, as set out in Attachment 1 of the May 23, 2017, Integrated Infrastructure Services report CR_4223, be approved.

Report Summary

This report recommends the establishment of a policy to guide the management of the Neighbourhood Renewal Program, including guidelines for the use of the Neighbourhood Renewal Reserve, and how the policy can be amended, exempted, or revoked by City Council.

Previous Council/Committee Action

At the November 1, 2016, Executive Committee meeting, the following motion was passed:

That Administration prepare a draft City Policy related to the Neighbourhood Renewal Program, including the requirement for a Non-Statutory Public Hearing, as outlined in the November 1, 2016, Financial and Corporate Services report CR_3633.

Report

Background

In 2009, City Council approved a Neighbourhood Renewal Tax Levy and the Neighbourhood Renewal Reserve to create a dedicated funding source to be directed towards investing in the renewal of infrastructure in neighbourhoods. The reserve account was to facilitate the transfer of funds between offsetting years to effectively program the work and manage the use of earmarked funds within the Neighbourhood Renewal Program. At the time the reserve was created, no corresponding City Policy relevant to its administration was created.

In the April 15, 2016, Office of the City Auditor report CR_3562 ("Neighbourhood Renewal Program Audit") it was noted that while funding for the Neighbourhood

Renewal Program was sufficient at this time, the dedicated tax levy, as a source of capital funding, was not necessarily secure. The audit report noted that although the dedicated levy was currently being raised for the specific purpose of neighbourhood renewal, the annual amount from the tax levy had no formal administrative or City Policy restrictions on its use. Present and future Councils have the ability to reallocate the dedicated levy funding where they deem necessary.

A City Policy would allow Council to create some specific parameters about the intent of the program and how to direct the funding.

Proposed Policy

Recognizing that governance and appropriate oversight of the Neighbourhood Renewal Program is necessary to sustain the longevity and intent of the program, Administration has prepared a proposed draft City Policy (Attachment 1) to address high level performance targets, program scope, use of the Neighbourhood Renewal Reserve and guidelines for the preservation of dedicated funding. The City Policy also addresses elements of the Alley Renewal Program as City Council, in accordance with its motion, approved at the November 8, 2016, City Council meeting. This Council motion approved utilizing dedicated tax levy as the source of revenue to fund the Alley Renewal Program which has therefore been incorporated into this proposed City Policy.

Pursuant to this direction from City Council, the proposed City Policy stipulates the requirement for a non-statutory public hearing in the event Council considers amending, exempting, or revoking the City Policy. A non-statutory public hearing would accomplish two things: firstly, allowing for formal public engagement directly with Council related to the Neighbourhood Renewal Program; and secondly to afford separation of funding process between the Neighbourhood Renewal Program and the general operating and capital budget discussions.

The proposed City Policy requires approval by City Council and would be supported by an administrative procedure to be developed at a future date.

Policy

Attachment 1 contains the proposed draft City Policy, Neighbourhood Renewal Program.

Corporate Outcomes

This report supports the corporate goal of securing Edmonton's financial sustainability by helping ensure the City has well managed and sustainable assets and services, a resilient financial position and ongoing balanced revenue streams.

Risk Assessment

Risk Element	Risk Description	Likelihood	Impact	Risk Score	Current Mitigations	Potential Future Mitigations
Political Influences	Short term, or opportunistic decisions could erode the program	3 - Possible	4 - Severe	12 - Medium	None	Bylaw/Policy to guide future decisions on the program
Corporate Governance	Over time, purpose and intention of the program could be eroded	4 - Likely	3 - Major	12 - Medium	Current Council/Committee motions provide precedent	Approved City Policy to ensure key concepts are clearly defined.
Financial - sustainability	Funding for the program will not be sustainable	3 - Possible	3 - Major	9 - Medium	Dedicated tax levy	The creation of rules and procedures around the use and sustainability of the dedicated levy

Budget/Financial Implications

No changes to the expenditure or funding of the Neighbourhood Renewal or Alley Renewal Programs are being proposed with this draft City Policy.

Metrics, Targets and Outcomes

Metrics	Targets	Outcomes
Condition index for Local and Collector sidewalks, Local (residential and industrial) roads	>= 3.5, 2038	Roads (Local) - 3, 2014 Sidewalks (Local and Collector) - 3.5, 2013

Condition index for Collectors Roads -	≥ 3 , 2038	Roads (Collectors) - 2.9, 2014
Condition index for neighbourhood network, Road Renewal Need Backlog	$\leq 20\%$, 2038	30% as of end of 2014
Condition index for alley renewal	≥ 2.5 , 2038	1.6, 2014

Justification of Recommendation:

The Neighbourhood Renewal Program Policy will provide transparency on the portion of the program funded by Neighbourhood Renewal Tax Levy revenues and how those revenues can be managed to ensure the long term sustainability of the Neighbourhood Renewal Program.

Attachments

1. City Policy C595 - Neighbourhood Renewal Program

Others Reviewing this Report

- T. Burge, Chief Financial Officer and Deputy City Manager, Financial and Corporate Services
- R. G. Klassen, Deputy City Manager, Sustainable Development
- R. Smyth, Deputy City Manager, Citizen Services
- C. Campbell, Deputy City Manager, Communications and Engagement
- D. Jones, Deputy City Manager, City Operations