

BYLAW 20389

To authorize the City of Edmonton to impose a special tax for the repair and maintenance of the Alley Lighting

RECOMMENDATION

1. That the 2023 operating expenditure and revenue budget within Parks and Road Services, City Operations, specific to the cost to repair and maintain existing alley lights (expenditure) and the special tax revenue (revenue), both be adjusted to \$1,173,295, as outlined in the March 14, 2023, Financial and Corporate Services report FCS01645.
2. That Bylaw 20389 be given the appropriate readings.

Purpose

To impose a special tax for the repair and maintenance of existing alley lighting.

Readings

After the budget adjustment is approved, then Bylaw 20389 is ready for three readings.

A majority vote of City Council on all three readings is required for passage.

If Council wishes to give three readings during a single meeting, then prior to moving third reading, Council must unanimously agree “That Bylaw 20389 be considered for third reading.”

Position of Administration

Administration supports this Bylaw

Report Summary

This budget adjustment and Bylaw provides for funding to cover the repair and maintenance of existing alley lighting, consistent with City process.

REPORT

The costs to construct alley lighting are paid in whole or in part by benefitting property owners through a local improvement tax. Benefitting property owners are also subject to a special tax to

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cover the costs for the repair, maintenance and energy consumption of the alley lights. The special tax rate is recalculated annually by the Parks and Roads Services branch to fairly reflect the cost to repair, maintain and power alley lights across the City.

The 2023 special tax rate is \$1.37 per assessable metre for Alley Lighting, a decrease of 38 per cent compared to the cost of \$2.21 per assessable metre in 2022. The 2023 rate is based on historical cost analysis and past averages of maintenance and energy expenditures to estimate costs required to power and maintain alley lighting. The decrease in the 2023 rate is the result of these additional factors:

- Number of LED lights in alleys across the City increased in 2022 to more than 70 per cent compared to 60 per cent at the beginning of the year. These LED alley lights require less maintenance and energy compared to the old units;
- Reduction in EPCOR costs is based on past average costs incurred. EPCOR indicated that effective January 1, 2023, support costs for working near their overhead power lines, which the City has been paying, have become part of the distribution rate base as approved by the Alberta Utilities Commission.

In accordance to Section 385 of the *Municipal Government Act*, the special tax collected for repair and maintenance of alley lighting must match the estimated cost of the specific service included in the budget for 2023. As a result, a budget adjustment is also required to reflect the estimated cost in 2023 for the repair, maintenance and energy consumption of the alley lights. The estimated cost of the repair and maintenance of Alley Lighting for the 2023 taxation year is \$1,173,295. This adjustment will not impact the general tax-levy for 2023 previously approved by City Council during budget deliberations, as it is specific to alley lighting and only those benefiting property owners. The expenditures are fully offset by revenue generated through this special tax.

The Bylaw needs to be approved at the March 14, 2023 Council meeting in order for the rate to be added to the 2023 property tax accounts of homeowners benefiting from alley lighting, which are typically mailed out in late May of every year.

In accordance with section 386(2) of the *Municipal Government Act*, which speaks specifically to special taxes, if there is any excess revenue, the municipality must advertise the use to which it proposes to put the excess revenue. In 2022 there was an overcollection of approximately \$356,000 in special tax for alley lighting maintenance which was collected specifically to fund 2022 estimated alley lighting maintenance cost. Administration will bring a separate report outlining the proposed use of the excess 2022 revenue as it needs to be advertised and wait a 60-day petition period in accordance with legislative requirements.

COMMUNITY INSIGHTS

Alley lighting maintenance costs are assessed annually to property owners along the alley. The change in rate is communicated to the affected property owners with the receipt of their annual tax assessments.

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ATTACHMENT

1. Bylaw 20389

OTHERS REVIEWING THIS REPORT

- M. Plouffe, City Solicitor