

BYLAW 21397

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

Recommendation

1. That the 2026 operating expenditure budget within Parks and Road Services, City Operations, specific to the cost to repair and maintain existing alley lights be adjusted to \$692,235 as outlined in the March 17, 2026, Financial and Corporate Services report FCS03304.
2. That the 2026 revenue budget within Parks and Road Services, City Operations, specific to the special tax revenue be adjusted to \$347,965 as outlined in the March 17, 2026, Financial and Corporate Services report FCS03304.
3. That Bylaw 21397 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 21397 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 21397 be considered for third reading.”

REPORT

2024 Excess Alley Lighting Maintenance Special Tax applied to 2026 Rates (for approval)

The costs to construct alley lighting are paid in whole or in part by benefitting property owners through a local improvement tax. These property owners are also subject to a special tax to cover the ongoing 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 accurately reflect the overall costs of repairing, maintaining, and powering alley lights across the City.

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The 2026 special tax rate for alley lighting is \$0.41 per assessable metre, a decrease of 53 per cent compared to the 2025 rate of \$0.87 per assessable metre. This 2026 rate is based on historical cost analysis and past averages of maintenance and energy expenditures. The decrease in the rate is primarily due to the application of \$344,270 in excess revenue collected as part of the 2024 Alley Lighting Maintenance Special Tax. City Council approved the application of this excess revenue to the 2026 Alley Lighting Maintenance Rates on September 16, 2025, through Financial and Corporate Services report FCS03052. In accordance with section 386 of the *Municipal Government Act* (MGA), special tax revenue must be applied to the specific purpose stated in the special tax bylaw. A municipality must advertise the proposed use of any excess special tax revenue raised. The proposal to apply this excess revenue to the 2026 Alley Lighting Maintenance Rates was advertised in the Edmonton Journal on Saturday, April 26, 2025, and Saturday, May 3, 2025. Following the advertisement, the municipality must allow for a 60-day petition period. No sufficient petition was received in accordance with section 223 of the MGA by July 2, 2025 (the end of the 60-day petition period). The advertisement identified that this matter would proceed to the August 13, 2025, Executive Committee meeting if property owners wished to speak about the resolution, and then to the September 16, 2025, City Council meeting for approval.

In accordance with Section 385 of the MGA, the special tax collected for the repair and maintenance of alley lighting must match the estimated cost of the specific service included in the 2026 budget. Consequently, a budget adjustment is required to reflect the estimated 2026 cost for the repair, maintenance, and energy consumption of the alley lights. The estimated cost for the 2026 taxation year is \$692,235. However, with the application of \$344,270 in excess revenue from 2024 (previously appropriated by Council in the Financial Stabilization Reserve), the required taxation revenues are reduced to \$347,965. This adjustment will not impact the general tax-levy for 2026 previously approved by City Council, as it is specific to alley lighting and only affects the benefitting property owners. The expenditures are fully offset by the revenue generated through this special tax and use of excess 2024 revenues appropriated within the Financial Stabilization Reserve.

Bylaw 21397 needs to be approved at the March 17, 2026, City Council meeting for the new rate to be added to the 2026 property tax account notices for homeowners benefiting from alley lighting, which are typically mailed out in late May of every year.

2025 Excess Alley Lighting Maintenance Special Tax to be applied to 2027 Rates (for information)

The following section related to 2025 excess alley lighting maintenance special tax is being provided for information purposes only and does not require a decision from Council at this time, and does not impact the bylaw under consideration in this report.

As mentioned above in accordance with section 386 of the MGA, the municipality must advertise the proposed use of any excess special tax revenue. In 2025, an overcollection of approximately \$137,734 occurred in the special tax for alley lighting maintenance, an amount originally collected to fund the estimated 2025 maintenance costs. This amount has been appropriated within the Financial Stabilization Reserve, as detailed in the December 31, 2025, Financial and Corporate

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Services report FCS03314 - Operating Financial Update (presented to City Council on March 17, 2025). Administration will present a separate report later this year to propose the use of the excess 2025 revenue to offset the 2027 special tax for alley lighting maintenance, which must be advertised and followed by a 60-day petition period, as required by legislation. Once the advertising period passes and if the petition period concludes without a sufficient petition, the 2025 excess revenues can be applied to the 2027 special tax for alley lighting maintenance in the first quarter of 2027.

Due to the timelines associated with the advertising and petition periods, the excess revenue from 2025 could not be applied to the 2026 rates but will be used to offset the 2027 special tax for alley lighting maintenance.

Community Insight

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.

Attachment

1. Bylaw 21397

Others Reviewing the Report

- M. Gunther, Acting City Solicitor