

Traffic Safety Automated Enforcement Reserve Update

Recommendation

That the February 26, 2020, City Operations report CR_7853, be received for information.

Executive Summary

This report provides an update on the Traffic Safety Automated Enforcement Reserve (TSAER) and outlines an opportunity to adjust the 2020 operating funding from TSAER to partially address the impact of the Provincial Budget reductions to the municipal share of fine revenue. Reducing the 2020 funding from TSAER for Traffic Safety by \$1 million increases available funds to implement speed limit reductions. This adjusted budget approach allows Administration to complete Council's previously approved and prioritized work while the Safe Mobility Strategy 2021-2025 is developed throughout 2020.

Report

Background

At the June 4, 2019, City Council meeting, Council approved funding for the 2019-2022 Operating Budget and Capital profiles funded from the Traffic Safety Automated Enforcement Reserve (TSAER). In October 2019, the Government of Alberta announced changes to the municipal share of fines revenue within their 2019-2023 Fiscal Plan. Commencing April 1, 2020, the municipal share of fine revenue will be reduced from 73.3 percent to 60 percent. This will decrease the City's automated enforcement revenues by approximately 18 percent and reduce TSAER by approximately \$7 million in 2020 and \$9 million on an ongoing basis, starting in 2021.

Current State

Per Attachment 1, at the beginning of 2020, TSAER will have \$10.9 million in available funds (reserve balance of \$16.9 million less the minimum reserve balance \$2.5 million and anticipated 2019 carry forward requests of \$3.5 million). Reducing the funding from TSAER for the Traffic Safety Operating Budget by \$1 million on an ongoing basis, starting in 2020, will result in a projected available reserve balance of \$2.5 million by the end of 2022. This will leave sufficient funds available to implement either approach

to speed limit reductions as outlined in City Operations report CR_7769, Reducing Speed Limits: Increasing Safety and Livability in Edmonton (see Attachment 1).

Throughout 2020, Administration will continue the regulated safety upgrades at railway crossings, crosswalk safety and school safety upgrades as previously approved and outlined in Attachment 2. At the same time, Administration will develop the Safe Mobility Strategy 2021-2025, which will outline a collaborative and integrated set of actions, tactics and resources necessary to achieve Vision Zero through safe and livable streets.

Next Steps, 2021 - 2022

The current funding strategy from the TSAER is not sustainable past 2022 due to the reduction in the municipal share of fine revenue. Therefore, in Q4 2020, Administration will present the draft Safe Mobility Strategy 2021-2025 and will bring forward a plan that includes revised revenue projections and outlines how to achieve a sustainable reserve while funding Operating and Capital Budgets. In alignment with the Safe Mobility Strategy, Administration will review the Traffic Safety and Automated Enforcement Reserve Policy (C579B) and, if required, bring updates to City Council.

In addition, Administration will bring necessary budget adjustments forward for Council consideration in the upcoming spring Supplemental Operating Budget Adjustment and/or Supplemental Capital Budget Adjustment processes to reduce the Traffic Safety Operating Budget by \$1 million. Administration will also provide an update on the implementation of the approved approach to speed limit reduction.

Corporate Outcomes and Performance Management

Corporate Outcome(s): The City of Edmonton has a resilient financial position			
Outcome(s)	Measure(s)	Result(s)	Target(s)
The City of Edmonton has a resilient financial position	Net Reserve Balance	\$13.4M - 2019 Closing balance	2020 - \$11.8M 2021 - \$7.6M 2022 - \$4.4M

Attachments

1. Draft December 2019 Year End TSAER Schedule
2. 2020 Previously Approved Traffic Safety and Automated Enforcement Reserve Capital Profiles

Others Reviewing this Report

- M. Persson, Chief Financial Officer and Deputy City Manager, Financial and Corporate Services
- C. Owen, Deputy City Manager, Communications and Engagement
- J. Meliefste, Acting Deputy City Manager, Integrated Infrastructure Services
- B. Andriachuk, City Solicitor