

Changes to Service Alberta Motor Vehicle Fee Schedule

Recommendation:

That the April 6, 2011, Office of the City Manager report 2011CMI005 be received for information.

Report Summary

This report provides information about a proposed Service Alberta Motor Vehicle Services fee increase included in the 2011-12 Provincial Budget without prior consultation or notice to stakeholders. The potential impact to the City of Edmonton is estimated at approximately \$10.3 million.

Report

In a letter dated March 11, 2011, the Alberta Government advised that the 2011-2012 Budget would include changes to the fees charged for motor vehicle services. The letter explains that the cost of providing registry products, services and information release has steadily increased; however, the government fee charged to Albertans has not increased since 2002.

Specifically, in the case of municipalities and police agencies, the Alberta Government has never charged for the release of motor vehicle information required for enforcement programs such as photo radar, red light infractions or parking violations. The Province is now indicating that with the increased demand and cost of providing the release of information, the Province is

no longer able to absorb the costs associated with this service.

Effective April 1, 2011, municipalities will be charged \$15 for information provided for each electronic search request on a license plate, whether it is an individual search or a batch process. This fee change will require a new agreement between the Alberta Government and the City regarding access to motor vehicle information.

Administration anticipates that this new fee will have a significant impact on policing and public safety as police agencies are forced to pay directly for these queries, or indirectly through impact to the municipality's policing budget. The immediate financial impact of this unanticipated fee to the City of Edmonton is estimated at approximately \$10.3 million, which includes an estimated impact of \$5.5 million to the Edmonton Police Service. This estimate is based on 2010 numbers and does not include queries for Bylaw offences. The \$10.3 million impact on the municipality represents approximately a one percent increase in taxes to residents.

The unanticipated fee increase came without notice at a time when provincial funding for the Municipal Policing Assistant Grant in Budget 2011-2012 remained flat, while demand for services, including policing and public safety, is increasing at the municipal level due to growing population. The City of Edmonton is also aware that the Province currently receives 27 percent of all ticket charges issued under Provincial Legislation (speeding and red light) to cover the administration costs of providing ticket-related services to the

municipality (a portion of the 27 percent goes to the victims of crime fund).

Due to the short notice and the urgency of the matter, the Mayor sent a letter dated March 30, 2011, to the Province, requesting that the implementation of the new fees for motor vehicle services be delayed to allow for proper consultation with municipalities and joint exploration of alternative options for addressing the Province's increasing registry product and service costs.

The City's interests are to ensure that the amount being charged to the municipality reflects the actual cost of service and that any proposed fee increases should be borne by the perpetrator (i.e. the person breaking the law) rather than all taxpayers. Increased fines by the Province and/or the municipality for infractions should be considered.

Policy

This report supports Council's goals of a well managed city and improving Edmonton's Livability by improving policing and public safety.

Corporate Outcomes

- Improve Edmonton's Liveability
- Ensure Edmonton's Financial Stability

Budget/Financial Implications

- As indicated above, preliminary estimates indicate an impact in the order of \$10.3 million to the City of Edmonton.

Legal Implications

- As the release of motor vehicle information is governed by the *Access to Motor Vehicle Information*

Regulation whereby an agreement between the Alberta Government and the recipient of the information is required, the current agreement must be amended to reflect the addition of the fees.

- The Province indicated that the changes to the *Access to Motor Vehicle Information Regulation* agreement will be initiated in the next few weeks.

Attachments

1. Letter dated March 11, 2011, from Service Alberta
2. Letter dated March 30, 2011, from the Mayor to the Province

Others Reviewing this Report

- D. H. Edey, General Manager, Corporate Services Department
- L. Rosen, Chief Financial Officer and Treasurer

Letter dated March 11, 2011, from Service Alberta

Government of Alberta ■
Service Alberta

Data Access & Contract Management Unit
(DACMU)

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AMVIR File # 000-03384

March 11, 2011

Chris Kellett,
Superintendent/ Chief Information Officer
Edmonton Police Service
9620 - 103A Avenue
Edmonton, Alberta T5H 0H7

RECEIVED
OFFICE OF THE CITY MANAGER

MAR 17 2011

0405-15

Dear Mr. Kellett:

Subject: Changes to the Motor Vehicle Fee Schedule and your Access Agreement

On February 24, 2011, the Alberta Government announced that the 2011-2012 Budget would include changes to the fees charged for motor vehicle services.

The cost of providing registry products, services and information release has steadily increased; however, the government fee charged to Albertans has not increased since 2002. In the case of municipalities and police agencies, the Alberta Government has never charged for the release of motor vehicle information required for enforcement programs such as photo radar, red light infractions or parking violations. With the increased demand and cost of providing the release of information, the Alberta Government is no longer able to absorb the costs associated with this service.

Effective April 1, 2011 municipalities will be charged \$15.00 for information provided for each electronic search request, pursuant to the *Operator Licensing and Vehicle Control Regulation, A.R. 320/2002*. As the release of this motor vehicle information is governed by the *Access to Motor Vehicle Information Regulation (AMVIR)* whereby an agreement between the Alberta Government and the recipient of the information is required, your current agreement must be amended to reflect the addition of these fees.

The Data Access and Contract Management Unit will contact you in the next few weeks to facilitate the required changes to your AMVIR agreement. If you have any questions or concerns, please do not hesitate to contact me at (780) 644-2907.

Yours truly



Myron Dashkawich
Manager, Data Access & Contract Management Unit

cc: Simon Farbrother, City Manager, City of Edmonton

Letter dated March 30, 2011, from the Mayor to the Province



MAYOR STEPHEN MANDEL
CITY OF EDMONTON

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1 SIR WINSTON CHURCHILL SQUARE
EDMONTON, ALBERTA, CANADA T5J 2R7
PHONE (780) 496-8100
FAX (780) 496-8292
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March 30, 2011

Reference No. 0405-15

Honourable Lloyd Snelgrove
President of the Treasury Board
Minister of Finance and Enterprise
Government of Alberta
#204 Legislature Building
10800-97 Avenue
Edmonton AB T5K 2B6

Dear Minister Snelgrove,

Following the delivery of the Provincial Budget on February 24, 2011, letters dated March 11, 2011 advising Edmonton Police Service of the proposed changes to the fees charged for motor vehicle services, as part of the Province's 2011-2012 Budget were sent.

I would like to express the City of Edmonton's strong objection to the implementation of the proposed fee increase on April 1, 2011 as planned, as this would have significant implications for the municipality's budget and ability to continue to deliver service to residents in the areas of policing and public safety.

The unanticipated fee increase came without notice at a time when provincial funding for the Municipal Policing Assistant Grant (MPAG) in Budget 2011-2012 remained flat, while demand for services, including policing and public safety, is increasing at the municipal level due to growing population.

Preliminary estimates indicate that the impact of the proposed fee increase on the City of Edmonton will be approximately \$10 million or more, which represents a one percent increase in taxes to residents. Furthermore, the City of Edmonton's understanding is that the Province currently receives 27 percent of all ticket charges issued under Provincial Legislation (speeding and red light) to cover the administration costs of providing ticket-related services to the municipality.

The City of Edmonton respectfully requests that the implementation of the new fees for motor vehicle services be delayed to allow for proper consultation with municipalities and joint exploration of alternative options for addressing the Province's increasing registry product and service costs.

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The City's interests are to ensure that the amount being charged to the municipality reflects the actual cost of service and that any proposed fee increases should be borne by the perpetrator (i.e. the person breaking the law) rather than all taxpayers. Increased fines by the Province and/or the municipality for infractions should be considered.

City of Edmonton officials will be pleased to work with the Province to examine options for achieving these objectives while maintaining effective policing and public safety services that Albertans deserve.

Thank you for your attention to this matter.

I look forward to your response.

Yours truly,



Stephen Mandel
Mayor

c: Honourable Ed Stelmach
Premier of Alberta

Honourable Dave Hancock
Minister of Education

Honourable Verlyn Olson, QC
Minister of Justice and Attorney General

Honourable Heather Klimchuk
Minister of Service Alberta

Honourable Hector Goudreau
Minister of Municipal Affairs

Members of City Council
City of Edmonton

Simon Farbrother, City Manager
City of Edmonton

Darryl da Costa, Acting Chief
Edmonton Police Service