



CITY POLICY

POLICY NUMBER: C579

REFERENCE:

ADOPTED BY:

City Council
November 26, 2014

SUPERSEDES:

New

PREPARED BY: Financial Services and Utilities

DATE: November 26, 2014

TITLE: **Traffic Safety and Automated Enforcement Reserve**

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Policy Statement:

1. In compliance with this policy and the *Municipal Government Act*, the establishment of all Reserve accounts and the transfers to and from these accounts require City Council approval.
 2. The Traffic Safety and Automated Enforcement Reserve will be funded from the Automated Enforcement Revenue and is to have a minimum balance of 5% of actual Automated Enforcement Revenue. In the event the reserve balance falls below the minimum level, a strategy will be adopted to achieve the minimum level over a period not to exceed three years.
 3. The Traffic Safety and Automated Enforcement Reserve is established to address the revenue variability associated with automated traffic enforcement and to allow for the accumulation of Annual Traffic Safety Program Surplus funds within the reserve or fund an Annual Traffic Safety Program Deficit when necessary. Annual budgeted automated enforcement revenue is intended to fund on-going traffic safety initiatives and other programs approved by City Council through the budget process. The minimum reserve balance represents the stabilization portion of the Traffic Safety and Automated Enforcement Reserve and is intended to manage unforeseen impacts to revenue in the current year. Any sustained impact to program revenues (i.e. change in legislation, automated enforcement technologies) must be managed in the following budget year.
 4. The reserve account balance will be reviewed, a minimum of every three years, with recommendations made to City Council.
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1. DEFINITIONS

- 1.01 Reserve Accounts represent amounts appropriated from accumulated surplus for designated requirements.
- 1.02 Traffic Safety and Automated Enforcement Reserve represents the amount appropriated from Automated Enforcement Revenue and the Annual Traffic Safety and Automated Enforcement Surplus/Deficit to be used for revenue stabilization, traffic safety and City Council approved projects such as, but not limited to, community infrastructure programs.
- 1.03 Automated Enforcement Revenue is the revenue generated from automated traffic enforcement activities excluding Traffic Safety Act revenues within the activities of the Edmonton Police Service.
- 1.04 Annual Traffic Safety and Automated Enforcement Surplus is the actual Automated Enforcement Revenue in excess of actual expenditures at fiscal year-end for the programs approved by City Council to be funded from the reserve.
- 1.05 Annual Traffic Safety and Automated Enforcement Deficit is the actual expenditures for the programs approved by City Council to be funded from the reserve in excess of actual Automated Enforcement Revenue at fiscal year-end.



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2. PROCEDURES

2.01 City Manager to:

- a) Recommend to the Executive Committee of City Council approval of this Policy and amendments thereto.
- b) Recommend to City Council approval of the establishment of and changes to the Traffic Safety and Automated Enforcement Reserve.
- c) Recommend transfers to or from the reserve through the budget.
- d) Recommend to City Council a strategy to replenish the Traffic Safety and Automated Enforcement Reserve if the reserve balance falls below the minimum balance.

2.02 Reserve transfers will be recommended and approved through the budget.

2.03 The Chief Financial Officer will undertake a detailed review of the Traffic Safety and Automated Enforcement Reserve requirements every three years as a part of the City of Edmonton's reserve review process.

2.04 Interest earnings will be applied to the Traffic Safety and Automated Enforcement Reserve balance in excess of the minimum reserve balance. The minimum reserve balance is set to manage the risk associated with the volatility of automated enforcement revenue. Balances in excess of the revenue stabilization requirement are primarily maintained for future capital and other program expenditures, therefore are in line with the City's policy for applying interest. Interest will be applied at the City's short-term investment earnings rate.

2.05 The Traffic Safety and Automated Enforcement Reserve shall have a minimum balance of 5% of actual Automated Enforcement Revenue.



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- 2.06 Revenue from automated enforcement will be budgeted in the Corporate Programs operating budget annually and allocated to the reserve. Funding allocations will be made from the reserve to individual programs for budgeted expenditures in the operational areas responsible for the provision of traffic safety and other programs, as follows:
- a) Office of Traffic Safety
 - b) Edmonton Police Services
 - c) Other traffic safety programs as approved by City Council in the capital or operating budget.
 - d) Community infrastructure programs such as, but not restricted to, the Community Facility Partner Capital Grant Program and the Community League Infrastructure Grant Program.
- 2.07 Corporate Programs will transfer the Automated Enforcement Revenue to the Traffic Safety and Automated Enforcement Reserve.
- 2.08 Allocations from the Traffic Safety and Automated Enforcement Reserve will be made to the operational areas to offset actual approved program expenditures up to a maximum amount authorized by City Council through budget approval. Program surpluses and deficits will accrue back to the Traffic Safety and Automated Enforcement Reserve.
- 2.09 Transfers to and from the Automated Enforcement Reserve will be reported to City Council as a part of the regular financial performance reporting process.