Agenda – Executive Policy Committee – March 22, 2006

REPORTS

Item No. 1 2005 School Division Levies and Mill Rates
File FL-3

ADMINISTRATIVE RECOMMENDATION:

That in compliance with the mandatory provisions of The Public Schools Act, Council adopt the necessary by-laws required to fix and impose taxes sufficient to meet that portion of the cost of education required to be raised through levies on assessable property within the City of Winnipeg in 2006.

ADMINISTRATIVE REPORT

RE: 2006 MILL RATES FOR THE SPECIAL LEVY AND EDUCATION SUPPORT LEVY

FOR SUBMISSION TO: EXECUTIVE POLICY COMMITTEE

ORIGINAL REPORT SIGNED BY: CHIEF FINANCIAL OFFICER

REPORT DATE: March 17, 2006

RECOMMENDATION(S):

That in compliance with the mandatory provisions of *The Public Schools Act*, Council adopt the necessary by-laws required to fix and impose taxes sufficient to meet that portion of the cost of education required to be raised through levies on assessable property within the City of Winnipeg in 2006.

REPORT SUMMARY

Key Issue(s):

- The **Provincial Education Support Levy** (**ESL**) represents an amount the Province of Manitoba collects for educational purposes province-wide. Each municipality in the province is required to bill, collect and remit its respective share of this total amount.

- The **ESL** on Residential property has been eliminated for 2006 and within the City of Winnipeg this represents a decrease of $20,032,611. The levy is now applied on all property classifications except those classes of property defined as Residential 1 (Single family), Residential 2 (Multi-Family), Residential 3 (Condominium) and Farm Property. The 2006 levy on all other property classifications is $74,484,507, representing an increase of $5,933,863 or 8.7% from the 2005 levy. The net change to the ESL is a decrease of $14,098,748 or 15.9% from the 2005 requirement.

- The **Special Levy** represents the various school divisions' additional requirements or portions of their costs that do not qualify for provincial assistance under the province-wide Education Support Levy.

- The City's eight school divisions' **2006 Special Levy requirements** total $362,832,122, an increase of $16,210,814 or 4.7% over the 2005 requirement. This increase in Special Levy requirements ranges from a 3.3% increase in the Winnipeg School Division to a 14.5% increase in the Seine River School Division.

- The change in the school divisions' Special Levy requirements, coupled with the change in their respective portioned assessments subject to this levy, has resulted in mill rate decreases ranging from a 5.7% decrease in the St. James-Assiniboia School Division to a 14.1% decrease in the Louis Riel School Division.

- For 2006, the combined levies for education purposes in Winnipeg will total $437,316,629, which is $2,112,066 or 0.5% higher than in 2005.

- School taxes now represent 53.1% of all property taxes collected in Winnipeg, compared to 53.4% in 2004 and 53.8% in 2004.

Implications of the Recommendation(s):

General Implications

	None
	For the organization overall and/or for other departments
X	**For the community and/or organizations external to the City**
	Involves a multi-year contract

Comment(s): Property owners in the City of Winnipeg are affected by increases or decreases in school division budgets.

Policy Implications

X	**No**
	Yes

Comment(s):

Environmental Implications:

X	**No**
	Yes

Comment(s):

Human Resources Implications:

X	**No**
	Yes

Comment(s):

Financial Implications

X	**Within approved current and/or capital budget**

☐ **Current and/or capital budget adjustment required**
Comment(s): There is no financial impact as the establishing of the school mill rates is revenue neutral to the City of Winnipeg.

REASON FOR THE REPORT:

Section 184 of *The Public Schools Act* requires Council of the City of Winnipeg to fix and impose an Education Support Levy. Section 188 similarly requires the fixing and imposition of an Education Special Levy.

HISTORY:

Schedule "A" attached is pertinent to the subject by-laws and includes information in comparison with that for the prior year.

DISCUSSION:

The **Education Support Levy** represents an amount the Province of Manitoba collects for educational purposes province-wide. Each municipality in the province is required to bill, collect and remit its respective share of this total amount.

The **Special Levy** represents the various school divisions' additional requirements or portions of their costs that do not qualify for provincial assistance under the province-wide Education Support Levy. In accordance with legislation, Council is required to annually collect and remit the City's share of these two levies to the Province and the school divisions respectively.

Provincial Education Support Levy

The Provincial levy on Residential property has been eliminated, representing a decrease of $20,032,611 from 2005 (see Schedule "A").

The Provincial levy on non-residential ("Other") property is $74,484,507, representing an increase of $5,933,863 or 8.7% from 2005. The net change to the ESL is a decrease of $14,098,748 or 15.9% from the 2005 requirement.

The 2006 requirement corresponds to a mill rate of 16.235 for "Other" property which is 0.9% lower than the 2005 mill rate (see Schedule "A").

Special Levy

The City's eight school divisions' 2006 Special Levy requirements total $362,832,122, an increase of $16,210,814 or 4.7% over the 2005 requirement. This increase in Special Levy requirements ranges from a 3.3% increase in the Winnipeg School Division to a 14.5% increase in the Seine River School Division (see Schedule “A”).

The change in the school divisions’ Special Levy requirements, coupled with the change in their respective portioned assessment subject to this levy, has resulted in mill rate decreases ranging from a 5.7% decrease in the St. James-Assiniboia School Division to a 14.1% decrease in the Louis Riel School Division. (see Schedule “A”).

Impact of Combined Mill Rate for Education Purposes

For 2006, the combined levies for education purposes in Winnipeg will total $437,316,629, which is $2,112,066 or 0.5% higher than in 2005 (see Schedule “A”).

School taxes now represent 53.1% of all property taxes collected in Winnipeg, compared to 53.4% in 2005 and 53.8% in 2004.

Financial Impact Statement **Date:** March 17, 2006

COMMENTS: There is no financial impact as the establishing of the school mill rates is revenue neutral to the City of Winnipeg.

Carrie Erickson
Manager of Finance & Administration

IN PREPARING THIS REPORT, THERE WAS CONSULTATION WITH AND CONCURRENCE BY:

This Report Submitted By:

Corporate Finance Department, Taxation and Revenue Division
Prepared by: Robert Weselowski, Manager, Taxation and Revenue
File No. 2006 School and Education Support Levies.doc

SCHEDULE "A"

Amounts to be Raised for Education Purposes

PAYABLE TO SCHOOL DIVISIONS	Requirements 2005	Requirements 2006	Change Amount	Change %	Portioned Assessments	Mill Rates 2005	Mill Rates 2006	Change
Provincial Levy on Residential Property	20,032,611	0	(20,032,611)	-100.0%	0	02.413	0.0	-100.0%
Provincial Levy on Other Property	68,550,644	74,484,507	5,933,863	8.7%	4,587,907,635	16.384	16.235	-0.9%
	88,583,255	74,484,507	(14,098,748)	-15.9%	4,587,907,635			
Winnipeg	121,561,671	125,562,776	4,001,105	3.3%	4,613,648,176	30.923	27.216	-12.0%
St. James-Assiniboia	33,158,488	36,042,769	2,884,281	8.7%	1,709,544,863	22.355	21.083	-5.7%
Pembina Trails	60,531,950	62,929,729	2,397,779	4.0%	2,710,770,004	26.645	23.215	-12.9%
Seven Oaks	24,783,202	26,459,801	1,676,599	6.8%	1,006,784,849	29.972	26.281	-12.3%
Seine River	2,436,288	2,789,550	353,262	14.5%	120,937,533	24.642	23.066	-6.4%
Interlake	10,670	11,797	1,127	10.6%	568,298	22.777	20.758	-8.9%
Louis Riel	57,485,571	60,343,702	2,858,131	5.0%	2,647,969,120	26.545	22.789	-14.1%
River East Transcona	46,653,468	48,691,998	2,038,530	4.4%	2,031,966,194	27.064	23.963	-11.5%
	346,621,308	362,832,122	16,210,814	4.7%	14,842,189,037			
Total to be Raised for School Purposes	435,204,563	437,316,629	2,112,066	0.5%				