Agenda - Council - December 11, 2002

Report - Executive Policy Committee - December 4, 2002

4. 2003 License Fees for Mobile Homes
File EL-8 (Vol. 4)

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On December 4, the Executive Policy Committee considered this matter and recommends to Council:

1. That By-law No. 821/74 be amended by repealing Schedule "A" and substituting the following schedule for mobile home monthly fees effective January 1, 2003:

LICENSE FEES FOR MOBILE HOMES		
Size of Mobile House (Based on exterior dimensions)	Current 2002 Monthly Fee	Proposed 2003 Monthly Fee
(a) 400 square feet or less	$19.58	$18.46
(b) Each additional 100 square feet or part thereof	$ 4.89	$ 4.61

2. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing.

Re: 2003 LICENSE FEES FOR MOBILE HOMES

For submission to: **Executive Policy Committee**

Submitted by: **Chief Financial Officer**

Report date: **November 28, 2002**

In camera item: ☐ Yes ☒ No

Recommendations: That Council amend By-law No. 821/74 by repealing Schedule "A" and substituting the following schedule for mobile home monthly fees effective January 1, 2003:

LICENSE FEES FOR MOBILE HOMES

Size of Mobile House (Based on exterior dimensions)	Current 2002 Monthly Fee	Proposed 2003 Monthly Fee
(a) 400 square feet or less	$19.58	$18.46
(b) Each additional 100 square feet or part thereof	$ 4.89	$ 4.61

Report Summary

Key Issue(s):

- The 2003 License fees for mobile homes are to be adjusted by new assessment information while reflecting the change in the 2002 average citywide mill rate (municipal and school).

- The proposed 2003 monthly license fee has decreased by 5.7% or $2.51 per month for the average 900 square foot mobile home.

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 of Winnipeg
	Involves a multi-year contract

Comment: The recommended license fee for mobile homes for the 2003 fiscal year reflects a decrease of 5.7% from the 2002 license fee, an average reduction of $2.51 per month ($30.12 per annum) for each mobile homeowner.

Policy implications

x	No
	Yes

Comment:

Financial implications

	Within approved current and/or capital budget
	Current and/or capital budget adjustment required

Comment: With the average mobile home size remaining at 900 square feet and a slight increase in the number of licensed mobile homes, the proposed fee reduction would not affect the projected 2003 budget.

Report

Recommendations:

That Council amend By-law No. 821/74 by repealing Schedule "A" and substituting the following schedule for mobile home monthly fees effective January 1, 2003:

LICENSE FEES FOR MOBILE HOMES		
Size of Mobile House (Based on exterior dimensions)	Proposed 2002 Monthly Fee	Proposed 2003 Monthly Fee
(a) 400 square feet or less	$19.58	$18.46
(b) Each additional 100 square feet or part thereof	$ 4.89	$ 4.61

Reason for the report:

Council must approve amendments to By-law No. 821/74.

History:

On June 19, 1991, Council adopted the recommendations of the Committee on Finance and Administration regarding the system of taxing mobile homes. These recommendations also included the method of calculating and annually updating mobile home license fees for future years (discussed below). In the years following, Council was requested to approve an increase when any one of the variables used in the calculation resulted in a material change in the revenue base for the City.

The range of mobile homes license fee changes since 1994 is provided below:

1994	1.2%
1995	2.3%
1996	2.5%
1997	0.9%
1998	2.3%
1999	1.5%
2000	1.6%

2001	0%
2002	11.8%

Discussion:

The method of calculating the mobile home license fees is based on the following adopted formula:

> *Assessed average square foot value x portion share for the class x average citywide mill rate for the prior year x square footage of the home*.

Assessed average square foot value - The market value of mobile homes is used to calculate the assessed average square foot value. This assessment is determined by the Property Assessment Department using market sales and is revised with each general reassessment. The 2003 license fee is based on 1999 market values – the latest reassessment year base.

Portion share for the class - The 2003 portion percentage for the Residential 1 Class of properties is 45%.

Average citywide mill rate for the prior year – The sum of the general municipal mill rate, the education support mill rate and the average of all school division special mill rates. The average citywide 2001 mill rate of 61.105 decreased to 60.090 mills in 2002.

Average square foot of the home - The total square feet of mobile homes divided by the number of mobile home units.

The license fees for mobile homes are adjusted by new assessment information while reflecting the change in the average citywide mill rate. Generally, mobile home fees are based on the prior year's mill rates and assessment values applied to the average square foot value in effect until the next general reassessment is performed by the Property Assessment Department.

The Property Assessment Department has provided updated assessment information pertaining to the average square foot value of mobile homes. Based on multiple listings of mobile home sales, the average square foot value of these homes has decreased by 4%. This decreased value, combined with a citywide mill rate reduction of 1.7% between 2001 and 2002, results in an overall decrease of 5.7%.

Therefore, the recommended license fee for mobile homes for the 2003 fiscal year reflects a decrease of 5.7% from the 2002 license fee, an average reduction of $2.51 per month ($30.12 per annum) for each mobile homeowner. With the average mobile home size remaining at 900 square feet and a slight increase in the number of licensed

mobile homes, the proposed fee reduction would not affect the projected 2003 budget amount of $350,000.

Financial Impact Statement:

Project Name: 2003 License Fees for Mobile Homes

Date: November 28, 2002 First Year of Program **2003**

	2003	2004	2005	2006	2007
Capital					
Capital Expenditures Required					
Less: Existing Budgeted Costs					
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal					
Debt - External					
Grants (Enter Description Here)					
Reserves, Equity, Surplus					
Other - Enter Description Here					
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs					
Less: Incremental Revenue/Recovery					
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts					
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: With the average mobile home size remaining at 900 square feet and a slight increase in the number of licensed mobile homes, the proposed fee reduction would not affect the projected 2003 budget amount of $350,000.

"original signed by Carrie Erickson"
Manager of Finance and Administration

In preparing this report, there was consultation with and concurrence by:

This Report Submitted By:

Department:	Corporate Finance Department
Division:	Taxation & Revenue
Prepared by:	Robert Weselowski, Manager of Taxation and Revenue
File No.	Mobile Home License Fee 2003.doc