Agenda – Executive Policy Committee – March 21, 2007

REPORTS

Item No. 2 **2007 Mill Rates for the Education Support Levy and Special Levy**
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 2007.

RE: 2007 MILL RATES FOR THE EDUCATION SUPPORT LEVY AND SPECIAL LEVY

FOR SUBMISSION TO: EXECUTIVE POLICY COMMITTEE

ORIGINAL REPORT SIGNED BY: ACTING CHIEF FINANCIAL OFFICER

REPORT DATE: March 19, 2007

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 2007.

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 was eliminated in 2006. The 2007 levy on all other property classifications is $74,723,333, representing an increase of $238,826 or 0.3% from the 2006 levy.

- 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' **2007 Special Levy requirements** total $378,213,941, an increase of $15,381,819 or 4.2% over the 2006 requirement. This increase in Special Levy requirements ranges from a 2.8% increase in the Winnipeg School Division to a 49.2% increase in the Interlake 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 increases ranging from a 1.1% increase in the Seven Oaks School Division to a 5.4% increase in the Seine River School Division.

- For 2007, the combined levies for education purposes in Winnipeg will

total $452,937,274, which is $15,620,645 or 3.6% higher than in 2006.

- School taxes now represent 53.5% of all property taxes collected in Winnipeg, compared to 53.1% in 2006 and 53.4% in 2005.

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 education related mill rates.

Policy Implications

X	**No**
	Yes

Comment(s):

Regulatory 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 education related mill rates is revenue neutral to the City of Winnipeg budget.

Report

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 was eliminated in 2006.

The Provincial levy on non-residential ("Other") property is $74,723,333, representing an increase of $238,826 or 0.3% from 2006.

The 2007 requirement corresponds to a mill rate of 16.022 for "Other" property which is 1.3% lower than the 2006 mill rate (see Schedule "A").

Special Levy

The City's eight school divisions' 2007 Special Levy requirements total $378,213,941, an increase of $15,381,819 or 4.2% over the 2006 requirement. This increase in Special Levy requirements ranges from a 2.8% increase in the Winnipeg School Division to a 49.2% increase in the Interlake 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 increases ranging from a 1.1% increase in the Seven Oaks School Division to a 5.4% increase in the Seine River School Division. (see Schedule “A”).

Impact of Combined Mill Rate for Education Purposes

For 2007, the combined levies for education purposes in Winnipeg will total $452,937,274, which is $15,620,645 or 3.6% higher than in 2006 (see Schedule “A”).

School taxes now represent 53.5% of all property taxes collected in Winnipeg, compared to 53.1% in 2006 and 53.4% in 2005.

Financial Impact Statement **Date:** March 16, 2007

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

(original signed by)
Carrie Erickson
Manager of Finance & Administration

IN PREPARING THIS REPORT THERE WAS

Internal Consultation With and Concurrence By:

External Consultation With:

THIS REPORT SUBMITTED BY:

Department: Corporate Finance
Division: Taxation and Revenue
Prepared by: Mel Chambers, Acting Manager of Taxation and Revenue
File No. 2007 School and Education Support Levies.doc

SCHEDULE "A"

Amounts to be Raised for Education Purposes

PAYABLE TO SCHOOL DIVISIONS	Requirements 2006	Requirements 2007	Change Amount	Change %	Portioned Assessments	Mill Rates 2006	Mill Rates 2007	Mill Rates Change
Provincial Levy on Residential Property	0	0	0	0.0%	0	0.0	0.0	0.0%
Provincial Levy on Other Property	74,484,507	74,723,333	238,826	0.3%	4,663,809,266	16.235	16.022	-1.3%
	74,484,507	74,723,333	238,826	0.3%	4,663,809,266			
Winnipeg	125,562,776	129,033,323	3,470,547	2.8%	4,637,876,996	27.216	27.822	2.2%
St. James-Assiniboia	36,042,769	38,178,365	2,135,596	5.9%	1,737,925,134	21.083	21.968	4.2%
Pembina Trails	62,929,729	65,579,031	2,649,302	4.2%	2,782,050,867	23.215	23.572	1.5%
Seven Oaks	26,459,801	27,647,102	1,187,301	4.5%	1,040,050,154	26.281	26.582	1.1%
Seine River	2,789,550	2,946,396	156,846	5.6%	121,162,921	23.066	24.318	5.4%
Interlake	11,797	17,600	5,803	49.2%	814,648	20.758	21.604	4.1%
Louis Riel	60,343,702	63,809,189	3,465,487	5.7%	2,729,256,237	22.789	23.380	2.6%
River East Transcona	48,691,998	51,002,935	2,310,937	4.7%	2,054,140,263	23.963	24.829	3.6%
	362,832,122	378,213,941	15,381,819	4.2%	15,103,277,220			
Total to be Raised for School Purposes	437,316,629	452,937,274	15,620,645	3.6%				