Agenda – Council – March 24, 2010

Report "A" – Executive Policy Committee – March 17, 2010

Item No. 2 2010 Mill Rates for the Education Support Levy and Special Levy eFile FL-3

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 17, 2010, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submits the following to Council:

1. That in compliance with the mandatory provisions of The Public Schools Act, 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 2010, be adopted.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing, including the submission of the necessary by-laws.

Report "A" – Executive Policy Committee – March 17, 2010

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 17, 2010, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the matter to Council.

ADMINISTRATIVE REPORT

Issue: **2010 Mill Rates for the Education Support Levy and Special Levy**

Critical Path: Executive Policy Committee - Council

AUTHORIZATION

Author	Department Head	CFO	CAO
T. Austin	N. Karpa	M. Ruta	G. Laubenstein

RECOMMENDATIONS

1. 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 2010.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing, including the submission of the necessary by-laws.

IMPLICATIONS OF THE RECOMMENDATIONS

General Implications

(X) For the community and/or organizations external to the City

Comment(s): Property owners in the City of Winnipeg are affected by increases or decreases in education related mill rates.

Financial Implications

(X) Within approved current and/or capital budget

Comment(s): There is no financial impact to the City of Winnipeg organization as the establishing of education-related mill rates is revenue-neutral to the operating budget.

HISTORY

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 a Special Levy.

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 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 Provincial levy on Residential property was eliminated in 2006.

The Provincial levy on non-residential ("Other") property is $90,526,480 representing an increase of $14,625,771 or 19.3% from 2009.

The 2010 requirement corresponds to a mill rate of 12.895 for "Other" property which is 19.7% lower than the 2009 mill rate (see Schedule "A").

Special 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' 2010 Special Levy requirements total **$407,380,326** an increase of **$8,836,405** or **2.2%** over their 2009 requirement. This change in Special Levy requirements ranges from a 0.0% increase in the Winnipeg School Division to a 77.1% 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 changes ranging from a 17.3% decrease in the Interlake School Division to a 41.9% decrease in the Winnipeg School Division (see Schedule "A").

Impact of Combined Mill Rate for Education Purposes

For 2010, the combined levies for education purposes in Winnipeg will total **$497,906,806**, which is **$23,462,176 or 4.9%** higher than in 2009 (see Schedule "A").

Based on the 2010 Preliminary Operating Budget, education taxes now represent 54.6% of all property taxes collected in Winnipeg, compared to 53.9% in 2009 and 53.7% in 2008.

FINANCIAL IMPACT

Financial Impact Statement **Date:** March 16, 2010

Project Name:

2010 Mill Rates for the Education Support Levy and Special Levy

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 R. Abeysekera)
Radhika Abeysekera
Manager of Finance (Campus)
Corporate Finance Department

CONSULTATION

In preparing this report there was consultation with:

SUBMITTED BY

Department: Assessment and Taxation
Division: Data Support Services
Prepared by: T Austin, Coordinator, Data Support and Customer Services
Date: March 16, 2010
File No. 2010 School and Education Support Mill Rate Report.doc

SCHEDULE "A"

Amounts to be Raised for Education Purposes

PAYABLE TO SCHOOL DIVISIONS	Requirements 2009	Requirements 2010	Change Amount	Change %	Portioned Assessments	Mill Rates 2009	Mill Rates 2010	Change
Provincial Levy on Residential Property	0	0	0	0.0%	0	0.0	0.0	0.0%
Provincial Levy on Other Property	75,900,709	90,526,480	14,625,771	19.3%	7,020,191,689	16.049	12.895	-19.7%
	75,900,709	90,526,480	14,625,771	19.3%	7,020,191,689			
Winnipeg	132,032,571	132,032,571	0	0.0%	8,025,995,470	28.337	16.451	-41.9%
St. James-Assiniboia	39,921,070	41,504,786	1,583,716	4.0%	2,946,951,882	22.612	14.084	-37.7%
Pembina Trails	68,620,044	69,830,065	1,210,021	1.8%	4,926,975,509	23.619	14.173	-40.0%
Seven Oaks	31,714,963	33,076,282	1,361,319	4.3%	1,905,950,649	29.203	17.354	-40.6%
Seine River	3,007,028	3,438,829	431,801	14.4%	217,541,561	24.396	15.808	-35.2%
Interlake	17,255	30,564	13,309	77.1%	1,708,963	21.639	17.885	-17.3%
Louis Riel	67,800,324	69,967,992	2,167,668	3.2%	4,929,663,907	23.411	14.193	-39.4%
River East Transcona	55,430,666	57,499,237	2,068,571	3.7%	3,629,809,692	26.214	15.841	-39.6%
	398,543,921	407,380,326	8,836,405	2.2%	26,584,597,633			
Total to be Raised for School Purposes	474,444,630	497,906,806	23,462,176	4.9%				