Agenda – Executive Policy Committee – March 21, 2012

REPORTS

Item No. 1 2012 Mill Rates for the Education Support Levy and Special Levy

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

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 2012.

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.

ADMINISTRATIVE REPORT

Title: **2012 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	D Joshi

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 2012.

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.

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 a Special Levy.

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 the education-related mill rates is revenue-neutral to the operating budget.

HISTORY / DISCUSSION

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 $88,881,162 representing an increase of $2,784,412 or 3.2% from 2011.

The 2012 requirement corresponds to a mill rate of 11.469 for "Other" property which is 6.5% lower than the 2011 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' 2012 Special Levy requirements total **$432,441,069** an increase of **$21,300,740** or **5.2%** over their 2011 requirement. This change in Special Levy requirements ranges from a 0.1% decrease in the Interlake School Division to a 7.8% increase in the Winnipeg 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 4.8% decrease in the Winnipeg School Division to a 19.8% decrease in the Interlake School Division (see Schedule “A”).

Impact of Combined Mill Rate for Education Purposes

For 2012, the combined levies for education purposes in Winnipeg will total **$521,322,231**, which is **$24,085,152 or 4.8%** higher than in 2011 (see Schedule “A”).

Based on the 2012 Preliminary Operating Budget, education taxes now represent 54.3% of all property taxes collected in Winnipeg, compared to 54.3% in 2011 and 54.6% in 2010.

FINANCIAL IMPACT

Project Name: **First Year of Program** **2012**

2012 Mill Rates for the Education Support Levy and Special Levy

	2012	2013	2014	2015	2016
Capital					
Capital Cost of Proposed Projects	$ -	$ -	$ -	$ -	$ -
Less: Costs paid by Developer	-	-	-	-	-
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					
Education and Special Levy Payments Required	$ 521,322,231	$ -	$ -	$ -	$ -
Less: Education and Special Levies Billed	521,322,231	-	-	-	-
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional 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

F. Dela Cruz for R. Abeysekera
Manager of Finance (Campus)
Corporate Finance Department

CONSULTATION

In preparing this report there was consultation with:

Internal:

SUBMITTED BY

Department:	Assessment and Taxation
Division:	Taxation and Finance
Prepared by:	T. Austin, Coordinator, Data Support and Customer Services
Date:	March 15, 2012
File No.	2012 School and Education Support Mill Rate Report

SCHEDULE "A"

Amounts to be Raised for Education Purposes

PAYABLE TO SCHOOL DIVISIONS	Requirements 2011	Requirements 2012	Change Amount	Change %	Portioned Assessments	Mill Rates 2011	Mill Rates 2012	Change
Provincial Levy on Other Property	86,096,750	88,881,162	2,784,412	3.2%	7,749,839,099	12.272	11.469	-6.5%
	86,096,750	88,881,162	2,784,412	3.2%	7,749,839,099			
Winnipeg	132,261,877	142,601,898	10,340,021	7.8%	9,101,413,540	16.451	15.668	-4.8%
St. James-Assiniboia	41,546,938	42,906,652	1,359,714	3.3%	3,378,482,696	14.087	12.700	-9.8%
Pembina Trails	70,831,774	73,353,797	2,522,023	3.6%	5,687,853,509	14.159	12.897	-8.9%
Seven Oaks	33,665,864	35,854,424	2,188,560	6.5%	2,201,400,836	17.333	16.287	-6.0%
Seine River	3,573,390	3,820,916	247,526	6.9%	257,195,135	15.989	14.856	-7.1%
Interlake	30,601	30,570	-31	-0.1%	2,128,413	17.906	14.363	-19.8%
Louis Riel	71,114,053	74,069,144	2,955,091	4.2%	5,782,011,703	14.200	12.810	-9.8%
River East Transcona	58,115,832	59,803,668	1,687,836	2.9%	4,186,501,051	15.737	14.285	-9.2%
	411,140,329	432,441,069	21,300,740	5.2%	30,596,986,883			
Total to be Raised for School Purposes	497,237,079	521,322,231	24,085,152	4.8%				