Agenda – Executive Policy Committee – March 20, 2013

REPORTS

Item No. 1 2013 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 2013.

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: **2013 Mill Rates for the Education Support Levy and Special Levy**

Critical Path: **EXECUTIVE POLICY COMMITTEE – COUNCIL**

AUTHORIZATION

Author	Department Head	CFO	CAO
S. Gigliotti	M. Chambers	Mike Ruta, CFO	D. Joshi, COO

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 2013.

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

Property owners in the City of Winnipeg are affected by increases or decreases in education related mill rates.

HISTORY / 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 $92,318,363 representing an increase of $3,437,201 or 3.9 from 2012.

The 2013 requirement corresponds to a mill rate of 11.747 for "Other" property which is 2.4% higher than the 2012 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' 2013 Special Levy requirements total **$457,720,670** an increase of **$25,279,601** or **5.8%** over their 2012 requirement. This change in Special Levy requirements ranges from a 2.8% increase in the Interlake School Division to a 7.5% 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 1.6% increase in the Pembina Trails School Division to a 6.7% increase in the Winnipeg School Division (see Schedule "A").

Impact of Combined Mill Rate for Education Purposes

For 2013, the combined levies for education purposes in Winnipeg will total **$550,039,033**, which is **$28,716,802 or 5.5%** higher than in 2012 (see Schedule "A").

Based on the 2013 Preliminary Operating Budget, education taxes now represent 53.25% of all property taxes collected in Winnipeg, compared to 53.5% in 2012 and 54.3% in 2011.

FINANCIAL IMPACT

Financial Impact Statement

Date: March 15, 2013

Project Name:

First Year of Program 2013

2013 Mill Rates for the Education Support Levy and Special Levy

	2013	2014	2015	2016	2017
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	$ 550,039,033	$ -	$ -	$ -	$ -
Less: Education and Special Levies Billed	550,039,033	-	-	-	-
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

Radhika 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: S. Gigliotti, Supervisor of Data Support Services
Date: March 15, 2013
File No. 2013 School and Education Support Mill Rate Report

SCHEDULE "A"

Amounts to be Raised for Education Purposes

PAYABLE TO SCHOOL DIVISIONS	Requirements 2012	Requirements 2013	Change Amount	Change %	Portioned Assessments	Mill Rates 2012	Mill Rates 2013	Mill Rates Change
Provincial Levy on Other Property	88,881,162	92,318,363	3,437,201	3.9%	7,858,966,095	11.469	11.747	2.4%
	88,881,162	92,318,363	3,437,201	3.9%	7,858,966,095			
Winnipeg	142,601,898	153,227,298	10,625,400	7.5%	9,162,037,685	15.668	16.724	6.7%
St. James-Assiniboia	42,906,652	45,244,214	2,337,562	5.4%	3,388,481,665	12.700	13.352	5.1%
Pembina Trails	73,353,797	77,164,484	3,810,687	5.2%	5,887,551,245	12.897	13.106	1.6%
Seven Oaks	35,854,424	37,508,875	1,654,451	4.6%	2,243,299,058	16.287	16.720	2.7%
Seine River	3,820,916	4,033,709	212,793	5.6%	262,366,083	14.856	15.374	3.5%
Interlake	30,570	31,439	869	2.8%	2,073,423	14.363	15.163	5.6%
Louis Riel	74,069,144	78,479,139	4,409,995	6.0%	5,903,030,385	12.810	13.295	3.8%
River East Transcona	59,803,668	62,031,512	2,227,844	3.7%	4,251,766,736	14.285	14.590	2.1%
	432,441,069	457,720,670	25,279,601	5.8%	31,100,606,280			
Total to be Raised for School Purpose	521,322,231	550,039,033	28,716,802	5.5%				