Agenda – Executive Policy Committee – March 19, 2014

Moved by Councillor

That Rule 10(3) of The Procedure By-law No. 50/2007 be suspended in order that the following item, which was received less than 96 hours preceding the committee meeting, be considered by Committee.

ADDENDUM REPORTS

Item No. 9 2014 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 2014.

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: **2014 Mill Rates for the Education Support Levy and Special Levy**

Critical Path: **Executive Policy Committee – Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
T. Austin	M. Chambers	Mike Ruta	D. Joshi A/CAO

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 2014.

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 $100,983,124 representing an increase of $8,664,761 or 9.4% from 2013.

The 2014 requirement corresponds to a mill rate of 11.493 for "Other" property which is 2.2% lower than the 2013 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' 2014 Special Levy requirements total **$478,324,087** an increase of **$20,603,417** or **4.5%** over their 2013 requirement. This change in Special Levy requirements ranges from a 1.0% increase in the Interlake School Division to a 7.3% increase in the Seine River 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

10.7% decrease in the Seven Oaks School Division to a 5.3% decrease in the Seine River School Division (see Schedule “A”).

Impact of Combined Mill Rate for Education Purposes

For 2014, the combined levies for education purposes in Winnipeg will total **$579,307,211**, which is **$29,268,178 or 5.3%** higher than in 2013 (see Schedule “A”).

Based on the 2014 Operating Budget, education taxes now represent 54.5% of all property taxes collected in Winnipeg, compared to 53.25% in 2013 and 53.5% in 2012.

FINANCIAL IMPACT

Financial Impact Statement

Date: March 14, 2014

Project Name:

2014 Mill Rates for the Education Support Levy and Special Levy

First Year of Program 2014

	2014	2015	2016	2017	2018
Capital					
Capital Cost of Proposed Projects	$ -	$ -	$ -	$ -	$ -
Less: Costs paid by Developer	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other -	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Education and Special Levy Payments Required	$ 579,307,211	$ -	$ -	$ -	$ -
Less: Education and Special Levies Billed	579,307,211	-	-	-	-
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

Brent Heckert for 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:	T. Austin, Manager of Taxation and Finance Services
Date:	March 14, 2014
File No.	2014 School and Education Support Mill Rate Report

SCHEDULE "A"

Amounts to be Raised for Education Purposes

PAYABLE TO SCHOOL DIVISIONS	Requirements 2013	Requirements 2014	Change Amount	Change %	Portioned Assessments	Mill Rates 2013	Mill Rates 2014	Change
Provincial Levy on Other Property	92,318,363	100,983,124	8,664,761	9.4%	8,786,578,556	11.747	11.493	-2.2%
	92,318,363	100,983,124	8,664,761	9.4%	8,786,578,556			
Winnipeg	153,227,298	158,104,106	4,876,808	3.2%	10,464,270,478	16.724	15.109	-9.7%
St. James-Assiniboia	45,244,214	47,056,492	1,812,278	4.0%	3,839,131,908	13.352	12.257	-8.2%
Pembina Trails	77,164,484	82,047,304	4,882,820	6.3%	6,763,120,289	13.106	12.132	-7.4%
Seven Oaks	37,508,875	39,364,416	1,855,541	4.9%	2,635,058,056	16.720	14.939	-10.7%
Seine River	4,033,709	4,328,876	295,167	7.3%	297,390,000	15.374	14.556	-5.3%
Interlake	31,439	31,756	317	1.0%	2,232,778	15.163	14.223	-6.2%
Louis Riel	78,479,139	83,142,211	4,663,072	5.9%	6,700,128,550	13.295	12.409	-6.7%
River East Transcona	62,031,512	64,248,926	2,217,414	3.6%	4,820,422,530	14.590	13.328	-8.6%
	457,720,670	478,324,087	20,603,417	4.5%	35,521,754,589			
Total to be Raised for School Purpose	550,039,033	579,307,211	29,268,178	5.3%				