Agenda - Council – March 23, 2016

Report "A" – Executive Policy Committee – March 16, 2016

Item No. 4 2016 Mill Rates for the Education Support Levy and Special Levy

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 16, 2016, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted 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 2016 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 16, 2016

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 16, 2016, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the matter to Council.

ADMINISTRATIVE REPORT

Title: **2016 Mill Rates for the Education Support Levy and Special Levy**

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

AUTHORIZATION

Author	Department Head	CFO	CAO/COO
T. Austin	M. Chambers	M. Ruta	M. Jack COO

RECOMMENDATIONS

3. That, in compliance with the mandatory provisions of *The Public Schools Act*, Council adopts 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 2016.

4. 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.

EXECUTIVE SUMMARY

This Administrative Report provides information regarding the 2016 budget requirements from the school divisions that are located within the boundaries of the City of Winnipeg as well as the Provincial Education Support Levy.

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.

Therefore, in compliance with the mandatory provisions of *The Public Schools Act*, Council adopts 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 2016.

IMPLICATIONS OF THE RECOMMENDATIONS

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

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

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 $111,905,289 representing an increase of $7,645,256 or 7.3% from 2015.

The 2016 requirement corresponds to a mill rate of 10.890 for "Other" property which is 7.3% higher than the 2015 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' 2016 Special Levy requirements total $533,917,366 an increase of $31,356,780 or 6.2% over their 2015 requirement. This change in Special Levy requirements ranges from a 4.5% increase in both the Seine River and Winnipeg School Divisions to a 12.6% 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 resulting from the 2016 General Assessment, has resulted in

mill rate changes ranging from a 8.5% decrease in the Interlake School Division to a 1.7% decrease in the Seven Oaks School Division (see Schedule “A”).

Impact of Combined Mill Rate for Education Purposes

For 2016, the combined levies for education purposes in Winnipeg will total $645,822,655, which is $39,002,036 or 6.4% higher than in 2015 (see Schedule “A”).

Based on the 2016 Preliminary Operating Budget, education taxes now represent 55.2% of all property taxes collected in Winnipeg, compared to 54.6% in 2015 and 54.5% in 2014.

FINANCIAL IMPACT

Financial Impact Statement **Date:** March 15, 2016

Project Name:

2016 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

Ramona Hodges
Manager of Finance (Campus)
Corporate Finance Department

CONSULTATION

In preparing this report there was consultation with:
Legal Service – for by-law preparation only

OURWINNIPEG POLICY ALIGNMENT

N/A

SUBMITTED BY

Department:	Assessment and Taxation
Division:	Taxation and Finance
Prepared by:	T. Austin, Manager of Taxation and Finance Services
Date:	March 15, 2016
File No.	2016 School and Education Support Mill Rate Report

SCHEDULE "A"

Amounts to be Raised for Education Purposes

PAYABLE TO SCHOOL DIVISIONS	Requirements 2015	Requirements 2016	Change Amount	Change %	Portioned Assessments	Mill Rates 2015	Mill Rates 2016	Change
Provincial Levy on Other Property	104,260,033	111,905,289	7,645,256	7.3%	10,276,420,592	11.745	10.890	-7.3%
	104,260,033	111,905,289	7,645,256	7.3%	10,276,420,592			
Winnipeg	164,402,479	171,800,610	7,398,131	4.5%	11,890,874,497	15.598	14.448	-7.4%
St. James-Assiniboia	48,593,513	51,077,403	2,483,890	5.1%	4,114,128,346	12.677	12.415	-2.1%
Pembina Trails	86,767,325	93,949,661	7,182,336	8.3%	7,770,318,817	12.390	12.091	-2.4%
Seven Oaks	41,894,690	44,649,621	2,754,931	6.6%	2,904,913,812	15.641	15.370	-1.7%
Seine River	4,514,275	4,716,316	202,041	4.5%	335,269,629	15.199	14.067	-7.4%
Interlake	32,108	36,157	4,049	12.6%	2,748,186	14.380	13.157	-8.5%
Louis Riel	89,379,885	96,110,413	6,730,528	7.5%	7,534,486,355	13.068	12.756	-2.4%
River East Transcona	66,976,311	71,577,185	4,600,874	6.9%	5,506,156,751	13.597	12.999	-4.4%
	502,560,586	533,917,366	31,356,780	6.2%	40,058,896,393			
Total to be Raised for School Purpose	606,820,619	645,822,655	39,002,036	6.4%				