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March 3, 2017

**Town of Gravenhurst
3 -5 Pineridge Gate
Gravenhurst, On
P1P 1Z3**

Attn: Gravenhurst Council

Dear Madam Mayor and Members of Council:

Re: Budget for 2017

The Muskoka Lakes Association (MLA) represents over 2,300 families in Muskoka, with many members having either seasonal residences or permanent homes in the Town of Gravenhurst. The MLA is known for its long-standing efforts to promote the responsible use, enjoyment and conservation of the unique Muskoka environment, features that are crucial for the economic base of the region.

The MLA has also participated in municipal and district budget deliberations for the four municipalities of interest to our membership: Bracebridge, Gravenhurst, Township of Muskoka Lakes, Seguin Township, as well as the District of Muskoka. With respect to municipal budgets, our objective is to encourage responsible public expenditures and modest increases in spending, thus potentially reducing or at least restraining, property tax increases.

Baring exceptional circumstances, the MLA strongly believes that the Town should limit year over year **spending** increases to the rate of inflation. We believe Council should instruct Staff to deliver a budget proposal within those spending guidelines.

We question the rationale for the Gravenhurst Municipal Council to increase spending year after year far in excess of the Consumer Price Index. A simple analysis of Gravenhurst spending vs the Ontario Consumer Price Index is revealing:

	% Increase Over Previous Year			
	2013	2014	2015	2016
Ontario CPI (source: StatsCan)	1.0%	2.4%	1.2%	1.8%
	2014	2015	2016	2017
Gravenhurst Spending (Includes Operations & Capital Expenditures)	4.7%	2.9%	8.2%	5.4% (Proposed)

Our conclusion is that, between the operating and capital budget proposals for 2017, Gravenhurst will again be attempting to live beyond its means. Real wages of a large number of Gravenhurst ratepayers have not increased commensurate with the rate of spending increases incurred by the Town.

It is notable that a total of 4 new staff positions are requested in this budget. Increases such as this, illustrates the need for setting priorities within the Town which are in line with the Town's financial resources.

The debt held by the Town of Gravenhurst is sizable, with an astounding 20% of the operations budget devoted to servicing the debt. The model for service delivery in Gravenhurst has to adapt and face the challenges of this burdensome debt.

Regarding the budget process, we are impressed with the transparency of the process, where division heads present and defend their units' budget details. These presentations are enlightening, and one gets the clear sense from the spectrum of questions posed by Councilors that there is real bilateral benefit of the presentations, for both elected representatives and ratepayers. This is a valuable process to ensure transparency and accountability. It is rewarding to view the passion and commitment of the staff, attesting to the strength of the community.

That concludes our comments on the proposed 2017 budget. Thank you for your consideration.

Respectfully submitted,



Anne McCauley
Chair, Political and Land Use Committee



Robert Ensor
President

Stephen Sims
Director, Muskoka Lake Association