

January 26, 2017

**Mayor and Members of Council
Township of Muskoka Lakes
1 Bailey Street, PO Box 129
Port Carling, Ontario P0B 1J0**

Dear Mayor Furniss and Members of Council:

Township of Muskoka Lakes 2017 Municipal Budget

The Muskoka Lakes Association (MLA) is an active participant in municipal affairs. Annually, we comment upon Council's municipal budget on behalf of our 2,300 member families consisting of both permanent and seasonal residents.

In our opinion, it was commendable on the part of council to ask staff to present a zero increase in the budget. However, we feel it is ultimately an unrealistic objective. The MLA is well aware of the increasing costs in goods and services that occur every year, and therefore, we concur that a modest increase in the annual levy is prudent and necessary to maintain the services for which the Township is responsible. However, we are concerned about increases that exceed several times the current CPI. Therefore, the MLA expresses deep concern over the proposed 9.12% increase in the tax levy. Your constituents do not have bottomless pockets.

The MLA has a few questions. We are aware that the fire department is purchasing a new vehicle this year. When vehicles are replaced, we understand that they are then sold. Do revenues from the sales of any vehicles go into the fire department operational budget, fire department reserve, or general reserves?

We expect that any purchase of vehicles for the fire department takes into account the needs and geographic requirements for vehicles in the township i.e. smaller vehicles to access seasonal roads and is not simply a replacement vehicle similar to those seen in the big cities but which are unsuited to the challenges of cottage country.

Similarly, according to the budget documents, Building Dept. contributions were up by 103% in 2016 and down 84% in the 2017 budget. We request more details to understand the ramifications of this large variance.

The MLA believes a rethink of the township processes and services needs to be done.

Products and services need to be delivered more affordably and we suggest you look at things differently than has been the case in the past. The Township of Muskoka Lakes, as well as other municipalities in Muskoka, including the District, needs to become more efficient, reduce

spending and perhaps re-think the level of services provided. We note that in spite of the horrific impact of increased OPP costs, the Districts proposed budget increase is 1.9%; not 9.12%.

The MLA and our members understand that modest increases in taxation are to be expected. However, we are very concerned about township spending which is perceived as currently being not prudent and out of control. As per our comments made in previous years, we again suggest that the township consider how to deliver products and services differently so as to be more efficient, less costly and not duplicated across the district. We cannot continue the municipal spending habits of the 70's and 80's nor can we continue to do business as in the 70's and 80's.

Muskoka is blessed with spectacular geography, weather and community that have made it a premier cottage destination for not just Southern Ontario, but the rest of Canada, the United States and even Europe. This has resulted in extraordinary waterfront valuations not anticipated when the current taxation structure was put in place. This is no more evident than at the District level of government where it is recognized and **stated by Mayor Furniss that the tax revenue from the waterfront cottage owner of the Muskoka Lakes Township shoulders the majority of the tax burden, and utilizes local services the least.**

Appreciating lakefront property values far above the rate of inflation has resulted in the value of the tax assessment base for the Muskoka region to be far above that of other comparable regions in Ontario. Given the cost to provide comparable services to other comparable communities are the same, the tax rate should be far lower in Muskoka. Yet this is not the case.

The MLA considers Community Centres an integral part of community life and we express our concern about their proposed closure. Specifically, Bala has suffered several blows of late and we are worried that the repurposing of the arena will only add to the town's woes. While we appreciate there are limited funds to meet all the demands within the township we encourage council to work with community leaders in Cardwell, Torrance and Bala to see if alternate methods of funding can be achieved to maintain the operation of the affected buildings/services. The Mayor's recent letter stated that he wished to consult with the community about potential closures and the MLA agrees with that.

The MLA appreciates the opportunity to provide input to the municipalities draft 2017 budget.

Our hope is that future councils will not find themselves in the same position as today of seeking large increases in the levy.

The MLA continues to follow your deliberations with great interest and hope to be able to report further reductions back to our members.

Yours respectfully,



Bob Ensor
President



Anne McCauley
Political and Land Use Committee Chair