

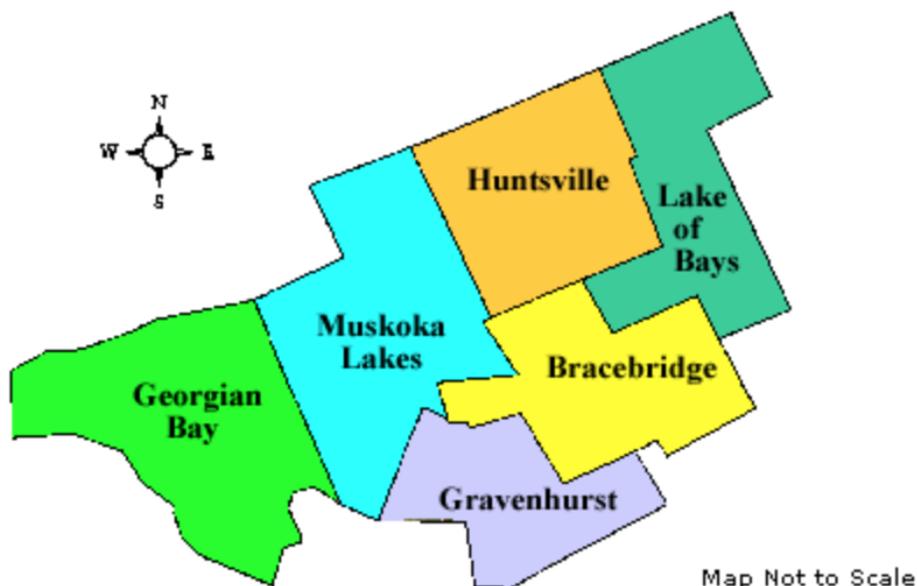
You Get What You Pay For – A Look At Our Township Taxes

This past summer the Township of Muskoka Lakes (TML) asked its citizens for feedback regarding its service levels. The Township conducted a survey and public meetings to learn what residents thought about how the TML spends our tax dollars.

Township officials pointed out that at current tax and spending levels, we are facing challenges funding infrastructure projects as well as the everyday township services we have come to expect. Budget shortfalls and/or infrastructure improvements can be funded through tax increases, government grants, increased user fees or service level reductions. It was suggested that service level reductions could include:

- closing roads to save on cost of bridge replacements
- reverting from high float (paved) roads to gravel on some low usage roads
- closing fire halls and/or community centres
- designating certain roads as seasonal with no winter maintenance/plowing
- abandonment or closure of public wharfs and ramps rather than replacement
- reduced maintenance of parks and cemeteries

In response to the request for feedback, the MRA has given some thought as to what we would like to see from an ideal local government. We compared our tax levels to what we think of as our so called “larger” District neighbours - Bracebridge, Huntsville and Gravenhurst. (The accompanying map shows the municipalities that make up the District of Muskoka.)



What we found is that our township tax levels were much lower than in these other jurisdictions. In fact our TML tax rates (also known as mill rate - the rate we pay per \$1,000 of our properties assessed value) is only 28% of the average mill rate in

these other jurisdictions! Looking at it another way, the municipal tax rates in the “larger” towns are about 3.6 times higher than ours.

Here are the mill rates for the four jurisdictions by category. Your property taxes will be equal to your assessment value (shown on your tax bill) multiplied by the total mill rate as shown below.

2017 Tax Rates	Gravenhurst	Huntsville	Bracebridge	TML
Education	0.00179000	0.00179000	0.00179000	0.00178600
Upper Tier (District)	0.00287230	0.00287230	0.00287230	0.00287230
Waste Management	0.00059940	0.00064240	0.00068140	0.00025960
Sewer	0.00209300	0.00209300	0.00209300	0.00209300
Water	0.00084670	0.00084670	0.00084670	0.00084670
Hospital	0.00001610	0.00001610	0.00001610	0.00001610
Lower Tier (Town)	0.00431655	0.00362010	0.00439808	0.00113290
Total	0.01253405	0.01188060	0.01269758	0.00900660

Our assessment base (the total assessed value of all properties in the TML) is much higher than any other town in the District. Our assessment base is \$8.9 billion versus the next highest (Huntsville) at \$3.2 billion! This shows the TML to be the wealthiest municipality in the District. This assessed wealth comes mainly from the high value cottages that exist and continue to be built in our township. At the same time our Township also has a very high poverty rate. The Township must address the needs of both.

Notice that each jurisdiction’s tax rate is almost the same for District, Education, Sewer, Water, and Hospital services. The big difference in their total tax rate and ours is the lower tier (municipal) tax rate. One reason for this lower rate is that (as mentioned above) the TML has a far higher assessment base (the value of all of the properties in our Township) than the other jurisdictions. That means that our millage rate can be lower while still producing the tax dollars we need. That could be a good thing since it means more dollars left in our pockets. It could also be a bad thing if we are not receiving the services we want.

This led us to compare some of the services we enjoy in the TML with the other towns in our District to see what they are buying with their higher taxes:

- *Public Libraries:* TML has two the other 3 communities 1 each.
- *Swimming pools:* TML has none, the other 3 communities 1 each.
- *Ice Rinks:* TML has 2 indoor rinks; Gravenhurst has 2 outdoor and 1 indoor rink; Huntsville has 2 indoor and 1 outdoor rink; Bracebridge has 1 indoor and 1 outdoor rink.

- *Theatres*: TML has no theatres; the other 3 communities each have a theatre for the performing arts, (Rene Caisse, The Opera House, and Algonquin).
- *Community Centres*: TML has 13 community centre buildings but quite limited community sponsored programs. The other three communities each have only 1 community centre but they offer a full range of community programs such as (depending on the jurisdiction) aqua fitness, fencing, children's programs, senior's activities, dancing, climbing walls, weight rooms, visual arts, painting and sculpture lessons, woodworking, badminton etc. Often there are individual fees to participate in these activities.
- *Fire Stations*: TML has 10 fire stations while Gravenhurst has 3, Bracebridge has 2, and Huntsville has 2.

In summary, the TML is a low tax yet wealthy jurisdiction offering limited services and is being squeezed as expenditures rise. Instead of looking only at budget cuts (as outlined in the harsh suggestions above) we urge Council to look at spending priorities as well as revenue opportunities. We would like to see expenses for community facilities such as community centres reviewed to be sure that they are appropriate and that the facilities are being used enough to warrant remaining open. Fees for the use of Community Centres and arenas should be fair and should not be routinely waived every time someone asks for a discount or free meeting space because they are "community" based.

Finally, knowing that municipal elections are less than one year away, we would wish that election candidates would articulate a community vision for Muskoka Lakes, gain support from the community, then formulate plans as well as budgets that will make that vision a reality. This proactive approach could be beneficial to the electorate in the upcoming fall of 2018 election.