

Can the upcoming election improve our lives in Muskoka? We sure hope so, isn't that why we vote in the first place?

This is an election year for our municipal governments (The District of Muskoka and the Township of Muskoka Lakes). Most of us pay attention to our national and provincial elections because we know that they play an important role in shaping the kind of lives we can lead (and because we get a big income tax bill from them every year).

I suspect that fewer of us pay as much attention to our municipal elections thinking that they are less important in our lives. That is a mistaken impression. In fact, our municipal officials are responsible for providing all of the local services that we rely on everyday (and by the way, we get a big tax bill from them too - property). These elections are your opportunity to have a say as to how we are governed locally and how you would like your local government to spend your property tax dollars.

Property taxes are the main income source for our municipalities. As part of their annual budget process, each municipality decides on what tax rate is needed to pay for the infrastructure and services they provide. As you would expect, the more they provide, the more they need in taxes. In Muskoka, our municipalities (the Township and/or the District) provide local roads and their maintenance, fire and ambulance services, libraries, local policing, docks, boat launches, community centres, and more. But, as many a property taxpayer in the Township of Muskoka Lakes (TML) has mused, "what do I get for my taxes?" or "As a cottager, my kids can't even go to school here, why should I pay school taxes?" and even "All I get for my taxes is garbage collection".

Muskoka government has to cater to at least three diverse segments with various expectations. They are 1) permanent residents, 2) seasonal residents, and 3) commercial operators. These three groups rely on each other to form the community we enjoy. Seasonal residents come to enjoy our lakeside life style. Permanent residents often work here providing labour for the other two groups. The commercial operators offer employment, professional services, marine sales and service, retail, restaurants, construction, and trade services such as painting, plumbing, etc. None of these groups can function well without support from the other groups.

The expectations from local government vary depending on the segment we are looking at. To attract and keep permanent residents we need affordable housing, good schools, job opportunities, as well as recreational facilities and programs for their families. They would also like local healthcare and maintained roads. They look to government to provide serviced land on which to build affordable housing.

It is pretty much a given that as long as our lakes remain attractive, summer residents will want to come to Muskoka. Affordability is not an issue for them (at least not yet). For this group, government needs to make sure that roads are maintained, garbage picked up on time, public areas are kept clean, rules are put into place (and followed) regarding construction, shoreline development, building and septic permits are issued and building codes enforced. Seasonal residents aren't as interested in good local schools or recreational programs but they do want fast turnaround on building permits, good restaurants, entertainment opportunities, retail, building trade services and no Airbnb parties next door.

Commercial operators want affordable employees who will stay on the job through the season (if not year-round) and an opportunity to make a profit. This segment relies on government to issue permits promptly, give clear guidance as to what kinds of projects are permitted and where. They also rely both on seasonal and permanent residents to patronize their services in Muskoka.

With all of these wants and needs, (and budget restraints) what additional facilities and services can local government afford to offer? Aren't we over taxed already? Keep reading.

Frankly, at present, the services provided by the Township of Muskoka Lakes are pretty bare-boned. We do not enjoy many of the services and programs available in some of our neighbouring communities (e.g. Huntsville, Gravenhurst, and Bracebridge). For example, we do not have a community theatre so that we can enjoy theatrical productions or musical performances. We don't have swimming pools or community centre programs such as writing courses, line dancing, and ukulele lessons as they have in Huntsville, acrylic painting, tai chi, and wellness programming like they have in Bracebridge or woodworking, photography, and table tennis like they offer in Gravenhurst. Perhaps our TML government either thinks that we don't want those types of programs or doesn't think that we can (or want) to afford them.

To determine the amount of property taxes needed to cover their programs, the local government adds up the cost of their overall planned expenditures and then subtracts other sources of revenue such as business taxes, license fees, user fees and provincial grants. The balance is the amount that must be raised through (your) municipal property taxes. Property taxes are set based on a percentage of your property's assessed value. The more your property is worth; the more you pay in property taxes.

Ironically, in order to pay for the same dollar amount of services, the tax rate in an area with high property assessments can be lower than in an area with low property values. In our case, tax rates in the TML are much lower than in our neighbouring communities! The main reason is that we have the highest assessment base compared to our neighbour's – by far. Here are the total assessment values as determined by MPAC for each jurisdiction:

- Bracebridge: \$3.1 Billion
- Gravenhurst: \$3.3 Billion
- Huntsville: \$3.7 Billion
- Township of Muskoka Lakes: \$9.2 Billion

Yes, that's right, it's not a typo, it is \$9.2 Billion with a "B". The total assessment value of all of the properties (cottages, houses, commercial buildings, farms, etc. in our Township are worth more than \$9.2 billion dollars or roughly 3 times the assessment value in any of these other municipalities. (Are you feeling richer yet?)

That assessment base will come as quite a surprise to some people since it always seems like the TML is the poor kid in the neighbourhood when comparing the services we receive as outlined earlier. It also explains why we pay such a large portion of the District's total tax bill (about 37% by the way) as our TML politicians like to point out.

Now, let's look at the property taxes we pay versus some of our neighbours. In the first table, we can compare our tax rates on properties without municipal water or sewer services with those of our neighbours in the District of Muskoka.

	Bracebridge	Gravenhurst	Huntsville	TML
Town/Township Tax Rates	0.00441804	0.00431655	0.0036201	0.0011329
District Tax Rates:				
General	0.0028723	0.0028723	0.0028723	0.0028723
Waste	0.0006814	0.0005994	0.0006424	0.0002596
Education	0.00179	0.00179	0.00179	0.00179
Hospital	0.0000161	0.0000161	0.0000161	0.0000161
Total District Rates	0.0053598	0.0052778	0.0053208	0.004938
Total Tax Rates*	0.00977784	0.00959435	0.0089409	0.0060709

*Total Town/Township and District Tax Rates

As you can see, our tax rate in the TML is much lower than in the other three jurisdictions. We also note that the District tax rate is more than 4 times as high as our local TML rate. That's where most of our property tax money is going.

In the next table we can use these tax rates to compare how much the owners of 4 identically assessed properties would pay based on where that property is located. For this illustration we have compared properties assessed at \$400,000, \$800,000, \$1.5 million, and \$2.5 million with no water or sewer services provided by the municipality. Properties with water and sewer services pay even more in taxes. We used the 2017 tax rates from the subject municipalities' websites to make our comparison. Note that the rates for the general district, education, and hospital are the same in all of the municipalities. (In case you were wondering, the property tax rates for waterfront properties are the same as for non-waterfront properties.)

	Bracebridge	Gravenhurst	Huntsville	Township of Muskoka Lakes
Tax Rate	0.00977784	0.00959435	0.0089409	0.0060709
\$400,000	\$3,911.14	\$3,837.74	\$3,576.36	\$2,428.36
\$800,000	\$7,822.27	\$7,675.48	\$7,152.72	\$4,856.72
\$1,500,000	\$14,666.76	\$14,391.53	\$13,411.35	\$9,106.35
\$2,500,000	\$24,444.60	\$23,985.88	\$22,352.25	\$15,177.25

This table tells us that a property assessed at \$800,000 located in an area with no water or sewer service, would pay property taxes of \$4,856.72 if it was located in the TML and \$7,675.48 if it were located in Gravenhurst. That's about 56% more! Quite a difference, eh?

Is that difference because the Council are spendthrifts in Gravenhurst? Is it because the TML is so much better governed? Or (more likely), is it because we don't enjoy the same services as they do in Gravenhurst (and in our other neighbouring municipalities)?

OK, so we pay lower taxes here, that's great. But should the TML raise our taxes just because our rates are so low and we want improved community services? How could we afford such an idea? Let's look at one more table. This one shows what happens if the TML raises their portion of our taxes by 5% or 10% in order to address our infrastructure deficit or to build a new swimming pool for local kids, or to add a theatre for us all to enjoy.

	TML	5% tax increase	\$ Increase	10% tax increase	\$ Increase
Tax Rate/ Assessment	0.0011329	0.00118955		0.00124619	
\$400,000	\$453.16	\$475.82	\$22.66	\$498.48	\$45.32
\$800,000	\$906.32	\$951.64	\$45.32	\$996.95	\$90.63
\$1,500,000	\$1,699.35	\$1,784.32	\$84.97	\$1,869.29	\$169.94
\$2,500,000	\$2,832.25	\$2,973.86	\$141.61	\$3,115.48	\$283.23

In short, the owner of a property assessed at \$800,000 would pay about \$45.00 or \$90 more per year for a 5% and 10% tax increase respectively. A property owner with a \$2,500,000 value would pay between \$141.61 and \$283.23 per year. My guess is we can afford those increases IF we could be convinced that we were getting value for our money.

With this as a background, I want to come back to the local upcoming elections. As Heather Mallick said in one of her Toronto Star columns, "Preparing for the future is one of the purposes of government, given that individuals tend not to tax themselves now for a future that may never happen."

What I hear Heather saying is that elected politicians should provide strong leadership, offer a vision for the community they serve, and, once the community has bought into their vision, take actions to implement that vision.

In another recent column entitled [Why I Love Paying Taxes](#) Heather points out "Taxation gets things done. Thanks to taxes, I don't have to dig my own well, or get out of my car and wave little cloth flags I've sewn at home to get through intersections."

What Heather is pointing out here is that government can do for us collectively what we can't do alone.

Here in the TML we look to our local government for leadership in creating a better municipality in which to live or cottage. Yes, council has to deal with the day-to-day problems of local governance. But, we also want them to lift their heads up and lay out a plan for the future with specific goals in mind. From the tax numbers above, it is clear that local government can afford to do more for the citizens of the TML if we see the value in doing so.

In the upcoming election, the MRA has challenged the local candidates to tell us:

- Who would you like to attract to live and invest in our community?
- Do you see this as a place for young families, commuters, people who work from home, summer cottagers, weekend visitors, artisans, seniors, tourists?
- What services should the TML provide to help draw and keep the people that you would like to have live in our community?

- What are the key economic drivers in the Township and how do you support them (e.g. construction, real estate sales, retail)?
- What additional businesses (and jobs) do we need to attract?
- How can the TML help to attract and keep these businesses?
- How do we pay for our existing infrastructure funding deficit?
- What new infrastructure projects do you think that we need to consider?

The MRA is concerned about the gentrification of the Township, specifically as it applies to our cottage neighbourhoods. More and more we see that as older cottages are sold, they are torn down to make way for much larger (and more expensive) properties. While we welcome the jobs and spending that these activities bring, we are concerned that the overall rise in values that this creates means that some people can no longer afford to buy here. Our government is challenged to find ways to be sure that those who want to work here can afford to live here too. After all, jobs are available to serve the needs of our growing (relatively) wealthy property owners (look at those assessment values again). But where are those who would like to take those jobs (including jobs at our resorts and restaurants) going to live? What transportation is available to get them to work, to school, to retail outlets? Do we provide the quality schools that they want for their children? What recreational activities does the community provide to attract young families or seniors? We need our leaders to tell us their plans and how they will address these issues. As an example, do we need to close, repurpose, or renovate some of our community centres? Do we need to continue to subsidize the Health Hub in Port Carling even though this service is not readily available to our seasonal population? Do we need to study how to provide better emergency services with fewer station houses?

We urge TML taxpayers to get involved in this year's election. Let's ask our candidates to articulate their vision clearly. Let's listen to what the candidates have to say, challenge them to be accurate as opposed to misleading, then judge them on what we hear.

Finally, of course, be sure to get out and vote for the candidate of your choice. After all, politicians come and go, but we will have to live with the legacy they leave for more than their 4-year term of office.