



Speak up for Scugog's Budget

This package is part of the Township's continuing efforts to increase taxpayers understanding and participation in the annual budget process. We hope you find this Speak Up Scugog information useful. For comments, suggestions or other inquiries, please visit my.scugog.ca/budget or contact us at 905-985-7346 or by email at budget@scugog.ca.

*Numbers & Statistics are from Scugog's 2022 budget

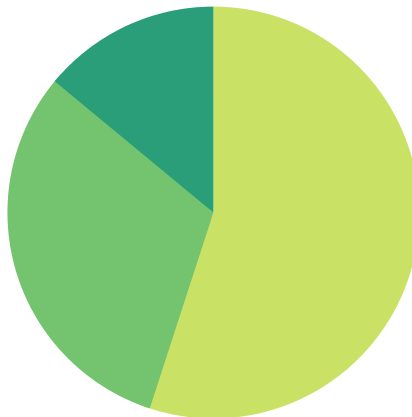
Where do my Municipal taxes go?

Province of Ontario (Board of Education)

14%

Township of Scugog

31%



Region of Durham

55%

Municipal vs Regional Services

Your municipal taxes provide the following services:

Township of Scugog

- Roads services including winter control
- Fire and emergency services
- License and permits
- Maintenance of Township facilities
- Municipal law enforcement
- Infrastructure construction/ replacement
- Maintenance of roads
- Economic development
- Recreation programs
- Crossing Guards
- Streetlights
- Sidewalks
- Museum
- Community Development and Growth Management
- Tourism
- Heritage Preservation and Promotion

Region of Durham

- Police Services
- Maintenance of main/major roads
- Public health services
- Regional planning and growth management
- Social housing and services
- Public Transit
- Water and sanitary sewers
- Waste Management
- Paramedic Services
- Traffic Systems

Province of Ontario (Board of Education)

- Education

Common Budget and Forecast Terms

Assessment Growth

The additional taxation revenue the Township receives from new homes and businesses that are built each year. This revenue is used to cover the cost of providing services to the new residents/businesses and for long term financial planning.

Capital Budget

One time expenditures for major projects (often referred to as “infrastructure”) such as roads, bridges, culverts, vehicles/equipment, parks, playgrounds, sidewalks, trails, streetlights, and buildings. It includes both the development of new, and the rehabilitation of existing infrastructure. It is similar to buying or renovating your house or buying a car, while the actual running of your home and car (like gas, hydro, and general maintenance) would be included in the operating budget.

Debenture Debt

A type of long term loan used as financing for major capital building projects. The debt, including interest, is repayable over 10 to 25 years. Debenture debt spreads the project cost and related tax rate increase over a number of years and ensures that future taxpayers pay their fair share of capital projects being completed today.

Development Charges (DC)

A charge paid by developers to partially pay for the cost of new capital projects required as a result of growth (e.g., new roads, parks, fire stations, etc.). Development charges do not cover the entire cost of a capital project, as legislation requires municipalities to fund a portion of most projects. In addition, certain expenditures are exempt from development charges and must be paid entirely by the municipality.

General Levy

Sometimes referred to as the “Tax Levy”, the general levy is the total of all expenditures funded by property taxes.

Operating Budget

The operating budget covers the daily costs of running the Township services. These costs include staff salaries, program materials and supplies, and utility costs. After user fees, interest income, permit fees and funding from other levels of government, the primary source of monies to pay for the costs in the operating budget is the tax levy – your property taxes

Reserves/Reserve Funds

Monies set aside for specific purposes, both for operating and capital budget items. There are two main types of reserves/reserve funds:

Statutory/Obligatory – municipalities are required by legislation to establish certain reserve funds (e.g., Development Charges, Parkland)

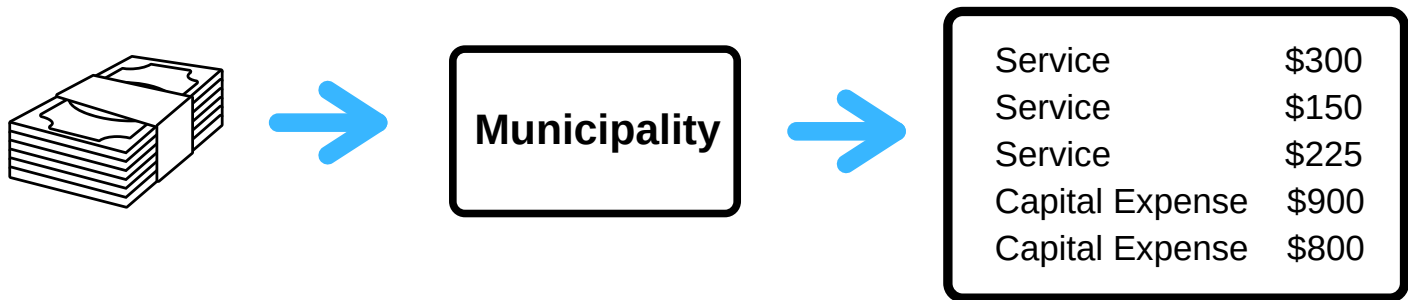
Discretionary – can be established by Council for a specific purpose (e.g., Municipal Projects Reserve, Roads and other Infrastructure Reserve)

What is a budget?

The budget is the estimated revenues and expenses for the year. The legislated requirement of a municipal budget is to match money coming in to money going out.



The budget provides a detailed breakdown of how much money there is to spend and where it needs to be spent. For example; on roads, infrastructure, utility costs, etc.



What makes up the Township's budget?

Operating Budget

Capital Budget

Library Grant

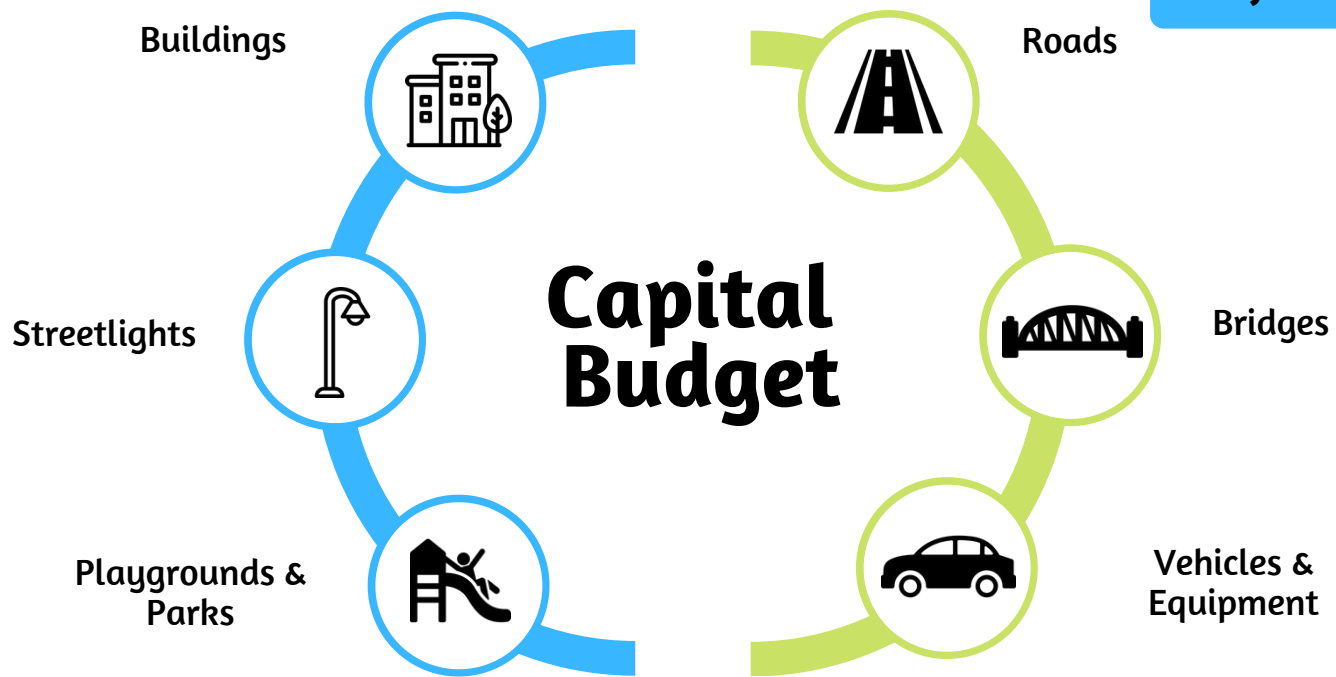
Everyday Budget



The operating budget includes all of the expenses (e.g., wages/benefits, supplies, contracted services, utilities etc.) required to deliver day to day Township services. It also includes the revenues that the Township expects to receive (e.g, user fees, interest income, building permit fees, etc.).

For budget purpose, the Township has 30 reporting categories administered by 7 departments that monitor over 3,000 individual line accounts. The operating budget is created based on existing service levels adjusted for growth. The costs of program additions or upgrades are presented to Council at the time of the budget.

The Township approves a Net Operating Budget, which is calculated as the Total Estimated Operating expenditures less Operating Revenues and Recoveries. Included in the Revenue and Recoveries are the other Taxation Revenues including Payments in Lieu of Taxation (PIL for Federal and Provincial lands), Linear Properties (Railway Lines and Hydro Corridors) and Taxable (Shared PIL) properties.



Capital Budget and a Four Year Forecast

The capital budget and 4 year forecast include one-time expenditures for major projects (often referred to as “infrastructure”) such as roads, bridges, culverts, vehicles/equipment, parks, playgrounds, sidewalks, trails, streetlights, and buildings. It includes both the development of new and the rehabilitation of existing infrastructure.

The budget covers a one year period (the upcoming budget year) while the 4 year forecast covers the capital needs estimated for subsequent years. The 4 year forecast period is reviewed and revised annually as part of the budget process.

The funding for capital projects comes from a wide range of different sources, with the most common ones listed below:

- Development Charges
- Reserves and Reserve Funds (Designated for Capital Projects)
- Debenture Debt
- Federal Gas Tax
- Provincial and Federal Grants (when available)

Key Documents, Studies & Plans that Support the Budget

Budgets and forecasts rely heavily upon the various studies, plans and strategies that have been adopted by Council. These key supporting documents include the following:

Township Strategic Plan

The Township of Scugog's Strategic Plan was approved by Council on May 27, 2019. This plan was developed to act as a guide for Council and staff with identified priorities. Annually, the plan is reviewed and updated and a report is developed and communicated to the public which identifies achievements and adjustments.

Township of Scugog Official Plan

The Official Plan is reviewed every five years to ensure it remains current and continues to address the changing needs of the community. This plan contains policies to manage growth in the Township to the year 2031. Official Plan Amendment No. 5 to the Scugog Official Plan provides more detailed policies to guide development within the Port Perry Urban Area and was approved by the Region on January 10, 2017.

Parks, Recreation and Culture Master Plan

The purpose of the Parks, Recreation and Culture Master Plan is to define what the Township's role is with respect to parks and recreation and set a framework to evaluate needs and priorities for facilities, services, parks, open spaces, and trails.

Development Charges (DC) Background Study

Subject to the requirements of the Province's Development Charges Act, all municipalities are required to adopt and update a study every 5 years. The study identifies the new infrastructure and vehicles/equipment required due to growth, including their estimated cost and approximate timing. Roads, bridges, street lighting and sidewalks required are identified to buildout, while all other projects (e.g., community centres, libraries, firefighting equipment, etc.) are identified for a 10 year period. The Townships current DC Background Study and By-law was completed in June, 2019.

Asset Management Plan

Asset management planning requires that the most cost effective and realistic decisions are made regarding the building, operating, maintaining, renewing, replacing and disposing of infrastructure assets. The prime goal of the Asset Management Plan is to maximize benefits, manage risk, and offer satisfactory, safe and sustainable service levels to the public. Asset management planning requires that the Township has an in depth understanding of the characteristics and condition of infrastructure assets, as well as the service levels they are expected to meet. Asset management planning also involves strategic prioritization to obtain the best decision-making concerning the timing and utilization of investments. The practical implementation of the Asset Management Plan requires the development of a comprehensive and achievable financial strategy. In June 2019 an asset management policy was established and sets the parameters for the municipality moving forward. The Township's Asset Management Plan was completed in June 2022.

State of the Infrastructure Report

A State of the Infrastructure Report was completed in the Fall of 2019. The report will provide information for the Asset Management Plan on the condition, needs, and priorities for Township roads. As well, a Bridge and Culvert Structure Inventory and Inspection report is also being completed to support the Asset Management Plan.

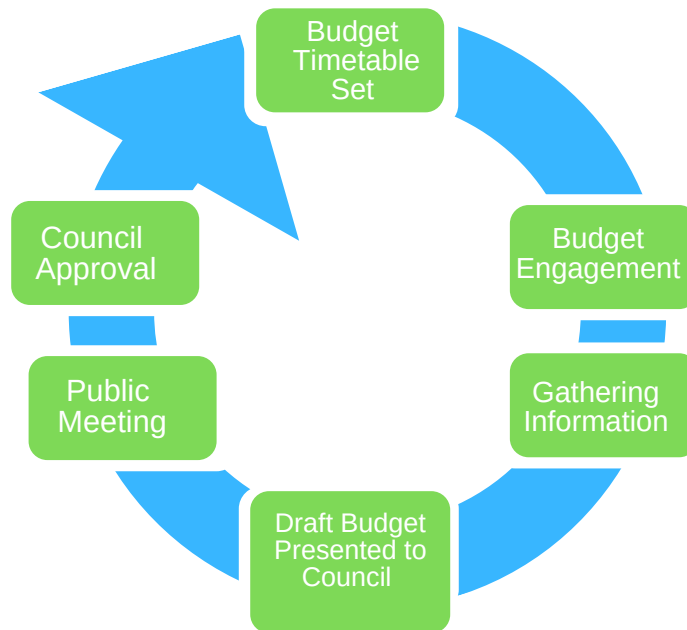
Other

There are a number of other master plans, studies and strategies that feed into the budget and forecast process including those covering Downtown Revitalization, Fire, Library, Economic Development & Tourism, and Accessibility.

Other items that impact the Township's budget & forecast process are:

- Departmental User Fees & Charges;
- Provincial Legislation and Regulations; and
- Established Policies and Procedures.

Budget Timeline



How Taxes are Collected

The following is a simplified explanation of the complicated process of calculating property tax:

Step 1) Calculate Total Operating Levy Requirement:



Step 2) Tax Ratios are updated:

All property classes have a defined ratio, relative to the Residential tax class which is set at 1.000. By comparison, the ratio for the Commercial class is 1.4500. Tax policy refers to changing (usually lowering) a non-residential ratio, which transfers the tax burden to other property classes, primarily to the Residential class. Tax policy decisions are the responsibility of the Region of Durham, in consultation with area municipalities.

MPAC - determines property assessment value
Durham Region - determines tax ratios by property class

There are 34 Property Classes. Below are a few examples of property classes:



Residential



Agricultural

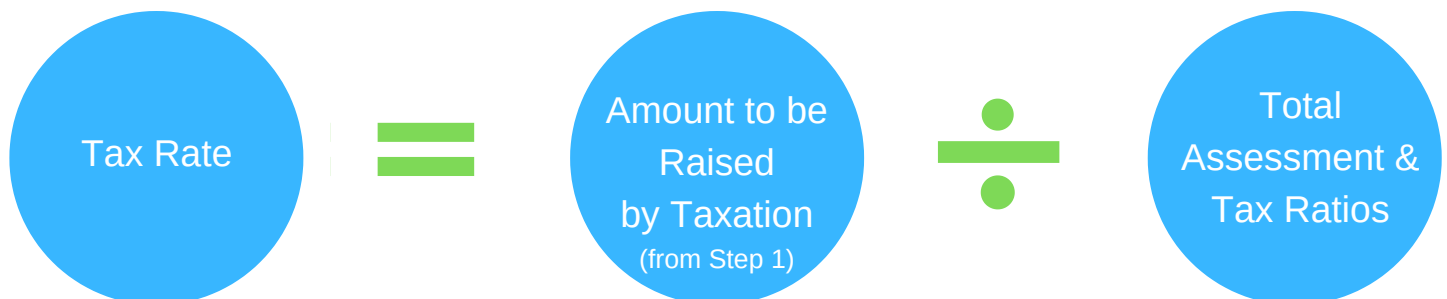


Commercial

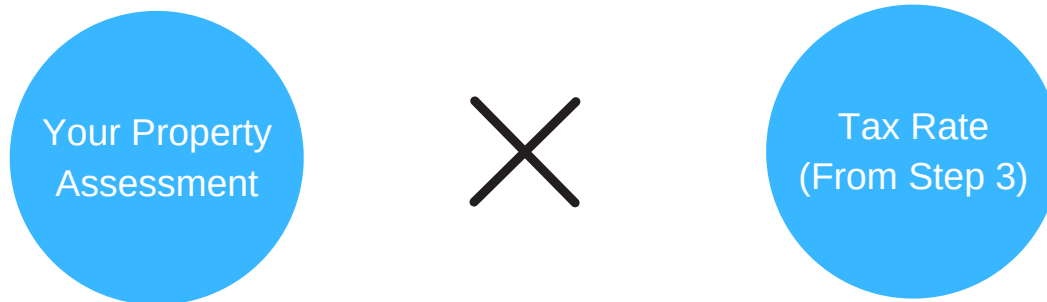


Industrial

Step 3) Tax Rate Calculation:



Step 4) Your Property Tax Calculation:



Speak Up Scugog

To effectively and efficiently deliver services to the community, public input, feedback, comments, and suggestions are essential. There are numerous ways for the public to be heard throughout the entire year, including

- Ongoing correspondence and interaction with the Mayor and members of Council
- Contact, correspondence, discussions, etc., with Township staff
- Public forums such as Open Houses and Public Meetings
- Township website, surveys, and feedback

In addition to the above methods, Council and staff also receive input through citizen advisory committees and boards appointed by Council.

The Township of Scugog wants to hear your input, so we encourage you to take advantage of one or more of these methods to "Speak Up"

For more information and to Speak up for the Scugog Budget visit my.scugog.ca/budget