

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 2026 budget

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.

Common Budget and Forecast Terms

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

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 into 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.



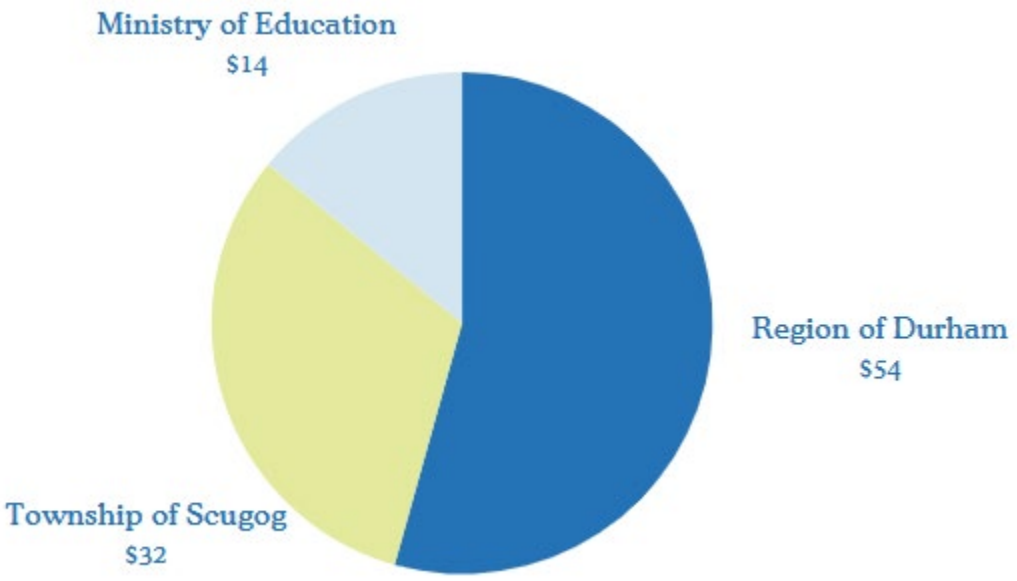
Budget Timeline



What Makes up the Township's Budget?

Operating Budget | Capital Budget | Library Grant | Museum Grant

Where Do my Municipal Taxes Go?



Municipal vs Regional Services

Your municipal taxes provide the following services:



Municipal vs Regional Services

Your municipal taxes provide the following services:

Asset Renewals
Roadways, Recreation Facilities

Enforcement & Licensing
By-law Services

Community Programs
Events, Recreation, Museum

Fire & Emergency Services
Emergency Response

Complete Community
Accessibility, Partnerships

Natural Environment
Lake Quality, Parks, Trails

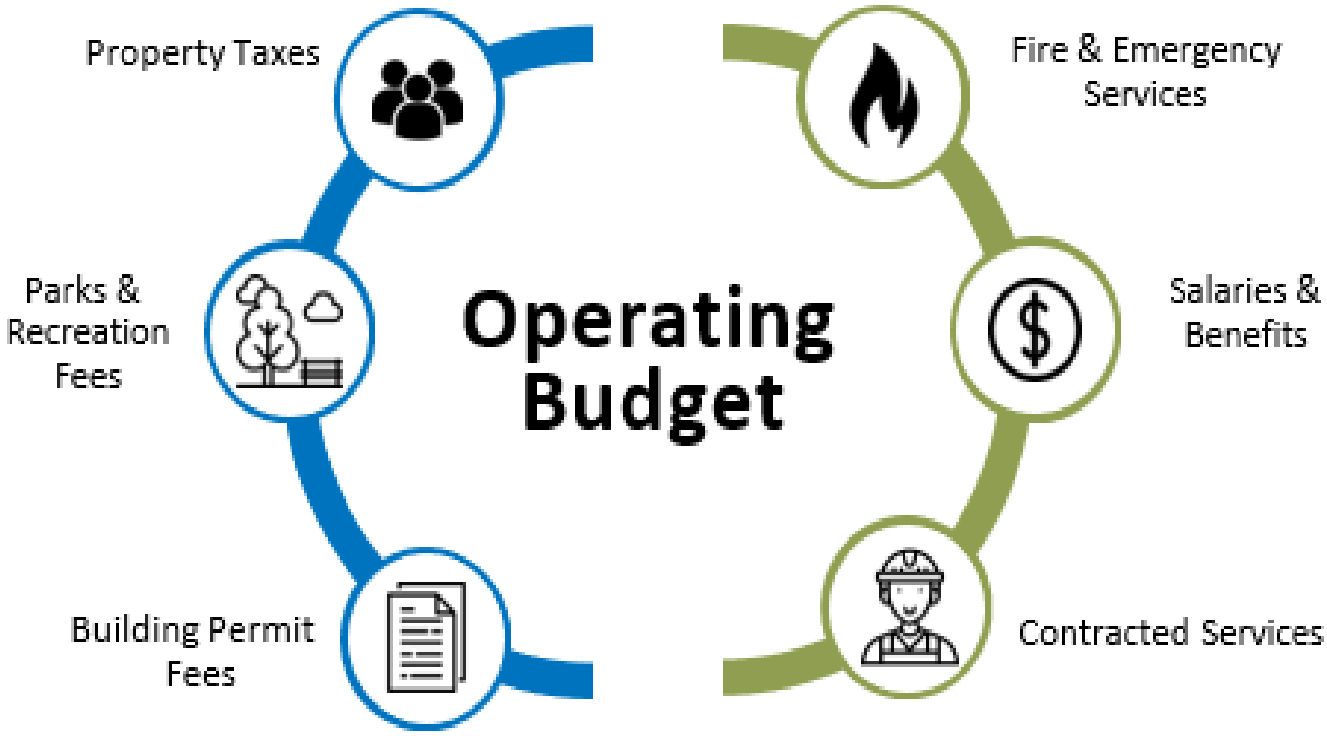
Digital Services
Continuous Enhancement

Roadway Maintenance
Snowplowing, Pothole Repairs

Economic Development
Tourism, Master Plans

Scugog Library
Public Library Services

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 purposes, the Township has 30 reporting categories administered by 7 departments that monitor over 1,200 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.

Long-Term and Infrastructure



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 June 26, 2023. 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.

The previous Parks, Recreation and Culture Master Plan was completed in 2018 and will be updated in 2028.

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 May 2024.

New Provincial legislation was introduced in January 2021, which brought changes to the DC charge. A new community benefit program was implemented to split the current DC charge.

Asset Management Plan

The Township of Scugog has completed its 2025 Asset Management Plan (AMP), successfully meeting all the requirements of Ontario Regulation 588/17. This regulation mandates municipalities to progressively enhance their asset management practices, culminating in a comprehensive plan by July 1, 2025, that includes proposed levels of service, lifecycle strategies, and financial planning for all asset categories. The updated AMP builds on previous work and incorporates recent data from road, bridge, and building assessments. It reflects a thorough evaluation of infrastructure condition and service levels across all asset types.

The AMP outlines strategies to extend asset life and improve service delivery, emphasizing the importance of sustained investment. Although a funding gap remains, the Township is addressing it through a dedicated infrastructure levy and responsible capital planning. With Council's adoption of the updated plan, Scugog has fully complied with all stages of Ontario Regulation 588/17, demonstrating its commitment to maintaining infrastructure in a sustainable and efficient manner.

The 2025 AMP is available on the Township's website.

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:

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

How are Taxes Collected

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

Step 1) Calculate Total Operating Levy Requirement



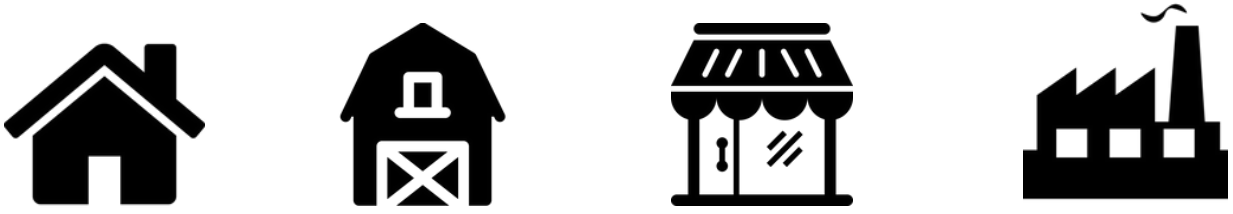
Step 2) Tax Ratios are Updated

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

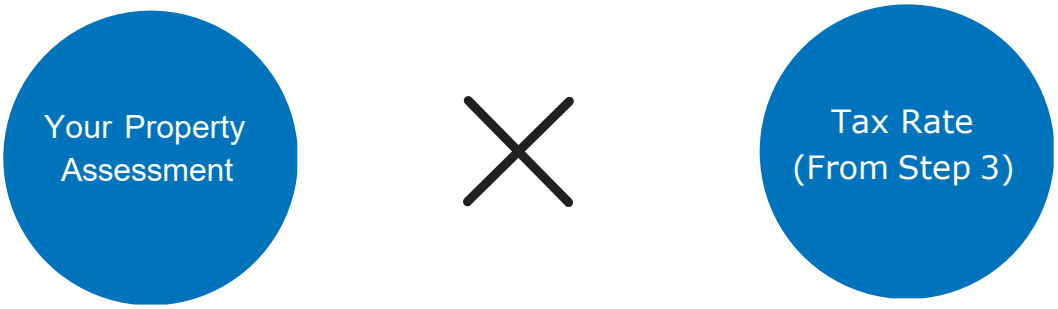


Residential Agricultural Commercial Industrial

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"

TOWNSHIP OF Scugog

