

**2020 Budget**

**Investing** to build our  
**Community for Life**

## 2020 Budget Corporate Overview

Presented to Council  
November 28, 2019



 **Region of Peel**  
working with you

**High Level Overview**

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**Operating Budget**

- Tax Supported Services
  - Utility Rate Supported Services
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**Capital Plan & Budget**

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**Summary**

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**2021-2023 Outlook**

**Options to Lower Property Tax Impact**



## Respect the tax payer

Ensure the Capital Plan is sustainable

**Prudent borrowing**

Work with local municipalities

**Manage assets**

## Value for money

**Users pay where appropriate**

Maintain flexibility to mitigate volatility in rates

**Invest Responsibly**



**2020 Budget**

**Bottom Line Impact**

**AVERAGE PROPERTY  
TAX INCREASE**

**1.7%**

Brampton	Caledon	Mississauga
<b>1.5%</b>	<b>0.8%</b>	<b>2.1%</b>
<b>+\$80</b>	<b>+\$35</b>	<b>+\$90</b>

Residential

**+\$148**

Small Business Owner

**UTILITY RATE INCREASE**

**6.3%**

**+ \$46**

Residential

**+ \$119**

Small Business Owner





**Living:**

People's lives are improved in their time of need.

**\$902** million

**\$43** million



**Thriving:**

Communities are integrated, safe and complete.

**\$1.47** billion

**\$982** million



**Leading:**

Government is future-oriented and accountable.

**\$199** million

**\$33** million

**\$3.7**

billion invested in services that advance and support Council's current term priorities and longer term outcomes

**\$2.6** billion  
Operating Budget

**\$1.1** billion  
Capital Budget

2020 Budget

Improving People's Lives

Living:

People's lives are improved in their time of need.

\$902 million

OPERATING

\$43 million

CAPITAL



Responding to **148,000** emergency calls



Providing **779,000** accessible transportation passenger trips



Providing **17,000+** fee subsidies for lower-income families to benefit from licensed child care



Providing **11,500+** housing subsidies



Providing **900+** residents with quality care through five long term care homes



Providing **12,000+** visits to regional shelters

SERVICES:

- Adult Day
- Child Care
- Community Investment
- Employment Support
- Homelessness Support
- Housing Support
- Income Support
- Long Term Care
- Paramedics
- TransHelp



**Thriving:**  
Communities are integrated, safe and complete.

**\$1.47 billion**  
OPERATING

**\$982 million**  
CAPITAL



Producing **575 million litres of water each day** to provide 334,500 customers safe drinking water



Peel Regional Police responding to **265,000** citizen initiated events and Ontario Provincial Police to **24,750** calls



**73,000 vaccine doses** administered in the 2018/2019 school year



Maintaining **1,690+ lane kilometres** of road to help keep residents safe and traffic moving



Managing **550,000 tonnes of waste** for 352,000 curbside and 104,000 multi-residential households



**101,000** children and caregivers who participate in EarlyON programs

**SERVICES:**

- Chronic Disease Prevention
- Early Growth and Development
- Heritage, Arts and Culture
- Infectious Disease Prevention
- Land Use Planning
- Roads and Transportation
- Waste Management
- Wastewater
- Water Supply
- Assessment Service
- Conservation Authorities
- Police Services



### Leading :

Government is future-oriented and accountable.

**\$199 million**  
OPERATING

**\$33 million**  
CAPITAL



Our Contact Centre provided live support to **1 million people**



**72%** Employee engagement



**74%** of residents reported the Region provides value for tax dollars



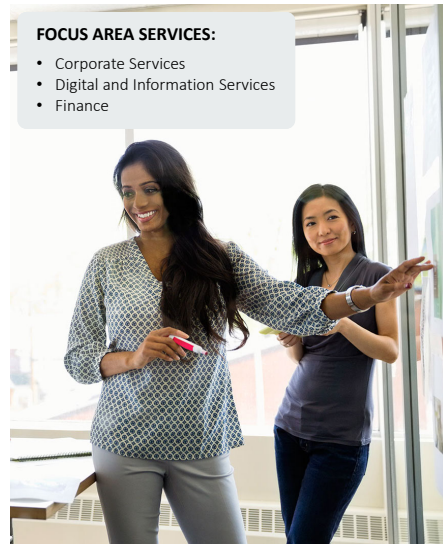
Earned a **Triple-A** credit rating – the highest possible rating



Maintaining **\$30B** of Regional assets, such as roads, bridges and buildings

#### FOCUS AREA SERVICES:

- Corporate Services
- Digital and Information Services
- Finance





ADAPTING

- Excellence Canada Platinum Accreditation
- Tax and Utility ratepayers benefit from Peel's disciplined approach to Continuous Improvement
  - Program evaluation
  - Business process management or LEAN
  - Service level reviews
  - Line-by-line reviews
  - Review of user fees
  - Alternate service delivery models
- Provincial Audit and Accountability Funding for Child Care



PLATINUM RECIPIENT 2019  
EXCELLENCE, INNOVATION  
& WELLNESS



- **Cost savings** - \$2.6 million
- **Cost avoidance** - \$1.9 million
- **Improved Cash Management** - \$6 million (in 2019)

Continuous Improvement 2016 - 2019	\$ Million
Regionally Controlled Tax Supported	56.7
Utility Rate Supported	23.6
<b>TOTAL</b>	<b>\$80.3</b>



- Provincial Funding Changes
- Legislation and Regulations
- Climate/ Weather
- Changing Nature of Employment
- Economic and Market Volatility
- Aging Infrastructure



## What the Average Property Tax Bill Funds

PEEL REGION	<b>41%</b>
LOCAL MUNICIPALITIES	<b>41%</b>
EDUCATION	<b>18%</b>





**Tax Supported**

Operations	2.4%
Maintaining Infrastructure	1.0%
Provincial Funding Cuts	0.9%

**Net Tax Levy**

**4.3%**



**Utility Rate Supported**

Operations	1.3%
Maintaining Infrastructure	5.0%

**Average Utility Rate Increase**

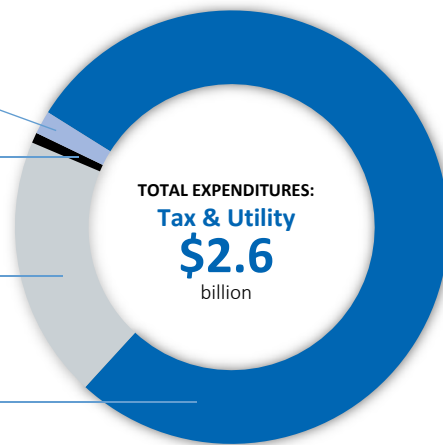
**6.3%**

\*Conservation Authorities  
**\$45M, 2%**

\*Municipal Property Assessment Corporation  
**\$20M, <1%**

\*Police Services  
**\$503M, 20%**

Regionally Controlled Services  
**\$2,002M, 78%**



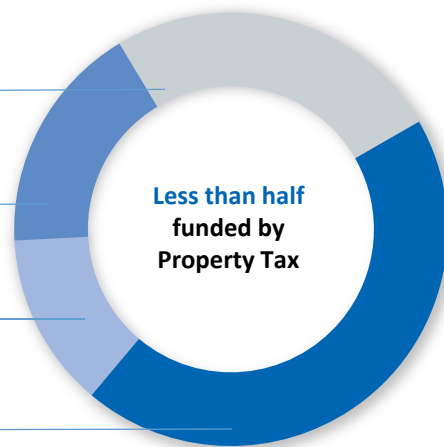
\*External Agencies Operating Budget total \$568M

Grants and Subsidies  
**\$651M, 25%**

Utility  
**\$443M, 17%**

Other  
**\$336M, 13%**

Property Tax  
**\$1,141M, 45%**



## Managing \$19 Million of Provincial Funding Cuts

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<b>Issue</b>	<b>Approach</b>
<b>Service levels</b>	Some provincial services eliminated/reduced and core municipal services protected
<b>Inflation</b>	Funded by a combination of efficiencies & property tax
<b>Population growth</b>	Paramedics funded by Province, balance by property tax & efficiencies
<b>Provincial/Municipal cost share ratios</b>	Cost share adjusted based on latest available information

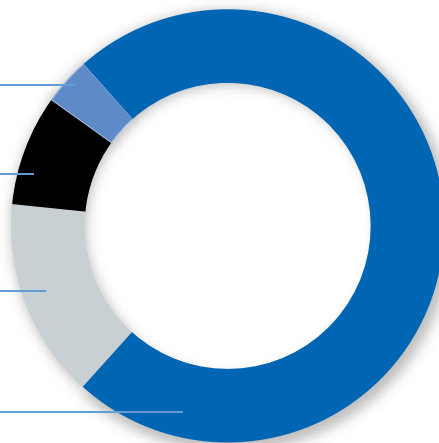


Labour Costs Utility Rate Based  
**\$71M, 4%**

Labour Costs Subsidy Based  
**\$166M, 8%**

Labour Costs Property Tax Based  
**\$299M, 15%**

Program Services &  
Capital Reserves Contribution  
**\$1,466M, 73%**

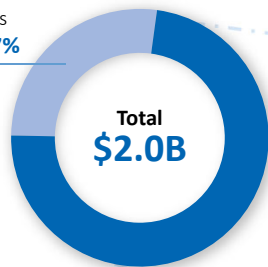


Total Regionally  
Controlled  
Services Budget  
**\$2.0B**

Total Labour  
Costs at 27%  
**\$0.54B**

## Non-Labour Costs 73% of Budget

Labour Costs  
\$536M, 27%

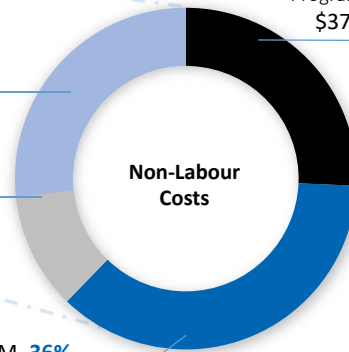


Infrastructure Intensive  
Tax & Utility \$391M, 27%

Leveraging the  
Private Sector \$163M,  
11%

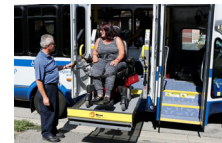
Working with Partners  
to Achieve Outcomes \$536M, 36%

Program Services  
\$376M, 26%



Note: Regionally Controlled Services only

Regionally Controlled Services	Resources to Achieve Approved Level of Service	
	2019 * (FTEs)	2020 (FTEs)
<b>Tax Supported:</b>		
Living	2,204	2,228
Thriving	1,188	1,186
Leading	758	761
<b>Total</b>	<b>4,150</b>	<b>4,175</b>
<b>Utility Rate Supported</b>	<b>523</b>	<b>532</b>



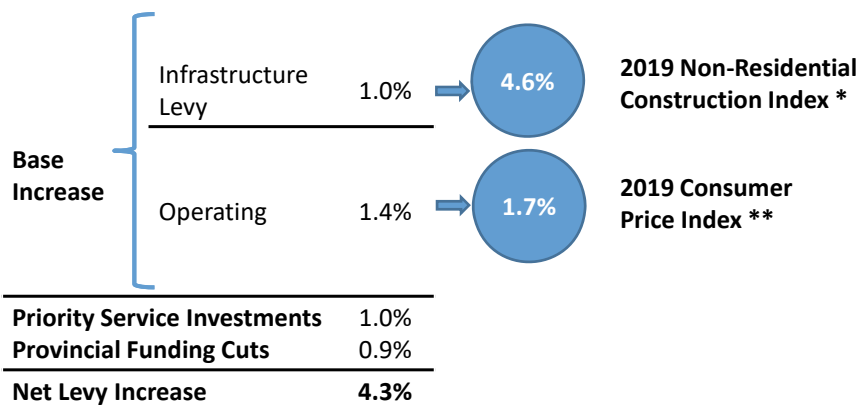
\*Includes 9 positions made regular to maintain 2019 service levels previously approved and funded by Council.

Note: numbers may not add due to rounding.

## TAX SUPPORTED OPERATING



### Proposed Operating and Infrastructure Changes Versus Inflation



\*2019 Average change for January – June

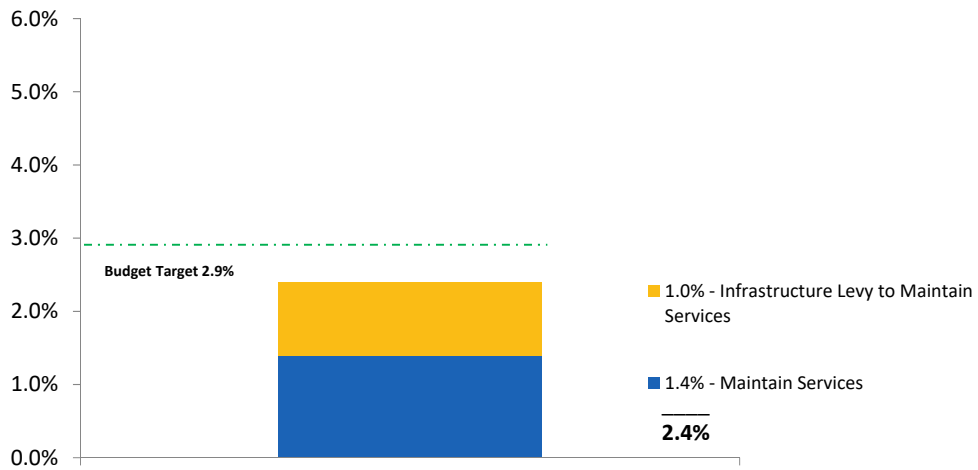
\*\* Toronto CMA

	Council's Target	Proposed Budget
Peel Regional Police	3.4%	5.4%
<b>Regionally Controlled*</b>	<b>6.1%</b>	<b>5.0%</b>
Ontario Provincial Police	3.0%	3.7%
Credit Valley Conservation **	3.4%	3.4%
Toronto & Region Conservation**	2.6%	2.6%
Conservation Halton	3.4%	0.2%
<b>Sub-total</b>	<b>4.0</b>	<b>5.1</b>
<b>Assessment Growth</b>	<b>(1.1%)</b>	<b>(0.8%)</b>
<b>Net Tax Levy</b>	<b>2.9%</b>	<b>4.3%</b>

\* Includes the Infrastructure levy, Council priorities and impact of Provincial funding cuts

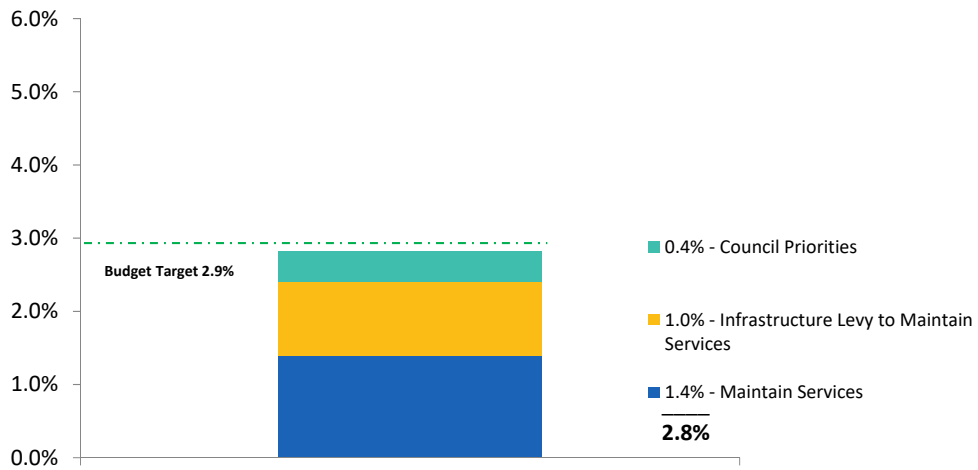
\*\* Excludes one time costs

## Maintaining Services in line with Inflation

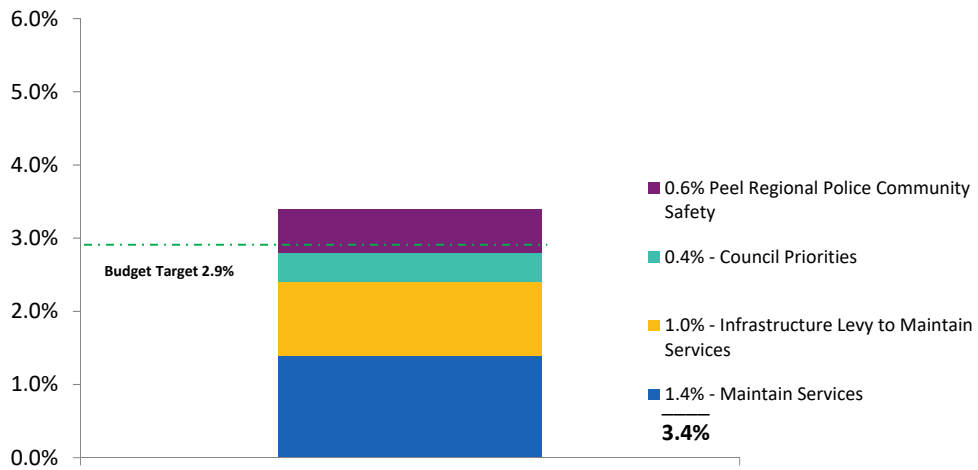


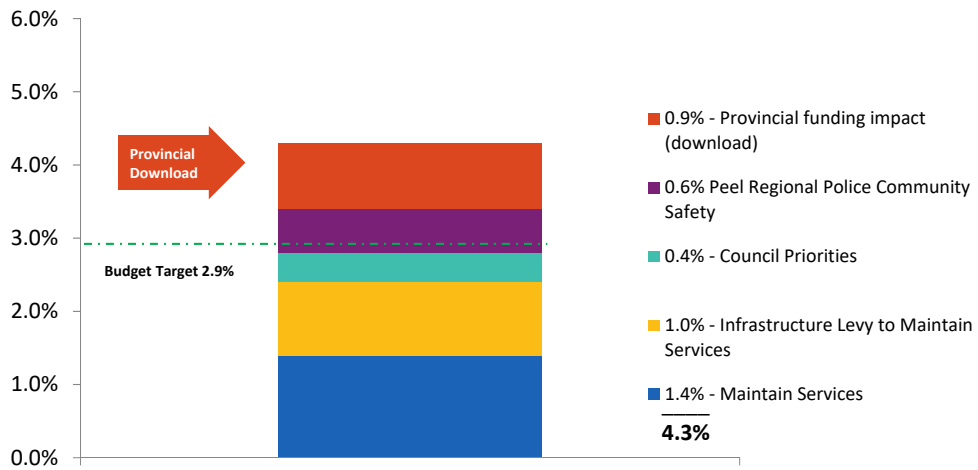
2020 Budget

## Maintaining Services & Council Priorities Below Budget Target









	Regionally Controlled	External Agencies*	Total (\$Millions)
2019 Services to 2020 Population	\$7.6	\$15.7	\$23.3
Continuous Improvement Savings	(1.6)	(0.1)	(1.7)
<b>NEW</b> <b>in 2020</b> Service investments	7.4	6.6**	14.0
Capital Infrastructure (1%)	10.4	-	10.4
Provincial Funding Cuts	6.5	2.7	9.2
<b>NET TAX LEVY INCREASE</b>	<b>\$30.3</b>	<b>\$24.9</b>	<b>\$55.2</b>

**\*External Agencies include:**

- Peel Regional Police (PRP)
- Ontario Provincial Police – Caledon
- Conservation Authorities (CAs)
- Municipal Property Assessment Corporation

\*\* Includes PRP's additional resource plan of \$6.6 million.

2020 Budget

## Improving People's Lives

### Living:

People's lives are improved in their time of need.

+\$3.3 million

OPERATING

**NEW**  
in 2020

Note: Regionally  
Controlled Tax Services



Responding to **+5,600** more paramedic response calls



Providing **+21,000** more accessible transportation rides



Providing **+900** more Affordable Transit trips for residents



Implementing the **Butterfly model** to enhance quality of life at **Tall Pines**



Ensuring that **1,100 children** and caregivers do not have to wait for child care



**Thriving:**  
Communities are  
integrated, safe and  
complete.

**+\$0.9 million**  
OPERATING

**NEW**  
in 2020

Note: Regionally  
Controlled Tax Services



Expansion of **EarlyON** services for **6,000** children and parents/caregivers



Addressing **12,000** more housing units that are increasingly complex



Moving towards **75%** 3R waste diversion target & **5,000** new households



### Leading :

Government is future-oriented and accountable.

**+\$ 3.2 million**

OPERATING

**NEW  
in 2020**

Note: Regionally Controlled Tax Services



Implementing sustainable procurement - \$149K



Investing in Community Hubs \$3.0M reserve contribution for four years



Investing in State of Good Repair - \$10.4M



Reduction in tax support of utility operations - \$2.4M



Request	\$ Millions
2019 Services to 2020 Population	\$6.0
Service Demands	7.4
Capital Infrastructure (1%)	10.4
Provincial Funding Cuts	6.5
<b>Regionally Controlled</b>	<b>30.3</b>
External Agencies*	18.3
Additional Peel Police Services Board Request	6.6
<b>TOTAL Requests</b>	<b>\$55.2</b>

**1.7%**  
Property Tax  
increase to fund  
a  
Gap of  
↓  
**\$46.5M**



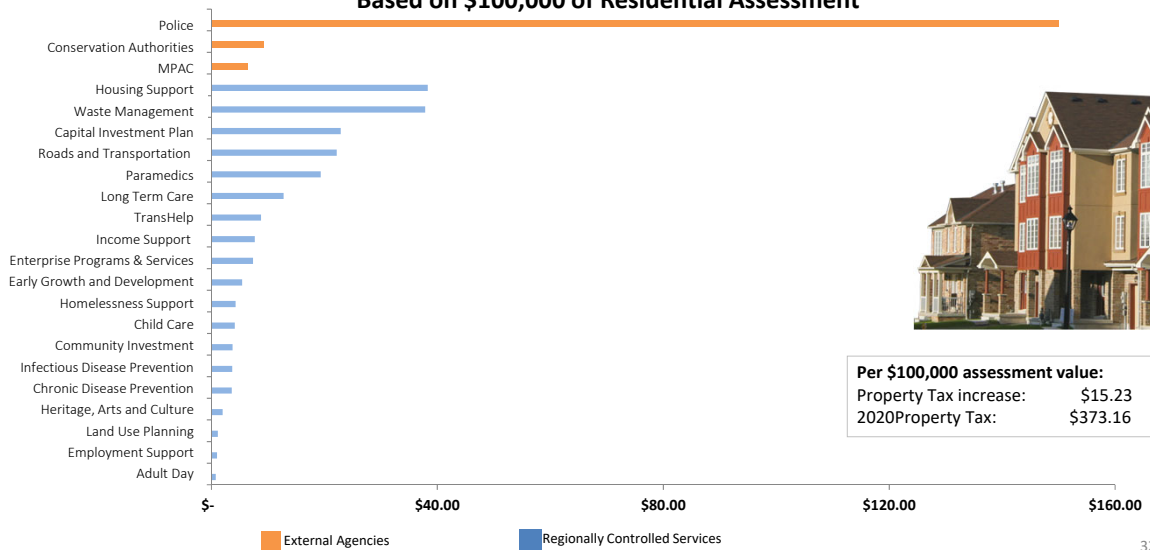
Funding Sources	\$ Millions
Assessment Growth	8.7
<b>TOTAL Revenues</b>	<b>\$8.7</b>

**\*External Agencies include:**

- Peel Regional Police (PRP), Ontario Provincial Police – Caledon, Conservation Authorities (CAs), Municipal Property Assessment Corporation

## Where Your 2020 Tax Dollars Will Be Spent













Based on \$100,000 of Residential Assessment



Per \$100,000 assessment value:  
 Property Tax increase: \$15.23  
 2020 Property Tax: \$373.16



## Regional Tax Impact by Housing Type

		Market Assessment Value <sup>1</sup>	Property Tax <sup>2</sup>	2020 Increase <sup>2</sup>
		\$264,207	\$1,026	\$39
		\$422,797	\$1,641	\$62
		\$583,407	\$2,265	\$85
		\$518,193	\$1,478	\$34
		\$453,389	\$1,293	\$29
		\$670,428	\$1,912	\$43
		\$326,501	\$1,220	\$54
		\$500,256	\$1,869	\$82
		\$766,135	\$2,862	\$126

<sup>1</sup> MPAC Value is the average for each housing type

<sup>2</sup> 2020 Property Tax and 2020 Increase are estimated values

# UTILITY RATE SUPPORTED OPERATING





Water and wastewater services for 4,000 new customers

	2020 Net Increase (\$Millions)
Maintain Service Level	\$12.0
Continuous Improvement Savings	\$(0.9)
<b>NEW</b> <i>in 2020</i> Service Investments	\$0.5
Capital Infrastructure	\$18.5
<b>Total Increase</b>	<b>\$30.1</b>

Average Utility Rate Increase

6.3%

Utility Rate Payer Impact



Residential



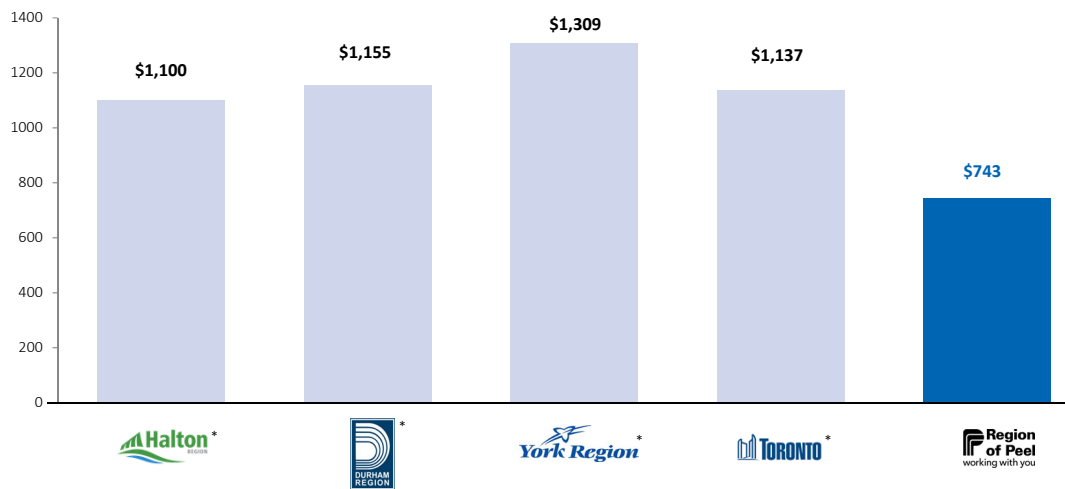
Small Business

Increase	<b>\$0.13/day</b> \$46/year	<b>\$0.33/day</b> \$119/year
Annual Water Bill	\$743	\$1,903
Annual Consumption	290m <sup>3</sup>	695m <sup>3</sup>



2020 Budget

## Water Bills are 37% below GTA Average

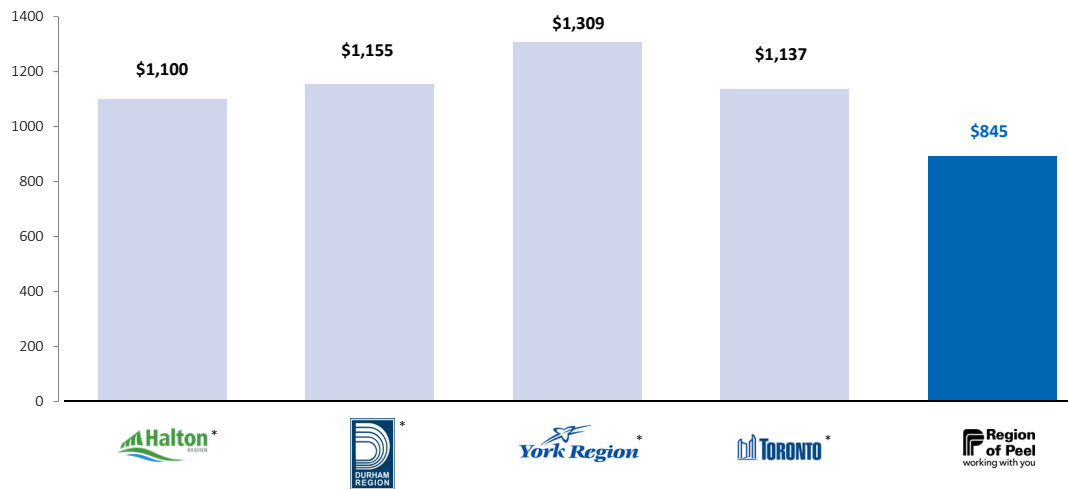


\*Based on 2019 Residential Rates

**Note:** York Region - average of three municipalities: Markham, Vaughan & Richmond Hill

2020 Budget

## Water Bill 2021 – 2022 Outlook



\*Based on 2019 Residential Rates

**Note:** York Region - average of three municipalities: Markham, Vaughan & Richmond Hill

# CAPITAL PLAN & BUDGET

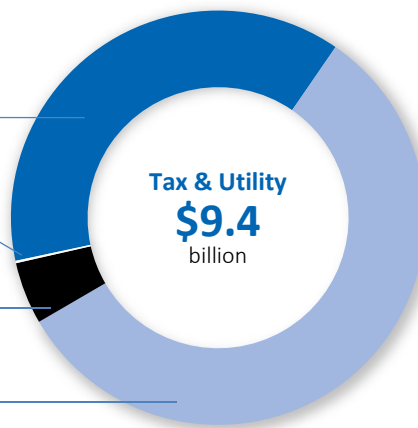


Regionally Controlled Tax  
**\$3,570M, 38%**

Conservation Authority Managed  
**\$18M, < 1%**

Police Services  
**\$457M, 5%**

Utility Rate Supported  
**\$5,368M, 57%**



**Capital Plan Funding:**

- 47% Reserves
- 44% Development Charges
- 6% External
- 3% Debt



**Living:**

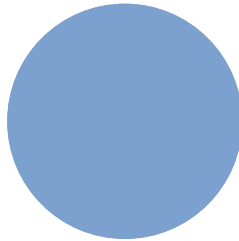
People's lives are improved  
in their time of need.



\$1,210M

**Thriving:**

Communities are integrated,  
safe and complete.



\$7,531M

**Leading:**

Government is future-oriented  
and accountable.



\$197M

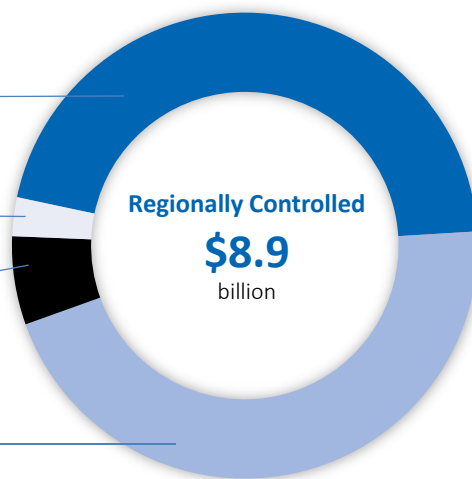


Capital Reserves  
**\$4,084M, 46%**

Debt  
**\$240M, 3%**

External  
**\$548M, 6%**

Development Charges  
**\$4,067M, 45%**





State of Good Repair  
\$3.1B

35%



DC Funded Growth  
\$4.1B

46%



Non DC Funded Growth  
and Council Priorities  
\$1.7B

19%

Note: For overall Regionally Controlled Services

**\$1.8 B - 20 Year Funding Shortfall**  
Regionally Controlled Tax

Tax Supported 2020– 2039 Non–DC Capital Plan Portion to be Funded from Tax	Unfunded gap requires 1% for 6 years
	1% ↑ in 2020
<b>\$5.2 B</b>	<b>Total Available Funding (including interest)</b>
	<b>\$3.4 B</b>

Total Asset Value: \$5.7 B



**\$1.4 B - 20 Year Funding Shortfall**  
Utility Rate

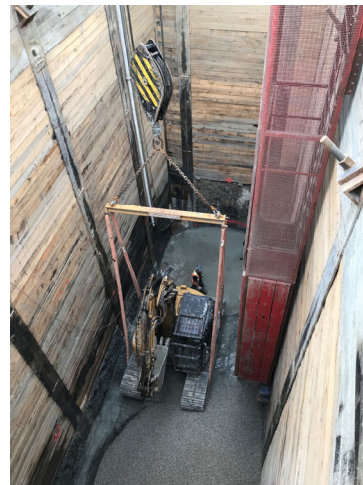
Utility Rate Supported 2019 – 2038 Non-DC Capital Plan Portion to be Funded from Utility Rate	Unfunded gap - requires 5% for 2 years
	5 % ↑ in 2020
	Total Available Funding (including interest)
<b>\$5.9 B</b>	<b>\$4.5 B</b>

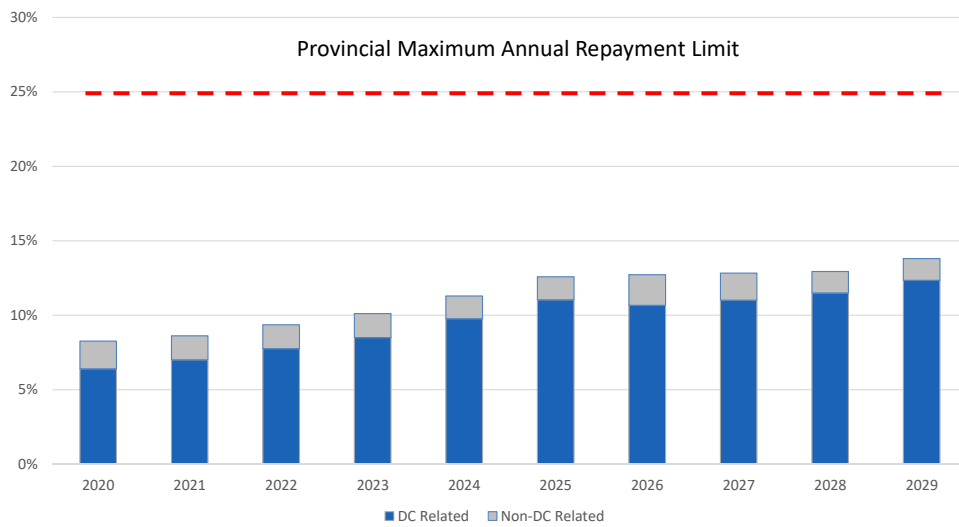
Total Asset Value: \$23.9 B



**Why Increase Infrastructure Levy**

- To match Federal & Provincial infrastructure funding
- To manage unanticipated capital work
- To sustain 2020 and future capital program
- To manage credit rating risk





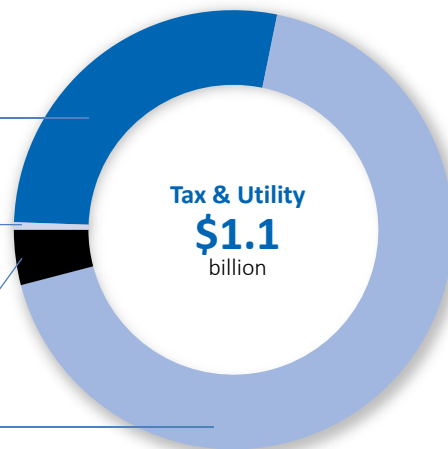
\* Excludes impacts of Bill 108: *More Homes, More Choice Act*

Regionally Controlled Tax Supported  
**\$293M, 28%**

Conservation Authority Managed  
**\$6M, <1%**

Police Services  
**\$43M, 4%**

Utility Rate Supported  
**\$717M, 68%**



**Capital Budget Funding:**

- 47% Reserves
- 50% Development Charges
- 3% External





**Living:**

People's lives are improved in their time of need.

**\$43** million

- Affordable housing capital loan
- Ambulance Facilities, Fleet and Support Vehicles
- Community Hubs
- TransHelp vehicles
- Maintain Long Term Care Homes



**Thriving:**

Communities are integrated, safe and complete.

**\$982** million

- East to West Diversion Sanitary Trunk Sewer
- Victoria Reservoir
- Construction of new watermains to service growth
- Widening of Mayfield Road at multiple sections and the widening of Bovaird Drive from Lake Louise Road to Creditview Road
- Waste Facilities State of Good Repair
- Peel Regional Police facilities, fleet and technology



**Leading:**

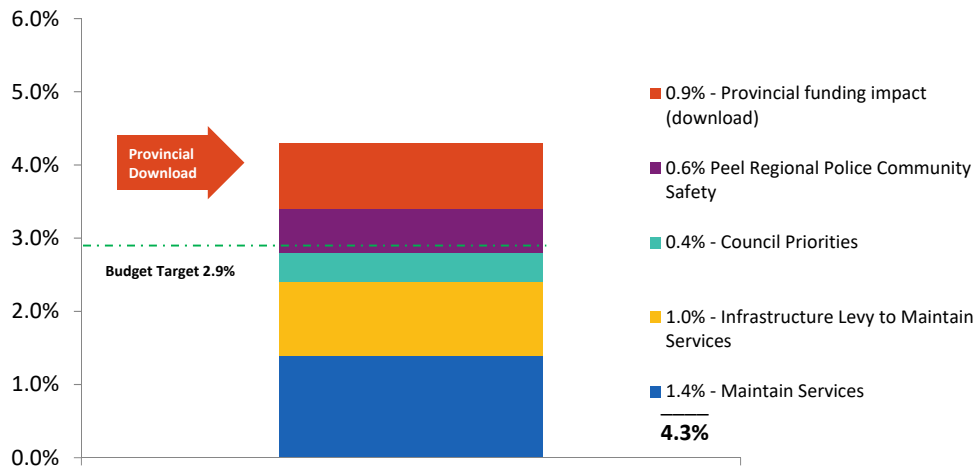
Government is future-oriented and accountable.

**\$33** million

- Maintain Technology Assets
- Maintain Office Facilities

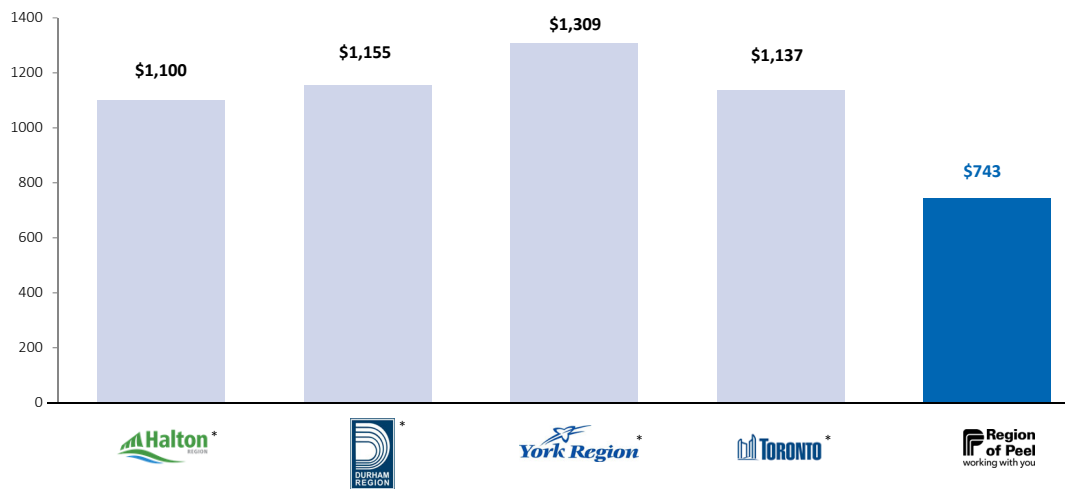
## BUDGET SUMMARY





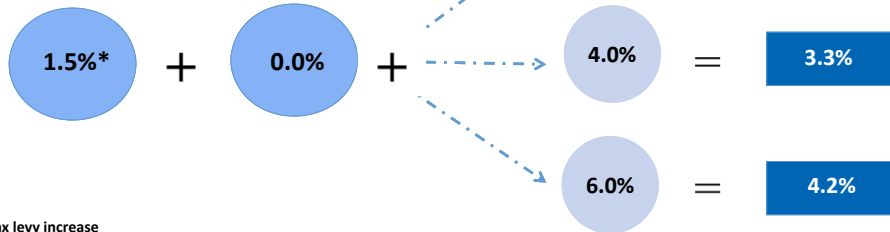
2020 Budget

## Water Bills are 37% below Average



\*Based on 2019 Residential Rates

**Note:** York Region - average of three municipalities: Markham, Vaughan & Richmond Hill



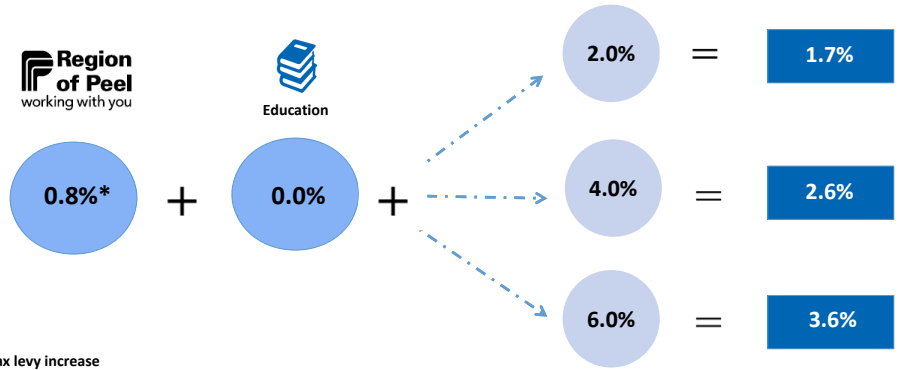
NTL: net tax levy increase

Assumptions:

\* Peel 38% (4.3% NTL increase)

Education 16% (0% increase)

Local 46% ( 2% NTL =0.9% property tax increase, 4%=1.8%, 5%=2.3%, 6%=2.8%, 7%=3.2%)



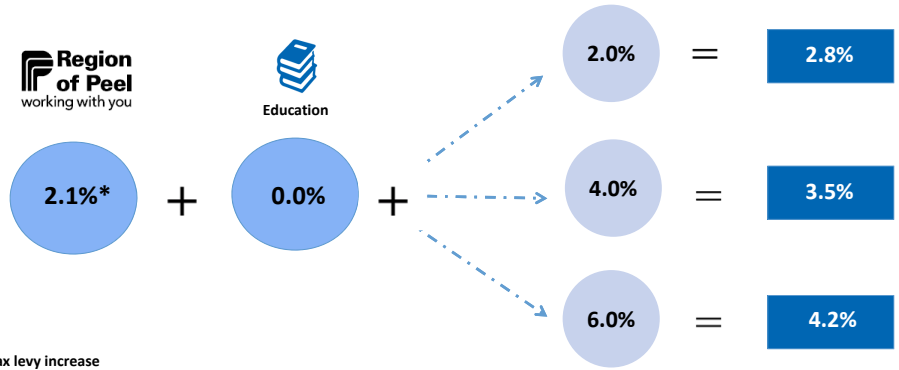
NTL: net tax levy increase

Assumptions:

\* Peel 34% (4.3% NTL increase)

Education 20% (0% increase)

Local 46% ( 2% NTL =0.9% property tax increase, 4%=1.8%, 5%=2.3%, 6%=2.8%, 7%=3.2%)



NTL: net tax levy increase

Assumptions:

\* Peel 45% (4.3% NTL increase)

Education 20% (0% increase)

Local 35% ( 2% NTL =0.7% property tax increase, 4%=1.4%, 5%=1.8%, 6%=2.1%, 7%=2.5%)

**MANDATORY PROGRAMS:**

- Long Term Care Accommodation
- Peel Access to Housing
- Child Care Fee Subsidy
- Ontario Works
- Tax Relief for Low-income Seniors and those with disabilities

**OPTIONAL PROGRAMS:**

- Affordable Transit
- Preventing Homelessness in Peel
- Seniors Dental Program






## 2021-2023 OUTLOOK



**2020 Budget**

**2021 to 2023 Outlook**

	2020	2021*	2022*	2023*
 <b>Net Tax Levy Increase</b>	4.3%	3.9%*	3.3%*	3.3%
<b>Regionally Controlled Services</b>	4.2%	5.0%	3.4%	3.6%
<b>External Agencies</b>	4.4%	2.5%	3.3%	3.0%

\*Includes 1% for Tax Supported Capital plan and assumes 1.0% for Assessment Growth

\* Reflects the known impact of provincial funding changes

- Adjustments of greater than \$5.6M required

<b>Organization/Agency</b>	<b>Minimum to Achieve Council Direction (\$ millions)</b>
Region Of Peel – Tax supported services	3.21
Peel Regional Police	2.18
Credit Valley Conservation	0.08
Ontario Provincial Police	0.06
Toronto and Region Conservation Authority	0.06
Conservation Halton	0.002
<b>Total</b>	<b>\$5.6</b>

- Protect service levels for a growing population
- Ensure long term sustainability
- Ensure taxpayer fairness
- Leverage continuous improvement



- Update tax assessment
- End tax subsidy of water/wastewater services
- Extend phase-in financing of Community Hubs
- Revisit funding \$9.2M of Provincial shortfall
- External Agency Options - TBD



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**Next Steps:**

Regionally Controlled Service Presentations

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**Future Budget Meetings:**

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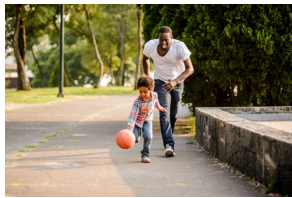
Thursday, December 5 – External agencies

- Peel Regional Police
  - Ontario Provincial Police
  - Conservation Authorities:
    - Conservation Halton
    - Toronto & Region Conservation Authority
    - Credit Valley Conservation Authority
  - Regional Budget Summary
- 

Thursday, December 12 – Options to Lower the Property Tax Impact

Thursday, December 19 – As required

## Living



People's lives are improved  
in their time of need.

## Thriving



Communities are integrated,  
safe and complete.

## Leading



Government is future-oriented  
and accountable.

Investing in better outcomes  
for residents