



Corporate overview

January 19, 2023



Agenda

High Level Overview

Tax Supported Budget

- Operating Budget
- 10 Year Capital Plan and 2023 Capital Budget

Utility Rate Supported Budget

- Operating Budget
- 10 Year Capital Plan and 2023 Capital Budget

2024 - 2026 Outlook

Summary

Reflects Peel's financial principles

Respect the taxpayer

Value for money

Ensure the Capital Plan is sustainable

User pay where appropriate

Prudent borrowing

Triple A

Credit Rating

Maintain flexibility to mitigate volatility in rates

Work with local municipalities

27 years

Invest responsibly

Manage assets

Factors for the Budget

Provincial funding changes

Legislation and regulations

Climate emergency

Evolving technology

Changing nature of employment

Economic and market volatility (inflation)

Aging infrastructure

COVID-19 recovery

Diversity, Equity and Inclusion



Funding a Growing Community

Issue	Approach
Service Demand	Meet priority community needs with the expectation of the Province meeting its funding commitments
Inflation	Shortfall funded by a combination of cost savings & property tax
Population growth	Paramedics and Public Health partially funded by the Province, balance by property tax & efficiencies

Bottom Line Impact

Average property tax increase

2.8%

Utility rate increase

7.9%

Property tax impact

Residential		
Brampton	Caledon	Mississauga
2.7%	1.4%	3.1%
+\$152	+\$68	+\$148

Small Business Owner

+ \$255

Utility rate impact

Residential

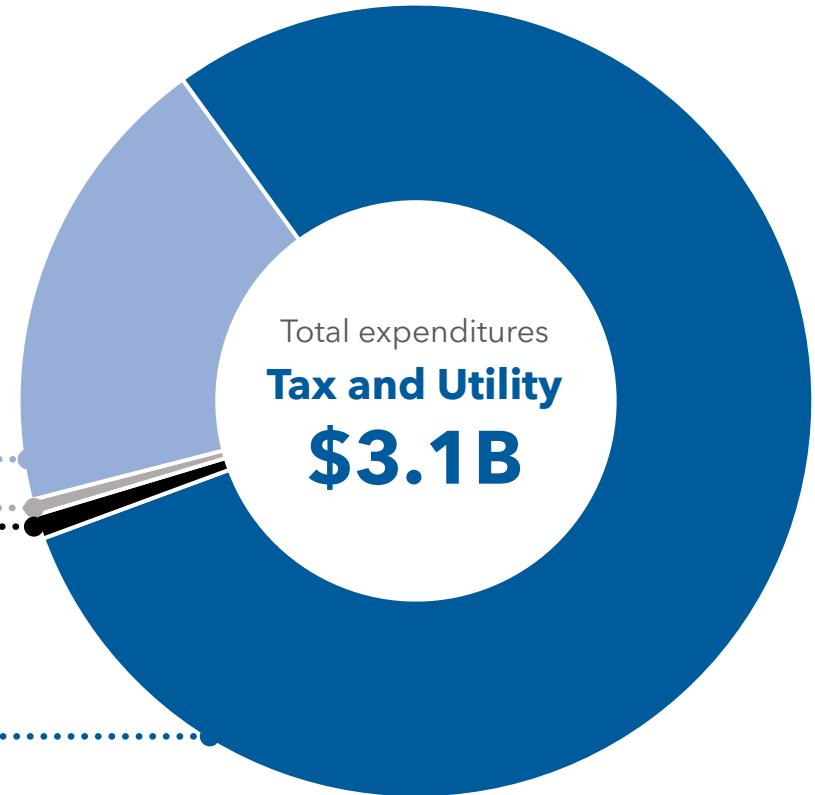
+ \$58

Small Business Owner

+ \$152

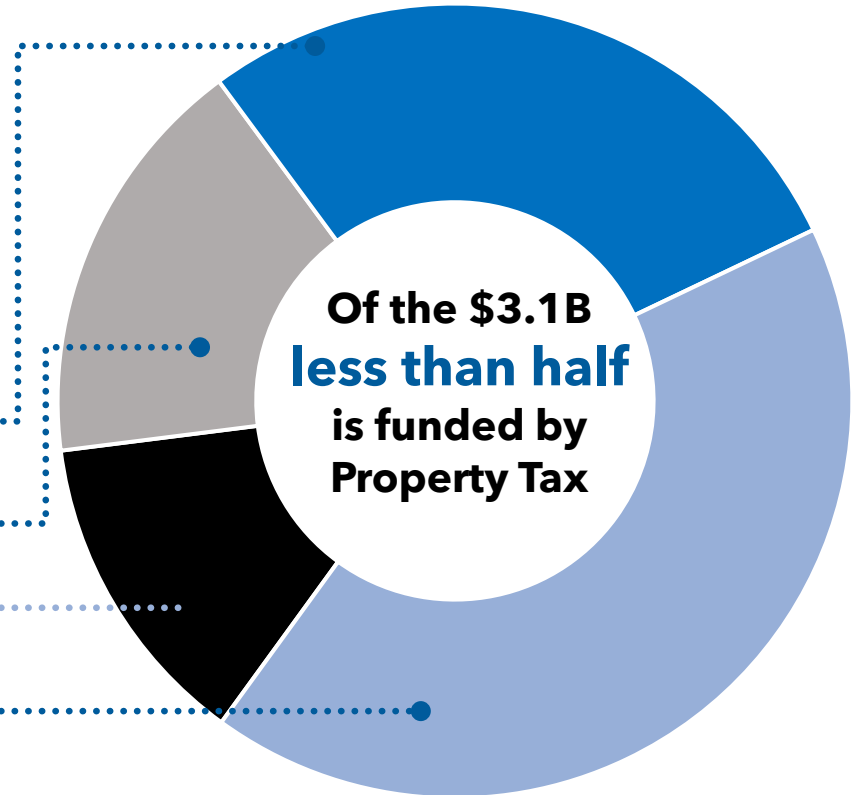
Total proposed operating budget

External Agencies	\$649M	21%
Police Services	\$598M	19%
Municipal Property Assessment Corporation	\$20M	<1%
Conservation Authorities	\$31M	1%
Regionally Controlled Services	\$2,497M	79%



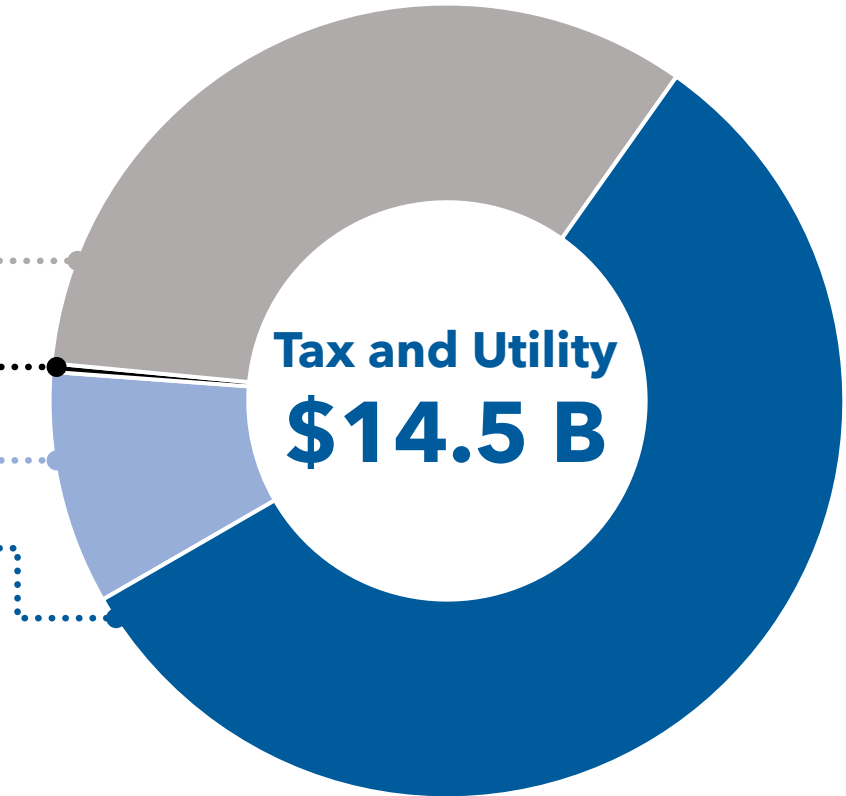
Total proposed operating budget funding

Grants and subsidies	\$882M	28%
Utility rate	\$531M	17%
Other	\$409M	13%
Property tax	\$1,324M	42%



2023-2032 10 Year Capital Plan

Regionally Controlled Tax	\$4,850M	33%
Conservation Authority Managed	\$3M	<1%
Police Services	\$1,384M	10%
Utility Rate Supported	\$8,284M	57%



Capital Plan Funding

- 44% Reserves
- 44% Development Charges*
- 4% External Funding
- 8% Debt

*Debt will be used from time to time to manage mismatch between development charge collections and growth infrastructure expenditures.

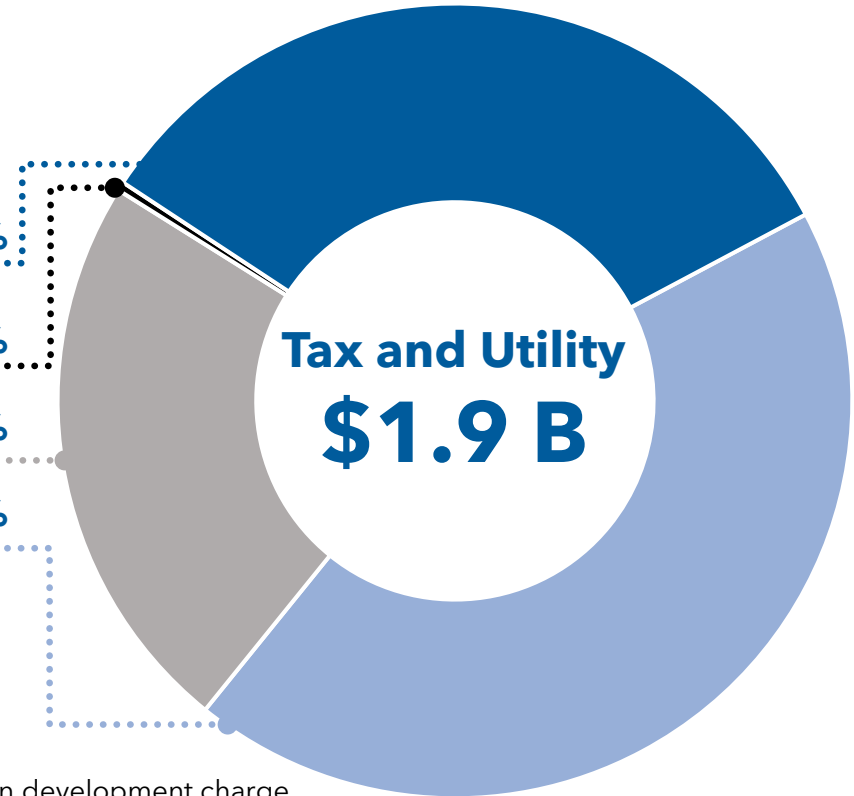
2023 Capital Budget

67% Tax Supported

Regionally Controlled Tax Conservation Authority Managed	\$449M	23%
Utility Rate Supported	\$641M	33%
Police Services	\$848M	44%

Capital Plan Funding

- 38% Reserves
- 24% Development Charges*
- 37% Debt**
- 1% External Funding



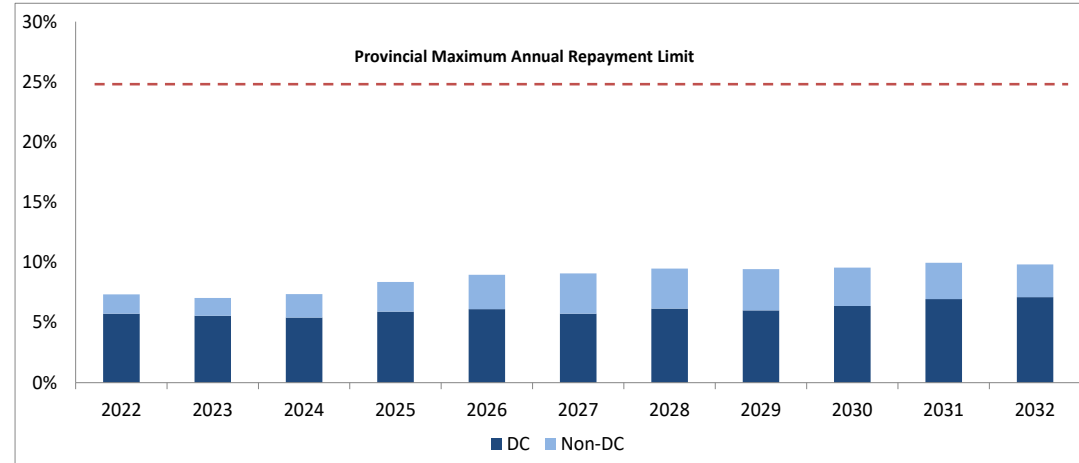
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**Increase in debt is driven by \$714.6 million for 2023 Peel Regional Police facilities not forecasted in 2022

Managing long-term debt requirements

Strategic, Planned Approach

- Multi-year forecasting allows for planning and balancing of operational and financial considerations
- Debt levels expected to increase, supporting growth and non-growth, related initiatives
 - New capital pressures on non-growth capital program
- Reduction in financial flexibility
 - Higher interest rate environment = higher debt service costs on new debt
 - Annual Repayment Limit expected to increase but remain below provincial limit
- Current Regional net debt outstanding ~\$1.3 billion
- Between 2024 to 2029, an additional \$714 million to be issued for facilities in the Peel Regional Police 2023 Capital budget



What the Budget Pays for

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

\$1.2 Billion (Operating Budget)

\$0.2 Billion (Capital Budget)



Housing Support - Providing **11,500** housing subsidies



Community Investment - Providing services to residents through agencies funded by **\$7.0** million in Community Investment grants



Paramedics - Responding to an estimated **147,689** emergency calls by end of 2022



Income Support - Providing approximately **23,000** Peel residents (1.6% of our population) with Ontario Works assistance



Senior Services - Providing **809** residents with quality care through five long term care homes



Early Years and Child Care - Providing opportunities for over **17,000** children to participate in EarlyON programs across Peel

What the Budget Pays for

Communities are integrated, safe and complete.

\$1.1 Billion (Operating Budget)

\$0.8 Billion (Capital Budget)



Public Health - Conducting **11,802** compliance health inspections at **6,599** food premises



Water and Wastewater - Treating, transmitting, and distributing **590 million litres per day** of municipal water to over **339,000 retail and wholesale customer accounts**



Waste Management - Managing over **570,000** tonnes of residential waste



Transportation - Maintaining **1,700 lane kilometres** of road to help keep residents safe and traffic moving



Heritage, Arts and Culture - **13,701** estimated in person virtual visitors with local arts and exhibitions at the Peel Art Gallery, Museum and Archives (PAMA)

What the Budget Pays for

Government is future-oriented and accountable.

\$0.2 Billion (Operating Budget)

\$0.03 Billion (Capital Budget)



Real Property and Asset Management -

Managing 1.2 million square metres of Regional buildings



Information and Technology - Transforming and modernizing service delivery by leveraging technology and implementing the digital strategy



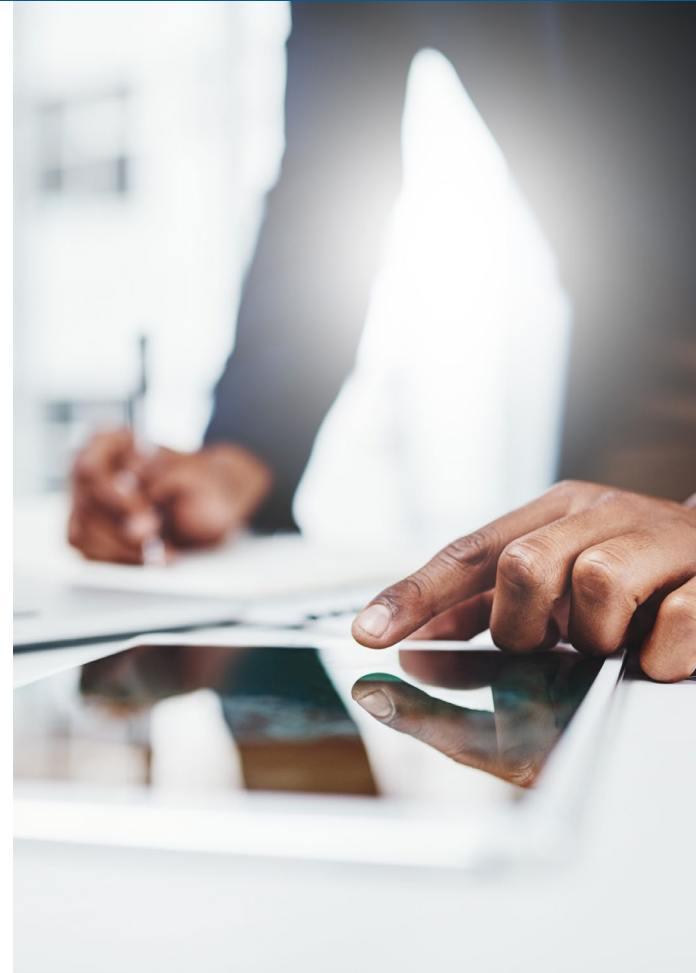
Business Services - Providing trusted, cost-effective and responsive business support to enable the delivery of excellent services



Legislative Services - Deliver services in compliance with legislation and that respond to the diverse needs of the Peel community

Efficient and Effective Service Delivery

- The Region has a disciplined approach to Continuous Improvement
 - Program evaluation
 - Business process management or LEAN
 - Service level reviews
 - Line-by-line reviews
 - Alternate service delivery models
 - Identified areas for cost savings and cost avoidance
- Leverage lessons learned through COVID response



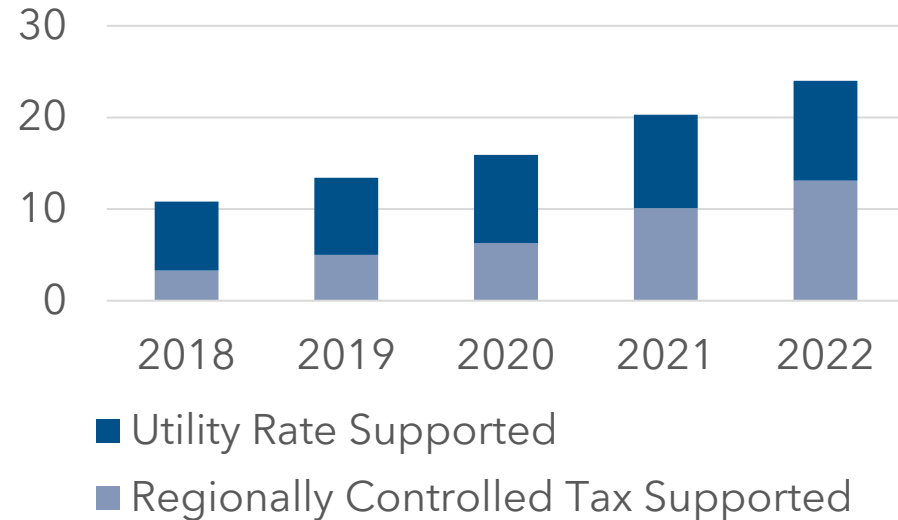
Continuing to find ways to save money

2023 Efficiencies - \$4.0 million

Cost savings - \$3.7 million

Cost avoidance - \$0.3 million

5 Year Cumulative Savings (2018 - 2022) (\$Million)





Tax supported operating



Regionally Controlled Services	Budget Change	Budget Change	Budget Impact
Region Controlled - Maintain Service Levels		\$15.7M	1.3%
Region Controlled - New Initiatives			
• Housing Rent Incentive Program	\$7.6M		
• Address Paramedic Call Volume	\$3.3M		
• Emergency Shelters	\$1.3M		
• Seniors Services incl. Virtual Adult Day Services	\$0.6M		
• Sustaining Housing services	\$0.4M		
• Community Safety and Wellbeing	\$0.4M		
• Various other initiatives	<u>\$2.5M</u>	\$16.1M	1.3%
External Funding Impact		\$2.7M	0.3%
Infrastructure Levy		\$12.3M	1.0%
Total Regionally Controlled		\$46.8M	3.9%
Assessment Growth		(\$6.5M)	(0.6%)
Total Net Regionally Controlled		\$40.3M	3.3%

External Agencies (Regionally Financed)	Budget Change	Budget Change	Budget Impact
Peel Regional Police			
• Maintain Existing Service Levels	\$19.8M		
• Increase Community Safety	\$19.9M		
• Community Safety Levy (capital financing for facilities)	\$6.2M	\$45.9M	3.7%
Ontario Provincial Police		\$0.4M	<0.1%
Conservation Authorities			
• Credit Valley Conservation	\$0.9M		
• Toronto and Region Conservation Authority	\$0.5M		
• Conservation Halton	<\$0.1M	\$1.3M	0.1%
Total External Agencies		\$47.6M	3.8%
Assessment Growth		(\$5.3M)	(0.4%)
Total Net External Agencies		\$42.3M	3.4%

What the average Property Tax bill funds

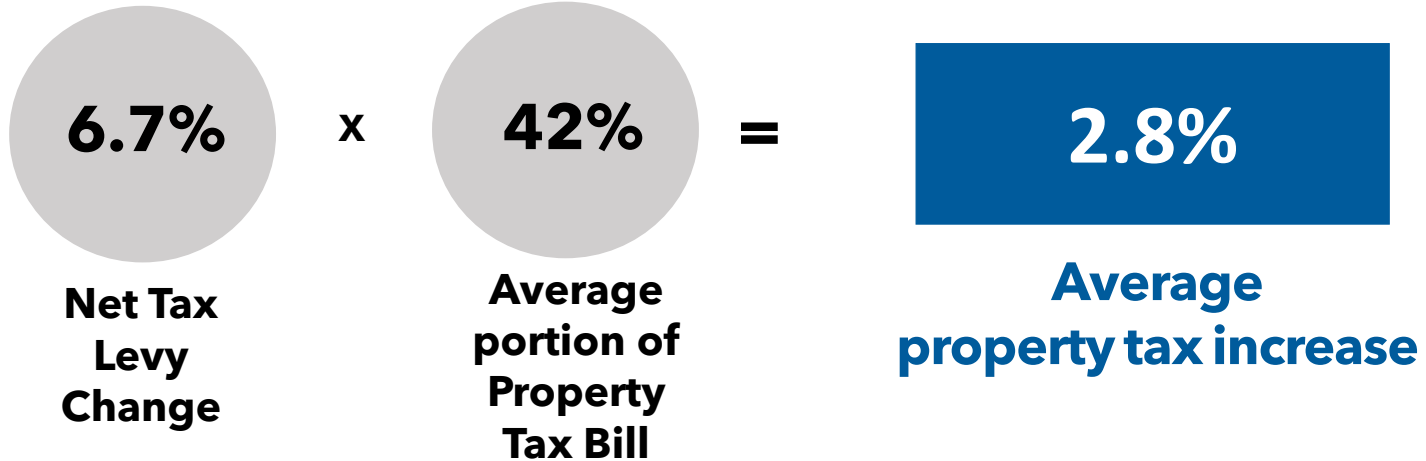
Peel Region **42%**

Local municipalities **41%**

Education **17%**



Property Tax Impact



Where your 2023 tax dollars will be spent



Tax impacts of the 2023 Budget by service per \$100,000 of assessment value.

Total property tax increase of \$24.93 per \$100K

2023 taxes of \$399 per \$100k



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A house with a value of \$578,600 will see an increase of \$144; 2023 Tax \$2,309

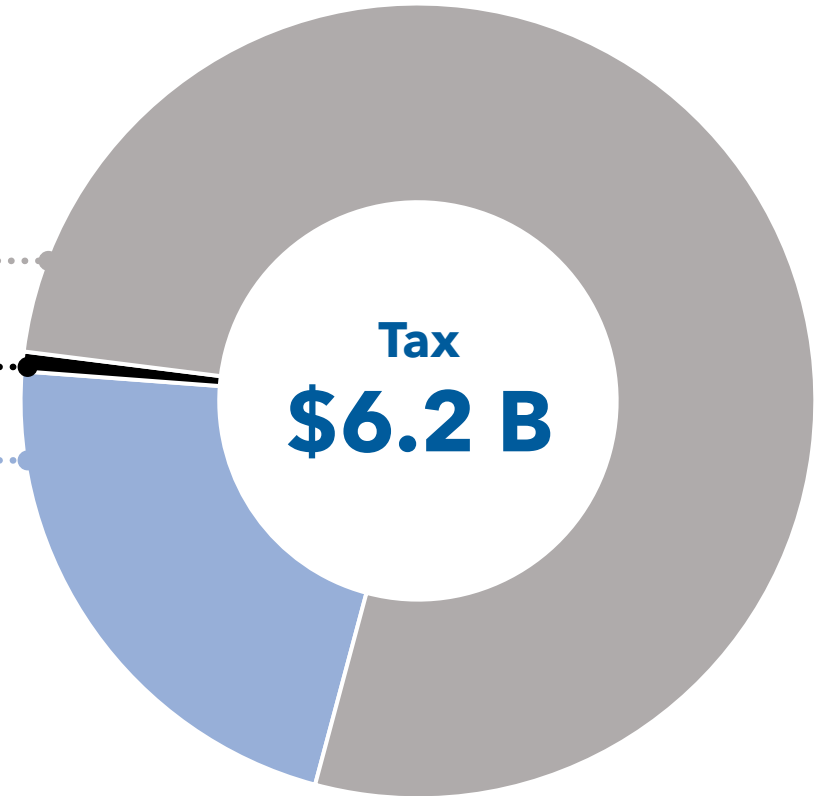


Tax Supported Capital Plan and Budget



2023-2032 10 Year Capital Plan

Regionally Controlled Tax	\$4,850M	78%
Conservation Authority Managed	\$3M	<1%
Police Services	\$1,384M	22%



Capital Plan Funding

- 47% Reserves
- 25% Development Charges*
- 18% Debt
- 10% External Funding

24 *Debt will be used from time to time to manage mismatch between development charge collections and growth infrastructure expenditures.

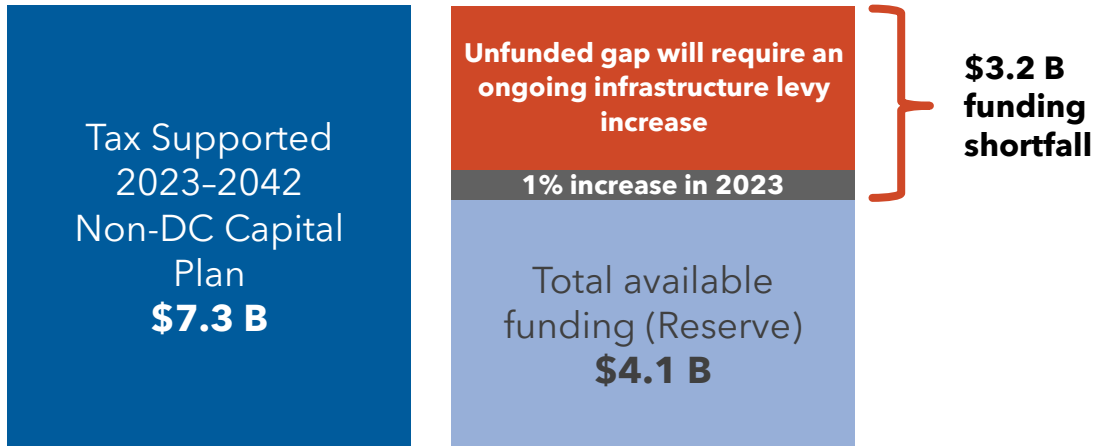
10-Year Capital Plan by areas of focus

Regionally Controlled Tax – \$4.8 Billion

People's lives are improved in their time of need.	Communities are integrated, safe and complete.	Government is future-oriented and accountable.
<p>\$1,893 M 39%</p> <ul style="list-style-type: none"> • Housing Master Plan (\$813.8M) • Peel Living State of Good Repair (\$594.6M) • Growth related satellite and reporting stations for paramedics (\$107.6M) • Housing Provider Capital Loan for State of Good Repair (\$77.6M) • Maintenance of Long Term Care Homes (\$64.0M) 	<p>\$2,666 M 55%</p> <ul style="list-style-type: none"> • Road construction, intersection improvements, and active transportation (\$1,545.2M) • Road reconstruction/resurfacing and other asset management related works (\$540.5M) • Design and construction of a Mixed Waste Processing Facility (\$195.0M) • Replacement of Waste collection containers (\$96.0M) 	<p>\$291 M 6%</p> <ul style="list-style-type: none"> • Funding for identified major maintenance requirements at 10 Peel and 7120 Hurontario (\$76.4M) • Workforce Enablement Program of lifecycle replacement of Regional computers (\$44.8M) • Digital Service Delivery - to implement the roadmap delivered from the Advancing Digital Service Delivery project (\$32.0M)

Ensure the Capital Plan is Sustainable Tax Supported

20-Year Outlook State of Good Repair

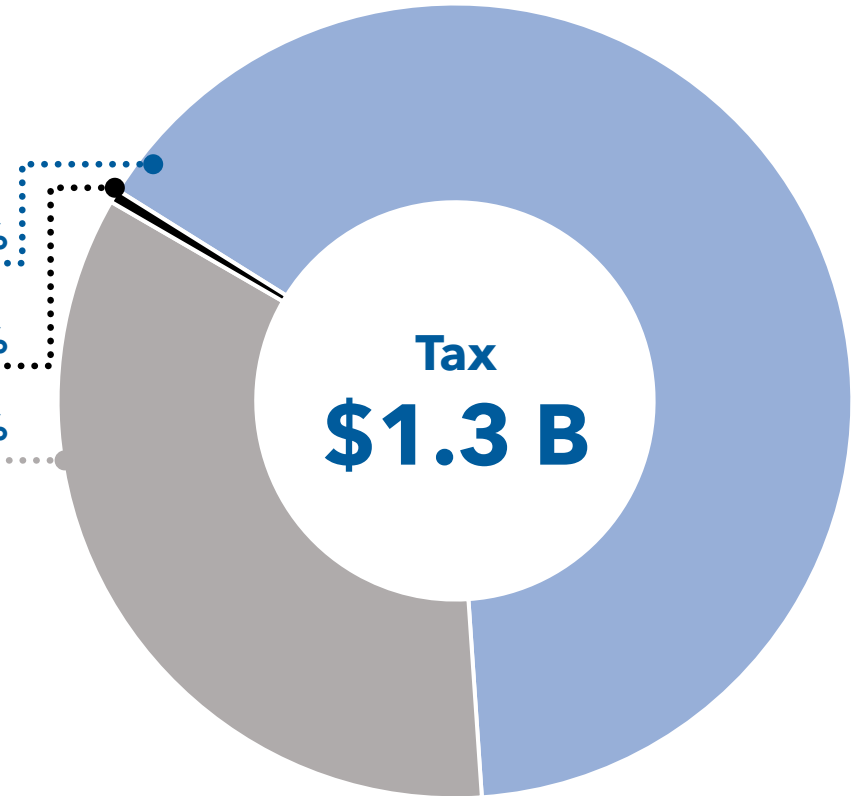


Total asset value: **\$7.5 B** Regionally Controlled Services



2023 Capital Budget

Police Services	\$848M	65%
Conservation Authority Managed	\$3M	<1%
Regionally Controlled Tax	\$449M	35%



Capital Budget Funding

- 32% Reserves
- 55% Debt
- 12% Development Charges*
- 1% External Funding

*Debt will be used from time to time to manage mismatch between development charge collections and growth infrastructure expenditures.

Capital Budget by areas of focus

Regionally Controlled Tax – \$449 Million

People's lives are improved in their time of need.	Communities are integrated, safe and complete.	Government is future-oriented and accountable.
\$235 M 52%	\$182 M 41%	\$32 M 7%

- Peel Living State of Good Repair (\$70.8M)
- Housing Master Plan (\$66.8M)
- Land acquisition for sixth reporting station and one additional satellite station (\$38.0M)
- Enhancement and state of good repair for ambulance and other fleet (\$8.1M)

- Road construction, intersection improvements, and active transportation (\$75.3M)
- Road reconstruction/resurfacing, and other asset management works (\$61.0M)
- Maintain facilities and equipment in state of good repair, including replacement of Peel Curing Gore Covers, site improvement and weight scale system upgrade and replacement at our Community Recycling Centres (\$8.2M)

- Enterprise Resource Planning Implementation which will replace the Region's human resources and financial systems (\$10.8M)
- Digital Service Delivery - to implement the roadmap delivered from the Advancing Digital Service Delivery project (\$5.0M)



Utility rate supported operating



Utility Rate supported budget





Water and wastewater services for 1,000 new customers

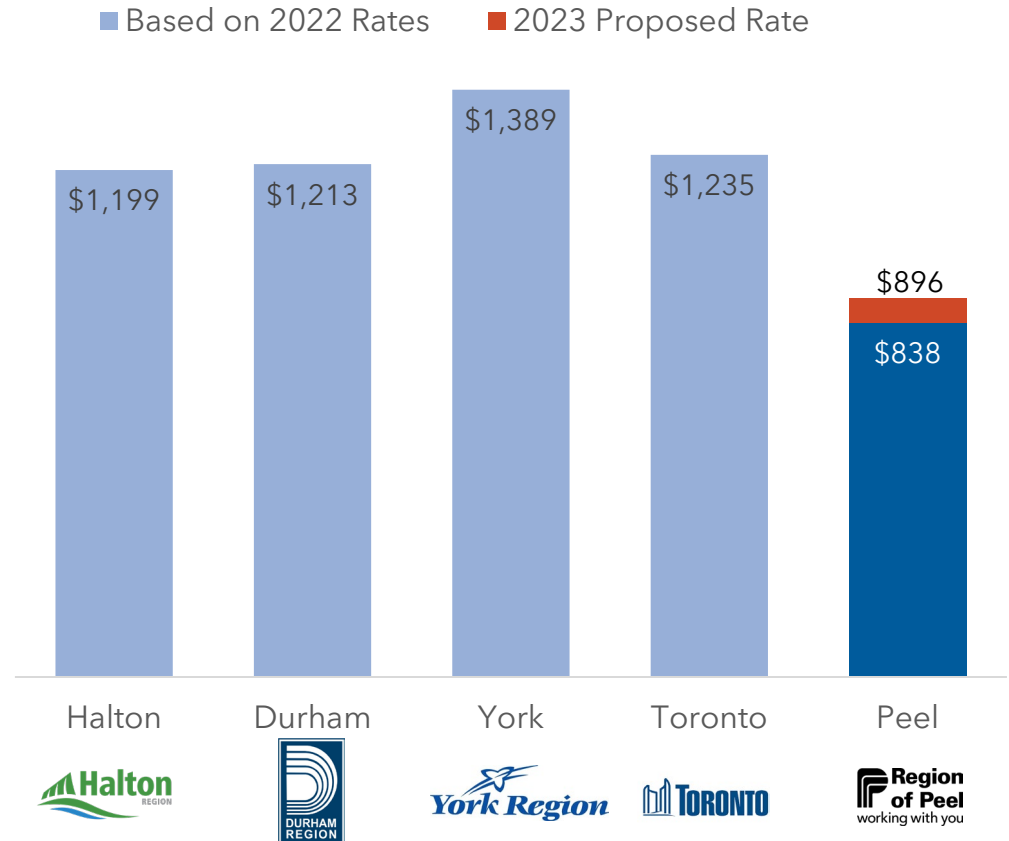
	2023 Net Increase (\$Millions)
Maintain Service Level	6.2
Continuous Improvement Savings	(0.7)
Service Investments	0.7
Capital Infrastructure	22.6
Total Increase	28.8
Average Utility Rate Increase	7.9%

Users Pay Where Appropriate

Utility Rate Payer Impact

Issue	 Residential	 Small Business
Increase	\$0.16/day \$58/year	\$0.42/day \$152/year
Annual Water Bill	\$896	\$2,297
Annual Consumption	290m ³	695m ³

Peel Water Bills are 29% below GTA Average



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



Utility Supported Capital Plan and Budget



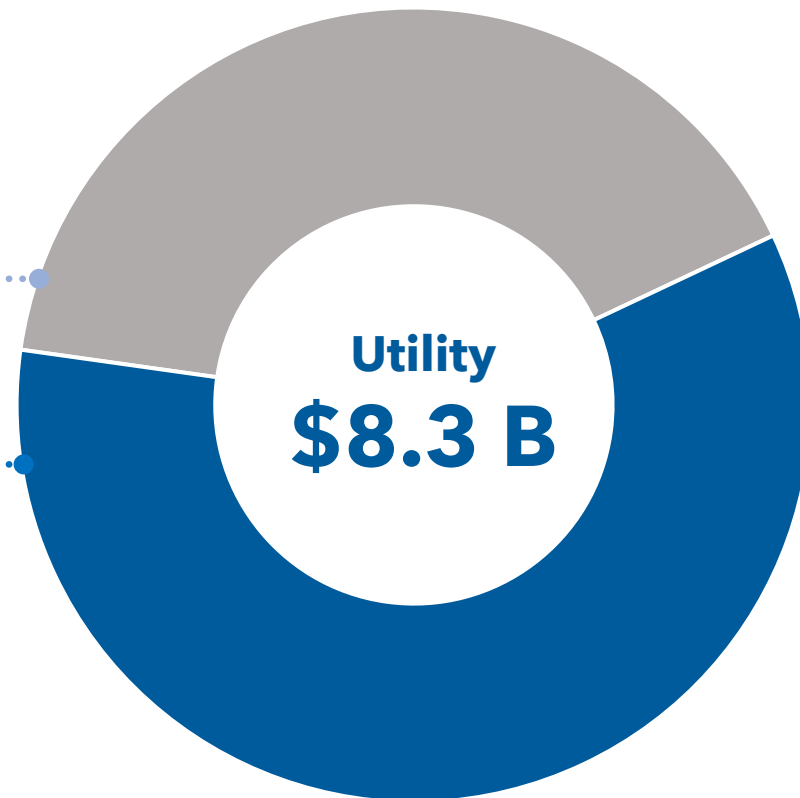
2023-2032 10 Year Capital Plan

Water

\$3,377M 41%

Wastewater

\$4,907M 59%



Capital Plan Funding*

- 42% Reserves
- 58% Development Charges**
- 0.2% External Funding

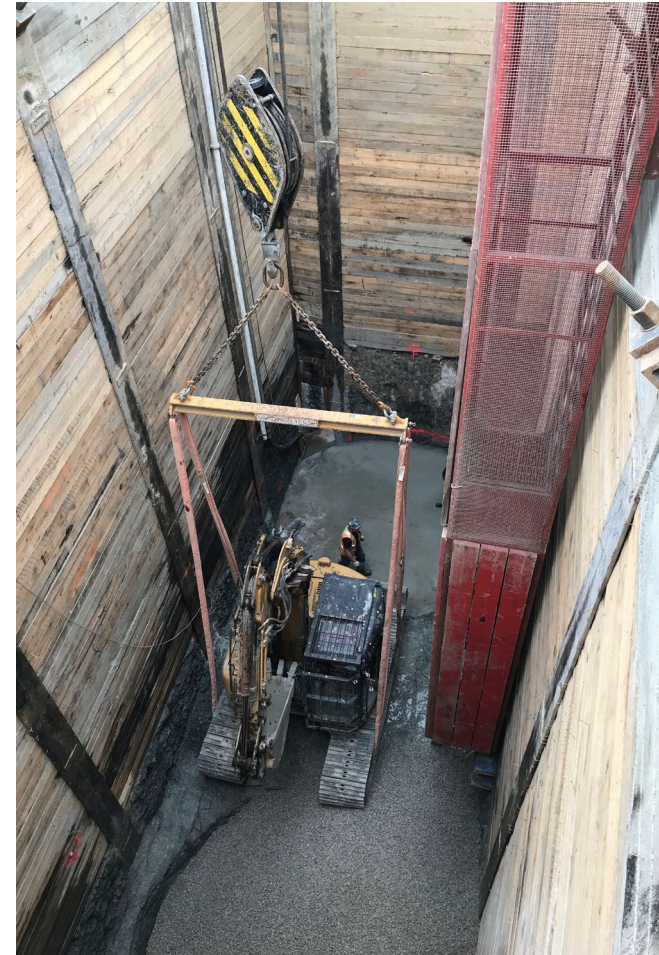
*Figures do not reflect any impacts from *Bill 23; More Homes Built Faster Act* yet

**Debt will be used from time to time to manage mismatch between development charge collections and growth infrastructure expenditures.

Highlights of the 2023-2032 10 Year Capital Plan

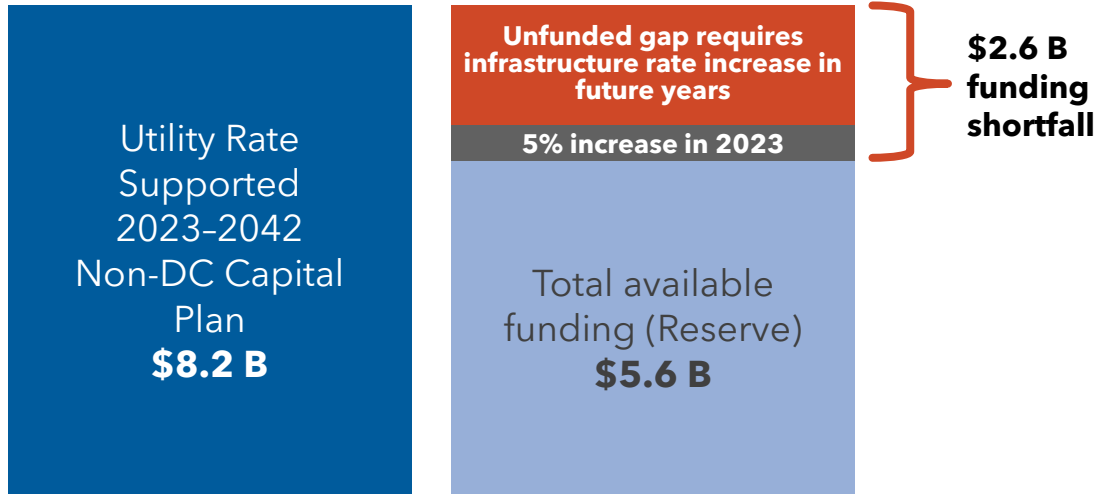
Major capital projects

- Wastewater collection, main construction and replacement (\$2,143.3M)
- Expansion of Water Resource Recovery Facilities (\$2,047.4M)
- Water main construction and replacement (\$1,921.7M)



Ensure the Capital Plan is Sustainable Utility Rate Supported

20-Year Outlook State of Good Repair



Total asset value: **\$28.5 B** Regionally Controlled Services



2023 Capital Budget

Water

\$289M 45%

Wastewater

\$352M 55%

Utility
\$0.6 B

Category	Amount	Percentage
Water	\$289M	45%
Wastewater	\$352M	55%
Total	\$0.6 B	100%

Capital Budget Funding*

- 51% Reserves
- 49% Development Charges**

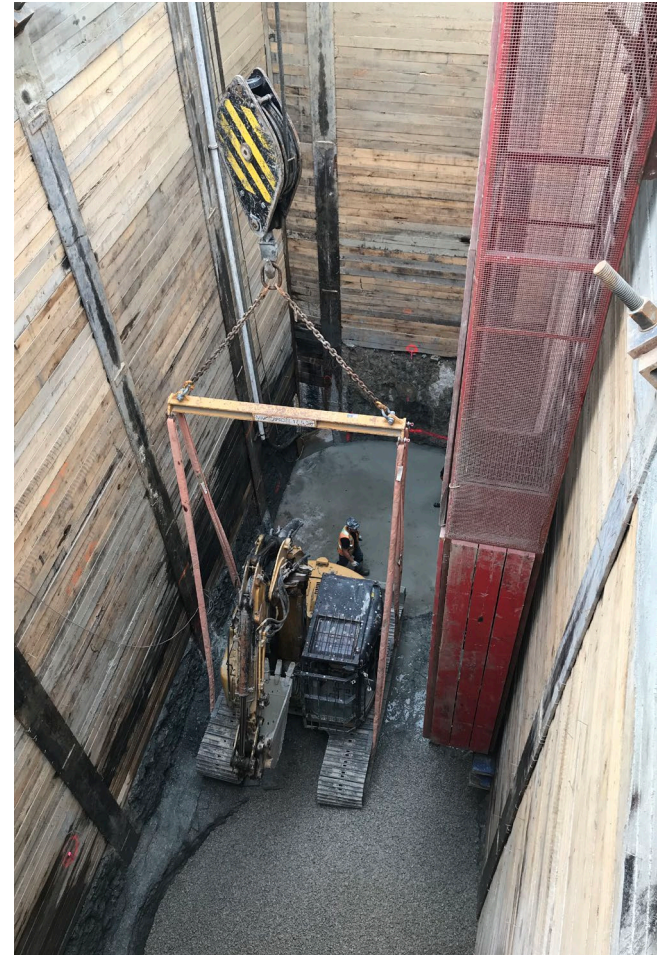
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**Debt will be used from time to time to manage mismatch between development charge collections and growth infrastructure expenditures.

Highlights of the 2023 Capital Budget

Major capital projects

- Water main replacement and construction (\$144.5M)
- Expansion of Water Resource Recovery Facilities (\$139.7M)
- Wastewater collection, main replacement and construction (\$120.8M)



Budget summary



2023 Budget Impact

Average property tax increase

2.8%

Utility rate increase

7.9%

Property tax impact

Residential		
Brampton	Caledon	Mississauga
2.7%	1.4%	3.1%
+\$152	+\$68	+\$148

Small Business Owner

+ \$255

Utility rate impact

Residential

+ \$58

Small Business Owner

+ \$152




2024 - 2026 Outlook



Tax Supported Programs


2024 to 2026 Outlook

	2023	2024*	2025*	2026*
Net Tax Levy Increase	6.7%	6.5%	6.0%	6.1%
Regionally Controlled Services	3.3%	2.8%	2.2%	2.2%
External Agencies	3.4%	3.7%	3.8%	3.9%

*Includes 1% for Tax Supported Capital plan, assumes 1% for Assessment Growth, and reflects the known impacts of provincial funding changes

Utility Rate Supported Programs

2024 to 2026 Outlook

 2023*	2024*	2025*	2026*	
Utility Rate Increase	7.9%	6.8%	5.8%	6.0%

* Includes 5% infrastructure levy; rates may change due to the review of the Utility Long Term Financial Plan

Next Steps:

January 19 – External Agencies Service Presentations:

- Peel Regional Police (PRP)
 - Ontario Provincial Police (OPP)
-

Future Budget Meetings:

January 26 – Regional Services Budget Presentations:

- Housing Support
- Waste Management
- Paramedics
- Seniors Services
- Public Health
- Early Years & Child Care
- Water & Wastewater

Future Budget Meetings:

February 2 - External Agencies Service Presentations:

- Conservation Authorities:
 - Credit Valley Conservation (CVC)
 - Toronto & Region Conservation Authority (TRCA)
 - Conservation Halton (CH)
- February 9 - Additional Budget Deliberations

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