

Approach to the Development of the 2022 Budget



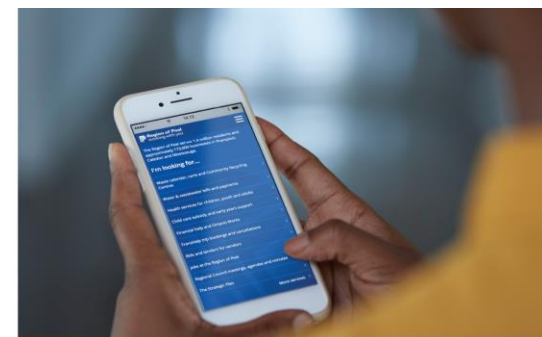
Living

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



Thriving

Communities are integrated,
safe and complete.



Leading

Government is future-oriented
and accountable.

Gary Kent, Chief Financial Officer and Commissioner of Corporate Services

Norman Lum, Director, Business and Financial Planning

10.2-8

- ✓ Provincial and Federal Elections
- ✓ Legislation and Regulations
- ✓ Climate/ Weather
- ✓ Evolving Technology
- ✓ Changing Nature of Employment
- ✓ Economic and Market Volatility
- ✓ Aging Infrastructure
- ✓ COVID-19 Recovery
- ✓ Other Risks



Long Term Financial Planning Strategy

Financial Principles



Respect the taxpayer



Ensure the Capital Plan is sustainable



Manage assets



Deliver value for money



Users pay where appropriate



Work with local municipalities to manage growth and support economic viability of the community



Make responsible investments



Mitigate significant fluctuations in tax and utility rates



Borrow when appropriate for capital infrastructure



Long-Term Utility Financial Plan



Housing Capital Liability



Waste Management
Financial Plan



Climate Change
Financing Strategy



Net Expenditure Increase

*Net of assessment growth of 0.8%

2022*	2023*	2024*
4.2%	2.7%	2.3%

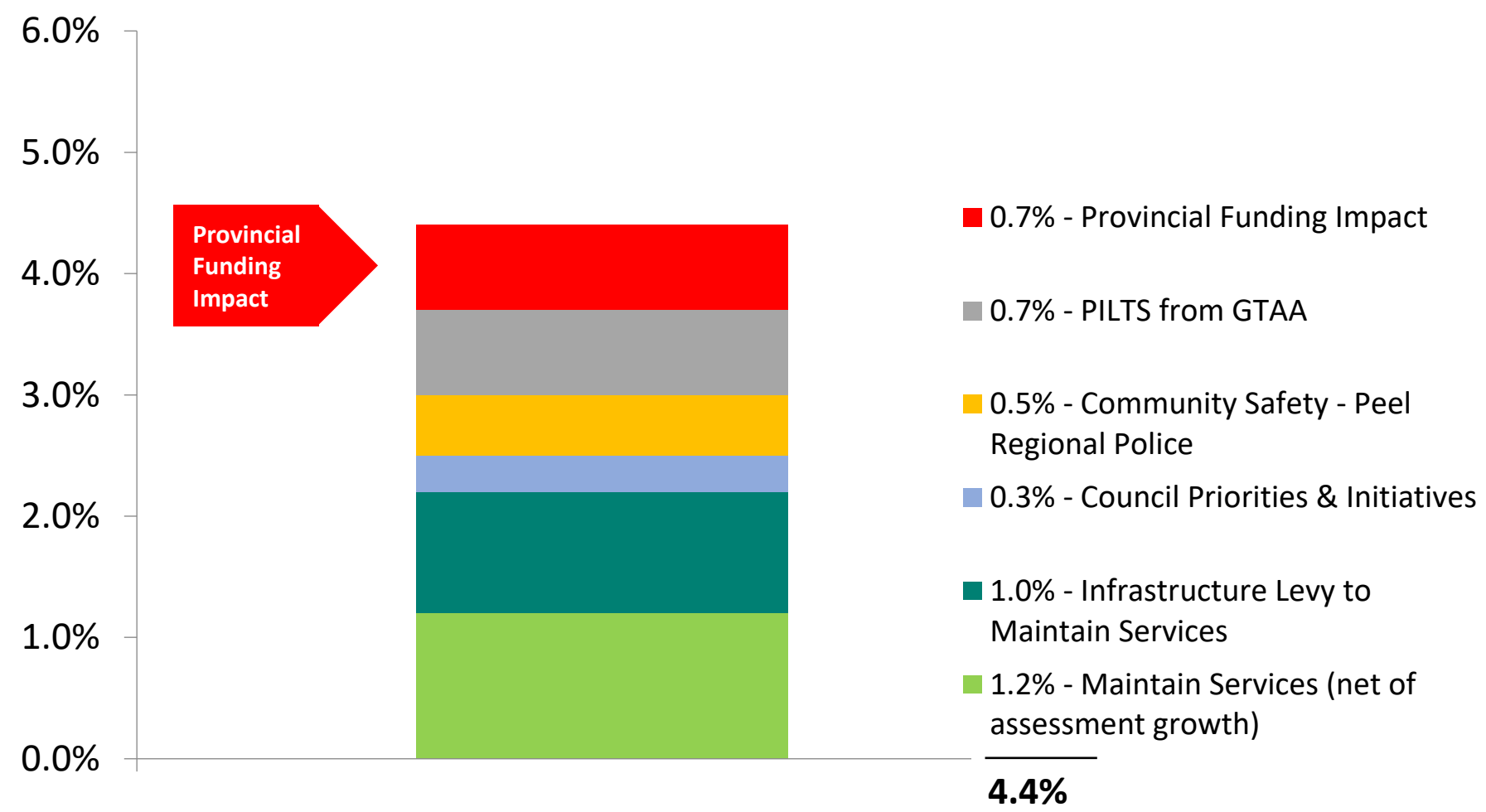


Utility Rate Increase

Peel rates are 35% below GTA average

2022	2023	2024
7.6%	5.7%	TBD

Area of Change	Impact
Early Years and Child Care	Additional 2022 funding cut of \$3.7M
Seniors Health & Wellness Village	As reported to Council, a phased in approach for implementation which will reduce the 2022 impact
GTAA PILT	Bigger passenger drop in 2020 than initially forecast resulting in greater impact on PILT revenue



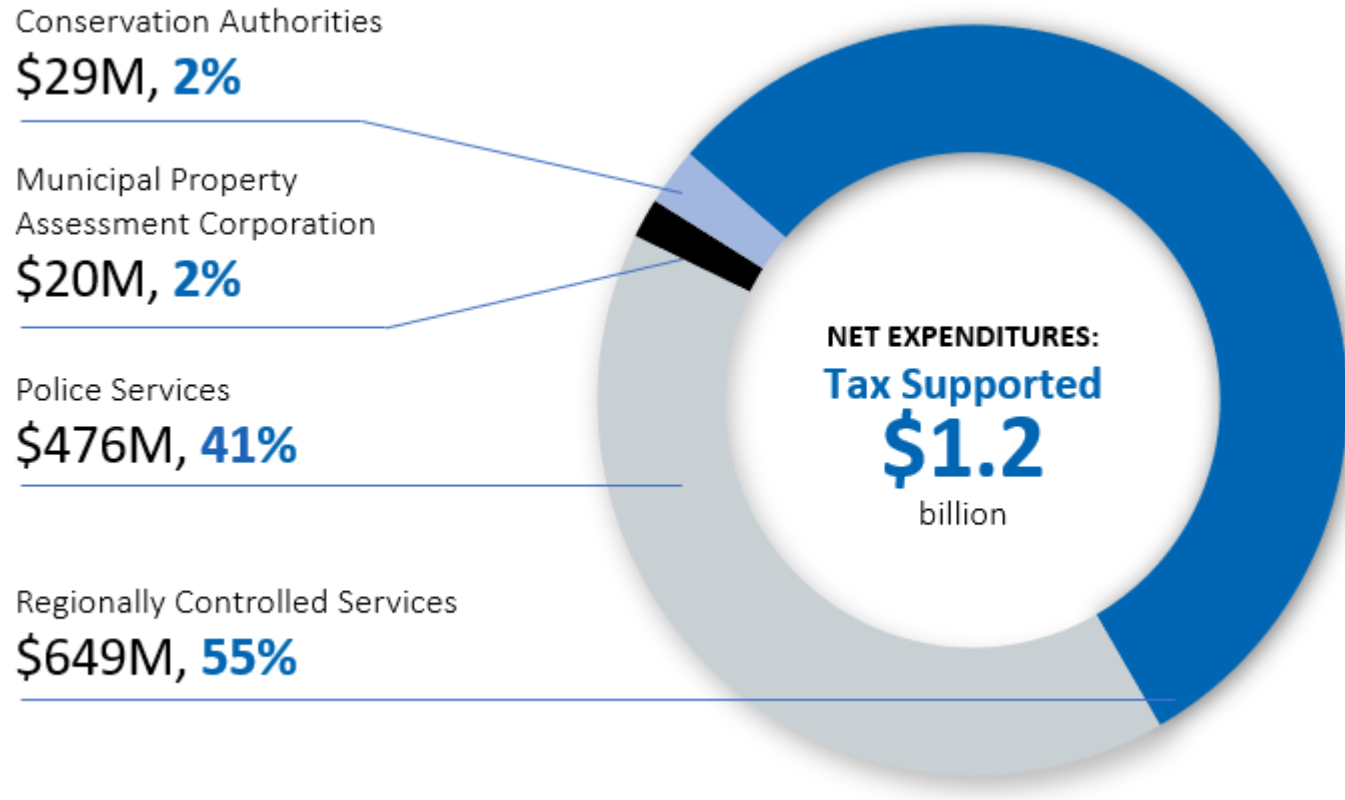
Service	Impact
Child Care	\$3.8M of 2021 funding reduction deferred to 2022 Budget; Staff will try to mitigate additional 2022 funding cut of \$3.7M
Public Health	Shifted to 60/40 cost share with the Province but funding will be frozen at 2018 level; Impact will be reflected in 2022 Budget
Paramedics	Service demand and inflation cost shared with the Province, but one-year funding lag;
Advocacy Required	Need Council's support to ensure fair share funding from the Province

Revenue Shortfall: Compared to pre-COVID Levels

(\$millions)	2022	2023	2024	2025	2030	2035	2040	2045	2050	2055
Region of Peel	(8.8)	(10.6)	(10.4)	(10.3)	(9.6)	(8.6)	(7.4)	(5.9)	(3.9)	(1.4)
City of Mississauga	(21.6)	(23.9)	(23.6)	(23.3)	(21.5)	(19.1)	(16.2)	(12.4)	(7.6)	(1.4)

- 35 Years before GTAA PILT return to pre-COVID levels under the current funding formula
- Cumulative revenue lost = \$240+ million
- **Removal of increase cap will help but not immediately**
- **ADVOCACY UNDERWAY**

Proportion of the 2021 Net Tax Budget



2022 Forecasted Increases

- **Police Services – 4.0%**
- **Conservation Authorities – 3.4%**
 - Credit Valley Conservation – 4.2%
 - Toronto Region and Conservation Authority – 2.6%
 - Halton Conservation – 4.1%

SERVICES



Long Term Care

Operationalize Seniors Health & Wellness Village



Paramedic Services

Meeting increased call volume from a growing population



Early Years and Child Care

Expansion of EarlyON



Housing Support

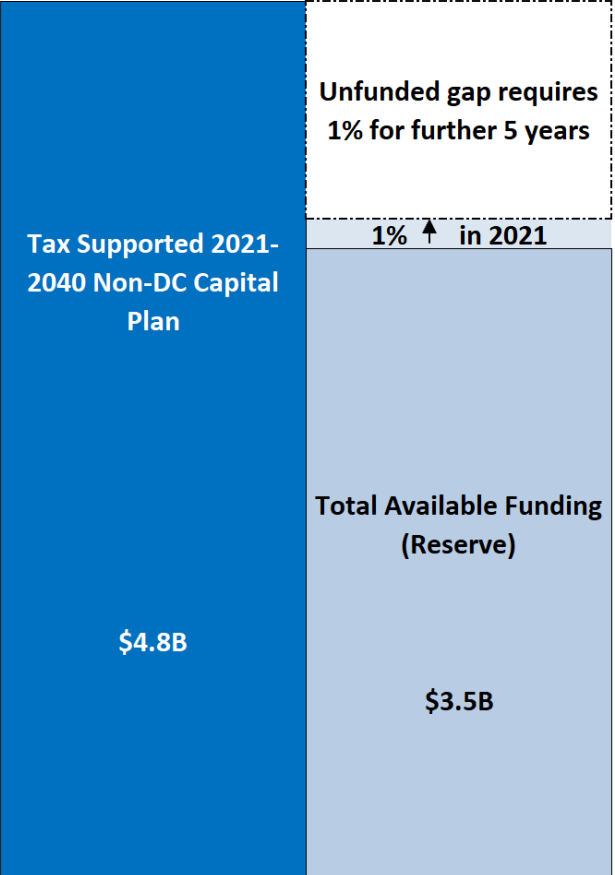
Increase affordable housing options



Waste Management

Increase waste diversion

\$1.3B - 20 Year Funding Shortfall
Regionally Controlled Tax



Total Asset Value: \$3.7 B



NOTE: Projections are based on the current capital plan



- Base budget is the cost of delivering prior year service levels; includes inflation and economic adjustments
- CAO 1% Challenge
- 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
- Leverage lessons learned through COVID response
- Advocate for assistance from upper levels of government



Water and wastewater services for 4,000 new customers

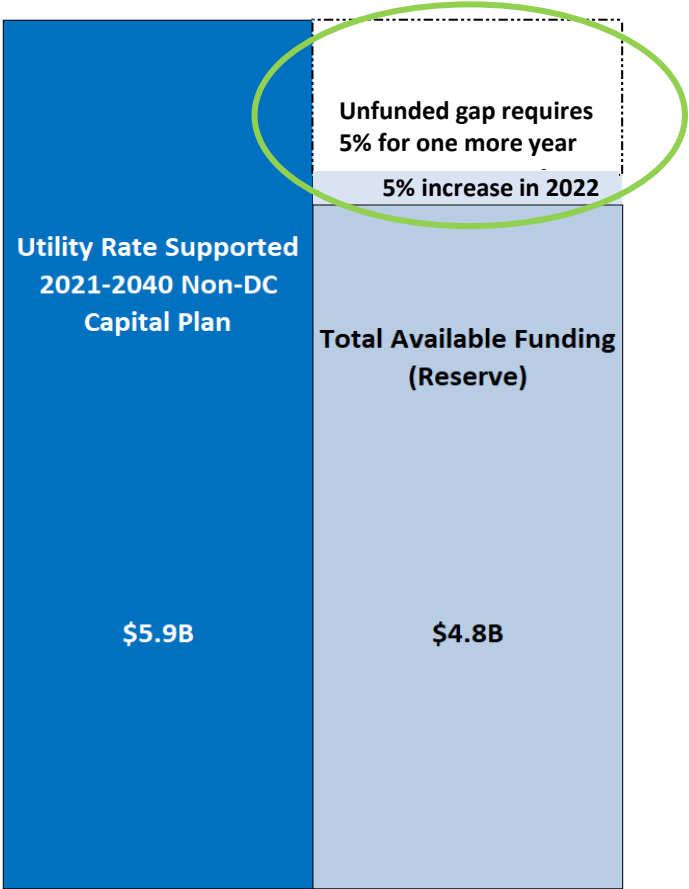
	2022 Forecast
Maintain Service Level	2.6%
Capital Infrastructure	5.0%

Average Utility Rate Increase*

7.6%

- Infrastructure Gap of \$1.1 billion
- Peel rates are 35% below GTA average

\$1.1B - 20 Year Funding Shortfall
Utility Rate



Total Asset Value: \$26.2 B



NOTE: Projections are based on the current capital plan

- Still difficult to predict
- Assume pandemic will be over
- Residual impacts on services?
- No Financial Impact on the 2022 Budget
- Use any remaining COVID funding or rate stabilization reserves

COVID-19 Funding	(In \$Millions)
• Phase 1 Safe Restart allocation	\$27.3
• Phase 2 Safe Restart allocation	\$20.6
• Amount used for 2020 COVID pressures	(\$16.0)
COVID-19 Funding remaining from 2020	\$30.9
2021 Provincial COVID Recovery (NEW)	\$24.7
Amount projected to be used for 2021	(\$39.7)
Potential Amount of COVID Funding for 2022 Budget pressures	\$15.9

Date	Event
June 24	Approach to the Development of 2022 Budget – Council Report External Agencies – Updates and Budget Pressures - Presentation
November 4	Budget document and presentations provided to Council
November 11	Continuous Improvement – Council Report
November 25	Asset Condition Scorecard – Council Report Overview and Status Update on the Reserves – Council Report
November 25	Corporate Overview and Commissioner Service Presentations
December 2	Presentation - External Agencies (Police Services and Conservation Authorities)
December 9, 16	Additional days reserved for Council Budget deliberations

QUESTIONS?