

Appendix I - 2020 Update of the Region of Peel's Financial Condition

2020 Financial Scorecard

Summary of Financial Health					Focus GTA Spring 2019 Value for Tax Dollars	Credit Ratings	
Financial Sustainability	Maintained services and infrastructure recognizing growing population and aging infrastructure.					 74%	Aaa AAA
Financial Vulnerability	Peel Region is highly vulnerable due to its extensive reliance on external funding. Provincial funding was restrained in 2019 increasing the property tax burden.						
Financial Flexibility	Maintained and/or improved flexibility in 2019. Reserves were utilized for economic challenges; capital cash flow forecasting and debt leveraging were improved.						
Financial Sustainability							
Respect the taxpayer	Net Tax Levy Increase	1–3%		Neutral	Action: 2021 budget to be developed recognizing evolving economy Impact: Respecting the taxpayer		
Ensure the Capital Plan is sustainable	Capital Reserves as a % of 20 Year Capital Plan (tax and utility rates)	100%	Tax	Tax: Negative	Tax Action: 1% infrastructure levy from 2020 to 2026 inclusive Utility Action: 5% infrastructure levy from 2020 to 2022 inclusive Tax and Utility Impact: Sufficient funds to meet State of Good Repair		
Manage assets			Utility	Utility: Negative			
Deliver value for money	Asset Health Score	Good		Positive	Action: Mature Peel's asset management practice Impact: Realize greater asset value		
Financial Vulnerability							
Users pay where appropriate	Reduction in financial risk associated with growth	Lower Debt vs Forecast		Positive	Action: Implementing Peel's Growth Management program Impact: Lower the projected DC related debt		
Work with local municipalities to manage growth and support economic viability of the community	Reliance on external funding	Funding meets Growth & Inflation		Negative	Action: Assess impact of Provincial funding announcements & support Council's advocacy efforts Impact: Meet service needs in Peel		
	Proportion of non-residential tax revenue	35–45%		Negative	Action: Support Council advocacy for diversified revenue tools Impact: Improve municipal fiscal sustainability		
Make responsible investments	Investment returns	Above inflation		Positive	Action: Continue to identify opportunities to optimize returns Impact: Improved investment returns support funding of Peel's capital program		
Financial Flexibility							
Mitigate significant fluctuations in tax and utility rates	Debt capacity	Below 25%		Neutral	Action: Update Debt Policy & Capital Financing Strategy Impact: Improved ability to leverage debt appropriately for Peel's infrastructure requirements		
	Reserve adequacy	5-10%	Tax	Tax: Positive	Action: In 2020 Council approved use of reserves to address economic challenges Impact: Support the residents and businesses		
Utility			Utility: Positive				
Borrow when appropriate for capital infrastructure	Liquidity	>120%		Neutral	Action: Continue to improve capital cash flow forecasting process Impact: Having cash on hand to meet capital spending requirements		