

# Region of Peel

# Investor Presentation



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# Meet the Region of Peel

## Table of Contents

Overview.....	3
Economic Highlights.....	8
Financial Overview.....	14
Debt Financing.....	19
Contact Details.....	26

# Overview

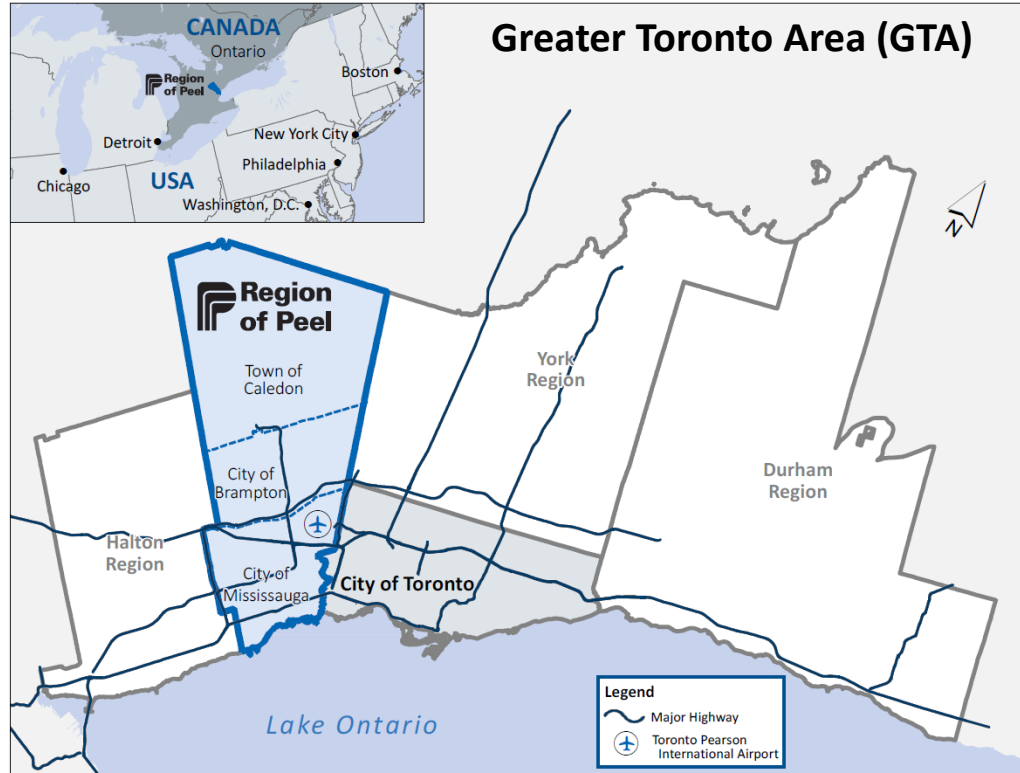


# 2<sup>nd</sup> Largest Municipality in Ontario and Growing

The Region of Peel is the 2<sup>nd</sup> largest municipality in Ontario. It is located in the GTA with 1.5 million residents and growing.

Consisting of the Town of Caledon, and the Cities of Brampton and Mississauga, it has undergone a major transition during the past few decades.

Rapid growth and commercial development have transformed the Region of Peel into a dynamic urban community with a vibrant economic base.



# Corporate Governance Structure



# 2015-2035 Strategic Plan

Our 20-year vision for the Region of Peel is "Community for Life."



# Service and Program Responsibilities



## Region of Peel Operating and Capital Services

Paramedics  
 Long Term Care  
 Adult Care  
 Income Support  
 Employee Support  
 Enterprise Programs  
 and Services

Water Supply  
 Wastewater  
 Waste Management  
 Roads and Transportation  
 Land Use Planning  
 Heritage, Arts and Culture  
 TransHelp

Chronic Disease Prevention  
 Infectious Disease Prevention  
 Community Investment  
 Housing Support  
 Homelessness Support  
 Child Care  
 Early Growth and Development

## Region of Peel Financed External Programs

Police  
 Conservation Authorities  
 Assessment Services

## Local Municipality Operating and Capital Services

Storm Water, Local Roads, Parks & Recreation, Fire, Transit

# Economic Highlights





# Strategic Advantages of the Region of Peel

## We are strategically located



Within Canada's largest economic hub (the GTA)<sup>(1)</sup>

Close to large United States markets

Bordering Lake Ontario

## We are a transportation hub



**\$1.8B** Estimated daily value of goods movement

**5** Major highways & regional / national rail

Home to Canada's largest airport

## We are highly educated<sup>(2)</sup>



**85%** Have at least a high school education

**58%** Have a post-secondary education

## We are a young population<sup>(2)</sup>



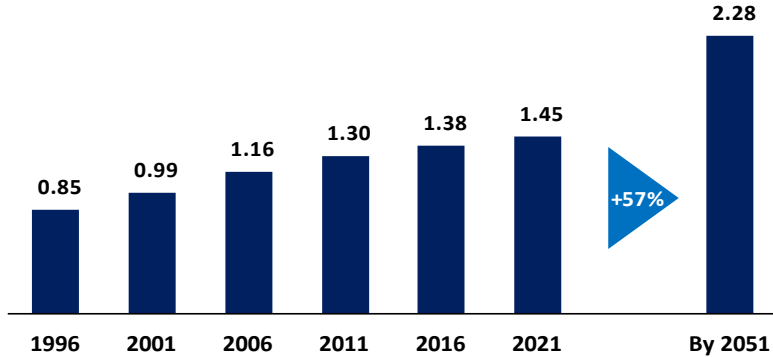
**39** Years old is youngest average age in the GTA

**69%** Peel's population is working age (15-64),  
2<sup>nd</sup> highest ratio in the GTA

# Strong Population Growth and Labour Market

## Population Growth

In Millions of People  
1996 – 2021 | 2051 (Forecast)

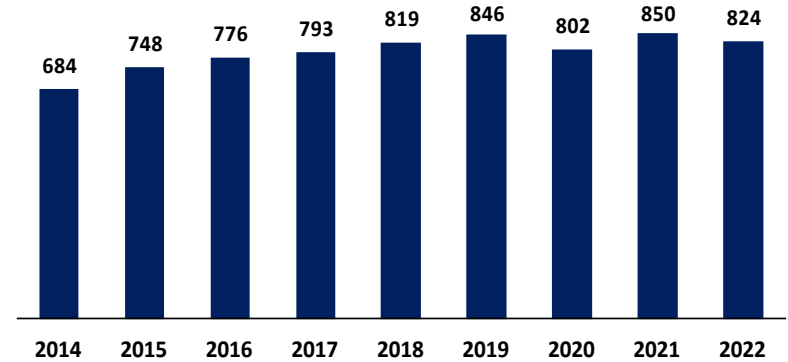


## Population by Local Municipality



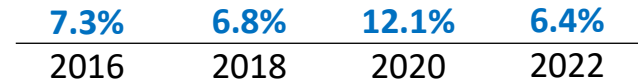
## Employment Growth

In Thousands of Jobs  
2014 – 2022



## Unemployment Rate

2016 | 2018 | 2020 | 2022

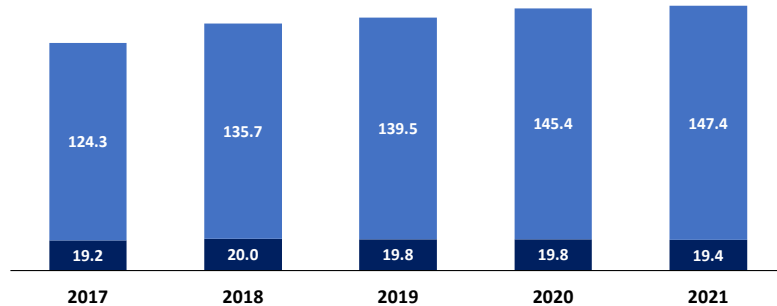


# Strong and Diverse Business Sector

## Business Establishments

In Thousands  
2017 - 2021

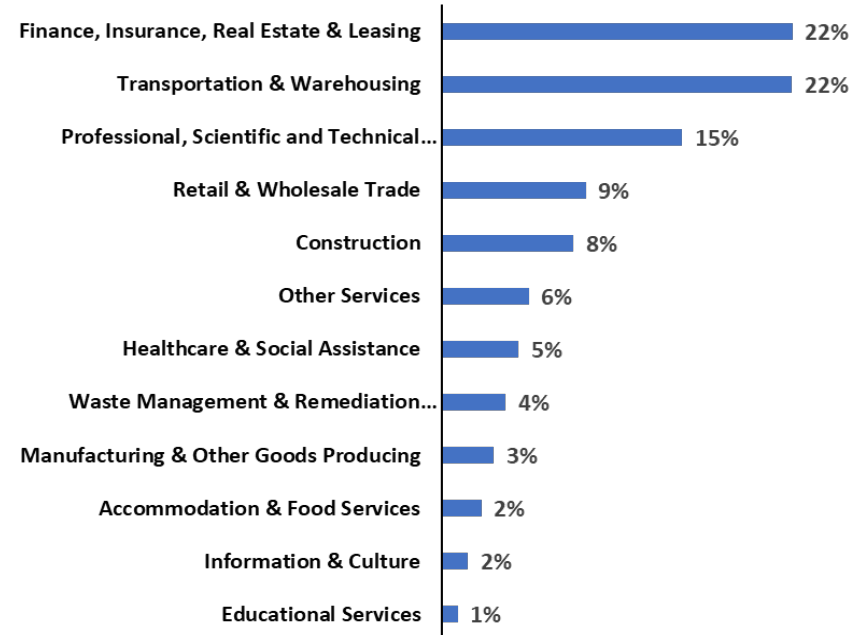
■ = Services Sector ■ = Goods Producing Sector



**Over 166,000 Business Establishments, with growth of 3.8% CAGR (compound annual growth rate) in last 5 years**

- ✓ Services Sector stable at ~88% of total
- ✓ Top Employers are Royal Bank of Canada, Microsoft Canada, Loblaw's Companies Ltd., and Hewlett Packard
- ✓ Lowest water / wastewater rates in Greater Toronto Area attract businesses like Coca-Cola, Pepsi and Cott Beverages

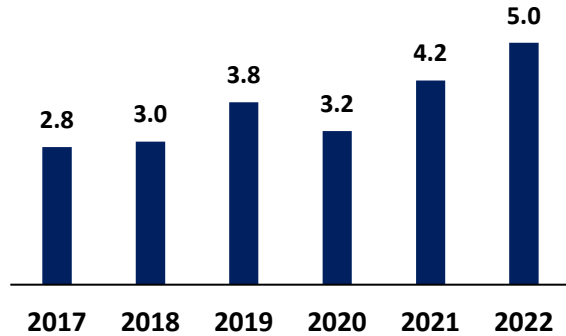
## Distribution of Business Sectors (2021)



# Stable Housing Sector and Strong Household Income

## Building Permits

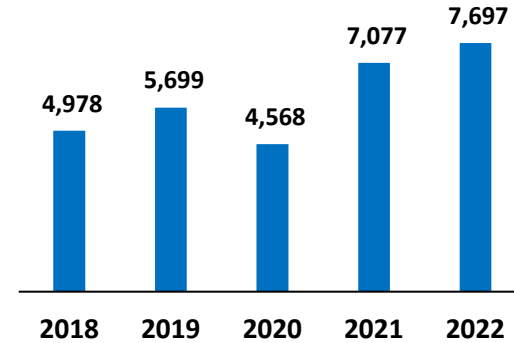
In Billions of Dollars  
2017 - 2022



The total value of building permits issued in Peel in 2022 was \$5.0 billion, an increase of 19 per cent relative to 2021.

## Housing Starts

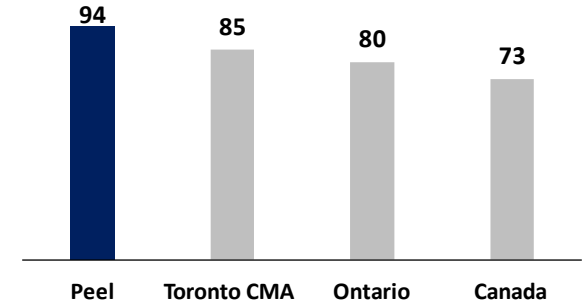
In Units  
2018 - 2022



In 2022, Peel's annual housing starts were 55 per cent higher than in 2018 at 7,697 units.

## Household Income (Median After-Tax)

In Thousands of Dollars  
Statistics Canada, 2021 Census

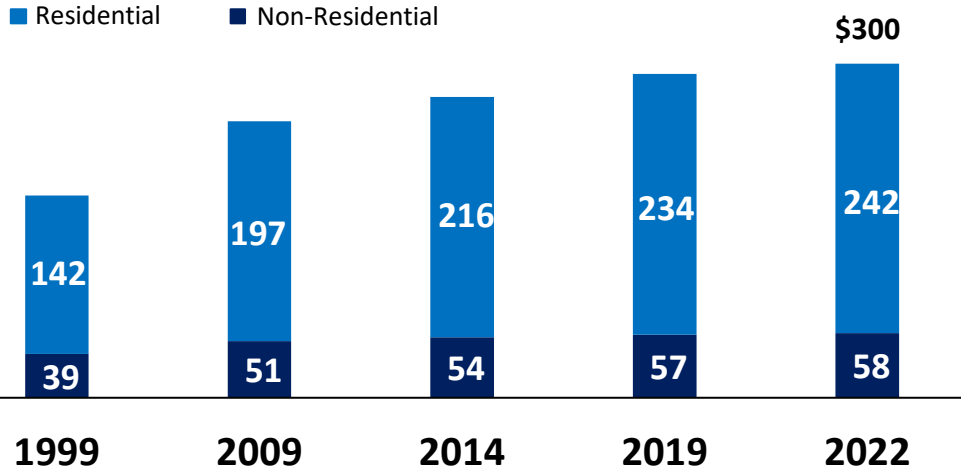


- ✓ 29% higher than Canada
- ✓ 18% higher than Ontario
- ✓ 11% higher than Toronto CMA

# Sustainable Growth in Taxable Assessment

## Taxable Assessment

In Billions of Dollars  
1999 | 2009 | 2014 | 2019 | 2022



	1 Year Growth	10 Year Average
Residential	1.4%	1.5%
Non-Residential	1.1%	0.9%
<b>Total</b>	<b>1.3%</b>	<b>1.3%</b>

Source: Municipal Property Assessment Corporation (MPAC) and Region of Peel

# Financial Overview



# Financial Strengths

## Focus on Long-Term Financial Planning Strategy with a 10-year Budget Model

### Commitment to planning and funding infrastructure replacement / state of good repair

- Tax rate: Average annual 1% property tax levy increase to tax supported capital reserves' contribution since 2008
- Utility rate: Average annual 4% utility rate increase to utility rate supported reserves' contribution since 2009

### Integrated approach to managing growth

- Growth Management Committee overseeing 2051 growth forecasts
- Earlier and more integrated consultation with local municipalities, Province and building industry

## Development Charges (DCs) By-Law updated in 2020

## Financial flexibility for additional revenue generation due to lowest utility rates in Greater Toronto Area

## Triple A Credit Rating and Strong Liquidity

# 2023 Budget Highlights

**\$5.0**

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



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



Communities are integrated, safe and complete.



Government is future-oriented and accountable.

**\$3.1** billion  
Operating Investments

**\$1.2** billion

**\$1.7** billion

**\$0.2** billion

**\$1.9** billion  
Capital Investments

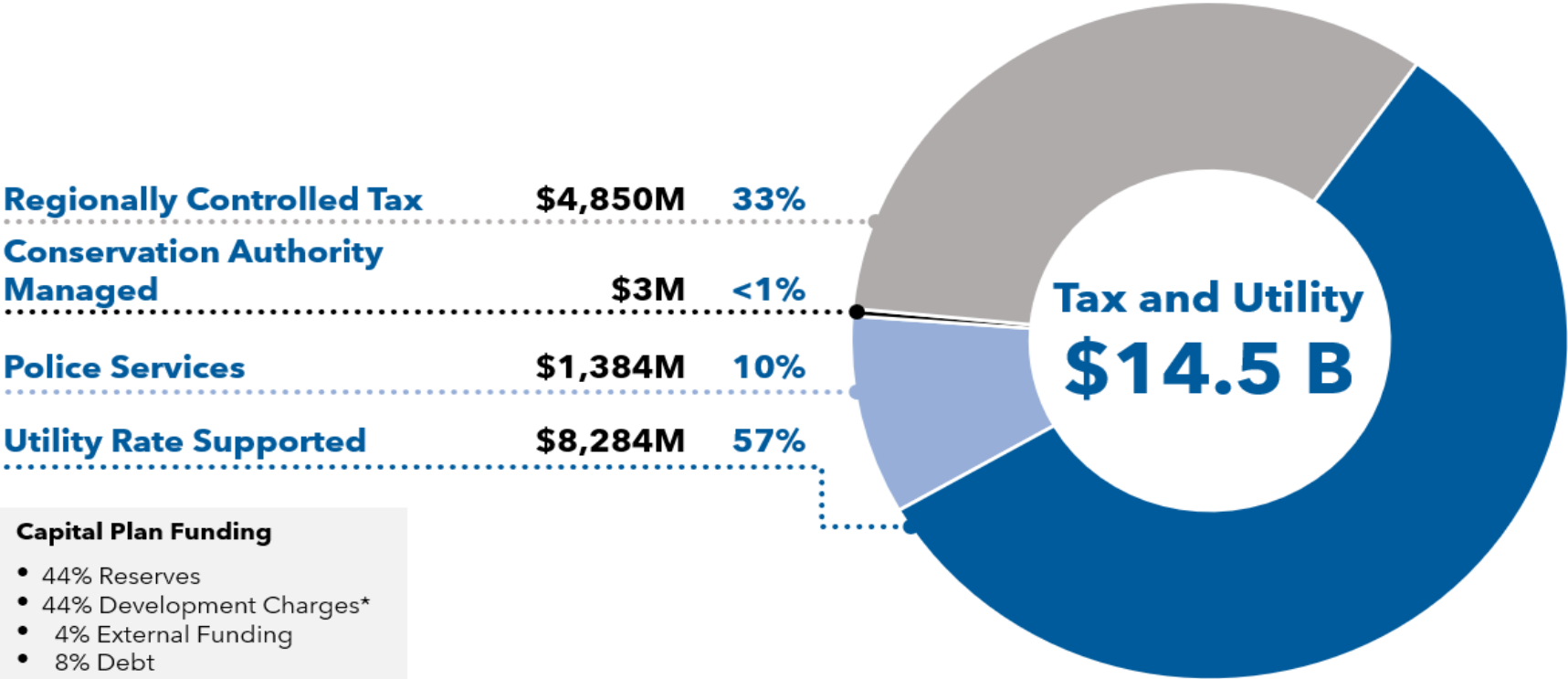
**\$0.2** billion

**\$1.7** billion

**\$0.03** billion



# 10 Year Capital Plan Highlights



\*Will require debt to bridge timing in cash flow between revenues and expenditures

# Development Charges (DCs) Overview

Levy DCs against new development to fund growth-related infrastructure (Provincial legislation)

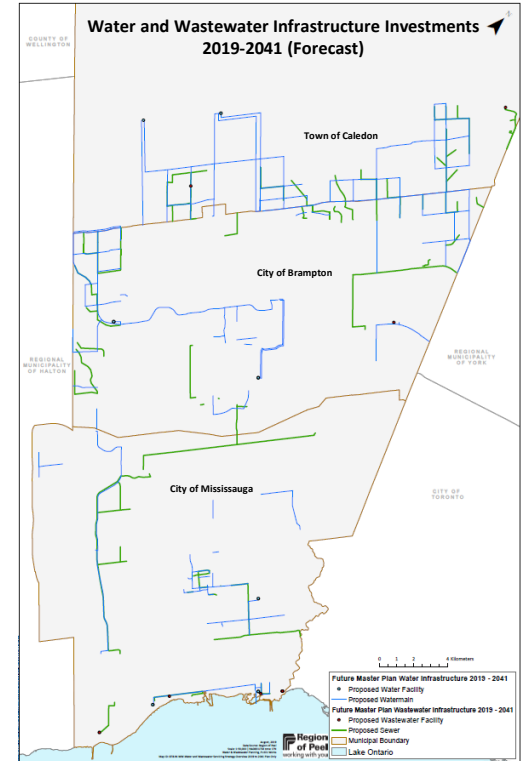
A “growth pays for growth” philosophy to ensure existing tax base not affected by cost of development

DC rates must be updated at least every 5 years

- Last by-law updated in by 2020

Borrowing needs are for long life projects

Water, wastewater, roads are major programs funded by DCs



# Debt Financing



# Borrowing Strategy

## **Benchmark Size Issues**

For Large Capital Projects

C\$150 to \$300 million  
Typically, 10, 20, or 30 year  
Bullet with sinking fund

## **Smaller Size Issues**

For Small Capital Projects at Region and Local Municipalities

C\$25 to C\$100 million  
Typically, 10 year  
Serial

**Debt issuance for capital projects, primarily growth related for  
water, wastewater and roads**

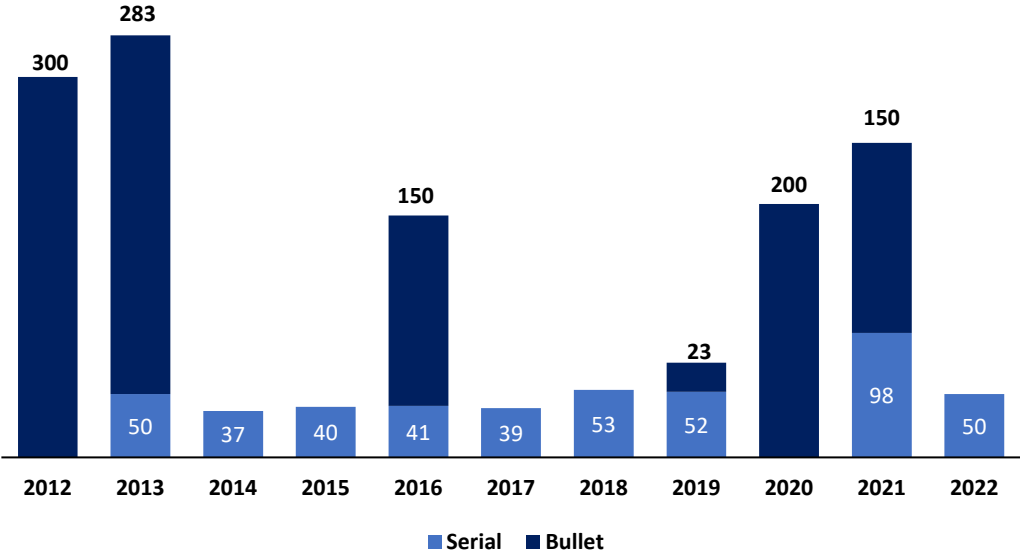
**Continued focus on liquid benchmark issuance**

**All debt is general obligation**

# Historical Public Debt Issuance

## Public Debt Issuance

In Millions of Dollars  
2012 – 2022



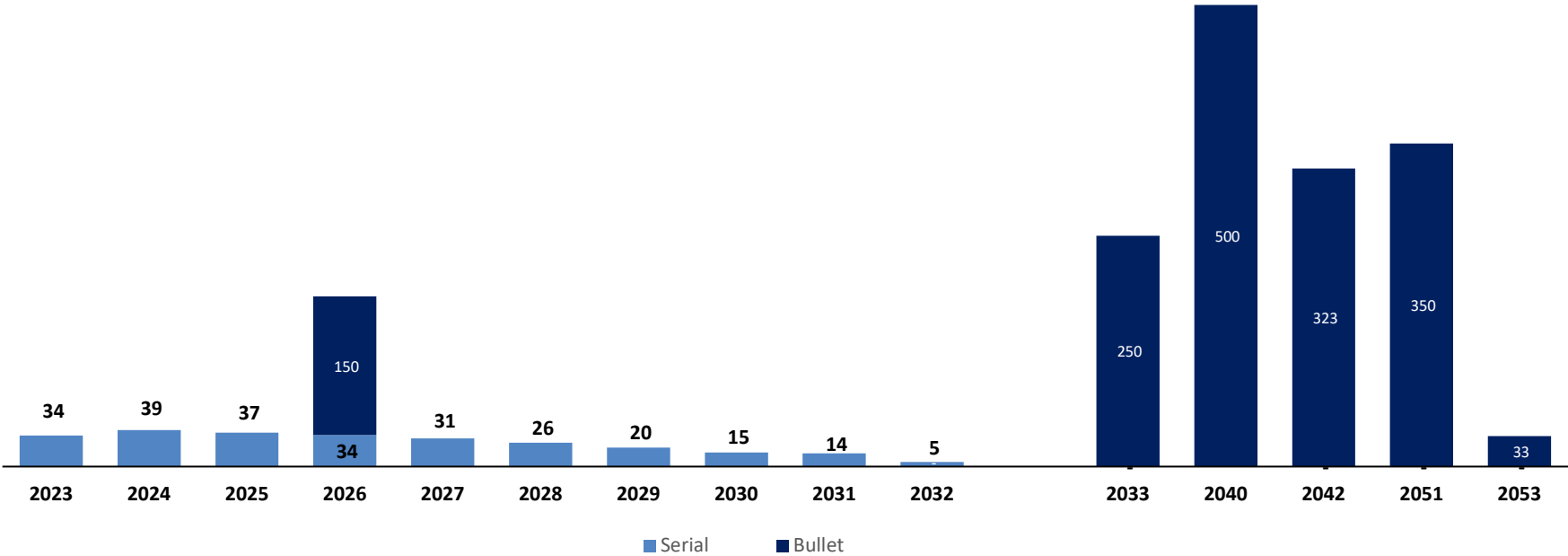
Issued in the last 11 years = \$1.6 billion

2023 Debenture Requirements  
\$200-\$250 million

Source: Region of Peel

# Public Debt Maturity Profile

Weighted Average Maturity = 16 years



Source: Bloomberg (March 2023)



# Strong Regulatory Framework Supports Debt Issuance

*Ontario Municipal Act, 2001*

**Municipal  
Debentures Rank  
*Pari Passu***  
s.408(7)

**Annual Budgeting  
Requirements  
(Debt Provision and  
No Operating Deficits)**  
s.289 and s.290

**Limitations on Use  
of Proceeds**  
s.413(1) and s.408(2.1)

**Debenture By-Law  
Permanence**  
s.414(1)

**Doctrine of  
*Ultra Vires***  
s.9 and s.17

**Municipal Officer  
Guilty of an Offense**  
s.422

**Member of Council  
Diversion of Funds  
Liability**  
s.424

**No Bankruptcy Allowed (No Equivalent of Chapter 9 in USA)**

# Triple A Credit Ratings, Strong Liquidity Position and Compelling Investor Returns

## Credit Ratings

**MOODY'S** | **Aaa (Stable)** since 2011

“.....a track record of consistent, positive fiscal outcomes supported by prudent, forward-looking fiscal and budget policies, and the region's growing, diversified economy with strong population growth.”

**S&P Global** | **AAA (Stable)** since 2001

“Peel continues to benefit from a strong economy, which helps the region to generate strong revenues, exceptional liquidity, and a declining debt burden.”

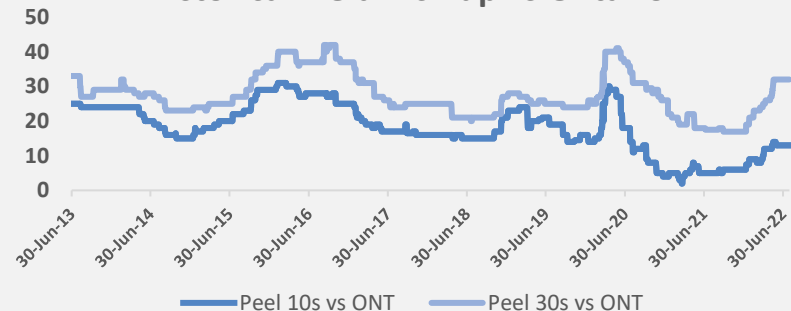
## Liquidity



C\$3.2 Billion in investments

- ✓ Highly liquid portfolio with strong credit quality
- ✓ Large annual budget contributions to reserves for state of good repair

### Historical Yield Pick-up vs Ontario





# Investing to build our *Community for Life*



Living

Thriving

Leading

## Contact Details

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## Other Information Available At

[peelregion.ca/investors](http://peelregion.ca/investors)  [@regionofpeel](https://twitter.com/regionofpeel)  [peelregion.ca/planning/pdc/data/](http://peelregion.ca/planning/pdc/data/)

**Bloomberg** = PEEL

