



**ORGANIZATION**

The Region of Peel was established in 1974 (formed from County of Peel, established in 1851) and serves a population of 1.3 million. Peel is located in the Greater Toronto Area (GTA) within easy access to the U.S market and is home to Canada’s largest airport (Lester B. Pearson). The Region consists of three area municipalities (City of Mississauga, City of Brampton and Town of Caledon) and is governed by a 25-member council. The Region is responsible for the delivery of the following services:

- water
- major roads
- social housing
- long term (elderly) care
- wastewater
- policing
- social assistance
- child care
- waste management
- paramedics
- public health
- transit for disabled

**CREDIT STRENGTH**

**Taxation Power:**

Region has the authority to levy a property tax on all taxable land in Peel.

- Property assessment base of \$164.9 billion
- Approximately 300,000 water customers fully fund water and wastewater system

**Liquidity for Investors:**

Region maintains high levels of liquidity with cash and investments (\$1.2 billion at end of 2010) equivalent to 90.8% of operating expenses. Cash and investments at June 30 2011: \$1.37 billion.

- Council strategy to annually increase 1% tax and 3% utility rates for asset replacement reserves

**Governance:**

Regional Council either directly or indirectly through Debt Issuance Committee approves all long-term debt issued by the Region.

- Debt management policy established
- Maintaining a AAA/Aaa credit rating is a major objective for the Region

**High Degree of provincial Legislative Oversight:**

**i) Borrowing and Debt Service Limits**

Province annually verifies that municipalities have the financial ability to service debt. Ontario municipalities have restrictions on allowable debt levels. At 25% of own source revenues to service debt costs the Region could incur annual debt servicing costs of \$263.5 million. At Peel this translates into:

- Total debt capacity available - \$3.0 billion (updated provincial estimate for illustrative purposes assuming 20 year term at 6%)
- Debt capacity used - \$571.9 million (19% of provincially estimated limit)

**ii) Balanced Budgets**

Ontario municipalities are prohibited from incurring an operating deficit or an accumulated deficit.

**Debt Guarantee:**

By statute the Region’s debentures constitute direct unsecured, unsubordinated, joint and several obligations of the Region and of its lower tier municipalities.

- Regional debentures rank *pari passu*

**BORROWING STRATEGY**

Region is issuing debt primarily to fund major infrastructure investments in water and wastewater treatment plants and distribution/collection systems to service growth. Replacement of capital assets is funded from reserves:

- 10 year benchmark size with possible re-openings
- Bullets with sinking fund
- 1 or 2 tranches per year

# REGIONAL MUNICIPALITY OF PEEL

September 2011

## FINANCIAL & ECONOMIC SUMMARY

### Financials (\$millions)

	Forecast	Actuals as at Dec. 31		
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Revenues	\$2,009	\$2,033	\$1,685	\$1,720
Expenses				
Operating	1,508	1,448	1,358	1,247
Amortization	174	170	158	152
Debt service cost*	45	25	18	19
<b>Total Expenses</b>	<b>\$1,727</b>	<b>\$1,643</b>	<b>1,534</b>	<b>1,418</b>
<b>Surplus</b>	<b>\$282</b>	<b>\$390</b>	<b>\$151</b>	<b>\$302</b>
Reserves & Reserve Funds	\$1,235	\$1,220	\$1,204	\$1,262
Net Long Term Liabilities**	\$1,190	\$623	\$339	\$355

\*Includes interest costs only \*\*Includes debentures and mortgages on the Region's social housing properties.

### Economic Indicators

	Estimate	Actual		
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Population (000's)	1,317.4	1,307.7	1,294.0	1,277.1
Assessment (\$billions)	\$164.9	\$154.6	\$144.4	\$134.3
Employed Labour Force (000's)	n/a	593.5	556.7	618.0
Unemployment Rate (%)	n/a	9.9	10.8	6.6
Building Permits (\$millions)	\$1,287*	\$2,057	\$1,347	\$2,071
No. of Businesses (000's)	n/a	88.1	87.5	86.6

\*Mid-year data

## CONTACTS

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