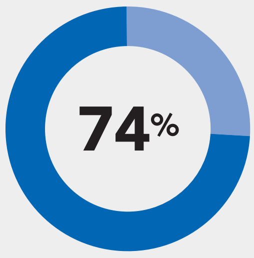
2019 Financial Scorecard

Region of Peel
working with you

Summary of Financial Health

Financial Sustainability	Maintained services and infrastructure with affordable tax increases. Increasing service pressures from growing population and aging infrastructure.
Financial Vulnerability	Obtained additional external funding for cost-shared services. Increasing risk due to a change in government and increasing residential tax burden.
Financial Flexibility	Maintained liquidity to meet the Region's obligations. Increasing need to leverage debt for service enhancements and intergenerational equity.

2018 GTA Survey Score



Independent Assessment by Credit Agencies

Aaa **AAA**

Legend — ☑ On track ☒ Off target

Financial Principles	Indicator	Target	2018 Performance	Risk	Summary of Action
Financial Sustainability					
Respect the tax payer	Tax rate increase	**1–3%**	☑ Tax rate increases have been in line with inflation	**Negative**	**Action:** 2020 budget target to Council and working with external agencies **Impact:** 2020 budget increase to be in line with inflation
Ensure the Capital Plan is sustainable Manage assets	Capital Reserves as a % of 20 Year Capital Plan (tax and utility rates)	**100%**	☒ **Tax:** The gap between capital needs and available reserves is increasing ☒ **Utility:** The gap between capital needs and available reserves is decreasing, but not adequate	**Tax: Negative** **Utility: Negative**	**Tax Action:** 1% infrastructure levy in 2019 for tax rate **Utility Action:** 5% infrastructure levy in 2019 for utility rate **Tax and Utility Impact:** Reduce gap between capital needs and available reserves
Deliver value for money	Asset Health Score	**Good**	☑ Assets are maintained to Council's approved service levels	**Neutral**	**No Action**
Financial Vulnerability					
Users pay where appropriate	Reduction in growth related risk	**Increasing**	☑ There has been increased reduction in debt risk	**Positive**	**Action:** Update the DC Background Study **Impact:** Updated DC Background Study will identify future debt financing risk
Work with local municipalities to manage growth and support economic viability of the community	Reliance on external funding	**TBD**	☑ Over the past five years the proportion of external funding has increased	**Negative**	**Action:** Assess impact of Provincial Budget announcement **Impact:** Minimize service disruptions
	Proportion of non-residential tax revenue	**35–45%**	☑ Proportion of non-residential tax revenue is declining	**Negative**	**Action:** Research the drivers of the decreasing revenue, including the changing nature of employment **Impact:** Identify advocacy positions and viable revenue tools
Make responsible investments	Investment returns	**Above inflation**	☑ Investment returns have consistently been above inflation	**Neutral**	**Action:** Identify opportunities to maximize returns **Impact:** Maximize returns on Regional reserves
Financial Flexibility					
Mitigate significant fluctuations in tax and utility rates	Debt capacity	**Below 25%**	☑ Annual Repayment Limit has been stable, below maximum acceptable limit	**Neutral**	**Action:** Update Debt Policy **Impact:** Ensure Debt Policy is reflective of current environment
Borrow when appropriate for capital infrastructure	Reserve adequacy	**5-10%**	☑ **Tax:** Reserve adequacy has lowered into the recommended target range ☑ **Utility:** Reserve adequacy has increased into the recommended target range	**Tax: Positive** **Utility: Positive**	**No Action**
	Liquidity	**>120%**	☑ The Region continues to be very liquid	**Neutral**	**Action:** Continue to improve capital cash flow forecasting **Impact:** Maximize investment return on reserves