Region of Peel
working with you

Region of Peel

Investor Presentation

January 2020

Julie Pittini
Director | Treasury Services | Finance
Region of Peel

Meet the Region of Peel

Table of Contents

Overview……	2
Economic Highlights……..	8
Financial Overview…….	14
Debt Financing……..	19
Contact Details……..	26

Region of Peel
working with you

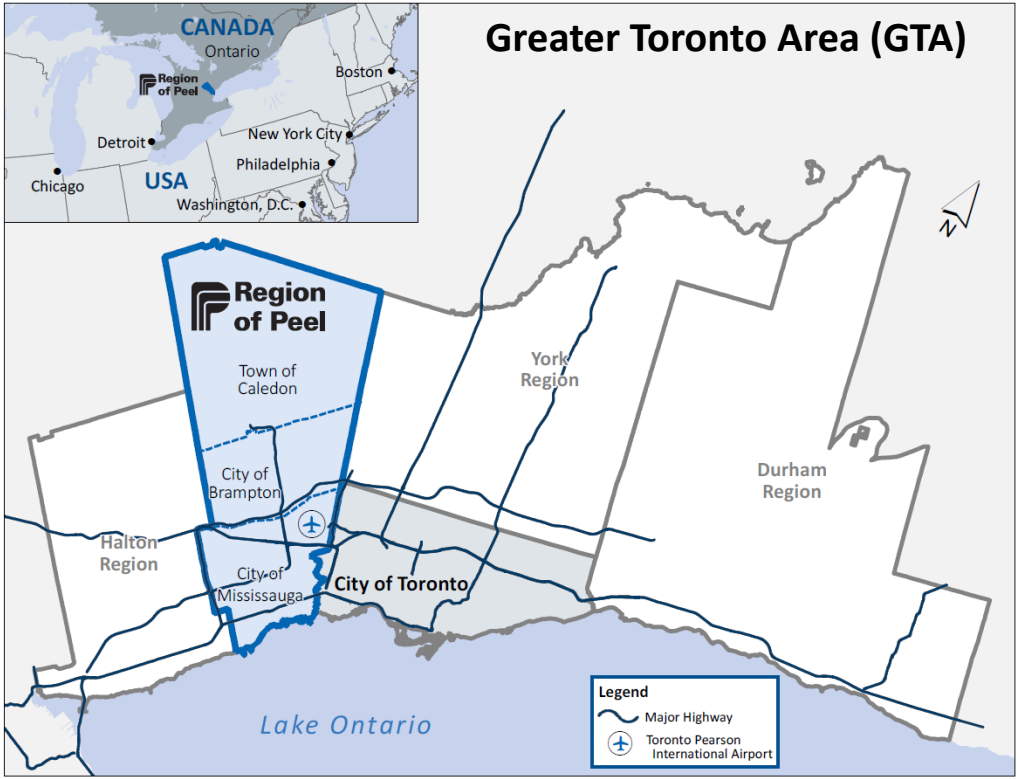
Overview

2nd Largest Municipality in Ontario and Growing

The Region of Peel is the 2nd largest municipality in Ontario. It is located in the GTA with 1.48 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.



Region of Peel
working with you

Corporate Governance Structure

Peel Residents
1.48 million residents

Regional Council
Regional Chair and 24 Councillors

Executive Leadership Team
Chief Administrative Officer and 6 Commissioners

Six Operating Departments
Corporate Services

Finance

Health Services

Human Services

Public Works

Digital and Information Services

Region of Peel
working with you

2015-2035 Strategic Plan

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

Region of Peel
working with you

Service and Program Responsibilities

Living

Thriving

Leading

Region of Peel Operating and Capital Services

Living

- TransHelp
- Paramedics
- Long Term Care
- Adult Care
- Income Support
- Employee Support
- Community Investment
- Housing Support
- Homelessness Support
- Child Care

Thriving

- Early Growth and Development
- Chronic Disease Prevention
- Infectious Disease Prevention
- Water Supply
- Wastewater
- Waste Management
- Roads and Transportation
- Land Use Planning
- Heritage, Arts and Culture

Leading

- Enterprise Programs and Services

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)[1]

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[2]

83% Have at least a high school education

65% Have a post-secondary education

We are a young population[2]

38 Years old is youngest average age in the GTA

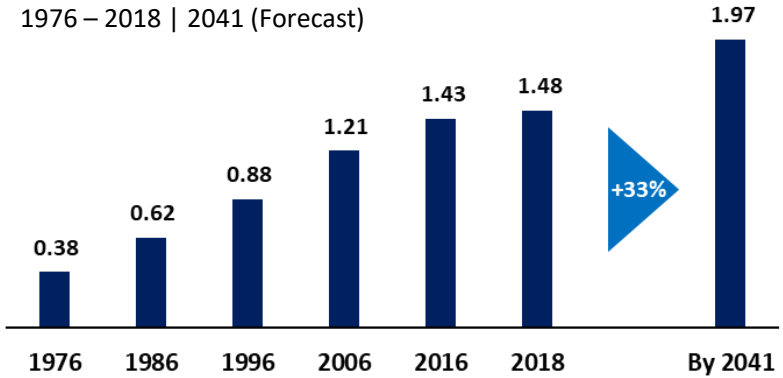
18% 2nd highest ratio of children in the GTA

(1) GTA = Greater Toronto Area
(2) Statistics Canada, 2016 Census

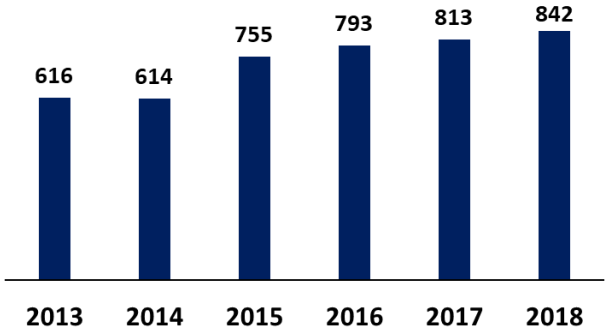
Region of Peel
working with you

Strong Population Growth and Labour Market

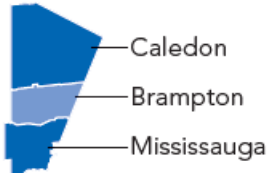
Population Growth
In Millions of People
1976 – 2018 | 2041 (Forecast)



Employment Growth
In Thousands of Jobs
2013 – 2018



Population by Local Municipality
People
2018



Caledon	73,300	5%
Brampton	656,900	44%
Mississauga	754,200	51%

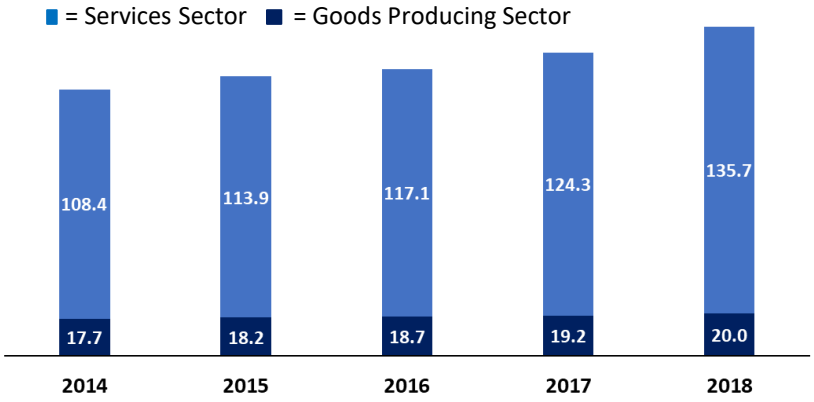
Unemployment Rate
Percentage
2013 | 2015 | 2017 | 2018

2013	2015	2017	2018
8.9%	7.7%	6.9%	6.8%

Region of Peel
working with you

Strong and Diverse Business Sector

Business Establishments
In Thousands
2014 - 2018



Over 155,000 Business Establishments, with growth of over 5% CAGR (compound annual growth rate) in last 5 years

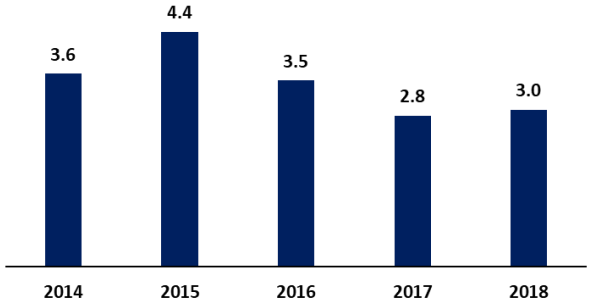
- ✓ Services Sector stable at ~85% of total
- ✓ Top Employers are Royal Bank of Canada, Suncor Energy, Rogers Communications and Hewlett Packard
- ✓ Lowest water / wastewater rates in Greater Toronto Area attract businesses like Coca-Cola, Pepsi and Cott Beverages

Distribution of Business Sectors
Percentages
2018

Region of Peel
working with you

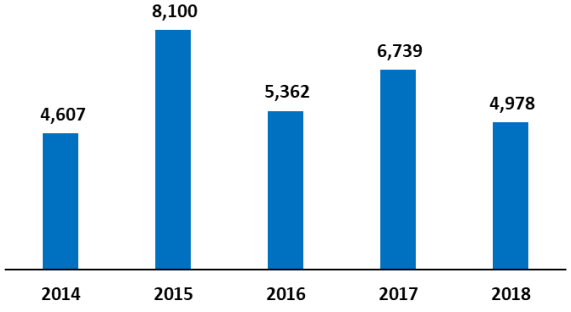
Stable Housing Sector and Strong Household Income

Building Permits
In Billions of Dollars
2014 - 2018



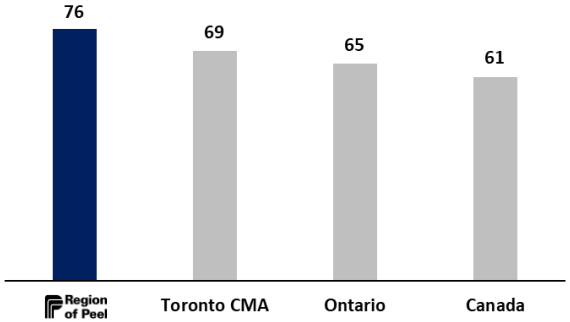
Building Permits began to rebound in 2018 after new government measures implemented in 2016 and 2017 to cool over-heated housing market

Housing Starts
In Thousands
2014 - 2018



2019 Housing Starts rebounding to historical 10 year average of ~5,700

Household Income (Median After-Tax)
In Thousands of Dollars
Statistics Canada, 2016 Census



- ✓ **25% higher than Canada**
- ✓ **17% higher than Ontario**
- ✓ **10% higher than Toronto CMA**

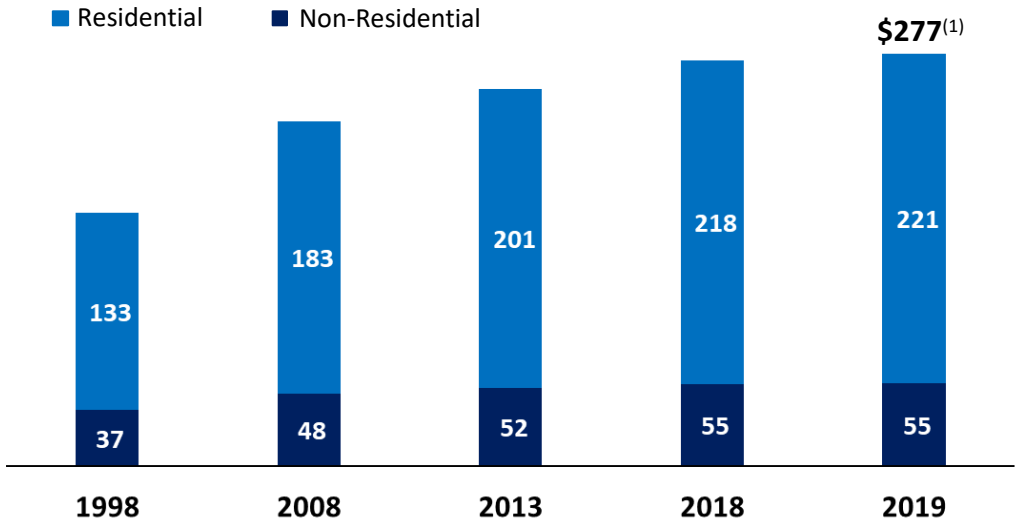
Region of Peel
working with you

Sustainable Growth in Taxable Assessment

Taxable Assessment

In Billions of Dollars

1998 | 2008 | 2013 |2018 | 2019



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

	1 Year Growth	10 Year Average
Brampton	2.9%	2.9%
Caledon	2.0%	2.2%
Mississauga	0.8%	0.8%
Residential	1.8%	1.7%
Non-Residential	0.9%	1.1%
Total	1.6%	1.6%

(1) Does not add due to rounding

Region of Peel
working with you

Financial Overview

Financial Strengths

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

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

- Tax rate: +1% average annual increase to reserves since 2008
- Utility rate: +4% average annual increase to reserves since 2009

Integrated approach to managing growth

- Growth Management Committee overseeing 2041 growth forecasts
- Earlier and more integrated consultation with local municipalities, Province and building industry

Development Charges (DCs) By-Law updated in 2015

- Resulting in the earlier collection of residential DCs to offset $100M in borrowing

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

AAA Credit Rating and Strong Liquidity

2020 Budget Highlights

$3.7
billion invested
in services that advance and support Council's current term priorities and longer term outcomes

	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.
$2.6 billion **Operating Budget**	**$902** million	**$1.47** billion	**$199** million
$1.1 billion **Capital Budget**	**$43** million	**$982** million	**$33** million

Region of Peel
working with you

10 Year Capital Plan Highlights

Utility-Rate Supported $5,368M

Water Supply $1,959M, 20%

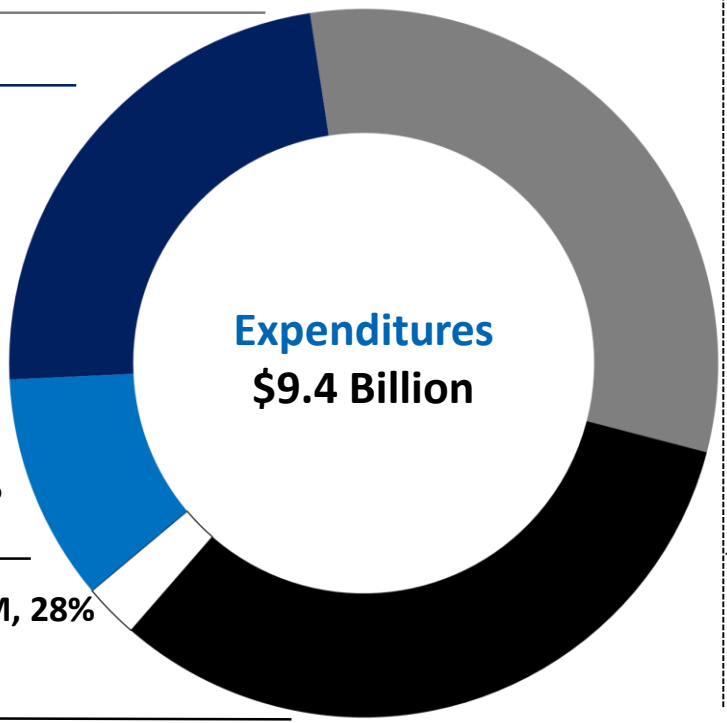
Wastewater $3,409M, 37%

Tax-Rate Supported $4,045M

Living: Housing Support, Long-Term Care, Paramedics **$1,210M, 13%**

Leading: Office Technology and State of Good Repair, Climate Change **$197M, 2%**

Thriving: Roads and Transportation, Police Services, Waste Management **$2,638M, 28%**



Financing
$9.4 Billion

Capital Reserves	$4,324M, 46%
Development Charges	$4,230M, 45%
Debt	$282M, 3%
External	$564M, 6%

(1) Based on 2020-2029 Capital Plan

Region of Peel
working with you

Development Charges (DCs) Overview

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

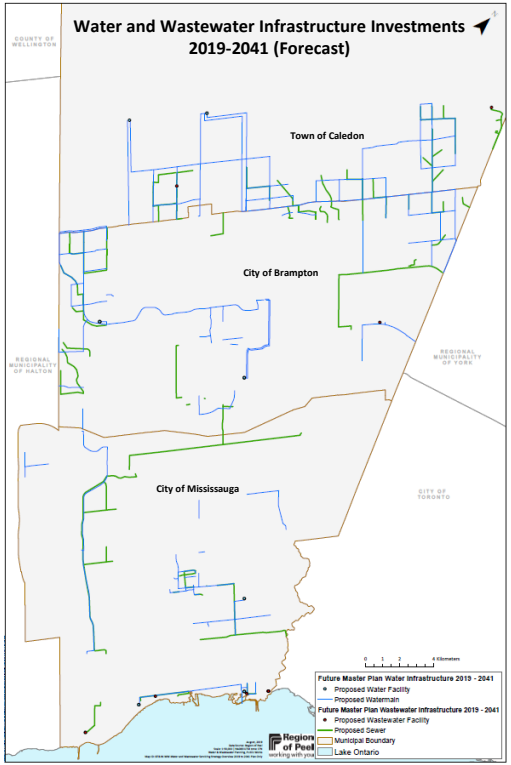
A “growth pays for growth” philosophy to ensure existing tax base not affected by cost of development

DC rates must be updated at least every 5 years

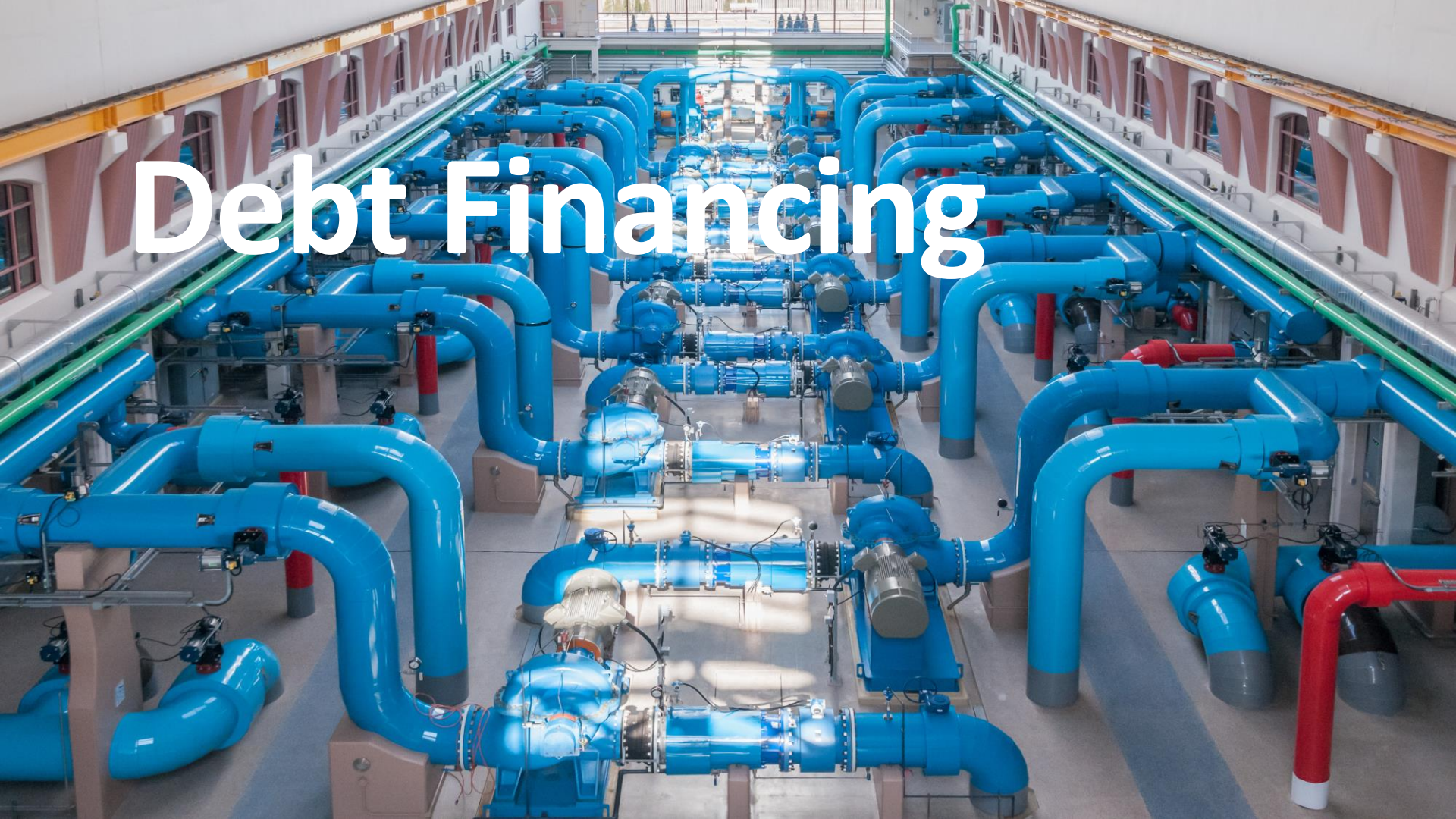
- Last by-law updated in 2015 with a new by-law scheduled for 2020

Borrowing needs are for long life projects

Water, wastewater, roads are major programs funded by DCs



Region of Peel
working with you



Debt Financing

Borrowing Strategy

Benchmark Size Issuer	Smaller Size Issuer
For Large Capital Projects	For Small Capital Projects at Region and Local Municipalities
C$150+ million	C$25 to C$100 million
10 – 40 year	10 year
Bullet with sinking fund	Serial or Bullet with sinking fund

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

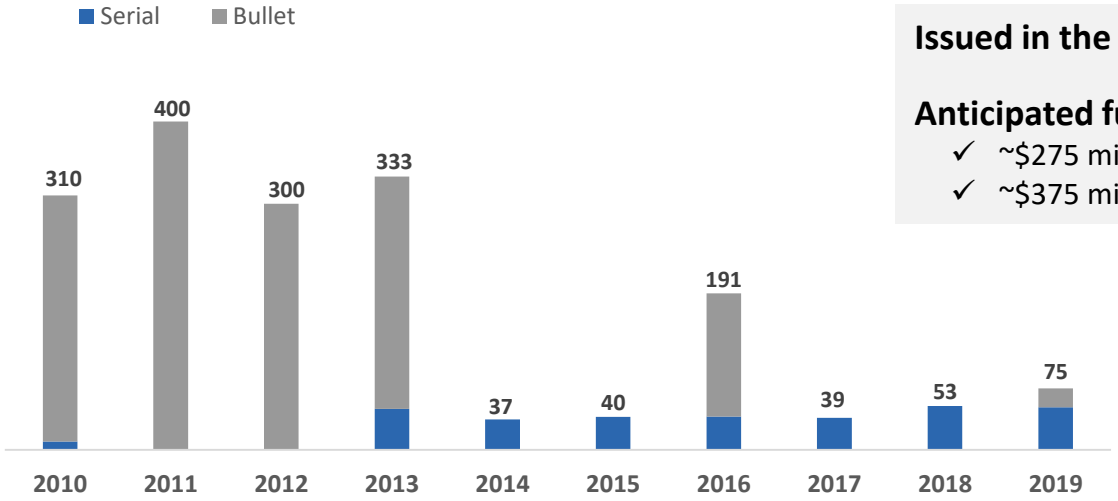
Continued focus on liquid benchmark issuance

All debt is general obligation

Region of Peel
working with you

Historical Public Debt Issuance

Public Debt Issuance
In Millions of Dollars
2010 – 2019



Issued in the last 10 years = $1.778 billion

Anticipated future issuance

- ✓ ~$275 million in 2020
- ✓ ~$375 million in 2021

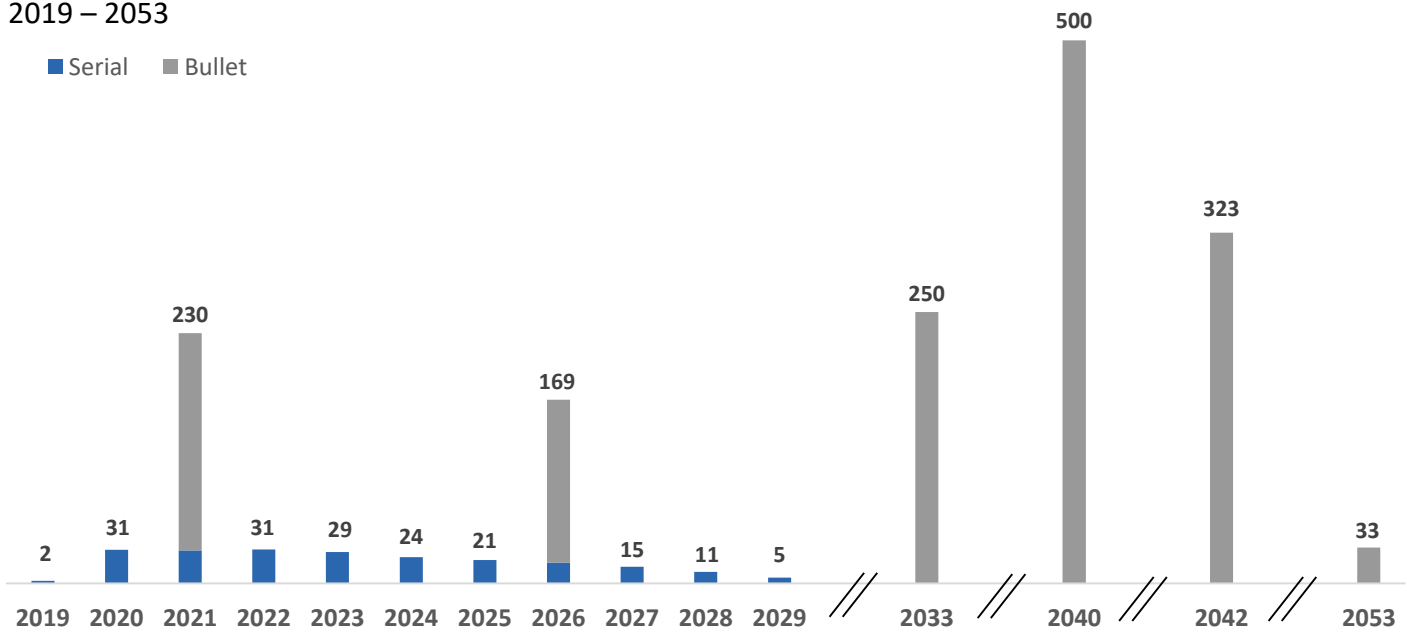
Source: Region of Peel

Region of Peel
working with you

Public Debt Maturity Profile

Weighted Average Maturity = 15 years

Public Debt Maturity Profile
In Millions of Dollars
2019 – 2053



Source: Bloomberg (October 2019)

Region of Peel
working with you

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)**

AAA 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$2.5 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(1)

(1) Indicative credit spread comparison

Region of Peel
working with you

Investing to build our *Community for Life*

Living | Thriving | Leading

Region of Peel
working with you