Investing to build our Community for Life

Investing in efficient, outcome-driven service you can count on. Today and in the future.
2019 Budget at a Glance

The 2019 Budget enables the achievement of Peel’s vision of a Community for Life with investments balanced between the needs of residents and businesses, and the infrastructure needs of the broader community, advancing Council’s priorities and long-term objectives.

From the widest perspective, the Region’s 2019 Budget also delivers:

- Enhanced service levels to accommodate continuing rapid population growth and an aging population, with special focus on Paramedic services and TransHelp.
- Improved financial strength and flexibility to maintain the Region’s $28 billion in infrastructure; and,
- Progress toward the Strategic Plan vision of a Community for Life.
The Region of Peel is a growing, thriving community and a major economic hub, that is facing a changing and dynamic environment. Major trends which are resulting in increased service pressures and more complex community issues impacting service demand are:

- **Growing and rapidly aging population**
  - Adding the population equivalent of a City of Hamilton by the year 2041

- **Aging Infrastructure**
  - Peel’s assets are valued at more than $28 billion

- **Climate Change**
  - Impact of significant climate change and weather patterns

- **Changing economy**
  - Impacting employment and market conditions

- **Constantly evolving legislation and regulation**

- **Rapidly Changing Technology**
  - Adapting how we connect with residents and deliver services

**EXECUTIVE SUMMARY**

Solutions will require longer term integrated planning, increased partnerships, new ways of conducting business and difficult decisions about the business we are in. This new way of conducting business will be necessary in order to continue to meet priority needs in the community while also recognizing the limited appetite for tax increases.

**Budget Highlights:** How we are sustaining current service levels and addressing increased service levels required by a population that is expected to grow by an average of 20,000 people per year, while our population continues to age at the same time.

- **EarlyON**
  - Expansion of EarlyON services for 9,200 children and parents

- **Pilot for victims of Human Sex Trafficking**

- **Additional child care fee subsidies**
  - 280

- **Implementation of Butterfly model to enhance quality of life for 73 residents**

- **38.6 KM more sidewalks and paved shoulders**

- **Moving towards 75% 3R waste diversion target & 5,000 new households**

- **3R waste diversion target**

- **$132K** attract and retain staff in a competitive environment

- **$250K** to fund Development Charge discretionary exemptions

- **($4.3M)** reduction in tax support of utility operations

- **$262K** to improve procurement process in a complex environment

- **$250K** grants for policing at community events
2019 Budget Investments

With the support and encouragement of Region of Peel Council, the 2019 Budget invests in the Region’s Strategic Plan’s three focus areas – Living, Thriving and Leading – to continue to build a healthy, safe and connected community that serves its residents and businesses today, and strengthens a solid foundation on which to build toward Our Community for Life.

$3.8 billion
Invested in services that advance and support Council’s priorities and long-term outcomes.

$2.5 billion
2019 Operating budget

$1.3 billion
2019 Capital budget
People’s lives are improved in their time of need.

Living:

We are investing in more paramedics to preserve response times, investing in increased access to accessible transportation and investing in better care for our Long Term Care home residents with dementia.

Communities are integrated, safe and complete.

Thriving:

We are investing in better wastewater handling for storms and to reduce the risk of flooding, increased waste diversion from landfills and community safety.

Government is future-oriented and accountable.

Leading:

We are investing in increased capacity to manage and deliver essential services and in developing innovative solutions to reduce service costs.

$903 million

$1.41 billion

$186 million

$34 million

$1.2 billion

$39 million

Services

TRANSHelp
PARAMEDICS
LONG TERM CARE
ADULT DAY
INCOME SUPPORT
EMPLOYMENT SUPPORT
COMMUNITY INVESTMENT
HOUSING SUPPORT
HOMELESSNESS SUPPORT
CHILD CARE

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

Enterprise Programs and Services
• Corporate Services
• Finance
• Digital and Information Services

Plus:

POLICE
CONSERVATION AUTHORITIES
ASSESSMENT SERVICES
Funding Community Service Needs while Respecting the Taxpayer

The Region of Peel has a demonstrated track record of innovation leading to improved outcomes and value to the taxpayer. A Lean Six Sigma approach has been formally adopted by the Region that supports its Continuous Improvement program to achieve cost savings and efficiencies. Between 2015 and 2018 the Region has cumulative cost savings of over $52.9 million for tax supported programs. However, in order to fund the service demands for 2019 and to ensure the Region’s infrastructure is sustainable, an overall property tax increase of 1.1% is required.

<table>
<thead>
<tr>
<th>Request</th>
<th>$MILLIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018 Services to 2019 Population</td>
<td>($0.2)</td>
</tr>
<tr>
<td>Service Demands</td>
<td>11.6</td>
</tr>
<tr>
<td>Capital Infrastructure (1%)</td>
<td>10.4</td>
</tr>
<tr>
<td>Regionally Controlled</td>
<td>$21.8</td>
</tr>
<tr>
<td>External Agencies</td>
<td>23.1</td>
</tr>
<tr>
<td>TOTAL Requests</td>
<td>$44.9</td>
</tr>
</tbody>
</table>

1.1% Property Tax Increase to fund a Gap of $29M

<table>
<thead>
<tr>
<th>Funding Sources</th>
<th>$MILLIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessment Growth</td>
<td>15.9</td>
</tr>
<tr>
<td>TOTAL Revenues</td>
<td>$15.9</td>
</tr>
</tbody>
</table>

2019 Service Levels

In addition to meeting increasing service demands, the overall property tax and utility rate also pays to maintain the service levels from the prior year.

Highlights of 2019 service levels include:

<table>
<thead>
<tr>
<th>Service Outcome</th>
<th>Service for the Community</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residents and visitors receive quality pre-hospital care from paramedic services</td>
<td>Responding to an estimated 147,000 emergency calls</td>
</tr>
<tr>
<td>Residents in need can travel within their community without barriers using accessible transportation</td>
<td>Providing 757,000 Accessible Transportation Passenger Trips</td>
</tr>
<tr>
<td>Residents in need have access to a range of housing options</td>
<td>Providing over 11,580 housing subsidies</td>
</tr>
<tr>
<td>Waste is collected on time and managed in a safe and environmentally responsible manner</td>
<td>Managing over 542,000 tonnes of waste for 347,100 curb-side households and 102,900 multi-residential households</td>
</tr>
<tr>
<td>Residents in our Long Term Care homes receive care to enhance their quality of life</td>
<td>Providing 800+ residents with quality care through five long term care homes</td>
</tr>
<tr>
<td>Protecting the safety and property of residents</td>
<td>Providing effective and visible policing services including responding to 247,000 citizen initiated events in Mississauga and Brampton by Peel Regional Police</td>
</tr>
<tr>
<td>Wastewater is removed in a safe and environmentally responsible manner</td>
<td>Collecting and treating 644 million litres per day of municipal wastewater collected and treated for approximately 331,044 retail and wholesale customer accounts</td>
</tr>
<tr>
<td>Residents have access to safe and affordable child care</td>
<td>Providing 16,880 fee subsidies making it possible for lower-income families to benefit from licensed child care</td>
</tr>
</tbody>
</table>
The 2019 Capital Budget and 2019 – 2028 Capital Plan provide the necessary investments to ensure that Peel’s assets continue to provide the community with the service levels it has come to depend on as well as meet the needs of both a growing and evolving community.

2019 Capital Budget

- Conservation Authority Managed: $4M, <1%
- Regionally Controlled Tax Supported: $413M, 33%
- Peel Regional Police: $51M, 4%
- Utility Rate Supported: $803M, 63%
- Total: $1.3 billion

2019 – 2028 Capital Plan

- Conservation Authority Managed: $22M, <1%
- Regionally Controlled Tax: $2,946M, 40%
- Peel Regional Police: $403M, 5%
- Utility Rate Supported: $4,084M, 55%
- Total: $7.5 billion

Capital Budget Funding:
- 40% Reserves
- 53% Development Charges
- 2% External
- 5% Debt

Capital Plan Funding:
- 55% Reserves
- 39% Development Charges
- 3% External
- 3% Debt

Highlights of the 2019 Capital Budget

Living: People’s lives are improved in their time of need.
- Ambulance Fleet and Support Vehicles
- TransHelp – vehicles and technology
- Maintain Long Term Care Homes
- Brampton Youth Shelter
- $34 million

Thriving: Communities are integrated, safe and complete.
- East Brampton Transmission Main Twinning
- G.E. Booth Wastewater Treatment Plant
- Central Brampton Sub-Transmission Main
- Mississauga Road – Bovaird Drive to Mayfield Road
- Anaerobic Digestion Facility
- Cawthra Road Sanitary Trunk Sewer
- Peel Regional Police facilities, fleet and technology
- $1,198 million

Leading: Government is future-oriented and accountable.
- Maintain Technology Assets
- Maintain Office Facilities
- $39 million
Peel’s Long Term Financial Planning Strategy identifies debt as part of its comprehensive capital financing strategy.

Peel’s current and future borrowing capacity is well within Provincial Annual Repayment Limits of 25% of own source revenue which means that Peel has flexibility to address significant capital financing requirements. Through Regional Council’s work on the Growth Management Committee, additional debt avoided of $0.74 billion has been achieved relative to the 2015 Development Charge Background study.

Maintaining Taxpayer and Ratepayer Fairness:

Peel Region residents can be assured that their property tax will remain affordable and utility rates will remain the lowest in the Greater Toronto Area. For the 2020 to 2022 period, net tax levy increases averaging 3.9% are forecast after assessment growth of 1.1%. Over the same period, utility rates are forecast to increase by 6.8%.

### Tax Supported Programs

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regionally Controlled Services</td>
<td>2.6%</td>
<td>2.7%</td>
<td>2.4%</td>
</tr>
<tr>
<td>External Agencies*</td>
<td>2.4%</td>
<td>2.2%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Less: Assessment Growth</td>
<td>(1.1%)</td>
<td>(1.1%)</td>
<td>(1.1%)</td>
</tr>
<tr>
<td><strong>Sub-Total</strong></td>
<td><strong>3.9%</strong></td>
<td><strong>3.8%</strong></td>
<td><strong>3.3%</strong></td>
</tr>
<tr>
<td>Council Directed Service Enhancements</td>
<td>0.6%</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Net Tax Levy Impact</strong></td>
<td><strong>4.5%</strong></td>
<td><strong>3.8%</strong></td>
<td><strong>3.3%</strong></td>
</tr>
<tr>
<td><strong>Property Tax Impact</strong></td>
<td><strong>1.8%</strong></td>
<td><strong>1.6%</strong></td>
<td><strong>1.3%</strong></td>
</tr>
</tbody>
</table>

* Excludes Conservation Authorities’ one-time costs related to Emerald Ash Borer

### Utility Supported Programs

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations</td>
<td>2.8%</td>
<td>1.6%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Capital Infrastructure</td>
<td>5.0%</td>
<td>5.0%</td>
<td>5.0%</td>
</tr>
<tr>
<td><strong>Average Utility Rate Impact</strong></td>
<td><strong>7.8%</strong></td>
<td><strong>6.6%</strong></td>
<td><strong>6.1%</strong></td>
</tr>
</tbody>
</table>
How Peel Region Manages Risks

The 2019 Operating and Capital Budget was developed to reflect significant trends and assumptions such as decreasing electricity prices, continuation of provincial funding commitments, changes to the economy and even the weather. However, there is always the risk that a significant change could happen after the budget is prepared.

Peel Region is well positioned to address the financial impact of risk, as it has maintained a high level of financial flexibility as well as its Triple “A” Credit rating using its Long Term Financial Strategy to guide long term financial decisions.

Budget Principles

The Region’s Budget, property tax and utility rate plans are developed on the basis of respect for the taxpayer, and according to principles which include fairness, sustainability and affordability, user pays where appropriate, value for money and maintaining assets.

By using a risk-based approach to the budget, services that are able to sustain service levels appropriately saw no significant changes while services seeing increased demand – whether from a growing and aging population, changing legislation or being impacted by climate change – required intervention. This focused approach includes increased investments where they make sense and where they will advance service outcomes to Peel’s community.

EXECUTIVE SUMMARY
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**Investing to build our Community for Life**

2019 Budget Summary

Peel Region residents and ratepayers benefit from sound financial management in the efficient and cost-effective delivery of programs and services, advancing Council’s priorities and long-term objectives in the three areas of focus: Living, Thriving and Leading.

The 2019 Budget effectively implements Council’s directions regarding its priorities and the importance of the affordability of increases in line with the increase in the Canadian cost of living.

The 2019 Budget effectively maintains service levels for Peel Region’s rapidly growing and aging population base.

The 2019 Budget achieves solid progress against the long-term goals established by Peel Region’s strategic plan vision statement: Creating a Community for Life.

Additional information on Peel Region’s role in your Community for Life, including extensive financial data, can be found in the 2017 Annual Report to Our Community or online at peelregion.ca/dashboard