## Summary of Financial Health

- **Financial Sustainability**: Maintained services and infrastructure recognizing growing population and aging infrastructure.
- **Financial Vulnerability**: Peel Region is highly vulnerable due to its extensive reliance on external funding. Provincial funding was restrained in 2019 increasing the property tax burden.
- **Financial Flexibility**: Maintained and/or improved flexibility in 2019. Reserves were utilized for economic challenges; capital cash flow forecasting and debt leveraging were improved.

### Financial Principles

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</table>
| **Respect the taxpayer** | Net Tax Levy Increase | 1–3% | ✔️ | Neutral | Action: 2021 budget to be developed recognizing evolving economy  
Impact: Respecting the taxpayer |
| **Ensure the Capital Plan is sustainable** | Capital Reserves as a % of 20 Year Capital Plan (tax and utility rates) | 100% | ✗ | Tax: Negative  
Utility: Negative | Tax Action: 1% infrastructure levy from 2020 to 2026 inclusive  
Utility Action: 5% infrastructure levy from 2020 to 2022 inclusive  
Tax and Utility Impact: Sufficient funds to meet State of Good Repair |
| **Manage assets** | Asset Health Score | Good | ✔️ | Positive | Action: Mature Peel’s asset management practice  
Impact: Realize greater asset value |
| **Deliver value for money** | Reduction in financial risk associated with growth | Lower Debt vs Forecast | ✔️ | Positive | Action: Implementing Peel’s Growth Management program  
Impact: Lower the projected DC related debt |
| **Work with local municipalities to manage growth and support economic viability of the community** | Reliance on external funding | Funding meets Growth & Inflation | ✗ | Negative | Action: Assess impact of Provincial funding announcements & support Council’s advocacy efforts  
Impact: Meet service needs in Peel |
| **Make responsible investments** | Proportion of non-residential tax revenue | 35–45% | ✔️ | Negative | Action: Support Council advocacy for diversified revenue tools  
Impact: Improve municipal fiscal sustainability |
| **Users pay where appropriate** | Investment returns | Above inflation | ✔️ | Positive | Action: Continue to identify opportunities to optimize returns  
Impact: Improved investment returns support funding of Peel’s capital program |

### Financial Sustainability

- **Focus GTA Spring 2019 Value for Tax Dollars**: 74%
- **Credit Ratings**: Aaa AAA

### Financial Vulnerability

- **Tax**: Neutral  
**Utility**: Neutral

### Financial Flexibility

- **Debt capacity**: Below 25%  
**Tax**: Neutral  
**Utility**: Neutral
- **Reserve adequacy**: 5-10%  
**Tax**: Neutral  
**Utility**: Neutral
- **Liquidity**: >120%  
**Tax**: Neutral  
**Utility**: Neutral

### Action Items
- **Tax**
  - **Action**: Update Debt Policy & Capital Financing Strategy  
  - **Impact**: Improved ability to leverage debt appropriately for Peel’s infrastructure requirements
- **Utility**
  - **Action**: In 2020 Council approved use of reserves to address economic challenges  
  - **Impact**: Support the residents and businesses
- **Liquidity**
  - **Action**: Continue to improve capital cash flow forecasting process  
  - **Impact**: Having cash on hand to meet capital spending requirements

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Appendix I - 2020 Update of the Region of Peel’s Financial Condition

13.3-12