

## Message from the Chief Financial Officer and Commissioner of Corporate Services

I hope you and your families are safe and doing well.

The COVID-19 pandemic continues to impact the lives of residents and businesses in the Region of Peel along with the rest of the world. It has caused major disruptions in almost every aspect of society including how Peel has shifted operations to keep our community safe. These disruptions have put significant financial pressure on all municipalities. Peel has been as well-positioned as any municipality to weather the financial storm, due to Regional Council's prudent financial planning in the past. The Region of Peel has been recognized for "prudent financial management practices... and a commitment to managing tax dollars responsibly." (Moody's 2021). Peel recently had its Triple "A" credit rating affirmed for the 26th consecutive year. The commitment to long term financial planning has served Peel well in past years to deal with normal fluctuations in its services and economic volatility. However, 2020 and 2021 have been anything but normal years.



In 2021, the Region of Peel began one of its largest undertakings to implement the Province's mandate to mass vaccinate residents costing a projected \$107 million of which \$74 million has been funded by the Province so far.

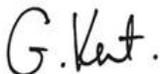
The Provincial and Federal governments have played a key role in keeping the Region financially whole. COVID related funding from both has been significant, with over \$367 million allocated to support the Peel community over the past two years. These funds have helped to pay for incremental COVID related investments such as the Social Services Relief Fund, the implementation of isolation centres, additional support for child care agencies, personal protective equipment, extra cleaning and additional staffing for services needing extra hands such as our long term care homes and public health team.

The pandemic will continue into 2022 and it is still uncertain how long it will continue. Additional resources and financial assistance will continue to be required, current estimates ranging up to \$38 million. Peel will be applying one-time funding received from the Province to address COVID driven impacts like the 75% drop in revenue from Toronto Pearson due to less passenger volume and relying on the strength of its balance sheet to cope with any costs that are not covered by upper levels of government. These costs and other risks such as the disrupted supply chain, increasing construction costs and abnormally high inflation will not be passed onto the property tax payer in 2022 and a longer term view will be built into future budgets if necessary, when the economic impacts have stabilized. Our services are feeling the pressure of the backlogged work that they haven't been able to address due to the pandemic. The plan in 2022 is to catch up on the backlogged work and services to the community when the timing is right and there is the opportunity to do that work.

Looking ahead to 2022, the COVID response will remain the Region's top priority even as we plan for recovery and continued growth. Resources have been included in the 2022 Budget to maintain its core services and invest in key services to increase child care, provide more affordable housing subsidies, increase grants to community agencies, adapt to climate change, promote diversity, equity and inclusion and new technologies to find more efficient ways of doing business and improving customer service.

Staff are proposing an average property tax increase of 1.6% for the Regional portion and a utility rate increase of 5.8%. Both the tax and utility rate budgets include infrastructure levies to ensure that Peel's \$32 billion in infrastructure remains in a state of good repair and continues to provide service at the level that the community has come to expect.

We look forward to Council's deliberations.



**Gary Kent** CPA CGA, ICD.D

**Commissioner of Corporate Services and Chief Financial Officer**