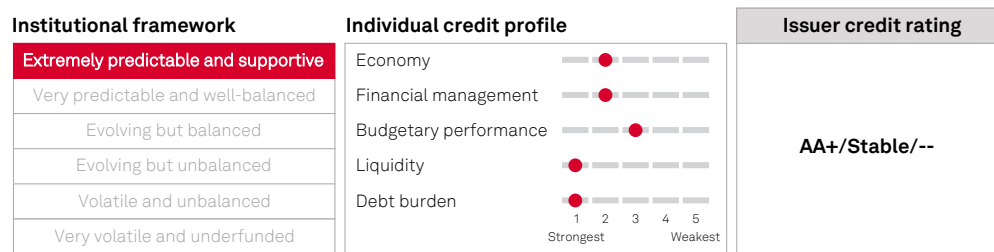


City of Windsor

June 23, 2026

This report does not constitute a rating action.

Ratings Score Snapshot



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Credit Highlights

Overview

Credit context and assumptions

Supportive institutions and long-term financial management practices will continue to allow the City of Windsor to preserve its strong budgetary performance and modest debt burden.

Despite Windsor's high exposure to the auto industry, we expect its overall economic profile to remain stable.

We expect the city's relationship with the Province of Ontario will remain supportive and stable.

Base-case expectations

We expect healthy tax increases will allow Windsor to generate large operating surpluses over the outlook horizon while its sizable capital plan will remain manageable with modest after-capital deficits.

Reserves will be the main funding source for the city's capital plan, with modest reliance on new debt.

The city's strong liquidity position and strong access to external liquidity support its creditworthiness.

S&P Global Ratings expects the City of Windsor's strong financial management will allow the city to generate large operating surpluses while posting after-capital deficits of less than 5% of total adjusted revenues in the forecast horizon, despite the city's sizable capital plan and zero percent tax levy increase in 2026. The city will issue new debt to support repairs and renewals of social housing, the Banwell interchange, and the Sandwich South development. However, we expect the debt burden will remain well below 30% of operating revenues through 2028. We view the city's exceptional liquidity position as a key credit strength. Despite the current trade headwinds and Windsor's higher exposure to manufacturing than peers, with concentration in the auto industry, we view the city's economic profile as strong and stable.

Research Contributor

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Outlook

The stable outlook reflects S&P Global Ratings' expectation that, in the next two years, Windsor's prudent and forward-looking financial management practices will continue supporting the city's typically strong budgetary results. We also expect that after some debt issuance, the debt burden will remain well below 30% of operating revenues and the city will maintain robust liquidity.

Downside scenario

We could lower the rating if budgetary results deteriorate, leading to after-capital deficits averaging more than 5% of total revenues on a sustained basis, internal liquidity declining, and reliance on debt for capital funding increasing with the debt burden approaching 30% of operating revenues.

Upside scenario

Although unlikely, we could raise the rating in the next two years if the local economy diversifies sufficiently to mitigate the city's concentration in the manufacturing sector.

Rationale

Despite trade-related headwinds, Windsor's local economy will remain resilient; strong management will continue to support Windsor's creditworthiness

While Windsor has long reaped benefits from its strategic location on the Canada-U.S. border and proximity to central markets in the Greater Toronto Area and in Detroit, the deterioration of trade relations between the two countries has been considered a headwind for Windsor's local economy. We view Windsor's economy as less diversified than its peers, and as concentrated in the automotive industry, which has become an inflexion point of recent trade discussions. However, the revival of the third shift at the Stellantis plant, which had stopped in 2020, Minth Group's nearly \$300 million investment and the upcoming Fancsy Family Hospital will support local economic development and stimulate employment. Furthermore, although an official date has yet to be announced, we expect the opening of the Gordie Howe International Bridge will enhance long-term logistics throughput and regional economic integration. Our base-case assumption remains that the local economy will largely remain stable and resilient in the face of greater uncertainty associated with international trade disputes and the upcoming renegotiation of the Canada-United States-Mexico Agreement (for further information, see "[Economic Outlook Canada Q2 2026: Trade Uncertainty, Cautious Spending Constrain Growth](#)," March 25, 2026).

Although municipal GDP data are unavailable, we believe GDP per capita would be largely in line with the national level, which we estimate to be about US\$59,500 in 2026. We estimate that the manufacturing sector represents about 25% of local GDP and 20% of the region's employment, with key labor force metrics improving over the last year but unemployment figures remaining higher than for Ontario. According to Statistics Canada, the unemployment rate for the Windsor census metropolitan area fell to 8.2% in May 2026 from 10.9% in the same period in 2025.

We expect that Windsor will continue to exhibit strong financial management in the next two years, with a stable and highly experienced management team. The operating and multiyear

capital budgets, which we view as realistic, are timely and reflect the goals of the city's long-term financial plan. Prudent and risk-averse debt and liquidity policies have allowed the city to reduce debt and build reserves for several years. We believe the government is dedicated to maintaining strong financial standing and has the flexibility to manage budgetary pressures. Despite elections in October 2026, we don't expect material changes from those objectives.

As do other Canadian municipalities, Windsor benefits from an extremely predictable and supportive local and regional government framework that has demonstrated high institutional stability and evidence of systemic extraordinary support in times of financial distress. Most recently through the pandemic, senior levels of government provided operating and transit-related grants to municipalities, in addition to direct support to individuals and businesses.

Although provincial governments mandate a significant proportion of municipal spending, they also provide operating fund transfers and impose fiscal restraint through legislative requirements to pass balanced operating budgets. Municipalities generally have the ability to match expenditures well with revenues, except for capital spending, which can be intensive. Operating surpluses typically fund capital expenditures and future liabilities (such as postemployment obligations) through reserve contributions. Municipalities have demonstrated a track record of strong budgetary results and, therefore, debt burdens, on average, are low relative to those of global peers and growth over time has been modest.

Strong operating balances will support low debt levels despite a large capital plan

We believe Windsor will continue to generate large operating surpluses through 2028. We expect a moderation of operating margins in 2026 following council's decision to adopt a zero-percent tax levy increase, resulting in lower growth in revenues than expenditures. However, we expect this measure to be temporary as healthy increases in property taxes will ensure revenues are well-aligned with needs over the remainder of the forecast period. As a result, we expect an average operating surplus of about 15.8% of operating revenues from 2024-2028.

Windsor's 10-year capital plan increased to C\$2.26 billion in this year's budget. Therefore, we expect elevated capital expenditures over the outlook horizon, averaging about C\$263 million annually and leading to after-capital deficits of close to 6.6% of total revenues for 2026. On average, we expect after-capital deficits will remain modest at 0.3% of total revenues for 2024-2028. Most of the investment plan's focus is on roads and sewer infrastructure, representing 35% and 26%, respectively, of total capital spending.

Obligations for future benefits continue to constrain overall budgetary performance and stand out compared with those of peers, although the city has addressed them prospectively for all employee groups. Total postemployment obligations represented about 72% of S&P Global Ratings-adjusted operating revenues at year-end 2024.

The projected increase in debt over the forecast period is in support of the Repair and Renewal program of Windsor Essex Community Housing Corp. and recently approved borrowing plans for the Banwell Road Project and the Sandwich South Development. Tax-supported debt, which includes 50% of Essex-Windsor Solid Waste Authority's debt, should be about C\$235 million by the end of 2028 and represent 21.6% of operating revenues.

We expect interest costs will remain minimal at less than 1% of operating revenues on average from 2024-2028. In addition, although Windsor has some exposure to the obligations of its major government-related entities, Windsor Canada Utilities Ltd. and Windsor Utilities Commission, these are not material enough to affect our view of the debt burden.

City of Windsor

We expect Windsor will maintain robust liquidity levels, with average free cash and liquid assets totaling about C\$608 million in the next 12 months and representing 45x the estimated debt service. Like that of domestic peers, Windsor's access to external liquidity is strong, in our view.

City of Windsor Selected Indicators

Mil. C\$	2023	2024	2025bc	2026bc	2027bc	2028bc
Operating revenue	887	970	1,006	1,025	1,058	1,087
Operating expenditure	721	774	843	884	907	929
Operating balance	166	197	164	141	151	158
Operating balance (% of operating revenue)	18.8	20.3	16.3	13.8	14.3	14.5
Capital revenue	54	57	99	101	77	75
Capital expenditure	171	191	259	317	241	235
Balance after capital accounts	49	62	4	(74)	(13)	(2)
Balance after capital accounts (% of total revenue)	5.2	6.0	0.4	(6.6)	(1.1)	(0.1)
Debt repaid	6	5	6	6	7	5
Gross borrowings	59	14	21	34	50	38
Balance after borrowings	101	71	19	(47)	31	31
Direct debt (outstanding at year-end)	107	116	131	158	201	235
Direct debt (% of operating revenue)	12.1	12.0	13.0	15.4	19.0	21.6
Tax-supported debt (outstanding at year-end)	107	116	131	158	201	235
Tax-supported debt (% of consolidated operating revenue)	12.1	12.0	13.0	15.4	19.0	21.6
Interest (% of operating revenue)	0.4	0.5	0.5	0.6	0.7	0.6
Local GDP per capita (\$)	--	--	--	--	--	--
National GDP per capita (\$)	54,847.5	55,015.7	55,697.7	59,475.2	62,139.1	64,935.5

The data and ratios above result in part from S&P Global Ratings' own calculations, drawing on national as well as international sources, reflecting S&P Global Ratings' independent view on the timeliness, coverage, accuracy, credibility, and usability of available information. The main sources are the financial statements and budgets, as provided by the issuer. bc--Base case reflects S&P Global Ratings' expectations of the most likely scenario. C\$--Canadian dollar. \$--U.S. dollar.

Rating Component Scores

Key rating factors	Scores
Institutional framework	1
Economy	2
Financial management	2
Budgetary performance	3
Liquidity	1
Debt burden	1
Stand-alone credit profile	aa+
Issuer credit rating	AA+

S&P Global Ratings bases its ratings on non-U.S. local and regional governments (LRGs) on the six main rating factors in this table. In the "Methodology For Rating Local And Regional Governments Outside Of The U.S.," published on July 15, 2019, we explain the steps we follow to derive the global scale foreign currency rating on each LRG. The institutional framework is assessed on a six-point scale: 1 is the strongest and 6 the weakest score. Our assessments of economy, financial management, budgetary performance, liquidity, and debt burden are on a five-point scale, with 1 being the strongest score and 5 the weakest.

Key Sovereign Statistics

- [Sovereign Risk Indicators](http://www.spratratings.com/sri), April 13, 2026. Interactive version available at <http://www.spratratings.com/sri>.

Related Criteria

- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [Criteria | Governments | International Public Finance: Methodology For Rating Local And Regional Governments Outside Of The U.S.](#), July 15, 2019
- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7, 2017
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Related Research

- [Institutional Framework Assessment: Canadian Municipalities Leverage Fiscal Flexibility To Address Capital Challenges](#), March 26, 2026
- [Economic Outlook Canada Q2 2026: Trade Uncertainty, Cautious Spending Constrain Growth](#), March 25, 2026
- [Subnational Government Outlook 2026: Moderate Debt Growth Expected For Canadian LRGs While Headwinds Remain](#), Jan. 19, 2026
- [S&P Global Ratings Definitions](#), Dec. 16, 2025

Ratings Detail (as of June 23, 2026)*

Windsor (City of)

Issuer Credit Rating	AA+/Stable/--
Senior Unsecured	AA+

Issuer Credit Ratings History

01-Jun-2022	AA+/Stable/--
19-Nov-2007	AA/Stable/--
29-Nov-2006	AA-/Positive/--

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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