



# The Corporation of the Municipality of Arran-Elderslie

## Staff Report

Council Meeting Date: January 9, 2023

Subject: SRDPCLK.2023.01 Tile Drainage Loan Application – Concession 4, PT LOT 9, Elderslie

Report from: Julie Hamilton, Deputy Clerk

Appendices: None.

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### **Recommendation**

Be It Resolved that Council hereby,

1. Receive Tile Drainage Loan Application – MAXWELL BEEF FARMS LTD with the estimated cost of the drainage system in the amount of \$88,000.00 for Part Lot 9, Concession 4, geographic Township of Elderslie, Roll Number 4103-380-002-12400, subject to the availability of funds allocated by the Province of Ontario for tile drainage purposes;
2. That amount of the tile drain loan will be \$50,000.00; and
3. That a by-law be prepared to impose special annual drainage rates upon land in respect of which money is borrowed under the Tile Drainage Act.

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### **Report Summary**

The purpose of this report is to request Council approval for a tile loan application authorized under the *Tile Drainage Act*.

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### **Background**

In Ontario, the Tile Loan Program, authorized by the *Tile Drainage Act*, provides loans to agricultural property owners to help them finance tile drainage projects.

Landowners who are planning to install a tile drainage system on their agricultural land are eligible for a tile loan under the Tile Loan Program.

Under this program, the application must be submitted to Council. Once Council approves the application, the owner arranges to have the work completed by a licensed tile drainage contractor.

The municipality will inspect the work and will then prepare a debenture for the sale to the province in the amount of the loan or loans. The province then issues a cheque to the municipality who in turn passes it on to the farmer applicant. The municipality collects the loan repayments from the farmer through their property taxes and passes these payments back to the province.

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## **Analysis**

An application has been received for a loan under the Tile Loan Program from the landowner (Maxwell Beef Farms) of lands municipally located at 816 Concession 2, Elderslie and described as Part Lot 9, Concession 4, geographic Township of Elderslie (Roll Number 4103-380-002-12400) with the estimated cost of the drainage system in the amount of \$88,000.00. The maximum amount available based on availability of funds allocated by the Province of Ontario for tile drainage purposes is \$50,000.00. The landowner has completed the necessary work in 2022.

The Municipal Drainage Inspector, Public Work Manager Scott McLeod, has visited the site of the drainage works and performed his inspection. He has deemed the installation work to be satisfactory to the Municipality.

The Ministry of Agriculture, Food and Rural Affairs has provided details of the Tile Loan Program for the 2022/2023 fiscal year. Tile loans are available at a 6% interest rate for a ten-year term. The maximum amount of loan available is 75% of the installation costs, to a maximum of \$50,000 per registered property owner in one year.

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## **Link to Strategic/Master Plan**

6.2 Supporting Businesses and the Local Economy

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## **Financial Impacts/Source of Funding/Link to Procurement Policy**

The *Tile Drainage Act* allows municipalities to sell debentures to the Province for funding private tile drainage projects. The term of the loan is ten (10) years and the repayment is due annually to the province. The tile loan repayments are added to the landowner's property tax bill over a ten-year period.

Borrowing By-law No. 03-2021, which authorizes the Municipality to borrow money for the construction of drainage works, was passed in 2021 and no loans have been applied for since, resulting in a current borrowing balance of \$550,300.00.

An \$85.00 administration-inspection fee will be charged for the applications in accordance with the fees and service charges by-law.

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Approved by: Sylvia Kirkwood, Chief Administrative Officer