



The Corporation of the Municipality of Arran-Elderslie

Staff Report

Council Meeting Date: October 28, 2024

Subject: SRDPCLK.24.11 Tile Drainage Loan Application - Rudy - 972 Bruce Road
40, Dobbinton

Report from: Julie Hamilton, Deputy Clerk

Appendices: None

Recommendation

Be It Resolved that Council hereby,

1. Receive Tile Drainage Loan Application from Luke Rudy, with an estimated cost of \$200,000 for the drainage system for the property described as Lot 12 & 13, Concession 13, and municipally known as 972 Bruce Road 40, geographic Township of Elderslie, Roll Number 4103-380-004-14400, subject to the availability of funds allocated by the Province of Ontario for tile drainage purposes; and
2. That the amount of the tile drain loan will be \$50,000; 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.

Report Summary

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

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 prepare a debenture for submission 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 applicant. The municipality collects the loan repayments from the applicant through their property taxes and passes these payments back to the province.

The Ministry of Agriculture, Food and Rural Affairs has provided details of the Tile Loan Program for the 2024/2025 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.

It should be noted that Arran-Elderslie has made two requests by way of formal letter to OMAFRA to re-evaluate the tile loan program due to the increased costs of tile drainage works. To date, no response has been received regarding the requests.

Analysis

An application has been received for a loan under the Tile Loan Program from the landowner (Luke Rudy) of lands municipally described as Lot 12 & 13, Concession 13, and municipally known as 972 Bruce Road 40, geographic Township of Elderslie, Roll Number 4103-380-004-14400, with the estimated cost of the drainage system in the amount of \$200,000. The applicant is permitted a loan for up to 75% of the cost of the drainage works for the maximum amount of \$50,000, subject to the submission of invoicing and mapping following the completion of the work.

The Municipal Drainage Inspector, Public Works Manager Scott McLeod, will perform an inspection of the drainage works and to ensure that the installation work is satisfactory to the Municipality.

Link to Strategic/Master Plan

6.2 Supporting Businesses and the Local Economy

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 has a current borrowing balance of \$332,700.00.

A \$90.00 administration-inspection fee will be charged for applications in accordance with the fees and service charges by-law.

Approved by: Emily Dance, Chief Administrative Officer