



# Staff Report

## Finance and IT Services

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**Report To:** Committee of the Whole  
**Meeting Date:** July 3, 2019  
**Report Number:** FAF.19.136  
**Subject:** Tile Drainage Loan  
**Prepared by:** Sam Dinsmore, Deputy Treasurer/Manager of Accounting and Budgets

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### A. Recommendations

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THAT Council receive Staff Report FAF.19.136 entitled "Tile Drainage Loan" for information purposes;

AND THAT Council has no objection to an application for Tile Drainage Loan for Elizabeth Lidbetter at 689344 18<sup>th</sup> Sideroad, RR 2 Clarksburg, in the approximate amount of \$50,000, subject to the availability of funds;

AND THAT Council appoint the Manager of Roads and Drainage, and as a designate, the Road's and Drainage Foreman as the Town's Inspectors of Drainage, pursuant to the Tile Drainage Act, RSO 1990.

### B. Overview

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This staff report presents Council with background information for the Tile Drainage Program, and recommends that Council approve a Tile Loan Application received by the Town.

### C. Background

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The Tile Drainage Act, RSO 1990 provides for ten-year term loans from the Province to individuals through their local municipalities. Through this program, property owners can access loan funding through their local municipality for the installation of tile drainage systems on their agricultural land.

The tile drainage funds are available on a first come, first served basis for the fiscal year. The Ministry of Agriculture, Food and Rural Affairs (OMAFRA) sets the loans interest rate and maximum amounts for loans available to individuals each year, and the interest rate is currently set at 6%, and a maximum available to an individual farmer in one year is \$50,000.

The Town also has its own borrowing By-law, (1989-81) which sets a limit for all Tile Drainage Loans to not exceed \$500,000. Currently, the Town has no other Tile Drainage Loans issued. Staff are proposing that this Borrowing By-law be updated, as By-law 1989-81 is a former

Township of Collingwood By-law, which was passed before amalgamation. Staff will be presenting an updated Borrowing By-law to Council at the July 15, 2019 Council Meeting. If Council passes this By-law on July 15<sup>th</sup>, the Tile Drainage Act allows for a four week appeal time period for this Borrowing By-law. During this time, anyone can make an application or an action to quash the By-law in a court of competent jurisdiction. If passed, Staff will post a notice on the Town's website and in local newspapers notifying the public of the passage of this By-law, as well as the appeal time period.

### **The Application Process**

All tile drainage loans have ten-year terms, and repayments are made annually through the property owner's tax bill. Loans are available up to 75% of the cost of the work, in multiples of 100.

Applications that are received for a Tile Loan must be submitted to Council for approval. Once the Application is approved, the property owner can commence the installation work through a licensed tile drainage contractor. During this work, and again after completion, a Tile Drainage Inspector will inspect the work and complete an Inspection and Completion Certificate.

After this work is done and the Inspection and Completion Certificate has been completed, Finance Staff will bring back a Rating By-law to Council, which approves the amount of the loan, interest, and payments over a ten year period. These rates will have priority lien status and will be levied and collected in the same manner as property taxes.

Once these documents are collected, Finance staff submit the loan documents to OMAFRA, and the Town receives the funds for the Tile Drainage Loan, which are distributed to the loan applicants. The Town collects the repayments from the property owner and repays these funds to the Province.

### **D. Analysis**

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The Application process requires that Council approve the Tile Loan Application for Elizabeth Lidbetter, in the approximate amount of \$50,000. If approved, this will be the Town's only outstanding Tile Drainage Loan.

In addition, the process requires that Council must appoint a drainage inspector to inspect the tile drainage work and file an inspection report.

At this time, the Town does not currently have an Inspector of Drainage appointed. In the past, the Town has hired out this work, however, the last Tile Loan Application that the Town received was in 2007. Staff are recommending that the Manager of Roads and Drainage be appointed as the Town's Tile Drainage Inspector, with the Road's and Drainage Foreman as the alternate. The inspectors must be appointed under the Tile Drainage Act. Staff will be presenting a By-law at a future Council meeting to appoint Inspectors of Drainage.

## **E. The Blue Mountains Strategic Plan**

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The Blue Mountains Strategic Plan

Goal #4: Promote a Culture of Organizational and Operational Excellence

Objective #4: To Be a Financially Responsible Organization

## **F. Environmental Impacts**

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The installation of tile drainage is a very common land improvement practice among farmers throughout Ontario. Drain tiles are installed beneath the surface of agricultural land to drain excess water from the crop root zone. The benefits of tile drainage for crop productivity, farm efficiency and reducing environmental impacts have been widely studied and reported.

## **G. Financial Impact**

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The approval and administration of the Tile Drainage loan has little financial impact to the Town. The loans are issued by the Ontario Ministry of Agricultural, Food and Rural Affairs. Finance Staff will administer the loan and collect the repayments through the annual property tax bill process, and then remit these funds to the Province. A late penalty could be charged on any late payments.

The Town charges a Tile Drainage Inspection fee of \$100.00 per inspection as per the Town's Fees and Charges By-law 2019-14.

## **H. In consultation with**

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Katherine Dabrowa, Budget Analyst

## **I. Public Engagement**

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The topic of this Staff Report has not been subject to a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required. Comments regarding this report should be submitted to Sam Dinsmore, Deputy Treasurer/Manager of Accounting and Budgets at [finance@thebluemountains.ca](mailto:finance@thebluemountains.ca).

**J. Attached**

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None.

Respectfully Submitted,

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Sam Dinsmore  
Deputy Treasurer/Manager of Accounting and Budgets

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Ruth Prince  
Director of Finance and IT Services

For more information, please contact:  
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