

Municipality of Chatham-Kent
Infrastructure and Engineering Services
Engineering Division

To: Mayor and Members of Council
From: Brigán Barlow
Manager, Engineering (Drainage)
Date: September 12, 2023
Subject: Tile Loan Borrowing By-Law – Tile Drainage Act

Recommendation

It is recommended that:

1. Three readings be given to the Borrowing By-Law for raising money in the amount of \$2,000,000.00 to aid in the construction of drainage works under the Tile Drainage Act.

Background

The Province of Ontario provides loans to property owners who install private farm tiles on their agricultural properties through the Tile Loan Program under the legislation of the Tile Drainage Act. The criteria for the Tile Loan Program is set by the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) on an annual basis. The annual loan maximum per property owner is \$50,000.00 with a 6% interest rate for a ten-year term. Tile drainage loans are available on a first come, first served basis for the Provincial fiscal year. The Municipality collects the funds from the property owners through their final tax bills and then pays the amounts due to the Province.

Comments

The Tile Drainage Act requires that the Council of the local municipality pass a borrowing by-law for tile loans for an amount that will meet anticipated borrowing demands for a reasonable length of time. Four weeks after the by-law is passed, the Clerk swears an affidavit before a commissioner and a certified true copy of the by-law and affidavit are sent to the Resources Management Branch of OMAFRA. Total debenture sales to the Province from the Municipality may not exceed the total borrowing authority under this by-law. By-law 117-2015 was adopted on August 20, 2015 establishing a total borrowing limit of \$2,000,000.00. To date, \$1,827,800.00 has been loaned through this program and there are \$172,200.00 in funds remaining available through this by-law. The Municipality has received several applications for works that are to be completed this summer and fall, and staff anticipate that demand

for this program will continue. As such, Council is required by the Tile Drainage Act to approve a new borrowing limit of \$2,000,000.00 to extend this program.

The amount of \$2,000,000 is anticipated to last approximately five years allowing for a reasonable amount of time to engage in the program. This value has no impact on municipal finances.

Areas of Strategic Focus

This report supports the following areas of strategic focus:

			
Economic Prosperity	Healthy & Safe Community	People & Culture	Environmental Sustainability
1.2			

Consultation

Administration is constantly communicating with staff at OMAFRA regarding details of the tile loan program. Drainage staff has also consulted with the Director of Financial Services and the Director of Municipal Governance regarding implementation details.

Communication

Communication is proposed to be through the inclusion of this report on the Council agenda and related communications.

Diversity, Equity, Inclusion and Justice (DEIJ)

This report does not have implications related to diversity, equity, inclusion, or justice.

Financial Implications

There are no financial implications resulting from the recommendation.

Prepared by:
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Reviewed by:
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Marissa Mascaro P.Eng., Director, Engineering

Edward Soldo P.Eng., General Manager, Infrastructure and Engineering Services

Consulted and confirmed the content of the consultation section of the report by:

Matt Torrance, Director, Financial Services

Attachment: Appendix A – Borrowing By-Law – Tile Drainage Act