

Clause No. 4 in Report No. 2 of the Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting on January 23, 2014.

## **TILE DRAINAGE LOAN - TOWN OF GEORGINA**

**Committee of the Whole recommends adoption of the following recommendations contained in the report dated December 10, 2013 from the Commissioner of Finance:**

### **1. RECOMMENDATIONS**

It is recommended that:

1. Council impose a special levy on the Town of Georgina pertaining to the issuance of a \$50,000 *Tile Drainage Act* debenture with the following conditions:
  - a. the annual payment will be \$6,793.40; and
  - b. the payments will begin in 2015 and end in 2024.
2. The Regional Solicitor be authorized to prepare the necessary by-law.

### **2. PURPOSE**

This report provides for the administrative mechanism to recover the cost of a debenture issued under the *Tile Drainage Act* on behalf of the town of Georgina.

### **3. BACKGROUND**

**The Province offers farmers tile drainage loans through a tri-partite arrangement with the Region and the local municipalities**

The Tile Drainage Loan program is a partnership between municipalities and the Province of Ontario. Individual farmers who wish to install a tile drainage system on their properties may apply for a loan under the program. Once the application has been accepted, the farmer arranges to have the work completed by a licensed contractor. Subsequently, the local municipality applies to the Region to issue a debenture to the Province of Ontario in the amount of the loan.

The Region transfers the debenture proceeds from the Province to the local municipality, which in turn provides the funds to the farmer. The local municipality administers the loan and makes the payments to the Region, which are in turn forwarded to the Province.

#### **4. ANALYSIS AND OPTIONS**

##### **The Region has authority to issue debt for tile drainage loans**

The Region periodically passes a by-law to authorize the issuance of tile drainage debentures. These authorities are usually made in blocks, following which local municipalities may draw down this amount as requests are made. The Region last provided authorities to issue tile drainage debentures for the Town of Georgina in 2000 (Bylaw D-0151-2000-095) and in 2007 (Bylaw D-0190-2007-042), of which there are \$28,200 and \$250,000 available for loans respectively. The debenture bylaw also requires that within 30 days of the debenture issuance, the Region impose a special levy bylaw on the Town of Georgina to cover the annual payment of principal and interest.

##### **All conditions have been met to allow the loan to be authorized**

The Town of Georgina received an application from a resident for a loan under this program in the amount of \$50,000. The work has been completed, along with all necessary inspections. The Town has also finalized the documentation required by the Province with respect to the loan. As all of the conditions for the loan are complete, the next step is for the Region to issue the debenture and finalize the process through the imposition of a special levy bylaw. The issuance of this debenture will exhaust the authority in the 2000 bylaw and leave \$228,200 of remaining authority in the 2007 bylaw.

##### **Link to key Regional Council - approved plans**

The Region supports its local municipalities by making arrangements for tile drainage debentures with the Province.

#### **5. FINANCIAL IMPLICATIONS**

There are no financial impacts for the Region as it only acts as an intermediary in the tile drainage loan process.

#### **6. LOCAL MUNICIPAL IMPACT**

The Town of Georgina will be responsible for administering the loan and making payments on a timely basis to the Region.

## **7. CONCLUSION**

This report recommends that a special levy be imposed on the Town of Georgina with respect to a tile drainage loan.

For more information on this report, please contact Edward Hankins, Director, Treasury Office, at Ext. 71644.

The Senior Management Group has reviewed this report.