

Our File/N/Réf.
 Your File/V/Réf.

DATE 20 January 2000

TO/DEST. Co-ordinator
 Corporate Services and Economic Development Committee

FROM/EXP. Finance Commissioner

SUBJECT/OBJET **TILE DRAINAGE DEBENTURES**

DEPARTMENTAL RECOMMENDATION

That the Corporate Services and Economic Development Committee and Council receive this report for information.

BACKGROUND

Under the *Tile Drainage Act*, R.S.O. 1990 Chapter T.8, the Province of Ontario makes financing available to the owners of agricultural land to install and construct drainage systems for improving agricultural land. The Region acts as a financial intermediary through which the Provincial financing is provided to agricultural landowners and all repayments are made. The Region issues tile debentures to the Province to secure the loans and recovers all payments from the area municipality who in turn recovers the payments directly from the property owner.

Each year Corporate Services and Economic Development Committee and Council receive a report providing information on all tile drainage debentures issued during the previous year and the balance of approved authorities available to each area municipality for future tile drain loans. This report replaces the requirement to report on each tile drainage debenture underwritten during the year.

On January 13, 1999 Council received a report on the tile drainage debentures issued in the previous year, noting that the debenture authorities for certain municipalities had been reduced to levels which were insufficient. On July 14, 1999, Council enacted by-law 53 of 1999 which increased the tile drain debenture limits available for Cumberland, Goulbourn, Osgoode, Rideau and West Carleton and re-established the limits available for Gloucester, Kanata and Nepean. By-law 53 of 1999, provides

authority to issue tile drain debentures and, not later than 30 days after the issue of the debenture, impose and levy a special annual rate for the payment of principal and interest on the debenture issue by the Region on behalf of the area municipality.

ANALYSIS

Schedule A indicates that debentures were issued to the Province of Ontario for tile drainage loans amounting to \$180,500 during 1999. Tile drainage debentures in the amount of \$88,800 were issued under the authority of by-law 125 of 1985 while debentures of \$91,700 were issued under the authority of by-law 53 of 1999. These debentures were issued to support thirteen loan applications submitted by property owners for tile drainage works completed on their properties.

After the commitments made during 1999, a total amount of \$2,208,300 remains available under the limits authorized under by-law 53 of 1999 to support new tile drainage debentures. The limits available are sufficient to support new tile drain debentures for sometime.

PUBLIC CONSULTATION

Under the financing arrangements described in this report, the Region acts as a financial intermediary through which the Province provides financing to individuals to carry out tile drainage works on their agricultural property. This program has been in existence for many years and does not generate public interest other than to those directly making applications for loans. The making of new loans under the *Tile Drainage Act* is considered routine and public consultation is considered not necessary.

FINANCIAL IMPLICATIONS

Since the payment of the debts created by the issue of debentures under the *Tile Drainage Act* are recovered from each respective area municipality, the issuance of new debentures does not involve any additional financial commitments by the Region.

CONCLUSION

This report is submitted for the information of Corporate Services and Economic Development Committee and the Regional Council.

*Approved by Kent Kirkpatrick
On behalf of J.C. LeBelle*

GFM/bm

SCHEDULE "A"

**Borrowing Limits Authorized on behalf
of the following Area Municipalities
Tile Drainage Debentures issued and Borrowing Limits Remaining**

<u>Area Municipality</u>	<u>Tile Drainage Authority</u> \$	<u>Tile Drainage * Debentures Issued during 1999</u> \$	<u>Remaining Limit Under By-law 53 of 1999</u> \$
Gloucester	166,600		166,600
Kanata	24,900		24,900
Nepean	151,400		151,400
Cumberland	500,000	8,400	491,600
Goulbourn	306,600	30,900	275,700
Osgoode	640,000	70,100	569,900
Rideau	328,400	45,300	283,100
West Carleton	<u>270,900</u>	<u>25,800</u>	<u>245,100</u>
	<u>2,388,800</u>	<u>180,500</u>	<u>2,208,300</u>

* Tile Drainage Debentures were issued during 1999 under the authority of by-laws 125 of 1985 and 53 of 1999.