

5. TILE DRAINAGE DEBENTURES

COMMITTEE RECOMMENDATION

That Council receive this report for information.

DOCUMENTATION:

1. Finance Commissioner's report dated 26 Nov 98 is immediately attached.

REGION OF OTTAWA-CARLETON
RÉGION D'OTTAWA-CARLETON

REPORT
RAPPORT

Our File/N/Réf.
 Your File/V/Réf.

DATE 26 November 1998

TO/DEST. Coordinator, Corporate Services
 and Economic Development Committee

FROM/EXP. Finance Commissioner

SUBJECT/OBJET **TILE DRAINAGE DEBENTURES**

DEPARTMENTAL RECOMMENDATION

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

BACKGROUND

Annually Corporate Services and Economic Development Committee and Council receive a report at year-end providing information on all tile drainage debentures issued during the year and the balance of approved authorities available to each area municipality. Council agreed to receive this report annually to replace the requirement to prepare a report each time a tile drainage debenture by-law is adopted.

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 the purpose of improving the productivity of agricultural land. The Region acts as a financial intermediary through which the Province provides financing to agricultural landowners. Although the Region issues debentures to the Province, it recovers all payments to be made under the debenture from the area municipality who in turn recovers the payments directly from the property owner.

The Region issues tile drainage debentures to the Province under authority of by-law 125 of 1985. This by-law indicates that the Region will issue debentures on behalf of certain area municipalities and will, 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 that area municipality.

ANALYSIS

Schedule A indicates that debentures were issued to the Province of Ontario for tile drainage loans amounting to \$112,100 during 1998 for three area municipalities. These debentures were issued to support nine loan applications submitted by property owners for tile drainage works completed on their properties.

After the commitments made during 1998, a total amount of \$812,600 remains available under the limits authorized under by-law 125 of 1985 to support new tile drainage debentures. Although in aggregate, the limit available is sufficient to support new tile drain debentures for sometime, the amounts remaining available for certain municipalities are insufficient and will require increases during 1999. The process to increase the limits available to support tile drainage debentures involves consultation with each area municipality and the passing of appropriate by-laws.

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
J.C. LeBelle

GFM/bm

SCHEDULE "A"

**Borrowing Limits Authorized on behalf
of the following Area Municipalities
under By-law 125 of 1985**

Tile Drainage Debentures issued and Borrowing Limits Remaining

<u>Area Municipality</u>	<u>Authority Under By-law 125 of 1985</u> \$	<u>Tile Drainage Debentures Issued during 1998</u> \$	<u>Tile Drainage Debentures Issued to Dec. 31, 1998</u> \$	<u>Remaining Limit Under By-law 125 of 1985</u> \$
Gloucester	241,600		75,000	166,600
Kanata	35,700		10,800	24,900
Nepean	300,000		148,600	151,400
Cumberland	700,000	41,200	634,400	65,600
Goulbourn	368,400		284,700	83,700
Osgoode	1,000,000	50,900	885,500	114,500
Rideau	450,000		417,400	32,600
West Carleton	<u>591,000</u>	<u>20,000</u>	<u>417,700</u>	<u>173,300</u>
	<u>3,686,700</u>	<u>112,100</u>	<u>2,874,100</u>	<u>812,600</u>