

CITY OF HAMILTON

CORPORATE SERVICES DEPARTMENT *Treasury Services Division*

TO: Chair and Members Audit, Finance and Administration Committee	WARD(S) AFFECTED: WARD 14
COMMITTEE DATE: October 5, 2011	
SUBJECT/REPORT NO: Tile Drainage Loan (McIntyre) (FCS11082) (Ward 14)	
SUBMITTED BY: Antonio D. Tollis Treasurer Corporate Services Department	PREPARED BY: Janie Hartwell (905) 546-2424 ext. 4522
SIGNATURE:	

RECOMMENDATION

That the Tile Drainage Loan Application submitted by Alex McIntyre, 1876 5th Concession Road West, (part of Lots 17 and 18, Concession 4, former Town of Flamborough), in the amount of \$12,000.00 be approved, subject to the availability of Provincial funding and an Inspection Completion Certificate being filed with the City by the Drainage Inspector.

EXECUTIVE SUMMARY

A tile drainage loan application in the amount of \$12,000.00 for property municipally known as 1876 5th Concession Road West and being described as part of Lots 17 and 18, Concession 4, former Town of Flamborough, has been received for Council approval. The owner of the subject lands has indicated on the loan application that he would like to commence the tile drainage work as soon as possible. The necessary information and the completed application form have been reviewed and approval of this loan application is recommended.

FINANCIAL / STAFFING / LEGAL IMPLICATIONS (for Recommendation(s) only)

Financial:

There are no financial implications since funding of the program is provided through the Provincial Government Tile Drainage Loan Program.

Staffing:

There are no staffing implications associated with the recommendations contained in Report FCS11082.

Legal:

There are no legal implications associated with the recommendations contained in Report FCS11082.

HISTORICAL BACKGROUND (Chronology of events)

The Tile Loan Program is funded by the Ministry of Agriculture, Food and Rural Affairs and allows municipalities to sell debentures to the Province for funding private tile drainage projects. The program is used in rural areas to financially assist drainage of agricultural lands. Tile Loans are available to farmers, through their local municipality, at an interest rate determined, from time to time, by the Lieutenant Governor in Council for a ten-year term. The current rate is 6%. The maximum amount of loan available to an individual farmer in one year is \$50,000.00. Therefore, farmers may obtain a loan for the lesser of:

- (a) amount applied for by the farmer, or
- (b) 75% of the value of the tile drainage work performed, or
- (c) \$50,000.00

The granting of the approval of any loan application is at the discretion of the local Council whose decision is final. Once approval of any loan is received from Council, the applicant proceeds with the work and an inspection is done by an inspector appointed by the municipality. All work must be carried out in accordance with the *Agricultural Tile Drainage Installation Act* and must be approved by the Inspector. Once approved, the loan can be debentured and sold to the Ministry of Agriculture, Food and Rural Affairs under the authority of the City's Borrowing By-law 01-090 for tile drainage works. The loan amount is applied directly to the property and is collected in a manner similar to taxes.

POLICY IMPLICATIONS

The Tile Drainage Loan Program is administered by Municipalities on behalf of the Ontario Ministry of Agriculture, Food and Rural Affairs and policies set by the Ministry must be followed.

RELEVANT CONSULTATION

Ministry of Agriculture, Food and Rural Affairs website
City of Hamilton's Drainage Superintendent
Corporate Services, Treasury Services Division, Finance & Administration Section

ANALYSIS / RATIONALE FOR RECOMMENDATION

(include Performance Measurement/Benchmarking Data, if applicable)

The Tile Drainage Loan Program is offered by the Ministry of Agriculture, Food and Rural Affairs for those who require financial assistance to upgrade drainage on agricultural lands.

ALTERNATIVES FOR CONSIDERATION

(include Financial, Staffing, Legal and Policy Implications and pros and cons for each alternative)

N/A.

CORPORATE STRATEGIC PLAN (Linkage to Desired End Results)

Focus Areas: 1. Skilled, Innovative and Respectful Organization, 2. Financial Sustainability, 3. Intergovernmental Relationships, 4. Growing Our Economy, 5. Social Development, 6. Environmental Stewardship, 7. Healthy Community

Intergovernmental Relationships

- ◆ Maintain effective relationships with other public agencies

Environmental Stewardship

- ◆ Natural resources are protected and enhanced

Healthy Community

- ◆ An engaged Citizenry

APPENDICES / SCHEDULES

None.