

Our File/N/Réf.  
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DATE 23 June 1999

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

FROM/EXP. Finance Commissioner

SUBJECT/OBJET **INCREASED BORROWING LIMITS FOR TILE DRAINAGE  
 PURPOSES**

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### **DEPARTMENTAL RECOMMENDATION**

**That the Corporate Services and Economic Development Committee recommend Council approve a borrowing by-law to raise money to aid in the construction of drainage works under the *Tile Drainage Act*.**

### **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 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. As tile drainage debentures are issued the amount available to support new drainage system construction is reduced. As noted in a report dated 26 November, 1998 to Corporate Services and Economic Development Committee, the limit available under by-law 125 of 1985, as well as the limits applicable to certain municipalities have decreased to levels which require new limits to be established to maintain the tile drainage debenture program within those municipalities.

## RATIONALE

As a result of recent amendments implemented by the Ministry of Municipal Affairs and Housing through the *Better Local Government Act*, borrowing by-laws no longer require Ontario Municipal Board approval. Since the limit remaining under Regional By-Law 125 of 1985, enacted by Council on 22 May, 1985, has decreased from an original amount of \$3,686,700 to \$723,800 as at 31 May, 1999, and individual municipality limits have also decreased to levels that require establishing additional new limits, a new Regional by-law is required. Pursuant to the provisions of the *Tile Drainage Act*, R.S.O. 1990, Chapter T.8 and its related regulations and in accordance with procedures set out by the Ministry of Agriculture, Food and Rural Affairs, the following limits are proposed on behalf of the area municipalities listed below. Cumberland, Goulbourn, Osgoode, Rideau and West Carleton are required to enact new borrowing by-laws while the borrowing by-laws previously enacted by Gloucester, Kanata, and Nepean remain in effect.

City of Gloucester	\$ 166,600
City of Kanata	24,900
City of Nepean	151,400
Township of Cumberland	500,000
Township of Goulbourn	300,000
Township of Osgoode	600,000
Township of Rideau	300,000
Township of West Carleton	<u>257,100</u>
	<u>\$2,300,000</u>

## PUBLIC CONSULTATION

Legislative policy and administrative procedures are outlined under the *Tile Drainage Act* and public consultation for the purposes of establishing a borrowing by-law is not required.

## FINANCIAL IMPLICATIONS

After the issue of a tile drain debenture, the Region by by-law imposes and levies a special annual rate over and above all other rates sufficient for the payment of the principal and interest of the debentures issued by the Region on behalf of the area municipality included in the debenture. Since these debt payments are recovered from area municipalities, there are no financial implications to the Region.

## CONCLUSION

In order to facilitate the borrowing requirements of landowners in Cumberland, Goulbourn, Osgoode and Rideau while maintaining the Tile Drainage Program in the remaining participating municipalities, it is necessary for Council to enact a new borrowing by-law which sets out new borrowing limits in the total amount of \$2,300,000 once those area municipalities which require new limits have enacted their borrowing by-laws.

*Approved by  
J.C. LeBelle  
Finance Commissioner*

THE REGIONAL MUNICIPALITY OF OTTAWA-CARLETON

BY-LAW NO. OF 1999

A By-law to raise \$2,300,000 to aid in the construction of drainage works under the *Tile Drainage Act*, R.S.O. 1990, Chapter T.8, in The Regional Municipality of Ottawa-Carleton.

The Council of The Regional Municipality of Ottawa-Carleton (hereinafter called the “Regional Municipality”) pursuant to the *Tile Drainage Act*, R.S.O. 1990, Chapter T.8, enacts as follows:

1. The Regional Municipality may from time to time, subject to the provisions of this By-law, borrow on the credit of the Regional Municipality such sums not exceeding in the whole \$2,300,000 on behalf of the area municipalities as are set forth in the Schedule “A” hereto annexed, and may in the manner hereinafter provided, issue debentures of the Regional Municipality for the amount so borrowed as provided in the Act payable to the Treasurer of Ontario at the Ministry of Finance, Treasury and Economics at Toronto, which debentures shall reserve the right to prepay the whole or any part of principal and interest owing at the time of such prepayment.
2. Where the Regional Municipality receives requests from one or more area municipalities for the issue of a debenture in the amount or amounts not exceeding those set out in the said Schedule “A” for the purposes of the Act, the Regional Municipality shall issue a debenture for the total of the amount or amounts requested signed by the head of council and the treasurer and borrow on behalf of each area municipality a sum not exceeding the amount to be lent by each area municipality on completion of the drainage works.

3.      With respect to each area municipality, the Regional Municipality not later than thirty days after the issue of the debenture shall, by By-law impose and levy a special annual rate over and above all other rates sufficient for the payment of the principal and interest of the debentures issued by the Regional Municipality on behalf of that area municipality.

4.      This By-law shall come into force and take effect immediately upon the final passing thereof.

PASSED AND ENACTED this              day of              , 1999

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CLERK

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CHAIR

THE REGIONAL MUNICIPALITY OF OTTAWA-CARLETON

SCHEDULE "A" TO BY-LAW NO. OF 1999

<b><u>Area Municipality</u></b>	<b><u>Borrowing Limit</u></b>
City of Gloucester	\$ 166,600
City of Kanata	24,900
City of Nepean	151,400
Township of Cumberland	500,000
Township of Goulbourn	300,000
Township of Osgoode	600,000
Township of Rideau	300,000
Township of West Carleton	<u>257,100</u>
	<u>\$2,300,000</u>