

REGIONAL MUNICIPALITY OF OTTAWA-CARLETON  
MUNICIPALITÉ RÉGIONALE D'OTTAWA-CARLETON

REPORT  
RAPPORT

Our File/N/Réf.  
Your File/V/Réf.

DATE 17 December 1997

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**

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 \$267,600 during 1997 for seven area municipalities. These debentures were issued to support twenty-two loan applications submitted by property owners for tile drainage works completed on their properties.

After the commitments made during 1997, a total amount of \$924,700 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 limits allocated to each area municipality will be reviewed during 1998 to determine if it is appropriate to initiate an application to increase the limits available. 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*  
*Finance Commissioner*

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 1997</u> \$	<u>Tile Drainage Debentures Issued to Dec. 31, 1997</u> \$	<u>Remaining Limit Under By-law 125 of 1985</u> \$
Gloucester	241,600	30,000	75,000	166,600
Kanata	35,700		10,800	24,900
Nepean	300,000	19,500	148,600	151,400
Cumberland	700,000	29,200	593,200	106,800
Goulbourn	368,400	40,000	284,700	83,700
Osgoode	1,000,000	42,100	834,600	165,400
Rideau	450,000	11,000	417,400	32,600
West Carleton	<u>591,000</u>	<u>95,800</u>	<u>397,700</u>	<u>193,300</u>
	<u>3,686,700</u>	<u>267,600</u>	<u>2,762,000</u>	<u>924,700</u>