

Municipality of Lakeshore – Report to Council

Operations

Capital Projects



To: Mayor & Members of Council

From: Jill Fiorito, Drainage Superintendent

Date: June 13, 2023

Subject: Tile Loan Application – Ian Ruston & Shaundra Raycraft, 0 Lakeshore Road 308

Recommendation

Approve the Tile Loan submitted by Ian Ruston & Shaundra Raycraft for tiling work to be performed at 0 Lakeshore Road 308 (Roll No.650.000.00700) in the amount of \$50,000, subject to Provincial Funding as presented at the July 18, 2023 Council meeting.

Background

An application for a Tile Loan under the Tile Drainage Act, in the amount of \$50,000 has been received from Ian Ruston & Shaundra Raycraft for tiling work to be performed at 0 Lakeshore Road 308.

Installing tile drainage is a common land improvement practice among farmers in Ontario. The benefits of tile drainage for crop productivity, farm efficiency and reducing environmental impacts have been studied and are well known to farmers.

In Ontario, the Tile Loan Program, authorized by the *Tile Drainage Act*, provides loans to agricultural property owners to assist them finance these tile drainage projects.

All tile loans have 10-year terms, with repayments made annually. Landowner(s) are eligible to apply for a loan of up to 75% of the value of the tile drainage work.

The Provincial Government sets the interest rate at a competitive level. This rate is fixed for the full term of the loan, regardless of changes in market interest rates. The interest rate is calculated annually.

Upon Council support for the application for the tile loan, the application is submitted to Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA).

The tile loan application must be sent to OMAFRA to confirm the availability of funding. Funds are then administered on a first come first served basis with an interest rate of

6%. The owner then arranges to have the work completed by a licensed tile drainage contractor.

Administration inspects the work and charges a fee for inspection. The Municipality collects the loan payments from the owner and remits them to OMAFRA. The loan can be repaid in full at any time.

Upon confirmation of expected funding, it is expected that this tiling work will commence in September 2023.

Comments

The Municipality must ensure that it has a valid borrowing by-law under the *Tile Drainage Act*.

Financial Impacts

The budget impacts resulting from the recommendation to support this application is the need to budget for additional revenue from loan repayment from the applicant for a period of 10 years as well as additional offsetting loan repayment cost.

These loans are funded by OMAFRA, only repayment is facilitated through the Municipality. Tile loans do effect the municipality's Annual Debt Repayment Limit but are also mandated to be offered to farmers and landowners by legislation.

Report Approval Details

Document Title:	Tile Loan Application - Ian Ruston and Shaundra Raycraft.docx
Attachments:	
Final Approval Date:	Jul 11, 2023

This report and all of its attachments were approved and signed as outlined below:

Prepared by Jill Fiorito

Submitted by Krystal Kalbol

Approved by Justin Rousseau and Truper McBride