

# Municipality of Lakeshore – Report to Council

## Operations

## Capital Projects



**To:** Mayor and Members of Council

**From:** Jill Fiorito, Drainage Superintendent

**Date:** July 11, 2024

**Subject:** Tile Loan Application - Tyson Ruston, 0 County Road 46

---

### Recommendation

Approve the Tile Loan submitted by Tyson Ruston for tiling work to be performed at 0 County Road 46, Con. SMR E, Part Lot 10 (Roll No. 090.000.01200) in the amount of \$50,000 (including HST) subject to Provincial Funding, as presented at the August 13, 2024 meeting.

### Strategic Objectives

This does not relate to a Strategic Objective however it is a core service of the Municipality.

### Background

An application for a Tile Loan under the Tile Drainage Act in the amount of \$50,000 has been received from Tyson Ruston for tiling work to be performed at 0 County Road 4.

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 a 10-year term, 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. The rate is fixed for the full term of the loan regardless of the changes in market interest rates. The interest rate is calculated annually.

The Municipality passes an annual borrowing by-law under the *Tile Drainage Act*.

### Comments

Upon Council support for the application for the tile loan, the application is submitted to the 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 the 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 November 2024.

### Financial Impacts

The budget impact based on the recommendation to support this application is the need to budget for additional revenue from loan repayments from the applicant for a period of 10 years, as well as additional offsetting loan repayment costs.

These loans are funded by OMAFRA. Only repayment is facilitated through the Municipality. The loans do affect 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 - Tyson Ruston, 0 County Road 46.docx
Attachments:	
Final Approval Date:	Jul 31, 2024

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

Prepared by Jill Fiorito

Submitted by Krystal Kalbol

Approved by the Corporate Leadership Team