

Municipality of Lakeshore – Report to Council

Operations

Capital Projects



To: Mayor & Members of Council

From: Jill Fiorito, Drainage Superintendent

Date: November 16, 2022

Subject: Tile Loan Application – Scot Chevalier, 1421 South Middle Road

Recommendation

Approve the Tile Loan submitted by Scot Chevalier for tiling work to be performed at 1421 South Middle Road (Roll No. 010.000.02400) in the amount of \$50,000, subject to Provincial Funding as presented at the November 29, 2022 Council Meeting.

Background

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 administered on 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.

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 we will need to budget for additional revenue from loan repayment from the applicant for a period of 10 year as well as additional offsetting loan repayment cost. These loans are funded by the OMAFRA. Only repayment is facilitated through the Municipality, tile loans due effect the municipalities Annual Debt Repayment Limit but are also mandated to be offered to farmers and land owners by legislation.

Report Approval Details

Document Title:	Tile Loan Application - Scot Chevalier, 1421 S. Middle Road .docx
Attachments:	
Final Approval Date:	Nov 23, 2022

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