

Region of Waterloo

Corporate Services

Treasury Services

To: Regional Council

Meeting Date: May 22, 2024

Report Title: Township of Wellesley Tile Drainage Loan Dated June 1, 2024

1. Recommendation

That the Regional Municipality of Waterloo pass a by-law to provide for a loan under the Tile Drainage Act in accordance with rating by-law 17/2024 passed by the Council of the Township of Wellesley on May 14, 2024, as set out in report COR-TRY-24-016 dated May 22, 2024.

2. Purpose / Issue:

This report outlines the details of a Tile Drainage Loan for a land owner in the Township of Wellesley. Regional Council approval of the rating by-law is required on May 22, 2024.

3. Strategic Plan:

The Tile Drainage Loan Program protects the Region's natural resources and aligns with the Corporate Strategic Plan objective to steward our natural environment and shared resources as we grow under the Climate-aligned growth priority.

4. Report Highlights:

- The Province of Ontario offers a Tile Drainage Loan Program that provides loans to agricultural property owners to help finance tile drainage projects. Higher borrowing costs have resulted in increased interest in the Tile Drainage Loan Program.
- Tile Drain Loan payments are collected by the local municipality from the landowner and remitted to the Province of Ontario annually. These loans are rated to the roll number allowing the municipality to add any missed payments to the property tax roll.
- A landowner in the Township of Wellesley has completed a tile drainage project and requested a Tile Drainage Loan. The Township of Wellesley Council approved the application for a loan of \$31,500 and passed a rating by-law 17/2024 on May

14, 2024.

- The Region's role is to approve a rating by-law and complete the application process to the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA).

5. Background:

The Ontario Tile Drainage Act was enacted in 1990 to provide loans to agricultural property owners to assist with financing tile drainage projects. The provincial government sets the fixed interest rate (6%) and all loans have a 10 year term with annual repayments. The landowner can receive loan financing for up to 75% of the cost of work, to a maximum of \$50,000 per landowner per year. The program and is overseen by the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) with a simple application process and all forms available online.

The process requires the landowner to submit an application to the local municipality, which is then presented to the local municipal council for approval. Once approved the landowner has the work completed by a licenced tile drainage contractor. The local municipality will have the work inspected and the landowner will file all the completed documentation. In a two-tier region, both the local municipal council and the regional council each need to pass a rating by-law, which are forwarded with all documentation to OMAFRA for approval. OMAFRA will then process the release of the loan to the upper tier which will flow through the lower tier to the land owner. Annual repayments will be made by the land owner to the lower tier which will flow through the upper tier to the provincial government.

The rating by-law protects the municipalities by allowing them to add any missed payment to the property roll providing the same level of security as property tax levies.

The landowner can repay the loan in full at any time.

6. Communication and Engagement with Area Municipalities and the Public

Area Municipalities:

Staff from the Township of Wellesley and the Region have been working together to file the necessary applications and prepare documentation required by OMAFRA. Council for the Township of Wellesley approved this tile drainage loan application and issued rating by-law 17/2024 on May 14, 2024 for a loan of \$31,500.

7. Financial Implications:

Nil.

8. Conclusion / Next Steps:

The following by-law must be enacted on May 22, 2024 to complete the execution of the

transaction:

A By-law in respect of the Tile Drainage Debentures – Township of Wellesley
Fund transfers will occur on June 1, 2024.

9. Attachments:

Nil.

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Approved By: Craig Dyer, Commissioner, Corporate Services/Chief Financial Officer.