

THE REGIONAL MUNICIPALITY OF YORK

**REPORT NO. 3
OF THE REGIONAL COMMISSIONER OF FINANCE**

**For Consideration by
The Council of The Regional Municipality of York
on June 22, 2006**

**1
DEBENTURE APPROVAL - TOWN OF EAST GWILLIMBURY
TILE DRAINAGE ACT LOAN PROGRAM**

1. RECOMMENDATIONS

It is recommended that:

1. A debenture be issued to the Province of Ontario under the *Tile Drainage Act* on behalf of the Town of East Gwillimbury in the amount of \$32,000 and a term not to exceed 10 years.
2. The Regional Chair, Regional Clerk and Regional Treasurer be authorized to execute all documents associated with this debenture.
3. Legal Services be authorized to prepare the necessary by-law.

2. PURPOSE

This report requests the approval to issue a debenture to the Province of Ontario under the provision of the *Tile Drainage Act*.

3. BACKGROUND

The Tile Drainage Loan program is a partnership between municipalities and the Province of Ontario.

Individual farmers who wish to install a tile drainage system on their property may apply to their local municipality for a “tile loan”. If the application is accepted, the farmer arranges to have the work completed by a licenced tile drainage contractor, and the local municipality requests the Region to prepare a debenture for sale to the Province in the amount of the loan. The Region transfers the proceeds to the local municipality for the benefit of the applicant. The local municipality administers the loan payments from the farmer and passes the funds to the Region for repayment of the debenture.

In this case, an application was originally made on March 28, 2006 for a loan of \$32,000 by the Town of East Gwillimbury. The Town included with its request all the documentation required for an application to the Ministry of Agriculture, Food and Rural Affairs (the “Ministry”). However, the application could not proceed until now since the Ministry did not announce a Tile Drainage Loan program for the 2006/2007 fiscal year, until June 6, 2006 which in turn necessitated the Town to update its bylaw.

This report is being presented to Council directly to accommodate a proposed July 1, 2006 loan date for the applicant.

4. FINANCIAL IMPLICATIONS

The Region of York is an intermediary in this process and all the payments made by the Region will be recovered from the Town of East Gwillimbury.

The Town of East Gwillimbury has updated its annual repayment limit for long term debt and financial obligations and the Treasurer has confirmed that it will not be exceeded as a result of the issuance of this Tile Drainage debenture.

5. LOCAL MUNICIPAL IMPACT

The Town of East Gwillimbury will be responsible for administering the terms of the debenture.

6. CONCLUSION

This report recommends that a debenture in the amount of \$32,000 for tile drainage purposes be issued to the Province of Ontario on behalf of the Town of East Gwillimbury.

Respectfully submitted,

**June 7, 2006
Newmarket, Ontario**

**L. Russell
Commissioner of Finance**

(Report No. 3 of the Commissioner of Finance was adopted, without amendment, by Regional Council at its meeting held on June 22, 2006.)