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DEBENTURE APPROVAL - TOWN OF GEORGINA TILE DRAINAGE ACT LOAN PROGRAM

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report, January 12, 2004, from the Commissioner of Finance:

1. RECOMMENDATIONS

It is recommended that:

1. A debenture be issued to the Province of Ontario under the provision of the Tile Drainage Act on behalf of the Town of Georgina in the amount of \$20,000 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

The purpose of this report is to request approval to issue a debenture to the Province of Ontario on behalf of the Town of Georgina 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". Once the application has been accepted, the farmer arranges to have the work completed by a licenced tile drainage contractor, and the local municipality requests the regional municipality 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 applicant. The local municipality administers the loan repayments from the farmer and passes the funds to the regional municipality for repayment of the debenture.

In this case an application has been made by the Town of Georgina for a loan of \$20,000. That municipality has included with its request all the documentation required for the Region of York to proceed with its application to the Ministry of Agriculture, Food and Rural Affairs.

The Region has also passed the necessary borrowing by-law so that it can issue Tile Drainage debentures on behalf of the Town of Georgina.

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 Georgina.

The Town of Georgina has advised the Region that its annual repayment limit for long term debt and financial obligations will not be exceeded as a result of the issuance of this Tile Drainage debenture.

5. LOCAL MUNICIPAL IMPACT

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

6. CONCLUSION

This report recommends that a debenture in the amount of \$20,000 for tile drainage purposes be issued to the Province of Ontario on behalf of the Town of Georgina.

The Senior Management Group has reviewed this report.