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BORROWING BY-LAW – TILE DRAINAGE ACT

The Finance and Administration Committee recommends the adoption of the recommendation contained in the following report, April 5, 2007, from the Commissioner of Finance:

1. RECOMMENDATION

It is recommended that the Regional Solicitor be authorized to prepare a Borrowing By-Law in the amount of \$350,000 to provide for tile drainage debentures that may be issued on behalf of the Towns of East Gwillimbury and Georgina.

2. PURPOSE

The purpose of this report is to request that Council authorize the issue of up to \$350,000 of tile drainage debentures on behalf of the Towns of East Gwillimbury and Georgina.

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 Region to prepare a debenture for sale to the Province in the amount of the loan. The Region transfers the proceeds of the debenture to the local municipality who in turn transfers it to the applicant farmer. The local municipality administers the loan repayments from the farmer and passes the funds to the Region for repayment of the debenture.

A prerequisite of issuing tile drainage debentures is that both the local municipality and the Region must enact authorizing Borrowing By-Laws. At this time the Region has five Borrowing By-Laws for which full authorization has not been completely used. With respect to the Towns of East Gwillimbury and Georgina, only \$38,200 and \$28,200 remain available under the authority of By-Laws D-96-90-138 and D-0151-2000-095, respectively.

The Towns of East Gwillimbury and Georgina have enacted two Borrowing By-Laws under the Tile Drainage Act for \$100,000 and \$250,000 respectively and have requested that the Region authorize similar amounts.

4. FINANCIAL IMPLICATIONS

There are no financial implications for the Region. The Region of York only acts as an intermediary in this process and all the payments made by the Region will be recovered from the Towns of East Gwillimbury and Georgina.

5. LOCAL MUNICIPAL IMPACT

The Towns of East Gwillimbury and Georgina will be responsible for administering the terms of the tile drainage debentures when and if they are issued.

6. CONCLUSION

This report recommends that Council authorize the issue of up to \$350,000 of tile drainage debentures on behalf of the Towns of East Gwillimbury and Georgina.

The Senior Management Group has reviewed this report.