



Policy # 23

Tile Drainage Loan Policy Draft

Approved by Council on: December 3rd, 2008

Tile Drainage Loan Policy/Procedures

Purpose:

To set out the procedures for staff to follow when a tile drainage loan application is received from a resident/landowner.

Policy:

The Tile Drainage Act allows municipalities to “Sell” debentures to the Province for funding private tile drainage projects. The Township of Southgate may only offer to sell one debenture per month to the Province and this debenture must be dated for the first of the month and include all tile loans received for that month.

The Township of Southgate has to follow the Provincial policy which covers limits, eligible costs and interest rates.

The following are procedures to issue a debenture:

What forms are required:

- 1) Application Form 7 (Municipal World Form 1116) – to be completed by the applicant.
- 2) Copies of the invoices from the drainage installation company and the tile company (could be same company).
- 3) Rating By-law (Municipal World Form 1120-1) – Form is 2 pages.
- 4) Offer to Sell (Municipal World Form 1118)
- 5) Tile Drainage Debenture (Municipal World Form 1113)
- 6) Inspection & Completion Certificate (Municipal World Form 1117)

Advise Tile Drain Inspector (Works Superintendent) that an inspection will be required.

How forms are completed:

- 1) Complete the Inspection & Completion Certificate. This will determine the amount of the loan. The information for the Certificate is taken from the loan application and from the contractor invoices. The Lot and Concession at the top of the form is where the applicant is residing. It may not be the same as the property being drained. When completing the section on materials please note: the Province requires the length in metres, most contracts still use feet and inches (1ft = .3048 metres; 4 inches = 100 mm, 6 inches = 150 mm etc.) The loan is 75% of the total invoice(s) cost (not including taxes) and cannot be rounded up. Example: if the total cost is \$18,069.20., 75% is \$13,551.90 the loan will be for \$13,500.00. This form will be signed by the Drainage Superintendent when the inspection is completed.
- 2) To complete the By-law, you must determine the yearly rate to be imposed (multiply the loan amount by 0.1358679582). Prepare two copies of the rating by-law to be signed at passing.
- 3) Offer to Sell - Borrowing By-law number is the latest approved by-law passed by Council. The date, above where the Treasurer signs, is to be the debenture date ie: the first of the next month.
- 4) Debenture - The debenture numbering system we have been using is the month and year ie: 09/08 would be September 2008. The interest rate is 6% (this is set by the Province) and the installment dates are the 1st day of the month for 10 years starting the next year. The Borrowing By-law number is the same as on the Offer to Sell.
- 5) The Contact phone number at OMAFRA is 519 826 3551, for assistance if required.
- 6) Council passes Rating By-law and Mayor signs Debenture. The package containing original copies of the Rating By-law, Debenture, Offer to Sell, Inspection & Completion Certificate and copies of the contractor invoices are sent to OMAFRA (note: Province requires this package by the 20th of the month previous to the date on the Debenture).
- 7) A cheque from the Province will be forwarded to the Township of Southgate around the first of the month. Southgate issues a cheque to the applicant when received and records the loan in Tile Drainage Book.