



THE CORPORATION OF THE TOWNSHIP OF KING
Report to Council

Monday, June 17, 2024

Corporate Services Department - Clerks Division
Report Number COR-CLK-2024-006
Application for Tile Loan under the Tile Drainage Act - 325 Lipchey Road

RECOMMENDATION(S):

The Director of Corporate Services and Director of Finance respectfully submits the following recommendation(s):

1. That Report Number COR-CLK-2024-006 be received.
2. That the Application for Tile Loan, attached as **Appendix A**, under the *Tile Drainage Act* submitted by A R Homes Inc. for the property municipally known as 325 Lipchey Road, be approved.
3. That Borrowing By-law 2024-053, to authorize the borrowing of funds for the Tile Drain Loan Program, be enacted.
4. That Council request the Regional Municipality of York to approve the loan and issue the debenture on behalf of the Township of King.
5. That staff bring forward a Ratings By-law at a future meeting of Council to impose a special annual drainage rate upon land in respect of which money is borrowed under the *Tile Drainage Act*.
6. That the Mayor and Clerk and/or Treasurer be authorized to execute any documents to give effect to these recommendations.

REPORT HIGHLIGHTS:

- An Application for Tile Loan - Form 6 has been received and reviewed with no concerns from staff. Tiling work is scheduled to be completed in October 2024.
- By-law 2024-053 has been prepared to authorize new loan capacity of \$100,000, replacing the nearly depleted By-law 86-165, to comply with the *Tile Drain Loan Act* requirements.
- The Inspector of Drainage, Frank Jonkman, will continue his role under By-law 2009-89, and upon completion of the tile drain works, will issue an Inspection and Completion Certificate, leading to the preparation of a Ratings By-law for the loan's final details.

PURPOSE:

The purpose of this report is to consider the approval of an Application for Tile Loan - Form 6, under the *Tile Drainage Act*, for tile drainage works at 325 Lipchey Road in the Holland Marsh.

BACKGROUND:

The Ministry of Agriculture, Food and Rural Affairs (OMAFRA) administers the Tile Loan Program, authorized by the *Tile Drainage Act*, to provide loans to agricultural property owners for financing drainage projects. Landowners wishing to install a tile drainage system on their agricultural land are eligible for a tile loan under this program and must apply through their local municipality.

The municipality must ensure it has a valid borrowing by-law under the *Tile Drainage Act* and is aware of the current provincial Tile Loan Program policies. Council must review and either approve or decline each loan application.

Council may place borrowing restrictions on tile loans but must ensure equal treatment for all applicants. Council must also appoint a drainage inspector to inspect the tile drainage work and file an inspection report. Once the work is completed, municipal staff prepare and submit the loan documents to OMAFRA. For King, as a lower-tier municipality, York Region issues the debenture on its behalf.

After the municipality receives the loan funds, it distributes them to the loan applicant and is responsible for collecting repayments from the property owner and repaying these funds to Ontario Shared Services. A penalty may be charged for late payments.

King assisted several property owners through this program (predominantly in the 1990s), but applications have diminished since likely due to the competitive interest rates available through private financial institutions. The last application was approved in 2009, and the repayment of that loan concluded in 2019.

ANALYSIS:

Application Details

An Application for Tile Loan - Form 6, attached as Appendix 'A', has been received by the Township Clerk in the amount of \$41,300 and is being presented to Council for approval. Tiling work is expected to commence and be completed in October 2024.

The Township's Drainage Superintendent has reviewed the application, and advised of no concerns.

Borrowing By-law 2024-053

The *Tile Drain Loan Act* requires the municipality to have a valid Borrowing By-law in place to authorize the debenture. By-law 86-165 enacted on April 6, 1987 is still in force and effect however only has a remaining balance of \$400. Upon advisement from OMAFRA, the Township is required to pass a new Borrowing By-law, in the prescribed form, to provide new additional loan capacity for applications. By-law 2024-053 has been prepared for enactment by Council in the amount of \$100,000.

Appointment of Drainage Inspector

By-law 2009-89 appointed Frank Jonkman as Inspector of Drainage as required by the *Tile Drainage Act*, and this appointment is still valid. Frank Jonkman will continue to serve in this capacity and will be the Tile Drainage Inspector for this application.

Ratings By-law

Upon completion of the tile drain works, the Inspector of Drainage will issue an Inspection and Completion Certificate to the Township Clerk. At such time, staff will begin preparing a Ratings By-law for Council's consideration, which is intended to approve the specific details of the loan, including the finalized loan amount, interest, and payment schedule over a ten-year period with repayment due annually. The interest rate for the loan is set by OMAFRA and is 6%, fixed. As a lower tier municipality, the Township must request the Region of York to obtain the debenture from the Province and to approve the Township lending the sum to the applicant. Ministry policy limits the amount of loan available to a farmer each year. Staff will return to Council with a Ratings By-law for enactment concerning the final loan details for this application upon completion of the works.

FINANCIAL CONSIDERATIONS:

The property at 325 Lipchey Road is assessed at \$443,000 farmland and as of June 5, 2024, the account is current.

The approval of the application will have no financial impact on Township as the loans are issued by OMAFRA, administered to the loan holder through the tax process, then remitted back to the Province. The loan will be issued by York Region and the costs will be applied to the property tax account over the term of the debenture.

Once the works have been completed and inspected by the drainage superintendent then, York Region will issue the debenture through OMAFRA. The Township will bring forward a bylaw at a future date once the terms and interest payments have been established by York Region.

ALIGNMENT TO STRATEGIC PLAN:

The 2023-2026 Corporate Strategic Plan (CSP) was adopted by Council on June 12, 2023. The CSP reflects the priorities of utmost importance to the community and defines the obligations and commitments of the Township of King to its citizens and to the public. The CSP is aligned with the Townships long-term vision defined in the "Our King" Official Plan. The CSP also aims to ensure that staff initiatives focus on and work towards supporting King's Vision, Mission and Values.

This report is in alignment with the CSP's Priority Area(s), and/or associated Objective(s) and/or Key Results(s):

The Ontario Tile Drain Loan supports the municipality's strategic plan by providing financial assistance for essential drainage infrastructure improvements, thereby enhancing agricultural productivity and environmental sustainability within the community.

CONCLUSION:

The installation of tile drainage is a very common land improvement practice among farmers throughout Ontario. Council has the authority to approve or decline the application. Township staff

have reviewed the application in question, along with Drainage Superintendent, and believe all aspects of the application are in order

ATTACHMENTS:

[Appendix A - Tile Drain Loan - 325 Lipchey Road](#)

Prepared By:

Denny Timm
Township Clerk

Recommended By:

Jennifer Caietta
Director of Corporate Services

Recommended By:

Peggy Tollett
Director of Finance

Approved for Submission By:

Daniel Kostopoulos
Chief Administrative Officer



To the council of the Township of King

Property Ownership

If property is owned in partnership, all partners must be listed. If property is owned by a corporation, list the corporation's name and the name and corporate position of the authorized officer. Only the owner(s) of the property may apply for the loan.

Ownership Type Corporation

Name of Corporation

A R Homes Inc.

Authorized Officer

Last Name

Sood

First Name

Rohit

Middle Initial

Position/Title

Owner/Director

Applicant Mailing Address and Primary Contact Information

Last Name

Sood

First Name

Rohit

Middle Initial

Unit Number

Street/Road Number

Street/Road Name

PO Box

City/Town

Province

Ontario

Postal Code

LOG 1N0

Telephone Number

Cellphone Number (optional)

Email Address (optional)

Location of Land to be Drained

Lot or Part Lot

PT LOT 8

Concession

3 OS

Geographic Township

King

Parcel Roll Number

194900016025000

Civic Address

Unit Number

Street/Road Number

Street/Road Name

PO Box

325

Lipchey Rd

City/Town

King

Province

Ontario

Postal Code

L3Y 4V9

Description of Drainage System

Please attach a sketch of the location of the land you are planning to drain.

A mapping tool is available at: www.ontario.ca/drainage

Approximate Length of Pipe Material

Area to be Drained

ft/m

acre/ha

41,050 Feet

25.5 Acres

Proposed Outlet

Pump Station

Anticipated Date of Commencement

October 2024

Anticipated Date of Completion

October 2024

Estimated Total Cost of Drainage System	
Material	\$31,447.50
Installation	\$13,255.00
Inspection Fee	\$0.00
Other	\$10,400.00
Total Cost	\$55,102.50

Amount of Loan Requested*	\$41,300.00	* Must be a multiple of \$100 not exceeding 75% of total cost of drainage work.
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Terms of Agreement

In making this application for a loan, I understand and agree to the following:

- a) The granting of the loan is conditional upon all work being conducted in accordance with the *Agricultural Tile Drainage Installation Act*;
- b) The approval or refusal of the application is at the discretion of council whose decision is final;
- c) I will be advised in writing of council's decision regarding the application;
- d) Should the loan application be approved, an inspector of drainage will complete an Inspection and Completion Certificate and submit it to council;
- e) Council shall levy and collect for the term of ten years, over and above all other rates upon the land in respect of which the loan is made, a special equal annual rate sufficient to discharge the principal and interest of the loan;
- f) The *Tile Drainage Act* sets out procedural matters which pertain to this application for a loan; and
- g) The sum of all loans issued to me, as an individual, or in my role in a partnership or corporation in this and any other municipality does not exceed \$50,000 for the period of April 1st to March 31st.

Signature of Owner(s)/Primary Contact 	Date (yyyy/mm/dd) 2024/06/03
Signature of Owner(s)/Primary Contact	Date (yyyy/mm/dd)

Notice of Collection of Personal Information
 Any personal information collected on this form is collected under the authority of the *Tile Drainage Act*, R.S.O. 1990, c. T.8 and will be used for the purposes of administering the Act. Questions concerning the collection of personal information should be directed to:
 where the form is addressed to a municipality (*municipality to complete*)
Township of King
 and where the form is addressed to a territory without municipal organization, the Drainage Coordinator, Ministry of Agriculture, Food and Rural Affairs, 1 Stone Rd W, Guelph ON N1G 4Y2, 519 826-3552.

Proposal

Page No. _____ of _____ Pages

D.L.G. Farm Drainage(2007) Ltd.
80 Concession Road 3 East
Tiny, Ontario
LoL 2To 705-623-0211

PROPOSAL SUBMITTED TO Robert Sood			PHONE	DATE Mar 20/24
STREET			JOB NAME	
CITY	PROVINCE	POSTAL CODE	JOB LOCATION 325 Lipchey Rd	
ARCHITECT	DATE OF PLANS		JOB PHONE	

We hereby submit specifications and estimates for:

25 acres 30 ft spacing

Material

38 750	ft-4" muck filter @ .65¢ per ft =	\$25187.50
700	ft-6" filter tubing @ 1.72¢ per ft =	1204.00
1600	ft-8" filter tubing @ 3.16¢ per ft =	5056.00

Installation

38 750	ft-4" muck filter @ .30¢ per ft =	11625.00
700	ft-6" filter @ .50¢ per ft =	350.00
1600	ft-8" filter @ .80¢ per ft =	1280.00

Fitting and overflow pipe 2450.00

Pump Station 3950.00
Pump 4000.00

#ST \$55102.50
7163.32

Total 62265.82

We propose hereby to furnish material and labour - complete in accordance with above specifications, for the sum of:

dollars (\$ _____).

Payment to be made as follows:

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, windstorm and other necessary insurance. Our workers are fully covered by Worker's Compensation Insurance.

Authorized Signature _____

Note: This proposal may be withdrawn by us if not accepted within _____ days.

Acceptance of Proposal - The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature _____



1: 4,514
March 23, 2024



Notes

This map was printed from a YorkMaps application.

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