



HALDIMAND COUNTY

Memorandum: CS-FI-M01-2016

Date:	June 7, 2016
To:	Mayor Hewitt and Members of Council
From:	Mark Merritt, CPA, CA Treasurer
cc:	Senior Management Team Clerk
Re:	2016 Municipal Drain Billing

Haldimand County has a Municipal Drains Construction & Maintenance Billing Policy that establishes parameters and guidelines to be followed for the billing of construction and maintenance work completed on Municipal Drains.

Based on Section 61, of the *Drainage Act*, R.S.O. 1990 (as amended) and communication from the Ontario Ministry of Agriculture Food & Rural Affairs (OMAFRA), a levying by-law must be passed by Council to authorize the billing of the actual costs of maintaining or constructing drains. A separate by-law is required for maintenance and one for construction.

The necessary by-laws will be presented for Council review and approval at the June 13, 2016 Council meeting. Staff will then complete the billing process for the drains identified below as per the Municipal Drains Construction & Maintenance Billing Policy. Typically, billings will be brought forward on an annual basis each Fall/Winter and assessments will be added to the interim tax billing, to be paid over four equal installments in the year of billing. Due to the timing of this billing, assessments will be added to the final 2016 tax billing and interim 2017 tax billing, to be paid over four equal installments.

OMAFRA provides a grant under the Agricultural Drainage Infrastructure Program of up to one-third of the cost of maintenance for qualifying lands (i.e. lands in the farmland or managed forest assessment categories). The Municipality applies for the grant on behalf of the landowners and the qualifying landowner is responsible for the remaining costs.

The following table shows a breakdown of outstanding drain maintenance costs to be billed at this time to property owners, based on grants approved by OMAFRA:

Table 1: Drain Maintenance to be Billed

<u>Drain Name</u>	<u>Gross Costs</u> \$	<u>Grant Received</u> \$	<u>Net Assessment</u> \$	<u>Year Work Completed</u>
Broad Creek	24,040.07	7,103.23	16,936.84	2010-2013
James Main	2,338.00	38.69	2,299.31	2009
James Main	29,877.98	7,151.05	22,726.93	2010-2012
Baker Main	10,012.38	2,526.24	7,486.14	2013
Townline Branch of Black Creek	3,404.13	644.33	2,759.80	2013
Michener Branch 1	3,391.05	1,130.35	2,260.70	2009
Michener Branch 1	4,236.97	1,222.54	3,014.43	2013
Michener Main	15,288.88	4,549.56	10,739.32	2013
Ordinance Reserve	37,021.32	1,238.26	35,783.06	2009-2010, 2012-2014
Black Creek	61,220.49	11,455.31	49,765.18	2010, 2013
Baker East	6,105.50	1,808.49	4,297.01	2013
Baker West	6,682.94	1,611.00	5,071.94	2013
Jarvis 2	2,336.41	311.62	2,024.79	2012-2013
Total	205,956.12	40,790.67	165,165.45	

Many of the Municipal Drains also benefit County owned land (primarily roadways/ditches). The County's apportioned cost is funded through the Drain Fund Account that is contributed to annually through the operating budget to offset our share of maintenance on Municipal Drains.

OMAFRA also provides a grant under the Agricultural Drainage Infrastructure Program for the cost of construction for qualifying lands (similar to maintenance grants as denoted above). The Municipality applies for the grant on behalf of the landowners and the qualifying landowner is responsible for the remaining costs. The following table shows a breakdown of outstanding drain construction costs to be billed at this time:

Table 2: Drain Construction to be Billed

<u>Drain Name</u>	<u>Gross Costs</u> \$	<u>Grant Received</u> \$	<u>Net Assessment</u> \$	<u>Year Work Completed</u>
Corbott	189,582.44	16,050.42	173,532.02	2010-2012
East Kelly Crow	67,598.49	16,369.55	51,228.94	2012
Dent	81,335.64	15,438.85	65,896.79	2012
Michener	93,553.35	0.00	93,553.35	2002-2003
Total	432,069.92	47,858.82	384,211.10	

As most of the drain maintenance and construction work was completed several years ago, it is expected that property owners may be questioning the charges at this time. Under the Municipal Drains Construction & Maintenance Billing Policy the normal billing timeline is two years after construction and maintenance work is completed. As outlined in Report CS-FI-01-2015 Municipal Drain Billing, there has been a backlog of billing for the recovery of maintenance and construction of Municipal Drains. Staff have cleared a significant amount of the backlog, however, there are still drains that are eligible under the policy to be billed but are not being billed at this time due to issues with assessment schedules or are scheduled to be billed in early 2017 with the regularly scheduled 2015 maintenance work. Part of the delay is due to timing of OMAFRA approvals and part is due to internal processing issues. On a go forward basis, staff aim to expedite the processing of these billings.

PW-ES-08-2016 proposed enhancements to the notification process related to Municipal Drains, but as this billing is for prior maintenance and construction work, notification letters will be sent to all property owners that have assessments being added to their property. As per the Municipal Drains Construction & Maintenance Billing Policy, property owners assessed an amount of \$500 or greater may choose to have the amount owing debentured, including interest at an annual rate of 6% set by OMAFRA (based on the rate set for the Province's tile drainage loan program), for a period of 5 years with annual payments being levied on the property owner's tax account. The County must be notified by the property owner, with 30 days of notification of the initial billing, as to which option they prefer. If notification is not received by the County, the property will default to full billing of the amount owing to be paid over four equal installments.

CLERK'S DIVISION REVIEW Memorandum: CS-FI-M01-2016 - 2016 Municipal Drain Billing	
COUNCIL IN COMMITTEE: RECOMMENDATION NO: <input type="checkbox"/> Received as Information	COUNCIL: RESOLUTION NO: <input type="checkbox"/> Received as Information
Council Direction (if applicable):	