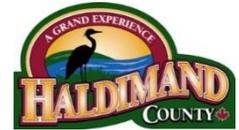


HALDIMAND COUNTY

Memorandum CS-FI-M05-2017 Additional Municipal Drain Billing – 2018 For Consideration by Council in Committee on December 5, 2017



To: Mayor Hewitt and Members of Council

From: Mark Merritt, CPA, CA, Treasurer

Haldimand County has a Council approved 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 Ontario Ministry of Farming and Agriculture (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.

Due to the recent receipt of Ministry grant funds affecting an additional drain, this is the second memo presented to Council for Municipal Drain billing to be initiated in 2018 (see CS-FI-M04-2017 Municipal Drain Billing – 2018 presented at the November 14th CIC meeting). The necessary By-Law will be presented for review and approval at the December 11, 2017 Council meeting. Staff will then complete the billing process for the drain identified below. Related municipal drain billings are brought forward on an annual basis, each Fall/Winter, with assessments added to the following year's interim tax billing, to be paid in four equal installments over the year.

The Ontario Ministry of Agriculture Food and Rural Affairs (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). A municipality applies for the grant on behalf of the landowner, with the qualifying landowner responsible for the remaining costs.

The following table shows a breakdown of outstanding drain maintenance costs to be billed to property owners based on the recent grant approved by OMAFRA.

Table 1: Drain Maintenance to be Billed

<u>Drain Name</u>	<u>Gross Costs</u> \$	<u>OMAFRA Grant</u> \$	<u>Net Costs to be Recovered</u> \$	<u>Year Work Completed</u>
Harrop	119,672.77	18,644.68	101,028.09	2015/2016

Many of the County's Municipal Drains also benefit County owned land (primarily roadways/ditches). The County's apportioned share of maintenance costs is funded through the Drain Fund account that is contributed to annually through the Tax Supported Operating.

Under the Municipal Drains Construction & Maintenance Billing Policy, the normal billing timeline is two years after construction and maintenance work is complete. 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 been continuing to clear 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 the next cycle with current maintenance costs.

Through PW-ES-08-2016, Council approved process enhancements to the notification process related to Municipal Drains and the subsequent related billing. However, as the billing outlined in this memorandum relates to maintenance work that was undertaken prior to these process enhancements, additional 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 set by OMAFRA (based on the rate set for the Province's tile drainage loan program, currently 6%), for a period of 5 years with annual payments being levied on the property owner's tax account. The property owner must notify the County, within 30 days of receiving 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 due in the coming year.