



HALDIMAND COUNTY

Memorandum: CS-FI-M08-2016

Date:	November 28, 2016
To:	Mayor Hewitt and Members of Council
From:	Mark Merritt, CPA, CA Treasurer
cc:	Senior Management Team Clerk
Re:	2017 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 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.

The necessary by-laws will be presented for Council review and approval at the December 12, 2016 Council meeting. Staff will then complete the billing process for the drains identified below as per the Municipal Drains Construction & Maintenance Billing Policy. Billings will be brought forward on an annual basis each Fall/Winter and assessments will be added to the following year's interim tax billing, to be paid via four equal installments over the year.

In addition to the by-laws corresponding to the drains listed below, staff will be presenting an amending by-law for the previous drain billing. An error was discovered in the assessment schedule for the Ordnance Drain's maintenance billing, where a roll number was listed twice, and therefore assessed twice. Attached to the amending by-law will be the revised assessment schedule correcting the error and assessing the costs to the proper roll numbers.

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

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>
Moulton Station	5,050.70	-	5,050.70	2009
Sundy	1,908.00	269.83	1,638.17	2015
Total	6,958.70	269.83	6,688.87	

Note that the Moulton Station drain does not have any qualifying lands, so there is no applicable grant.

Many of the County's Municipal Drains 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 tax supported operating budget to offset Haldimand County's share of maintenance on Municipal Drains.

OMAFRA also provides a grant under the Agricultural Drainage Infrastructure Program for the cost of drain 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:

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>
Van Kuren	235,872.79	24,136.29	211,736.50	2009-2013
Sundy	497,304.75	31,636.34	465,668.41	2009-2013
Total	733,177.54	55,772.63	677,404.91	

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 costs associated with the 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 the next cycle when OMAFRA has finished processing the grant applications.

PW-ES-08-2016 proposed enhancements to the notification process related to Municipal Drains. As this billing is for prior years' maintenance and construction work, letters will be sent to the property owners that have drain 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%, as 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, within 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 tax billing of the amount owing to be paid over four equal installments.

CLERK'S DIVISION REVIEW Memorandum: CS-FI-M08-2016 – 2017 Municipal Drain Billing	
COUNCIL IN COMMITTEE: December 6, 2016 RECOMMENDATION NO: 17 <input checked="" type="checkbox"/> Received as Information	COUNCIL: December 12, 2016 RESOLUTION NO: 231-16 <input checked="" type="checkbox"/> Received as Information
Council Direction (if applicable):	