


# POLICY

	Policy:	<b>Local Improvement and Drainage Facilities</b>		
	Department:	Corporate Services		
	Division:	Financial Services	By-Law No.:	2024-083
	Administered By:	Treasurer	Approval Date:	Dec. 16, 2024
	Replaces:	Local Improvement and Drainage Financing - December 11, 2023		
	Attachment(s):	N/A		

## 1. POLICY STATEMENT

The Corporation of the Town of Amherstburg is committed to establishing controls and procedures for the use and administration of the Local Improvement and Drainage Financing options to our residents.

## 2. PURPOSE

- 2.1. This policy provides the purpose, main source of financing, maximum term, and transitional process for administration of Local Improvement and Drainage Financing options to our residents.
- 2.2. This policy provides the purpose and conditions for the debt/account receivable financing directly tied to local improvement and drainage projects.

## 3. SCOPE

- 3.1. This policy applies to any and all Town employees involved in the administering of Local Improvement and Drainage Financing.
- 3.2. This policy shall be reviewed every five (5) years from the date it becomes effective, and/or sooner at the discretion of the CAO or designate.

## 4. DEFINITIONS

- 4.1. **Drainage Line of Credit** is a credit facility the Town uses to finance the construction cost of Municipal Drainage work, governed under the Drainage Act, in the interim until the work is completed and billed to our residents
- 4.2. **Local Improvement** is a project undertaken by the Town that provides a benefit to properties in a particular area of the municipality. The Town has the ability to recover all or part of the cost of the project by imposing local improvement charges on properties that benefit from the work. Local Improvement projects could include:
  - 4.2.1. Installation of water and wastewater infrastructure;
  - 4.2.2. Roadway reconstruction such as repaving;
  - 4.2.3. Construction of a sidewalks, curb and installation of street lights;
  - 4.2.4. Construction of traffic calming features, such as speed bumps; or

4.2.5. Other projects as outlined in Ontario Regulation (O. Reg) 586/06 Section 1 (2) such as construction projects that Council considers to be of greater benefit to only a particular area of the municipality, rather than to the whole municipality. Examples include street or lane paving, driveway crossing construction, new sidewalk, and curb and gutter. The full costs for these improvements are charged to the benefitting property owners.

4.3. **Municipal Drains** are either ditches or closed systems, such as pipes or tiles, buried in the ground that Council and the community of landowners benefiting from the drainage system have adopted by by-law through the processes of the Drainage Act. Municipal drains are primarily located in rural agricultural areas, but may include urban areas as well. Municipal Drains could include structures such as:

- 4.3.1. Dykes or berms
- 4.3.2. Pumping stations
- 4.3.3. Buffer strips
- 4.3.4. Grassed waterways
- 4.3.5. Storm water detention ponds
- 4.3.6. Culverts and bridges

Common definitions, acronyms, and terms are available in the Glossary located on the Town's Policies webpage.

## 5. **INTERPRETATIONS**

Any reference in this policy to any statute or any section of a statute shall, unless expressly stated, be deemed to be reference to the statute as amended, restated or re-enacted from time to time. Any references to a by-law or Town policy shall be deemed to be a reference to the most recent passed policy or by-law and any replacements thereto.

## 6. **GENERAL CONDITIONS**

### 6.1. **Qualifying Projects**

6.1.1. Projects must be of the following nature to qualify for use of this policy:

- 6.1.1.1. A Local Improvement under O. Reg 586/06 Local Improvement Charges – Priority Lien Status.
- 6.1.1.2. Municipal Drainage Work under Sections 4, 65, 76, or 78 of the Drainage Act.

6.1.2. Municipal Drainage maintenance work under Section 74 of the Drainage Act and described in the following nature are to be excluded from the policy:

- 6.1.2.1. Weed Cutting
- 6.1.2.2. Weed Spraying
- 6.1.2.3. Ditching and Brushing

### 6.2. **Interim Financing Cost**

- 6.2.1. All Local Improvements shall be financed in one of two manners:
  - 6.2.1.1. Local Improvements in excess of \$500,000 shall be financed by Construction Bridge Loans;
  - 6.2.1.2. Local Improvements below \$500,000 shall be financed by using the Operating Funds for the interim period.
- 6.2.2. All Drainage Work governed under the Drainage Act shall be financed by using the Drainage Line of Credit.

### 6.3. **Maximum Debenture Term**

- 6.3.1. The maximum debenture term available to residents shall not exceed 5 years.
- 6.3.2. Council may, by resolution, extend longer financing options if deemed appropriate.

### 6.4. **Qualifying Cost Expenditures to Residents**

- 6.4.1. The minimum debt or accounts receivable balance to a resident must exceed \$1,000 to qualify for 5-year repayment term.

### 6.5. **Financing Cost to Residents**

- 6.5.1. Interest cost shall be the Town's base borrowing rate plus 1%.

### 6.6. **Long-Term Financing Options**

- 6.6.1. Upon completion of the works, final financing will be obtained by the Town for the amounts debentured to residents.
- 6.6.2. Long-term financing options will increase the long-term debt of the Town and will be billed back to the residents affected over the same 5-year period.

## 7. **RESPONSIBILITIES**

- 7.1. **Council** has the authority and responsibility to:
  - 7.1.1. Adopt the Local Improvement and Drainage Financing Policy.
- 7.2. The **CAO** has the authority and responsibility to:
  - 7.2.1. Ensure appropriate oversight is in place within respective areas of responsibility to ensure compliance with the policy
- 7.3. The **Treasurer** has the authority and responsibility to:
  - 7.3.1. Ensure proper financing of the Town's Drainage and Local Improvements debentures for the residents and the Town.
  - 7.3.2. Enter into interim and long-term financing solutions for the Town and the affected residents.
  - 7.3.3. Enter into arrangements with residents and the Ontario Ministry of Agriculture Food and Rural Affairs in the name of the Town.
  - 7.3.4. Ensure that financing for local improvement and drainage works is consistent with this policy.

- 7.3.5. Ensure that long term financing options are carried out to make sure unfinanced capital for the town is kept to a minimum.
- 7.3.6. Ensure that all requirements identified within this policy are met.
- 7.4. **Designated Signing Authorities** have the authority and responsibility to:
  - 7.4.1. Execute and sign all agreements in relation to this policy on behalf of the Town.
- 7.5. **Staff** have the responsibility to:
  - 7.5.1. Ensure their understanding and compliance with the policy and seek clarification where needed to follow the policy expectations

## 8. **LEGISLATIVE REFERENCES**

- 8.1. Drainage Act
- 8.2. Ontario Regulation 586/06 Local Improvement Charges – Priority Lien Status