

Council delays A-R talks

Kevin Werner, Special to the Review

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Hamilton councillors have saved suburban taxpayers from skyrocketing taxes for another year. In an attempt to avoid a bruising debate over area-rating, which has been in place since 2001, politicians last week agreed to wait until June 2008 before discussing the emotional issue.

"This is one of the most contentious subjects around this table," said Stoney Creek councillor Brad Clark, who introduced the motion at the September 12 council meeting. Downtown councillor Bob Bratina seconded the motion.

"We need to have a thorough review," said Clark. "If we dealt with it now, it will be a tie vote and not advance it. I don't see why there is such push back on this."

Earlier in the council meeting, politicians were divided along rural and suburban lines and narrowly voted down two motions asking that a report be conducted on the implications of removing area-rating on transportation, fire service, slot revenues and recreation and culture.

Under Bill 25, the City of Hamilton Act that created the amalgamated new city, Hamilton could area-rate certain services, such as transit, fire, and slot revenues. Area-rating means communities that don't receive a service, such as transportation, don't pay for it. But over the last few years councillors have systematically removed area-rating on services such as sewers and last year a portion of the Flamboro Slots revenues were removed to reduce taxes for Ancaster and Dundas. Once area-rating is removed from a service, it can't be area-rated again.

Under its budgeting policy, council must decide each year whether it will discuss keeping area-rating. Since the 2007 budget session, a number of urban councillors have been itching to eliminate the area-rating policy.

Councillors Sam Merulla and Terry Whitehead have argued area-rating places an unfair tax burden on their constituents. Ward 1 councillor Brian McHattie had hoped that eliminating area-rating for transportation would mean raising enough money to expand Hamilton's bus service into such places such as Waterdown and Upper Stoney Creek.

McHattie said other municipalities have eliminated area-rating and established an urban-rural tax policy that protects rural residents from high taxes for services they don't receive. By delaying the area-rating debate for a year, McHattie conceded important funding considerations for boosting the city's public transit service will also have to wait.

"In an attempt at conciliation under the Canterbury Hills Accord, I'll support (the motion)," said McHattie, referring to last month's councillors-only seminar to iron out their disagreements. He was heartened that at least there is a date when area-rating will be finally discussed by councillors.

Whitehead, a member of the city's area-rating subcommittee, argued that studies on area-rating have been done over the last three years. "We are the only community that is area-rating culture and recreation," he said. "And it's political. I've been down this road. We have to have a phased-in plan that will unify this city."

Since the issue of area-rating has risen to the political surface over the last week, Mayor Fred

Eisenberger has shuddered at the thought of debating the hot-button topic.

"I understand the need to deal with it. We can't keep putting it away," he acknowledged. "But it's divisive. It's my worst nightmare. It's a recipe for getting at each other. I don't want that at all."

Glanbrook councillor David Mitchell, a strong supporter of keeping area-rating in place, said he wasn't worried about the results of any study about the tax policy.

"We may change it. We may correct it. We may make it fairer," he said. "But I believe with all my heart no councillor will eliminate it.

"Area-rating is about being fair."

Clark's motion was approved unanimously by council.