

Flamborough Review Article
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By Kevin Werner – Special to the Review

RETURN SLOTS REVENUE: McCARTHY

If Stoney Creek was allowed to keep its tipping fees from Philip Environmental every year since amalgamation, then Hamilton council should return the slots revenue to Flamborough residents and fulfill the former town's contract, says Margaret McCarthy.

“(Flamborough) negotiated for (the casino) with the Ontario Gaming Corporation. We knew what we were doing. We took on that contract,” said the Ward 15 Councillor.

This week she sent an e-mail to her council colleagues arguing that \$3.1 million in slots revenue was taken from the former town “at the last minute” during this year's budget negotiations and dumped into the city's general revenue to benefit all of the city.

The contentious decision jacked up Flamborough residents' tax increase to about 10 per cent, while providing a minimal amount of relief for Hamilton residents.

“I want to know why the contract with the Ontario Gaming Corporation and the Town of Flamborough was not honoured by council,” demanded McCarthy and her lawyer Benjamin Levinter in the message.

They compare Flamborough's contract with the OGC, which was signed in November 1999, to the contract Taro Aggregates Ltd and Philip Environmental Inc. have with the former city of Stoney Creek. McCarthy also referred to the tipping fees totaling “close to half a million dollars kept in that former community every year,” since amalgamation.

Under the Taro Landfill site's certificate of approval, signed in the mid-90s, the company is required to provide tipping fees to the former municipality. The money is given to the Heritage Green Trust, governed by area residents, which then distributes the funding to various community organizations.

Stoney Creek Councillor Brad Clark dismissed the comparison made by McCarthy.

“I'd love for (Flamborough residents) to have the landfill and the money too,” he said.

He asked city staff to review McCarthy's arguments.

Hamilton Mountain Councillor Terry Whitehead said there is a negotiated deal between the (former city) and Taro that includes providing the tipping fees. There is no formal agreement for Flamborough to get the slot revenues, he said.

“Margaret is only providing selected information,” he said.

Mountain Councillor Scott Duvall was also dismissive of McCarthy’s efforts to get council to reverse its April decision.

“I don’t know what agreement she is talking about,” he said. “Taro had a signed agreement. There was no agreement with the OGC.”

Duvall, who joined Whitehead in voting to take the slots revenue from Flamborough, said council’s decision needed to happen. “The slot revenue had to be put into the general revenue,” he said.

But McCarthy has produced a written contract Flamborough signed on November 29, 1999 with the OGC that suggests that council can’t take the slot revenue without receiving approval from the gaming commission.

After the former city of Hamilton council voted against hosting a casino in 1999, Flamborough council agreed to become a host municipality. Included in the contract is a requirement that “no transfer, sale, or assignment” of the agreement can be made without “the prior written consent of the OLC.”

“This contract has to be honoured,” said McCarthy. “It pre-dates amalgamation.”

The former Transition Board allowed the slots revenue to continue to flow to Flamborough to pay off the municipality’s Borer’s Creek debt. But it was unclear what would happen to the revenue after the debt was paid off. The debt was retired two years ago.

“We paid off the Borer’s Creek debt,” said McCarthy. “Now it becomes our asset. Yet it is taken from us.”

Under the Hamilton Act, which amalgamated the municipalities, the slots revenue was included in area-rating. Last year, Hamilton Councillors used about \$500,000 of the slots revenue to reduce Ancaster’s property taxes.

It is expected there would be about \$4 million in slots revenue this year, with \$3.1 million earmarked for Flamborough.

McCarthy is demanding councillors respond to her by June 24.