

City finance manager to speak

Meeting on slots decision May 7

Dianne Cornish

Published on May 02, 2008

Still reeling from Hamilton city council's decision last week to snatch the Flamboro Slots revenue from Flamborough and share it with all city residents, Flamborough councillor Margaret McCarthy has organized a community tax meeting to be attended by the city's general manager of finance, Joe Rinaldo. After receiving more than 170 e-mails from angry taxpayers in the first two days following council's decision, McCarthy invited the senior city official to come to Flamborough to make a presentation about the 2008 budget and answer questions from residents.

The meeting will be held in the downstairs section of the North Wentworth Arena next Wednesday (May 7) at 7 p.m. McCarthy anticipates a full house of about 500 residents.

Council's decision last week means about a five per cent increase over and above the anticipated tax hike this year for residents in Flamborough's wards 14 and 15. In Waterdown/Flamborough, that results in a 9.8 per cent hike and in rural Flamborough, a 8.7 per cent increase.

The controversial decision was made despite the presence of close to 100 angry, and often vocal, Flamborough residents in the gallery, despite rural Ward 14 councillor Robert Pasuta's humbling 'thank you' to Hamilton for allowing the revenues to be used to mitigate tax increases in Flamborough for the past seven years and despite McCarthy's insistence that taking the money wasn't the right thing to do.

By a narrow 8-7 margin, council voted to reaffirm the decision made at its committee of the whole meeting on Monday by a vote of 9-7. No one changed the way they had voted on the issue at the previous meeting. Councillor Bernie Morelli, who backed the decision to take the slots money and put it into Hamilton's general levy, was absent from Wednesday night's meeting.

As the results of the vote were announced, an angry spectator shouted, "The war is on." The decision has unleashed not only a huge public outcry but calls for civil disobedience and withholding taxes from the city.

Others in the audience shouted, "Shame," obviously disagreeing with arguments presented by Hamilton councillors Terry Whitehead and Brad Clark that taking the slots revenue and putting it into the general levy is the fair and equitable thing to do.

Pasuta and Mayor Fred Eisenberger urged councillors to consider a 10-year phase-out so the tax hit wouldn't be as staggering, but Whitehead suggested delaying the inevitable would cause even more dissension, leaving the door open for council to be challenged on the phase-out every year.

McCarthy reminded councillors that taking the slots money won't provide much benefit for Hamilton taxpayers but will hurt Flamborough significantly. Hamilton ratepayers face a 3.8 per cent tax hike but will see a .5 per cent drop when the slots money is shared compared to Flamborough's close to five per cent increase. Essentially, it equates to about a \$16 saving for the average Hamilton taxpayer and a \$177 increase for residents in Flamborough's Ward 15 and \$163 in Ward 14.

McCarthy argued that the slots money should continue to be used to ease Flamborough's tax burden, something she insisted has been consistently heavier than that of any other part of Hamilton. When she tried to get Rinaldo to confirm her statement, Eisenberger refused to let the finance manager answer the question because the mayor said it would draw the city employee into the debate.

But a comparative timetable in a staff report listing the residential tax impacts for each area of Hamilton, including its five suburban municipalities, clearly shows that Flamborough has borne the highest combined percentage of tax increase over the past eight years.

At a hastily called community meeting at the Flamborough Town Hall in Waterdown just hours preceding last Wednesday's council meeting, McCarthy consulted with about 100 residents about the pending tax hit.

Angry residents suggested a number of strategies, the most popular being withholding the portion of taxes that go above the Hamilton average. Flamborough resident Anton Lerchner advocated withholding all of the taxes and paying them to an independent third party until an audit is done to determine where all the tax money is being spent.

Others suggested civil disobedience, picketing Queen's Park and charging a toll for motorists using the Clappison's cut.

McCarthy acknowledged there's some merit in withholding taxes, but only the portion that is above the Hamilton average.

Support for a less drastic approach to the distribution of slot revenues came from Flamborough Chamber of Commerce president Susan Cetinski, who was among those at the town hall meeting. In a letter sent to Eisenberger and city councillors before last week's council meeting, she asked council to consider phasing out the revenues over a number of years to mitigate a number of issues, including the prospect of putting Hamilton at a competitive disadvantage when seeking new investment opportunities and re-igniting "smoldering de-amalgamation embers."

After last week's council meeting, McCarthy said her next step is "to explore options." Some strategies will be discussed at the upcoming tax information meeting.

One of the major challenges ahead will be the debate on area-rating which is expected to take place in June after Rinaldo presents a report to council on the impacts of eliminating it.

If area-rating is yanked, McCarthy said Flamborough residents will be hit next year with another 10 per cent hike in taxes even before the annual increases that normally occur at budget time are factored in.

Councillors voting to take the slots revenue from Flamborough and put it into the general levy were Maria Pearson, Chad Collins, Brian McHattie, Tom Jackson, Scott Duvall, Sam Merulla, Whitehead and Clark. Opposed were Dave Mitchell, Lloyd Ferguson, Russ Powers, McCarthy, Pasuta and Mayor Eisenberger.

<http://www.flamboroughreview.com/news/article/172501>