

Ward 15 Newsletter – January 2004

Margaret McCarthy

Ward 15 Councillor

Flamborough

905-546-2713

mmccarth@hamilton.ca

Mayor, Councillors and City Staff Coming to Millgrove for Tax Meeting: As you have no doubt read in the Flamborough and Hamilton newspapers, the City of Hamilton is faced with some huge tax pressures in 2004.

To that end, Mayor Larry Di Ianni is co-hosting five separate tax meetings throughout the city, including one for Wards 14 and 15 at the **Millgrove Community Centre on February 10 from 6:30 to 9:30 pm.**

Both Ward 14 Councillor Dave Braden and myself will be at the meeting, as will staff from the Finance department. There will be an hour-and-a-half set aside during the meeting for public input and this will be your opportunity to let the mayor, city staff and your local councillors know what you believe should and shouldn't be included in budget cuts, as well as which services you want to remain untouched or improved upon.

The budget forecast for 2004 is bleak, to say the least, with \$65 million in identified shortfalls and another \$18 million that could be saved in potential cuts and HSR fare hikes. That's a total of \$83 million in total shortfall so we welcome as much public scrutiny and participation as we can get. As well as your chance to speak your mind, each taxpayer will have the opportunity to fill out a questionnaire, offering the chance to give council direct input through their answers.

Above and beyond that, the mayor and finance staff have already held discussions with local MPPs, local MPs and Ontario Premier Dalton McGuinty's office, looking for a number of solutions to Hamilton's financial situation. Among the items being discussed are a number of key issues, including: reducing the reliance on the property tax base to fund social services; more financial assistance for social housing development; the possibility of social services pooling with either the Greater Toronto Area (GTA) or other neighbouring regions; uniform province-wide business education tax rates; financial assistance for the escalating costs of emergency services (police, fire and ambulance); renewed funding for Hamilton's ailing infrastructure and reinstate payments-in-lieu (PiLs) for taxes the province holds back from municipalities for institutions such as hospitals, universities, colleges and correctional facilities.

Some Ward 15 residents may recall faxing letters to former provincial Finance Minister Janet Ecker this time last year, asking for similar concessions to the municipality, including social service pooling with the GTA and renewed PiLs. I had included that letter to the minister in my January 2003 Newsletter and over 600 of you took the time to fax it to Ecker's office at Queen's Park to petition for these changes. Since the downloading in 1998, the social services costs to Hamilton have hit \$117 million and our Finance staff estimated we have lost as much as \$70 million in PiLs alone. It looks like our initiative has found an outpouring of similar support here at Hamilton City Hall a year later.

Should City Water Remain Privatized Or Should City Hall Take Over?: This is an issue that has seen some press so far this year as the matter came before the Public Works Committee earlier this month on January 5.

A handful of Hamilton politicians would like to see the responsibility of our water supply come back under the management of City Hall. However, our senior staff would like to see the water contract re-tendered when the present contract expires on December 31, 2004. At the moment, our water is contracted out, dating back to a 10-year contract signed with Philips Utilities Management Corporation (PUMC) back in 1994. Since then, the ownership of PUMC has changed a number of times as PUMC was bought out by Azurix Corp., then Azurix North America Corp. Azurix was then purchased by American Water Services, which was then bought out by a German conglomerate, RWE.ag (though our water remains under the auspices of American Water Services.)

While that may read like some dry reporting buried on the financial page of a newspaper, my purpose in passing this along is simply this – we have contracted out our water for the **past nine years**. By contracting it out, it has been estimated that the city has saved - on average - \$703,000 every year.

So, in essence, at the heart of the argument is simply this: should Hamilton City Hall take back responsibility from a private company for providing the city's drinking water – at a cost of about \$700,000 more every year? I say "no."

The rationale of the city councilors who are looking into putting city staff in charge of the drinking water supply seems to be that water should be an in-house matter. They point to other municipalities that manage their own water/wastewater and believe that Hamilton should follow suit. Beyond that, I suspect it's also an aversion on their part to contract out services, preferring city unions to look after city facilities, such as the city's water and sewage plants. While I understand their rationale, I do not agree with it at all.

On the most basic level, we cannot afford that level of self-indulgence. The present contract saves us \$700,000 every year and given our financial situation, we cannot afford to change any workable service model, such as water management when it has been provided in a cost-effective and safe manner.

I have also heard the argument that by handling our water ourselves, we have a better guarantee of its quality and safeness. I don't buy into that theory for one minute. For starters, our water department still oversees all the operations of our water and wastewater – it's simply managed by a different group. Make no mistake - there is a considerable difference between privatization and contracting out. Let's keep in mind that the present situation is not privatization – this is the city contracting out services to a company but then overseeing all aspects of how it is run. The city maintains control of the assets of the operations that includes evaluation and monitoring of the system despite the fact that some one else is running it. We gain little by taking over the works and replacing American Water Services employees with our own. In fact, we only add to the city's employee numbers and increase salary costs by following that option.

Let's also remember that after Walkerton, a large number of Provincial safety mandates were put into place by the Ontario government in order to ensure safe drinking water for every resident of the province. And not to access blame after the fact but let's not forget that Walkerton's water was handled on a municipal level, as well. History has sadly taught us that being handled on a municipal level is no guarantee of safety.

When the water contract comes up, I plan on voting to contract it back out. In our present cash crunch, we can't ignore \$700,000 of savings every year. In fact, we'd need 100 similar scenarios saving us exactly that amount just to get our books into the black this year alone. We can't afford to turn any savings down – period.

What's Going On At Clappison's Corners?: Back when Flamborough still had its own town council, a decision was made in 1998 to approve a re-zoning of the lands on the southeast portion of the corner to allow a "big box" development. Since that time, the only additional question to be contemplated by Hamilton City Council was whether or not to allow a request for a 125,000 square-foot food store component. A full "market study" was undertaken along with a Peer Review to assess the need for that component with the results coming down in favour of the proposed supermarket. So, in the end, approval was granted by Hamilton City Council based on those two reports. However, after the developer got all the rezoning approvals in place, they have since come back with a new proposal that would see the use of the site altered significantly. In essence, they asking that the "big box" proponent, which would have seen structures built at a minimum of 1,800 square-metres, be eliminated and they are now asking for buildings of 275 square-metres, roughly one-ninth of the former approved size. Obviously, since this is significantly different than what was previously approved, our Planning and Development staff will be treating this as a brand new application. I'll keep you posted on where this application is going.

Things are equally busy on the north-east side of Clappison's Corner. Most area residents know that a new development proposal has hit Hamilton City Hall to develop the lands for various commercial uses. Some of the desired uses would require a complete re-zoning of those lands but many are allowed within the current zoning, which is Prestige Industrial. The allowable uses under the current zoning range from hotels, place of entertainments, place of recreations, clinic and business, professional or administrative office (e.g.

medical/dental/office), restaurants, home improvement, furniture, appliance, lawn and garden, financial institution and gas bars. Anything other than those uses will require a rezoning, complete with market research to support the change.

Our planning and development department has already sent a lengthy list of concerns back to the developers with traffic concerns being at the top of the list. All of these concerns have to be addressed before the proposal goes anywhere. However, one thing is certain – Clappison's Corners is attracting a lot of attention from both out-of-town builders, along with our own local developers.

Requests for CVA Reconsiderations Being Sent Now: I have already seen a number of constituents pop by my Constituents' Days at Flamborough Town Hall on Thursday afternoons with their new Current Value Assessments (CVAs). So far, we had processed over 100 Requests for Reconsiderations since the new CVAs arrived in November and already some have come back from the Municipal Property Assessment Corporation (MPAC) with positive results that have dropped their property values to a more reasonable number. But remember, you have to send in your request if you want MPAC to reconsider. I am available at Flamborough Town Hall every Thursday from 1 to 4 p.m. and after we process your request, we fax it directly to MPAC. No appointments are necessary – just drop in and we will get your request going.

If you want to contact me through the week regarding other constituency concerns, I am available at 905-546-2713. I am also available through my City Hall e-mail address which is: mmccarth@hamilton.ca My assistant, Don, is also available at 905-546-3944 or at: dredmond@hamilton.ca. I hope everyone had a great Christmas and I look forward to seeing you in 2004.

Sincerely,

Margaret McCarthy