

**Minutes of a Special Meeting of Amherst Town Council
Held in Council Chambers – Amherst Town Hall
Friday, February 1, 2008 at 1:00 PM**

PRESENT: Mayor Jerry Hallee
Deputy Mayor Terry Rhindress
Councillor Robert Angel
Councillor George Baker
Councillor Ed Chitty
Councillor Dale Fawthrop
Councillor David March
Gregory Herrett, CAO
Rebecca Purdy, EA
Bill Crossman, Fire Chief

Mayor Hallee called the meeting to order at 1:00 PM . This special meeting was duly advertised, and was called in order for Council to consider the provision of fire protection services to the County of Cumberland.

Greg Herrett read the following report:

As Council is aware, after having received in-camera direction from Council with respect to the submission of a financial counter offer and one month extension, Mayor Hallee, Chief Crossman and I attended a meeting in Springhill on January 30, 2008 with regard to fire protection services for the County area.

Also in attendance at the meeting were Mayor Jenkins and Darrell White from the Town of Oxford, Mayor Brown and John Boyle from the Town of Springhill, Mayor Robinson and Ashley Brown of Parrsboro (along with two other Parrsboro staff members) and Warden Hunter, Robert Streach, Andrew MacDonald, Steve Ferguson and John Fredericks from the County of Cumberland. I was pleased to participate in these discussions as they represent the FIRST TIME that the Towns and the County actually sat down across from each other and discussed the issues. This allowed all of us to finally understand the issues that the others had. Just to be clear on this, although it has been reported in the media that “talks” have been held or that “talks have broken down”, up until this past Wednesday there have been no “talks”.

A counter offer of \$173,810 for operating costs and an offer to discuss capital costs was presented and explained to the County representatives. It is worth noting that this amount, when combined with the County’s offer to Amherst on account of capital costs of \$12,622, is almost \$100,000 less than our initial offer. We were anxious to offer a reduction in our offer which represented “more than minor (alterations)” that the Warden said the County was looking for while coming in under what he said the cost of establishing the service was.

This amount was still not acceptable to the County representatives even though Warden Hunter is on record (Amherst Daily News – January 24, 2008) as saying that the County can build and operate a fire station in Nappan for \$190,000 per year. As I understand the County position, they feel that the appropriate amount is somewhere between our incremental cost of providing the service and their theoretical cost of establishing and operating a stand-alone fire department.

Given that the major cost driver in providing fire protection cost is the “stand ready” cost, we advised the County representatives that we expected them to share in the “stand ready” costs as well as the incremental costs. As I see it, this is the crux of the difference between our position and that of the County of Cumberland.

As part of the negotiations the County made a counter offer of \$70,000 per year, including capital. This is approximately 50% of what we now receive. The County has also requested a deadline extension of 12 months to July 1, 2009. We offered a one month extension to allow the County to consider our proposal as authorized (as well as an offer to consider further extension should good faith negotiations be ongoing).

The meeting ended after their counter proposal with Amherst undertaking to take the deadline extension issue and the County’s financial offer back to Council. It was necessary to take both of these issues back to the Council because the County request on both issues was outside the mandate given to the Mayor and CAO by Council.

The issues to be discussed are as follows:

1) The County's request for a 12 month extension

The County has requested a 12 month extension in the withdrawal of service deadline if negotiations are to continue. As directed, we offered an extension of one month to allow the County to slow down and consider our counter proposal. In addition we went further and advised that if serious, good faith negotiations were ongoing during that period we would consider further extensions as necessary. The County has responded that one month is of no use to them.

It is recommended that we offer a 12 month extension but that the fee for service be set at \$14,484 per month (\$173,810/12) effective July 1, 2008.

2) The County's latest counter offer of \$70,000 including capital costs

I refer you to the summary of financial proposals (page 4). Much has been made in the media by Warden Hunter about the "demand" being made by the Town of Amherst for \$286,000. On January 24, 2008 Warden Hunter was also quoted as saying that they can establish their own department in Nappan for \$190,000. That was the first time that I was ever made aware of the County's estimate of costs. With that in mind we made a counter offer that would have, if combined with the County capital proposal, set the amount Amherst was willing to take at \$186,432. This was a MAJOR concession on our part, representing movement of almost \$100,000. Their counter offer of \$70,000 represented movement of \$14,379 to an amount that is still only 51% of what we are currently receiving.

There is a fundamental difference between the County's position on financial terms and that of the Town of Amherst. I am of the opinion that all users of the service should pay for both the fixed and variable costs; in other words not only the incremental costs of calls to the County area but also a share of the "stand ready" costs. The County appears to believe that they should pay only our incremental cost of calls to the County area and some percentage of the theoretical "stand ready" costs which they have estimated to be associated with establishing a fire station in Nappan. Accepting the County's position in this case would be unfair to the taxpayers of Amherst.

It is recommended that we stand firm with our offer of \$173,810 for operating plus the County capital amount of \$12,622 for a total of \$186,432. It is further recommended that we leave that offer open to the County. That is to say that should they wish to buy our fire protection services at any time they may do so at this price.

Mayor Hallee noted that the scenario that Chief Crossman had made in terms of how our fire department has grown over the past 30 years to service both the Town and the county areas they were serving, explaining how incremental costs are totally inadequate to cover the cost of providing fire protection services.

Moved by Councillor Chitty, seconded by Councillor Fawthrop that the Town of Amherst offer a 12 month extension of our fire service to the County for a fee for service of \$173,810 per year effective July 1, 2008 and expiring June 30, 2009.

MOTION CARRIED

Moved by Councillor Baker, seconded by Deputy Mayor Rhindress that the Town of Amherst stand firm with its offer of \$173,810 for operating plus the County capital amount of \$12,622 for a total of \$186,432 per year, and further, that the offer be left open to the County that, should they wish to buy our fire protection services at any time, they may do so at this price.

MOTION CARRIED

On motion by Deputy Mayor Rhindress the meeting adjourned at 1:20 PM

APPROVED:

Gregory D. Herrett, CA
Chief Administrative Officer

Jerry Hallee
Mayor