



Municipality of the District of Argyle

Item: I&DVFD request for funding to purchase a Fire Truck

Date: Feb 8, 2022

## VISION

We see Argyle as home to a healthy and thriving rural population. Our municipality promotes and supports economic and social opportunities for the region and engages in the active expression of our unique Acadian heritage. We are a place of choice for rural living and are widely recognized for our warm hospitality and joie de vivre. Surrounded by fresh air and cool ocean breezes, we work and play in the great outdoors. People choose to live in Argyle because of our commitment to each other, to our community, and to our neighbors. Argyle is a place we are proud to call home.

## Request and Additional Information:

Council has received a request from the Island and District Volunteer Fire Department to assist in purchasing a 2003 Freightliner Eng 44 from the Barrington Fire Dept for \$80,000. I&DVFD can pay 50% of the asking price but looking for a \$40,000 forgivable loan.

The fire truck has been inspected by G. Leblanc Fire Truck in New Brunswick a few weeks ago. The Inspection stated the truck was in excellent condition and the road test indicated that everything was in good operating order. Only a few minor repairs needed to be done.

## Background

Prior to 2018, Council did not provide funding to fire departments for equipment or trucks. Council's expectation prior to this was that the area rate would be used for that purpose. With the growing cost of fire trucks and the growing need to replace them, the smaller fire departments could not generate sufficient cash to buy these trucks without making it extremely cumbersome on the taxpayer.

Since then, council has approved similar request see below:

### Quinan

It is moved by Nicole Albright and seconded by Kathy Bourque to provide the Quinan Fire Department with a \$150,000 capital grant, over 6 years, to purchase a new fire truck.

*Motion Carried (6 in favour, 0 against)*

### *Eel Brook – Sept 2020*

It is moved by Nicole Albright and seconded by Danny Muise that Council support the request from the Eel Brook Volunteer Fire Department for the purchase of a combined Rescue/Pumper truck, and that the additional funds needed to purchase this truck be paid for by the Municipality through a loan amounting to \$187,500. On March 31 of each year for the next 5 years, \$20,000 of this loan shall be forgiven by the Municipality, for a total forgiveness of \$100,000. Motion Carried (8 in favour, 0 against) It is moved by Nicole Albright and seconded by Roderick Murphy J

We currently have a draft policy “Fire Services Capital Grant Program” which would assist council in handling these funding request, However the policy has not been passed by council. The maximum limit level of funding for this policy is \$25,000 per Fire Departments with a caveat that the Fire Dept. could not request anymore funding through this program for 5 yrs. The issue with this policy is that we have already provide more funding to previous Fire Departments as identified above. More discussion and amendments are needed to the “Fire Services Capital Grant Program” policy in the near future.

In the end, there is nothing in the policy, as unpassed, that would object to Council’s decision to provide a one-time loan or grant to take advantage of this great opportunity. The intent of the recommendations and the policy were to restrict Argyle from contributing to too many fire departments at once without a more thorough review of the current needs of all departments.

History has shown that we have granted what we intended, which was \$40,000 per year for 6 years to two fire departments. Also, we will enter into a loan agreement with Eel Brook for their unique opportunity to purchase 2 trucks in 1 vehicle after losing their first one to an unfortunate accident (and receiving full proceeds of replacement from the insurer).

The Islands opportunity appears quite unique as well. To be able to equip a fire department with a new (to them) high quality fire truck for \$80,000, and our portion being \$40,000, is a great deal for the residents served by this department. Regardless of where this truck ends up, it is a great asset and we should strongly consider assisting here, within the rules we intended.

Following the rules we intended, we cannot simply grant them \$40,000 within the intentions of the policy. However, we have a loan precedent that I would recommend to Council. At the end of the 6-year term for both Kempt and Quinan contributions, we could then enter into an agreement to grant these funds to Islands. Technically, because the policy is unpassed, Council can do what it wishes, but in our professional opinion, we should follow our initial intentions.

### **Advantages**

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- Having a newer Fire truck in their fleet will help with recruitment, reliability and efficiencies.
- This new truck would help the Fire Dept to reduce their fleet as this vehicle would replace two older engines lowering the insurance, registration, fuel, and other maintenance costs.

### **Disadvantages**

- Council needs to provide financial assistance which isn’t budgeted.
- If council approves, it opens up council with other Fire Dept funding request

## **MGA considerations:**

The I&DVFD is a registered fire department in accordance with Section 294 of the Municipal Government Act, which means that we, as a Municipality, may grant, lend or guarantee a loan on behalf of Island & District or any other registered fire department. Relevant Sections of the MGA are below (Some sections of the MGA were excluded purposely)

**Section 66(4)** A municipality may borrow money (a) with the approval of the Minister of Transportation and Infrastructure Renewal, to improve a street that is the property of Her Majesty in right of the province.

(b) to pay and retire debentures.

(c) where a municipality is authorized by an Act of the Legislature to give a guarantee, to honour such a guarantee that it is called upon to pay.

**(e) for the purpose of making a loan to a registered fire department or registered emergency services provider.**

### **Registration as fire department**

**294 (1)** A body corporate may apply to a municipality for registration as a fire department.

**(2)** A municipality shall not refuse to register a body corporate that complies with this Act if the

(a) municipality is satisfied that the body corporate is capable of providing the services it offers to provide.

(b) body corporate carries liability insurance, as required by the municipality.

(c) body corporate does not provide the fire services for profit; and

(d) municipality does not provide the same services for the same area.

**(3)** A fire department, including a fire department of a municipality, village or fire protection district, shall register in each municipality in which it provides emergency services.

**(4)** A registered fire department shall provide the municipality with a list of specific emergency services it will endeavour to provide and the area in which the services will be provided.

**(5)** Registration continues in force until withdrawn by the municipality for cause or the fire department requests that the registration be revoked.

**(6) A municipality may grant or lend money to, or guarantee a loan for, a registered fire department for operating or capital purposes.**

(7) A municipality may grant or lend assets, without charge, to a registered fire department.

**(8)** Registration does not make a fire department an agent of a municipality.

## **Suggestions**

Option #1 Provide full \$40000 forgivable loan. (Similar to Quinan and Eel Brook)

Option #2 Provide 25000 grant (as per draft policy) and \$15000 repayable loan in 3 years with interest determine by Council. I&DVFD are schedule to have a rate payer meeting this coming year and could address this repayment in their rate.

Option #3 Denied the request