

Council,
September 26, 1968

Provinces and Central Properties Limited vs The City of
Halifax and Central Mortgage and Housing Corporation -
Performance Deposit - \$70,000.00

MOVED by Alderman Abbott, seconded by Alderman Ivany that, as recommended by the Finance and Executive Committee, authority to initiate an action in Appeal Division of the Supreme Court of Nova Scotia, for an Order dealing with the finding of Judge Green on the basis of merit and so finalize the matter between the City and the Company, be approved, subject to any further thoughts following a private consultation between Staff and Council Members. Motion passed.

Annexation - Street Lights

MOVED by Alderman Meagher, seconded by Alderman Fitzgerald that, as recommended by the Finance and Executive Committee, the City of Halifax continue the County of Halifax policy to rent street lights in the annexed areas, which comprise of 1,701 light fixtures and presently rented from the Nova Scotia Light and Power Company Limited at an annual cost of \$67,855, including electricity, maintenance, cleaning, etc. be approved. Motion passed.

Remuneration - Non-Union Police & Fire Department Personnel

MOVED by Alderman Fitzgerald, seconded by Alderman H. W. Butler that, as recommended by the Finance and Executive Committee, the following 1968 salary ranges for non-union employees of the Police and Fire Departments, be approved:

	<u>1967 RANGE</u>		<u>1968 RANGE</u>				
	\$		Min.	1st St.	2nd	3rd	Max.
Mechanic Supt.	6,942	- 7,482	\$ 7,938	8,220	-	-	8,502
Platoon Chief	7,708	- 8,772	\$ 8,502	-	-	-	9,072
Dep. Fire Chief	8,388	- 9,348	\$ 8,784	9,348	-	-	10,000
Fire Chief	10,290	-12,210	\$10,800	11,280	11,760	12,300	12,900

with service pay extended to Mechanical Superintendent and Platoon Chiefs.

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POLICE

<u>DEPARTMENT:</u>	<u>1967 RANGE</u>	<u>\$</u>	<u>Min.</u>	<u>1st.</u>	<u>2nd.</u>	<u>3rd</u>	<u>Max.</u>
Dep.Chief of							
Police	\$ 9,270 - 9,990	\$ 9,180	9,540	9,900	10,320	10,800	
Police Chief	\$11,670 -13,950	\$12,300	12,900	13,500	14,100	14,700	

Motion passed.

Court House Site

The recommendation of the Finance and Executive Committee reads as follows:

- 1) That City Council agree to the revised boundaries as set forth on Plan No. TT-9-17365;
- 2) That authority be granted to expend \$300,000.00 for work from the Harbour side of the site. Detailed estimates are available for Committee if these are required;
- 3) That in order to expedite the work, authority be granted for Staff to obtain bids from three contractors immediately so that a decision on the award of tender may be taken by City Council at its meeting of September 26, 1968 or as early as possible in October;
- 4) That Council reaffirm the resolution approved at a meeting held on March 19, 1968 and that the Harbour be filled in for an additional distance of 35 feet to the east so as to provide a larger green area and a more desirable aesthetic view of the total complex from the Ferry Plaza to the C.V.D. property including the historical buildings;
- 5) That the City retain the extra land area and that it be leased to the Court House Commission for a nominal rental per annum.

Alderman Matheson said he agreed with the recommendation of the Committee with the exception of Paragraph 5. He felt that this was not in accord with the agreement between the City and the Court House Commission and that it was contrary to the interest of the City. He did not think the Commission would welcome the responsibility of looking after several thousand square feet of park area. He felt the park should not be owned or controlled by any party other than the City. He stated that if this was not so, there could be signs erected stating that:

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only lawyers and judges are permitted to use the park. It was his opinion that this was a very desirable area for a park for use by the general public and that the City should retain control.

In answer to a question from Alderman Ahern, Alderman Black advised that it was his understanding the working drawings would be available in time for construction to commence on the Court House in the Spring of 1969.

MOVED by Alderman Matheson, seconded by Alderman A. M. Butler that the report of the Finance and Executive Committee, as set out above, with Paragraph 5 amended to read as follows:

- 5) "That the City retain the extra land as a park to be maintained by the City of Halifax for use of the general public."

be approved. Motion passed.

Harbour Drive - Northbound

MOVED by Alderman Abbott, seconded by Alderman Fitzgerald that, as recommended by the Finance and Executive Committee, the following be approved relating to the proposed Harbour Drive - Northbound:

- 1) The plans and right-of-way reservations for Harbour Drive between Proctor and Gerrish Streets be approved;
- 2) That the properties to be acquired will be acquired upon the request of the owners providing a reasonable settlement can be reached;
- 3) That the City prepare a submission for presentation to Central Mortgage & Housing Corporation for financial assistance in acquiring the properties on Barrington Street.

Motion passed.

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SAFETY COMMITTEE

Council considered the report of the Safety Committee of its meeting held on September 17, 1968, with respect to the following matters:

Specifications - Police Cars

MOVED by Alderman Fitzgerald, seconded by Alderman H. W. Butler, that, as recommended by the Safety Committee,

- 1) Tenders be called for the supply of ten vehicles for use by the Police Department as follows:

7 cars

3 station wagons and that they be equipped with emergency apparatus including a stretcher,

- 2) That the acceptance of the tender be conditional upon additional information being submitted by staff as to whether or not the Volvo car would meet the specifications.

A confidential report was submitted from Staff in accordance with paragraph 2 of the motion. The report recommended no change in City specifications at the present time.

Alderman Black spoke to the motion and stated that the Chief of Police said his Department did not want to get into the ambulance business and therefore did not want to purchase station wagon type of vehicles. Alderman Black said that although the Policemen are trained in first aid they are not medical men and could probably do more harm than good if they moved an accident victim, and for these reasons could not vote in favour of the motion.

In answer to a question from Alderman Sullivan, the Chief of Police said he could not say whether or not Police Departments in cities comparable to the size of Halifax performed

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ambulance services, but generally speaking they avoid ambulance services if they possibly can.

Alderman Connolly asked Dr. Fogo for his opinion on inexperienced persons moving accident victims.

Dr. Fogo felt that the point made by Alderman Black was well taken.

Alderman Fitzgerald said that when Alderman LeBlanc first suggested using station wagons in the Police Department it was fully discussed at a meeting of the Safety Committee, and it was felt with annexation taking place and longer distances to travel there might be emergency uses for a vehicle of this type. He felt the suggestion should be used on a trial basis as the station wagons would provide the same service as a car with the added facility of a stretcher.

Alderman Meagher asked the Chief of Police if he would be satisfied with three station wagons instead of three cars, to which the Police Chief replied that a station wagon can render the same service as a car.

Alderman A. M. Butler asked the Chief of Police if he would be better satisfied if Council approved his original request for ten cars.

The Chief of Police replied that he could certainly run a station wagon as a patrol vehicle but he was concerned about entering into the ambulance phase of the suggestion.

Alderman Moir asked Dr. Fogo if he could visualize if the City did start supplying an ambulance service, would there be a possibility of the present ambulance service perhaps being discontinued and that the City would find itself in a

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position of having to provide such a service.

Dr. Fogo replied that the Victoria General Hospital who presently supply the major portion of the service have repeatedly expressed the desire to refrain from carrying out the same.

Alderman Fitzgerald said that it was never the intention to use the station wagons as a complete ambulance service or compete in any way with the regular service provided by the Victoria General Hospital. He said there may be a time however when a doctor was not available, or someone was ill in an area outside the City when a police ambulance could provide a service as a safety precaution.

Alderman Black felt that if the reasons expressed above were valid then ten station wagons should be purchased.

The motion was then put and lost as follows:

For the motion:	Aldermen Ivany, Ahern, Sullivan, Fitzgerald, H. W. Butler	- 5 -
Against the motion:	Aldermen Abbott, Moir, Matheson, A. M. Butler, Meagher, Connolly, Black	- 7 -

MOVED by Alderman Moir, seconded by Alderman A. M. Butler that tenders be called for the supply of ten cars for use by the Police Department as originally requested by the Chief of Police. Motion passed.

Committee of the Whole,
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9:05 p.m - Council adjourned to meet as Committee of the Whole.

REPORT - COMMITTEE OF THE WHOLE COUNCIL, BOARDS & COMMISSIONS

Amendments - Ordinance #55 Re; Tag Days, etc. - SECOND READING
Deferred.

Ordinance #130, Respecting Electric Wiring and the use of
Electrical Energy - SECOND READING

The matter was deferred in order to discuss the amount of free to be charged.

Amendments to Ordinance #106, Respecting the Election Ordinance-
SECOND READING

MOVED by Alderman Fitzgerald, seconded by Alderman Abbott, that an amendment to Ordinance Number 106, The Election Ordinance, to provide that in the case of a General Election the Court of Revision will sit during the week commencing with the third Monday in September, and that for both general and special elections the Court of Revision will sit between hours of seven o'clock and nine o'clock in the evenings during the week the court is in session, be read and passed a Second Time. Motion passed.

Ordinance #131, Respecting the Building Code - SECOND READING

The matter was deferred to further discuss the amount of free to be charged.

9:15 p.m. - Council reconvened the same members being present.

Amendments to Ordinance #106, Respecting the Election Ordinance
SECOND READING.

MOVED by Alderman Fitzgerald, seconded by Alderman Abbott that, as recommended by the Committee of the Whole Council, amendments to Ordinance Number 106, The Election Ordinance, to provide that in the case of a General Election the Court of Revision will sit during the week commencing with the third Monday in September, and that for both general and special elections the Court of Revision will sit between hours of seven o'clock and nine o'clock in the evenings during the week the court is in session, be read and passed a Second Time. Motion passed.

REPORT - TRANSIT SYSTEM

The Committee of the Whole, at a Special meeting held on September 19, recommended the following to Council:

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- "1. THAT the Transit Committee be instructed to continue, with the assistance of the City Manager, negotiations with the Nova Scotia Light and Power Company Limited, based on their proposals contained in their letters of April 25 and May 3, 1968, with particular emphasis on the financial implications, including the cost of acquisition by the City of Halifax of assets of the Company, under either arrangement, for the purpose of determining deficits or operating costs, if there is an option, and that the Transit Committee come back to Council with a firm recommendation;
2. THAT the City Manager continue with studies and research directed towards the eventual organization and operation of a Commission owned by the City of Halifax;
3. THAT draft legislation be prepared which would enable the Commission to establish a transit service that could be operated with a greater degree of flexibility than presently possible under regulations of the Board of Commissioners of Public Utilities;
4. THAT immediate consultation take place with Acadian Lines, the Board of Commissioners of Public Utilities, and the Nova Scotia Light and Power Company Limited, about transit service in the annexation areas;
5. THAT the City prepare a case for submission to the Board of Commissioners of Public Utilities on the Nova Scotia Light and Power Company Limited's application to abandon the transit service."

At the Special Council meeting held on September 19th, 1968 the Committee of the Whole directed the City Solicitor and City Manager to study the above resolution and present any recommendations for alterations to it to this meeting of Council, and these recommendations were embodied in a report from the City Manager dated September 24, 1968.

Alderman Matheson made reference to the changes in wording suggested by the City Manager, and again referred to a change which he had noted at the beginning of the meeting that he wanted in Item 1. of the resolution, so that the paragraph would read:

- "1. THAT the Transit Committee be instructed to continue, with the assistance of the City Manager, negotiations with the Nova Scotia Light and Power Company Limited, based on their proposals contained

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"in their letters of April 25 and May 3, 1968 with particular emphasis on the financial implications, including the evaluation of assets of the Company for the purposes of determining operating deficits or the acquisition costs under either arrangement, and that the Transit Committee come back to Council with a firm recommendation."

Alderman A.M. Butler rose to a point of order stating that the matter on the agenda was consideration of the motion as contained in the report of the Committee of the Whole.

Alderman Matheson said that when any report came before Council, Council had the choice to ignore it, reject it, modify it, or pass it .

His Worship the Mayor said that he ruled any motion to amend, out of order at this point, before the motion itself had been moved and seconded.

MOVED by Alderman Fitzgerald, seconded by Alderman Ivany, that the recommendation of the Committee of the Whole as contained in its report of September 26th, 1968 be approved.

Alderman Matheson then said he would move the amendment as already stated, and went on to comment on the City Manager's report:

- Item 1 - No objection.
- Item 2 - No objection.
- Item 3 - No objection.
- Item 4 - No objection.
- Item 5 - First part concerning appointments on Board of Directors - No objection; Last part concerning Urwick, Currie report - Alderman Matheson said - Not so!
- Item 6 - Alderman Matheson said it was not necessary to have all these things in the agreement.
- Item 7 - Alderman Matheson said was only half-truth.

Alderman A.M. Butler rose to a point of order. He said a week previous the Committee of the Whole had discussed the recommendations of the Transit Committee, and he said

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he wanted to go back some time tonight to the original recommendation of that Committee.

His Worship the Mayor said that Council had agreed to have the City Manager and City Solicitor look at the recommendations of the Committee of the Whole, and point out some implications involved if they were adopted - so that the Manager's remarks were before Council as bearing on the motion now before them.

Alderman Matheson objected to so many interruptions and said at this point he did not feel like continuing. He said the City Manager had taken an entirely negative approach to show that the Council was wrong on a policy decision, and although he had pointed out multiple reasons why the intent of the motion could not be carried out successfully, he had not attempted to give a relative cost of doing it the other way. He said the City Manager had stated \$50,000 to \$75,000 would be required for a consultant to design the system, but he had recommended the hiring of a General Manager who would not turn a wheel on a transit service until 1970, and he did not mention anything about the salary that would have to be paid for such a Manager, and Alderman Matheson suggested that this salary would exceed the cost of hiring consultants. He said it had been his feeling during a private meeting held earlier in the day, that the City Manager had been under pressure to find weaknesses in the recommendations of the Committee of the Whole.

His Worship the Mayor asked the City Manager if there was any truth in Alderman Matheson's statement.

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The City Manager said that he he had written the report entirely on his own, without help from the Transit Committee. He said the intention of his report was only to point out some factors which would have to be considered if the City accepted the subsidiary company as a solution to the transit problem.

Alderman Matheson then withdrew his allegation that the City Manager had been under pressure from the Transit Committee in compiling his report.

His Worship the Mayor referred to a remark from Alderman Matheson to the effect that the City Manager had written his report with the intention of showing the majority of the Committee of the Whole were wrong in making the recommendations passed at the January 19th Special Council. Alderman Matheson replied that he indeed thought it was wrong for the City Manager to set out to prove that a policy decision made by the Committee of the Whole was wrong.

Alderman A.M. Butler said he did not think anyone could make the point that Mr. Ward had made an error in judgment. He said the long and short of the matter was that the transit division of the Nova Scotia Light and Power Company was bankrupt, and they wanted the City to bail them out by covering all their operating losses. He said the Transit Division of the Company should face up to certain civic responsibilities, and recall the prosperity it derived from transit in two World Wars. He said the Company should accept responsibility because it had introduced inflexibility into the system with the introduction of trolley buses.

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Alderman Black said he felt that in making the recommendations he had at the Committee of the Whole meeting, Alderman Matheson had muddied more waters than he had cleared. He accused Alderman Matheson of dealing summarily with the City Manager's report of September 24. He said that he did not want to make a whipping boy out of the Nova Scotia Light and Power Company, as he certainly could see their point of view, since they had a duty to their shareholders and were in business to make money. Alderman Black said he still felt the Transit Committee's original recommendations were the best solution if the Company was granted permission to abandon the service. He said that Item 5 of the motion now before Council did not adequately spell out what case the City was to prepare to the Board in the light of Clause 1 of the same motion, which instructed the Transit Committee to negotiate with the Company on the proposals contained in their letters of April 25 and May 3, 1968.

Alderman Matheson in return asked Alderman Black what this same paragraph meant in the recommendations put forward by the Transit Committee, and Alderman Black replied the Transit Committee's case, in that instance, would be that the Company be allowed to abandon the service, providing the present service is maintained until 1970 when the City would be ready to take over. Alderman Black said the Transit Committee's position was that the City should not be responsible to cover any operating deficit incurred between now and the time it took over or, if the Board did not agree to this, pay only a share of it. He said when you came right down to it, he felt there was very little difference in the intent

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of the recommendations of the Transit Committee and Alderman Matheson's motion - it was mostly a matter of timing. He said he did not see why it would be more advantageous for the City to form a Commission in 1971, 1972, or 1973, rather than in 1970; in fact, he said, with annexation coming up, the present seemed a good time to start the new system, involving as it did the commencement of new routes. He pointed out that Alderman Matheson in his motion agreed in principle that eventually the City had to take over the operation of the transit. He said Alderman Matheson expressed concern over lack of information regarding costs if the City undertook to operate a Commission, but pointed out that with commencement only set for 1970 there would be time to gather all the necessary financial facts. He said whatever happened, in the end the City was going to pay the whole shot, and it was wrong to think because the City would be receiving a quarter million in revenue from the Province, that the money should be pinpointed entirely to subsidize the transit system; rather, he said, such funds should go into the general revenue account. Alderman Black said for these reasons, he felt the recommendations of the Committee of the Whole should be defeated, and the Transit Committee's original recommendations passed.

Alderman Ahern said it was his understanding the City was going to request the Board of Commissioners of Public Utilities to postpone the hearing. He said also he felt this was a question that should be brought right to the public by means of a plebiscite. He said he was in favour of adopting the subsidiary company idea, but that he would not approve any subsidy in excess of \$250,000.00.

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His Worship the Mayor said with respect to a plebiscite, it would be necessary that Council adopt a course of action, then an Alderman could move that the motion be put to the public in the form of a plebiscite. The City Solicitor advised that the Council must pass an affirmative motion first, and then the public would say "yes" or "no" to the question before them.

His Worship the Mayor said the recommendation of the Committee of the Whole called for subsidizing the Nova Scotia Light and Power Company by an amount not stated, but that if the City wanted to have a fixed amount of subsidy, it would be necessary to adopt that policy in Council.

Alderman Moir said he basically agreed with everything Alderman Black had said, and much of what Alderman A.M. Butler had said - although he did not go to the extent Alderman Butler had in criticizing the Company's performance in operating the transit system. He said the recommendations of the Transit Committee were clear to him, and spelled out a course of action the City could take, but he foresaw a great deal of difficulty in adopting the motion now before Council, for which reason he suggested the motion be defeated and the Transit Committee's recommendations be reinstated. He said, on the other hand, if the majority of Council wanted to carry on with the five-point motion put forward by the Committee of the Whole, it would be necessary to come to serious grips with it, and clarify Items Nos. 1 and 5. With regard to Item 5 of the motion, he said Council would have to define exactly what case the City Manager was to prepare for submission to the Board.

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Alderman Ivany said it seemed to him there was a good case being made for the forming of a Commission, but what bothered him was the financial timing. He said concern had been expressed at each meeting on the financial implications, and added that he was not at all concerned with the shareholders of the Light and Power Company, but only with transit as it affected the people of the City of Halifax. He said that with the Cogswell Street Interchange work and the furtherance of the Harbour Drive project, there were so many other needs for money, that he could not go along with the forming of a Commission at this time. He said he felt the City Manager was not consistent in his recommendations, in as much as when the matter of renting or purchasing street lights in the annexed areas came up, the City Manager had favoured the renting of them, which in a way was a form of subsidization. Alderman Ivany said he felt the subsidiary idea was the proper step at this time, and furthermore, he said, the City could withdraw from it at any time it so wished. Also, he said, it should be possible to supply Council with more financial information, at least approximate figures which in the end tended to be very close. He said personally he had no criticism to make of the City Manager's report of September 24th, as he felt the remarks contained therein were the sort you would expect from any Chartered Accountant commenting on the risks involved in starting a new business. He said he was pleased to see the City Manager had picked up the point he had brought up at the September 19th meeting to the effect that if the City was to subsidize the system, they should have a majority representation on the Board in order to have control

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over the expenditures. Alderman Ivany said that if later the subsidiary arrangement was not satisfactory, the City would be free to move into the formation of a Commission.

Alderman Black repeated his previous statement that it was necessary to establish the case the City was to submit to the Board of Commissioners of Public Utilities by October 16th, in the light of the motion now before Council, before the next step could be determined.

Alderman Matheson said that he would have expected all the experts on procedure, having participated in an examination of all the issues, to restrict their remarks tonight to something of new content. He said one of the purposes of holding the Special Council meeting of September 19, was to give an opportunity for all views to be heard, and as far as he was concerned, there had been absolutely nothing new advanced tonight, and that the attitude of some of the Aldermen opposed all the spirit and Rules of Council. He said he had been invited to the private meeting held in the Mayor's office that morning and had listened for 2½ hours to the Commission scheme. He said he did not know why he had been invited except perhaps for the purpose of being brain-washed. He said he had heard nothing new at the meeting in the morning. He asked what the Transit Committee's position was on the question of a subsidy between now and 1970 when they recommended the Commission begin operating the system.

Alderman A.M. Butler said that the question of who covered operating losses until the City took over, was up to the Board of Commissioners of Public Utilities.

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Alderman Matheson said in the event the Board did not grant the Company any subsidy before the City took over the operation, it only followed that the transit service during that period would be worse than at present. He further stated that Council should adopt the recommendations of the Committee of the Whole, and then proceed with some of the undertakings as suggested by the City Manager in his report of September 24, following which they should go to the Board and ask for an adjournment of the hearing, pending results of negotiations between the City and the Company. He said he could not see the Company opposing the motion now before Council nor the Board refusing an application for adjournment for a reasonable period of time.

Discussion then centered on the Company's two letters of April 25 and May 3, which the present motion considered as containing two different proposals. The City Solicitor said he felt the letter of May 3 was supplementary to the April 25 letter, so that in fact there may only be one proposal for consideration.

Alderman Matheson said he favoured the scheme as outlined in the letter of April 25, and quoted parts of this letter. He said that when Council discussed the proposal contained in that letter, Mr. Harrington had agreed to write into the proposal an option whereby the City could terminate the agreement at any time it wished, providing, of course, that due notice of termination was given the Company.

Alderman Matheson said there were many things, including some of the points raised by the City Manager in his report of September 24, which would have to be written into any agreement between the City and the Company. Matters such as

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purchasing equipment, he said, did not require the services of a consultant but merely negotiation between the City and the Company.

Alderman Matheson criticized the City Manager's September 24th report, stating that the direction from the Committee of the Whole had only asked for him to recommend any alterations to the motion passed by the Committee of the Whole - not to go into the pros and cons of the wisdom of the motion itself. He said the Council represented the citizens of the City of Halifax and that for staff to dictate policy was an upset of the balance of power between the elected representatives of the people and City staff.

As had been stated by several other Aldermen, Alderman Fitzgerald said he did not see that the intent of the two motions as put forward by the Transit Committee and the Committee of the Whole, was so far apart. He said regardless of whether there was a Board composed of a majority City representation or majority Company representation, or whether a Commission was formed, the same amount of new equipment would be required, the same amount of deficit, or very close to it, would be incurred - all of which the citizens of the City would have to pay, regardless of how the system was managed. He said that Alderman Matheson had used the word "negotiate" frequently, but he did not see where there was any room for negotiation. He said it was simply a case that the City would pay the full deficit and go into a Board of Management. As far as who had the majority representation on such a Board, he said he did not see that it mattered that much, since presumably the goal of any Board member would be to

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give adequate transit service to the citizens at the minimum cost. He said the Committee just could not negotiate, that the two alternatives of either forming a Commission or forming a subsidiary, both entailed the City paying the full operating deficit.

Alderman Fitzgerald said what he considered most important at this point was for Council to determine the City's stand when it went to the Board of Commissioners of Public Utilities. He said had the recommendations of the Transit Committee been approved, the next course of action would have been established.

At this point Alderman Matheson asked Alderman Fitzgerald what that next course of action would have been, and Alderman Fitzgerald replied that the City would have recommended the system be left as it is until April 1, 1970 and that the Nova Scotia Light and Power Company assume responsibility for any operating deficits until that time. However, he said, had the Board not accepted that proposal, the City would have had to go along with whatever decision it gave. Even so, he said, it would have represented a positive step by the City, whereas at the moment, nobody knew what the next step should be.

Alderman Fitzgerald said that as a member of the Transit Committee he was willing to work on behalf of the Council and negotiate whatever there might be to negotiate. He therefore felt that a decision must be made at this meeting on what case the City was going to present to the Board on October 16th, after which they could be guided by the Board's

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decision. He said the Transit Committee had rightly, or wrongly, submitted a set of recommendations to Council (and he personally still felt they were the right recommendations) but obviously the majority did not agree with him, so that all he was concerned with now was to establish a positive course of action.

Alderman Ivany suggested negotiating the amount of deficit to be paid by the City, and Alderman Fitzgerald again repeated that there simply was no room for negotiation in this respect as the Company had been very clear in their statement that the full operating deficit was to be paid by the City, otherwise they would pursue their submission to the Board for complete abandonment of the service.

Alderman Ahern brought up the matter of applying the tax rebate to cover the operating deficit, and Alderman Fitzgerald repeated that here again the Company was not prepared to accept any ceiling on the amount of deficit to be paid by the City. Alderman Fitzgerald said the City was at the point where, regardless of who operated the service, the citizens were going to pay the full cost, and therefore he would like to see the City's position made clear so it could go to the Board and try to salvage something for the citizens, service, tax money, as long as it said something definite. He did not want to give a blank cheque, he said, and that was what Council was doing.

Alderman Black said he thought Alderman Fitzgerald had answered a question raised earlier - whether there was anything in the letters of April 25 and May 3 to indicate the Company would share in the operating deficit.

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The answer, he said, was quite clear - No! Secondly, he said, he agreed with the statement that there was not too much difference in whether the system was operated by a Commission or as a subsidiary Company, as in either case it would be headed by the best men available.

With regard to a positive course of action for the City, Alderman Connolly said he felt the Company had offered the City one by their proposal of a subsidiary company. He said this would keep the transit service in operation, and at the same time give an opportunity for staff to learn the intricacies of running a transit system, of which at the moment they knew nothing.

Alderman A.M. Butler then asked the City Solicitor if under the recommendations of the Transit Committee his position in preparing a submission to the Board was more clear than under the motion now before Council, and the City Solicitor replied that actually his position was the same with both recommendations; there were certain implications, he said, which would have to be studied before he could prepare his case for the Board.

His Worship the Mayor at this point in the meeting said that Council were discussing the City's case in front of the Company's high priced legal staff, and he felt that what was required was a private meeting between the Transit Committee, the City Solicitor, and the City Manager to discuss the City's submission to the Board.

The motion was then put and passed, seven voting for the same and four against it as follows:

For	- Aldermen Ivany, Matheson, Meagher, Ahern, Connolly, Sullivan, H.W. Butler	7
Against	- Aldermen Moir, A.M. Butler, Fitzgerald, Black	4

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Alderman Abbott had retired from the meeting previous to the vote being taken.

The motion having been passed, His Worship the Mayor said that it would now be necessary to inform the Solicitor of what case the City wanted to present to the Board of Commissioners of Public Utilities, and also deal with the guarantee to be given the Company on purchasing new equipment at this time, as outlined on Page 7 of the City Manager's report of September 24th. He said the Company had informed the City that it did not agree to the depreciation purchase price as had been suggested by the City.

The City Manager then read a portion of a letter from the Company as follows:

"The Company is prepared to order and pay for such diesel buses upon the City entering into an agreement with the Company containing the following terms:

1. On the transfer date mentioned below, the City will reimburse the Company for the full cost delivered in Halifax of the diesel buses, plus
 - (a) Any sales, excise or hospital taxes paid or payable by the Company in respect of the purchase of the buses by the Company or the sale of the buses to the City; and
 - (b) Interest at the rate of 7 per centum per annum from the date of payment by the Company to the date of transfer to the City.
2. The Company will allow to the City a credit against the purchase price of the diesel buses equal to:
 - (a) Depreciation at the rate of 10 per centum per annum from the date that such buses are placed in service to the date of transfer;
 - (b) Interest at the rate of 7 per centum per annum from the date of payment for the buses by the Company to the date of transfer of the buses to the City

"in both cases to the extent that the transit system of the Company earns such interest and depreciation after the payment of all operating expenses and all taxes, other than income taxes."

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Mr. Harrington said the above letter had been written with a view that the City would be applying to form a Commission.

Alderman Black asked Mr. Harrington for clarification of the Company's proposal regarding the City purchasing the diesel buses at any time they decided to form a Commission; for instance, he said, supposing the Company decided in 1974 to form a Commission, under the Company's proposal would the City have to purchase the equipment at original cost without any reduction for depreciation?

Mr. Harrington said that was so, assuming that the Company did not in the period before the take-over, earn a profit on the system. However, he said, tonight's motion had instructed the Transit Committee to negotiate amongst other things the subsidiary company idea, so in that case the subsidiary company in effect would be buying the buses.

Alderman Fitzgerald said that still amounted to the City paying for the buses, since they would be guaranteeing the operating deficit.

After further questioning by the Aldermen, Mr. Harrington agreed that regardless of what scheme of management was adopted, the Company's position remained the same in that the City was to cover full operating losses, and that new equipment would only be purchased at this time on a guarantee from the City of the principles contained in the letter read by the City Manager.

Alderman Sullivan questioned the Company only buying 12 buses in 1963 when the Urwick Currie Report had recommended the purchase of 25, and he asked why was it

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necessary at this time to purchase such a large quantity.

Mr. Harrington said conditions were different today than they were in 1963. At that time, he said, the Company had trolley buses with approximately five year's life left in them, and they could run them more cheaply than purchasing diesel equipment. However, he said, in the light of present-day conditions and the need for greater flexibility in the system, trolley coaches could no longer be considered suitable.

He said the purchase of 16 coaches (at an approximate cost of \$500,000) would be sufficient only to give service on Barrington Street when the Cogswell Street interchange was completed, and that the purchase of 70 new buses would be required to service the whole peninsula. He said that none of the Company's estimates took into account the annexed areas, as annexation was not a reality at the time they were calculated. He said the present City was facing a transit crisis, and that it would have to be solved first before consideration could be given to the question of service in the annexation areas.

Alderman Fitzgerald said he thought the matter of total transportation should be dealt with now as the new citizens will expect some service after annexation. He said the suggestion had been made that Acadian Lines continue service in the annexed areas, but he felt it was more practical to consider extending the City transit service to the new areas if the City intended to develop available land.

Mr. Harrington repeated that he felt the immediate urgency was continuation of a service in the present City, in view of the serious conditions it was in and the

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frequency with which breakdowns in the equipment were occurring. Also, he said, it would take time to get a service operating in the new areas, and it was out of the question to think it could be ready effective with annexation on January 1, 1969, in as much as there was considerable work involved in obtaining equipment, working out routes, facilities, etc. He said it would be necessary to start a whole program of planning to get service into the annexed areas, and he felt safe in saying it would take a year before it could be done.

Alderman Matheson asked if there was any possibility that the City would pay less in the long run if it purchased the new equipment required, to which Mr. Harrington replied "no", unless there was some tax which the City would not have to pay, or could borrow the money at less than 7 per cent.

Alderman Sullivan asked Mr. Harrington how long the Company had been considering giving up operation of the transit system, to which Mr. Harrington replied it was first considered as early as 1951. He asked Mr. Harrington if during that time, the Company had negotiated with anyone else about taking over the operation, and Mr. Harrington replied there had been inquiries in 1963 from a company outside of the Maritimes, but that nothing had materialized.

Alderman Ivany asked Mr. Harrington if in his discussions with the Transit Committee, he had indicated at any time the kind of leadership management the Company would give under the subsidiary plan.

Mr. Harrington said the Company's letters of April 25 and May 3, 1968 had never been discussed by the City with the Company.

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negotiation, but Alderman Ivany said that what was required was a new form of management drive to get an efficient service, and asked Mr. Harrington if he felt this could be achieved through a subsidiary company, to which he replied that Council had now passed a resolution authorizing the Transit Committee to negotiate, amongst other things, the subsidiary idea. He said that due to the condition of the present equipment, something had to be done very quickly if the system was going to be kept operating, and he felt that with the subsidiary company the Company had available the staff to get new routes, etc. into operation immediately. He said that without doubt there would be some mistakes made at first, but that with the introduction of a total diesel fleet, their flexibility permitted changes to be made without much trouble. He said the Company, under a subsidiary scheme, was capable of doing the same planning which the City, under a Commission formula, would have hired consultants to do. However, he emphasized that what was required was immediate action on the purchasing of equipment or the citizens of the City were going to wake up some morning to find there was no transit service in the City. He said that with a subsidiary there was no more expense involved than if the City were running the service themselves - that the Company was not trying to sell the City some old junk. He said the 12 diesel buses presently owned by the Company were of considerable value, as was the Company's terminal on Young Street, and the Company would like to sit down and negotiate on them.

confirmed that Alderman Ivany said he was surprised to learn that these matters had not already been the subject of

the terms under which the Company would purchase new equipment

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negotiation, but His Worship the Mayor pointed out that, up until the passing of the motion this evening, there was no point in discussing these matters.

There followed further discussion on exactly what was open to negotiation at this point, and again Mr. Harrington confirmed that the amount of deficit and purchase price of equipment were not open to negotiation - only actual physical structure of running the system, routes, fares, etc.

Alderman A.M. Butler said he felt that the usefulness of the Transit Committee was now at an end, and that he wished to resign from it.

His Worship the Mayor said he personally felt that the Transit Committee should have more representation from those who supported tonight's motion, to make sure the intent of the motion was followed through. He said he would like to see Alderman A.M. Butler remain, but one or more added from those who had supported the motion passed this evening.

Alderman A.M. Butler said he was completely opposed to Alderman Matheson's motion, so maintained his position that he should resign. He said that since Alderman Ahern was for a plebiscite, he also should resign.

Alderman Ahern said Alderman Butler was not his Manager, and he could make up his own mind about resigning.

His Worship the Mayor asked if Council would agree to a motion on the composition of the Committee.

Alderman Fitzgerald said Mr. Harrington had confirmed that if the City accepted the subsidiary idea, the matter of responsibility for the full operating deficit and the terms under which the Company would purchase new equipment

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were not open to negotiation. He said in his opinion the Company had for years been bleeding the public, and were now ready to bleed the City. Alderman Fitzgerald said that many of those who were now critical of the Transit Committee not having negotiated on the payment of operating deficit, had been at a meeting which had resulted in the Committee being told that the City's position was it was not prepared to subsidize the transit service until such time as it might take over the operation.

Alderman Matheson said he hoped no other member of the Transit Committee followed Alderman A.M. Butler's lead in resigning, and said he felt it was a dereliction of duty for him to resign simply because he did not agree with a majority decision of Council. Furthermore, he said, it would be irresponsible for any member of this Council to misrepresent the facts of the case to the citizens of the City by implying that the subsidiary Company was going to cost the City more in the long run.

Alderman Fitzgerald said that now Council had made a decision, it should put aside bickering and get together on what the next course of action should be.

His Worship the Mayor said that one year had passed since the Company's first letter, and that the Company was not doing anything regarding ordering new equipment without a guarantee from the City concerning re-purchase at any time the City might take over the operation. He said the City must, at this point, negotiate whatever was required to get the subsidiary company into operation.

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It was agreed that in view of the definite stand taken by the Company regarding the terms on which new equipment would be purchased at this time, there was no point in passing the resolution spelled out on Page 7 of the City Manager's report of September 24, 1968.

Some discussion followed on how a motion might be worded that would satisfy the Company sufficiently for them to go ahead with the purchase of new equipment, but once more His Worship the Mayor said that the City was discussing in public something which should be worked out in conjunction with the City Solicitor and City Manager in private.

It was then agreed, as suggested by His Worship the Mayor, that Aldermen Matheson and Connolly be added to the Transit Committee.

TENDERS FOR BOND ISSUE

Tenders were submitted for a debenture issue in the amount of \$3,000,000.00, with a coupon rate of seven and one-half per cent, from the following:

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| 1. Burns Bros. and Denton Limited on behalf of a syndicate named in the tender | \$96.8426 |
| 2. Dominion Securities Corp. Ltd. on behalf of a syndicate named in the tender | 96.48 |
| 3. Wood Gundy Securities Limited on behalf of a syndicate named in the tender | 96.30 |
| 4. Gairdner and Company Limited on behalf of a syndicate named in the tender | 96.07 |

MOVED by Alderman Black, seconded by Alderman A.M. Butler, that the tender of Burns Bros. and Denton Limited, at \$96.8426 per \$100.00, plus accrued interest, be accepted. Motion passed.