

Special Meeting
Rogers City Area Ambulance Authority (RCAAA)
29 December 2014

Meeting was called to order and a roll call was taken. Attendees:

| <u>Name</u> | <u>Township</u> |
|------------------|-----------------|
| Archie Patterson | Bearinger |
| Allan Berg | Belknap |
| John Kleiber | Bismarck |
| Randy Smolinski | Rogers |
| Louis Urban | Metz |
| Kirk Schaedig | Moltke |

A review of the meeting minutes from the committee meeting with Cheboygan Life Support Systems (CLSS) was completed. It was revealed that there would be an estimated administrative cost of around \$55,000 the first year that would also cover purchase of a software license with an annual support cost to allow the separation of the CLSS records from the RCAAA books.

It was stated that Antrim (Township Ambulance Authority) has given notice and a call was placed to clarify which clause in their contract was used to terminate the contract. They used the 90-day notice for breach of contract and listed several things Allied had failed to do. Allan Berg received a call back from Antrim County stating they sent a letter on 19 December to Allied giving 90-day notice for breach of contract based on default on maintenance, training and failure to reach a budget agreement.

Mr Mike Vogler was introduced as the RCAAA legal counsel.

This was followed by an in depth discussion of the problems transitioning to a new service provider and any delays in funding and what happens to the funds currently being collected by Allied.

Archie Patterson stated that some time in the future we might want to obtain our own license to operate and collect funds to provide us with added security in the future. Allan Berg concurred that this was a good future plan.

Mr. Vogler outlined the three ways to terminate the contract:

1. 180-day notice prior to the end of the contract term. (1 July – 30 June) This notification would have to be delivered to Allied by 30 December to terminate by 30 June 2015.
2. 90-day notice for (a) breach of contract for cause which would allow Allied 90-days to fix the breach, or (b) failure to reach an approved budget.
3. Mutual agreement between the two parties to terminate contract.

A review was done of the budget process that was tried with Allied including the October proposed budget of 1-year extension. Their November 15-year contract proposal and their December letter responding to comments from its customers offering a 5-year contract.

Allan Berg pointed out that St Ignace was going with CLSS and was planning on giving notice on 30 December. The meeting minutes from the RCAAA meeting with CLSS contains a statement that they (CLSS) will cover costs incurred after notification.

The discussion continued and covered topics such as our RCAA cash reserve and funds flow and the need for another meeting.

Motion, by Louis Urban, was made to give a 90-day notice, from 30 December, based on a failure to reach a budget agreement as stated in paragraph 6.1B(b) of our contract. Seconded by John Kibler. Roll call vote: Yes: Bearinger, Belknap, Bismarck, Rogers, Metz, Moltke. No: None
Motion Carried

Motion, by Randy Smolinski to authorize the Chairman to sign, send and deliver the notice. Seconded by Allan Berg. All aye's, no nays. Motion Carried.

A lengthy discussion followed on which provision to use the 90-day no budget of the general termination notice 180-days before the end of the term of the contract in case a legal fault was found with the 90-day notice. This would provide us with a fall back position and still get out of the contract.

Motion to resend the 90-day letter was made by Randy Smolinski, seconded by John Kleiber. Motion carried.

Motion by Louis Urban to send a notice to terminate the contract at the end of the current contract term ending 30 June 2015 was seconded by Allan Berg. Motion Carried.

Motion by Allan Berg to authorize the committee to negotiate terms with CLSS and seconded by Randy Smolinski. Motion Carried.

The chairman will call a future meeting to discuss the use of the 90-day termination clause after further research by the lawyer.

Motion to adjourn by Allan Berg and seconded by John Kleiber. Motion carried. Meeting adjourned at 8:45 pm.

Respectfully submitted



Archie Jay Patterson II
Vice Chairman
RCAA