

## 4.4 (a)

### Hamilton Bike Share - Interim Operations Cost Summary

June 1, 2020

Presented by Executive Director Chelsea Cox on behalf of Hamilton Bike Share Inc.

As noted in our letter to the Mayor and Council dated May 31, 2020, Hamilton Bike Share Inc. (HBSI), is in a position, both financially and operationally, to assume bike share operations in Hamilton for the next nine months. We are requesting that the City of Hamilton grants us permission to operate the system, starting as soon as possible.

### Operational Expenses

The summary budget reflects expenses associated with operations of the City's bike share system, including the necessary costs to fulfill the minimum requirements of the contractual Service Level Agreement with the City of Hamilton. The figures stated are based on our experience in past operational years and have been updated to reflect current costs.

Summary Expenses - Monthly Interim Operations		
Item	Per Month	Notes
<b>Expenses</b>		
Existing Facility & Utilities	\$3,950	Based on 2020-21 lease
Labour	\$28,800	Includes all personnel costs related to ops roles including field staff, maintenance staff, ops management, and customer support.
Rebalancing - Field Service	\$2,000	Includes fuel, maintenance, insurance to fulfill Service Level Agreement bike availability requirements.
Fleet Maintenance & Bike Parts	\$1,200	
Insurance	\$500	
Devices & Software	\$500	HBSI already owns devices but would need to buy phone plans to support field tasks.
Admin - Bookkeeping, Reporting & Other	\$7,500	Costs include audited financial statements, payroll processing, and other organizational administrative needs
<b>Total Expenses</b>	<b>\$44,450</b>	
<b>Monthly Total</b>	<b>\$44,450</b>	

<b>Total Costs for 9 Months</b> June 2020 - February 2021	
Months	9
<b>Total Operations Costs</b>	<b>\$400,050</b>

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Together with City staff, HBSI will determine whether bike connectivity fees are owed to the software provider as of July 1, 2020. Should they be incurred, HBSI is able to pay for the ongoing costs using reserve funding our organization already has on hand. Our target would then be to recover these costs through additional sponsorships and the growing pot of fundraising money generated by the community, businesses, and partners (our ability to assume those costs *would not be conditional* on this additional fundraising). See additional details below:

Should bike connectivity fees be incurred:		Notes
Number of connected bikes	750	
Connectivity fee per bike based on XR	\$11	\$8 USD/bike/month. XR=1.39
Monthly Bike Connectivity	\$8,400	
Full term connectivity fees	\$75,600	Term: July 1, 2020-February 2021

## Financial Position & Revenues

HBSI is in the financial position to immediately execute operations. We are an incorporated, not-for-profit organization and all supporting documentation is readily available.

We are more than happy to fully cooperate with the City of Hamilton to provide audited financial statements and bank statements for Council's consideration in-camera, or to allow City staff to verify this evidence of our financial standing to report to Council. This includes additional evidence to support user fee revenue and OTF equity pass funds.

Amount	Source
\$100,000	Patrick J McNally Charitable Foundation, facilitated by Councillor Farr
\$60,000	HBSI Fundraiser Campaign* - GoFundMe
\$100,000	Confirmed Funders/Sponsors - partnering businesses & anonymous donors. Funds received and HBSI has on hand.
\$140,000	User Fee Revenue, including October 2020 payment for Everyone Rides Initiative equity passes funded by HBSI's Ontario Trillium Foundation GROW grant

\*at time of submission this campaign is at \$66,000 and growing. All funds associated with this campaign, including those above \$60,000, will go directly towards bike share operations.

**Total: \$400,000**