

Please add this E - Mail to the added agenda for the upcoming CWC Mtg - August 12 - reference Item 2.5 for Council's consideration ;

REFERENCE - City of London - Strategic Initiatives - Good Financial Stewards ?

Although I commend City of London Staff in developing a business case for this Bike Share Initiative , after reviewing this report I find the this Business Case weak and fraught with Financial Risk to taxpayers looking forward on both the Ops Budget & Capital Budget sides.

- I see no risk factor associated with the annual potential revenue claim of up to \$270 K or a credible reference to the **actual** revenue and costs actually experienced from other Canadian cities which have already implemented a similar program (Hamilton / Ottawa ETC) vs their go in forecast . I also see zero in this budget to open the for sure Reserve Fund that will be requested if implemented to replace all these Capital Assets frequently or upgrade @ a vendor/ Contractor program change . Many foreign cities are cancelling these programs. (Middle east huge)

RECO - Absolute **minimum** conditions for Council to impose on City Staff to include in the Request for Proposal if you choose to proceed .

1. Include a decelerating vendor / contractor **capital cost** claw back clause starting @ 100 % in year 1 and reduced to 33 % in year # 3 where the vendor is legally bound to pay that portion of the OUR sunk capital costs if the contract is cancelled for any reason. How else will I as a taxpayer ever recover the \$ 850 M to \$1.5 M Cap costs if this business case is off side and terminated . There is no such a thing as a WRITE OFF in the City of London's Financial Plans . This should include the OPS Costs to dismantle the in fracture on contract cancellation or performance issues.
2. That the RFP include a substantial posted \$\$ Bond by the winning contractor with the City of London to support the winning bid as a deposit for contract compliance issues as this will be the 1st draw warning to avoid the capital cost write-offs noted above .
3. That the winning contractor 100 % support the annual OPS Costs of this program (OEM) with no City of London staffing commitment other than bi - annual program review of compliance standards @ KPMG audit . This is THEIR business not mine as a taxpayer . All \$\$ revenue should be granted to the contractor if the above requirements are met.
4. Council should require a full review of the RFP prior to public issue to assure taxpayers are protected and the compliance standards are world class.

I would prefer we DO Nothing on this proposal as a taxpayer ; as we are already facing massive headwinds to avoid the 3.2 % or more tax increase in 2020 and searching for reasonable solutions and I'm already shocked at an unexpected \$1.0 M per year increase in my annual snow removal budget to keep the ever expanding bike lanes open in the winter. I'd like to keep my powder dry to pay for the 2.0 % tax increase when the Green Bin program hits the budget in a year which the majority of Londoners support.

THXS - Chris Butler - 863 Waterloo St - London