Appendix A - Full Costing Comparison - Bus Model

Assumption: Buses delivered February 2026; implementation in Sept 2026

		Annualized Amount				
		2026 $'s	2027 $'s	2028 $'s	2029 $'s	NOTES
Operating Costs						
Initial Set Up Costs - Amortized over 5 years	$ 1,005,175	$ 201,035	$ 201,035	$ 201,035	$ 201,035	1
Salaries and Benefits		3,949,945	4,445,606	4,811,748	5,170,990	2
Fleet		304,335	884,295	901,881	1,099,865	3
Other Operating		121,087	146,990	152,482	155,098	4
Total Operating Cost		**$ 4,576,402**	**$ 5,677,926**	**$ 6,067,146**	**$ 6,626,988**	
Capital Costs	Investment Amt					
Bus Purchase	$ 8,200,000	911,111	911,111	911,111	911,111	5
Bus Storage Space	$ 4,580,000	152,667	152,667	152,667	152,667	6
Total Annual Capital Amortization		**$ 1,063,778**	**$ 1,063,778**	**$ 1,063,778**	**$ 1,063,778**	
Interest on Long Term Debt - Buses		66,998	60,087	52,900	45,426	
Interest on Long Term Debt - Bus Storage		229,000	229,000	229,000	229,000	
Total Financing Cost (Interest)		**$ 295,998**	**$ 289,087**	**$ 281,900**	**$ 274,426**	7
Full Annualized Cost		**$ 5,936,177**	**$ 7,030,791**	**$ 7,412,823**	**$ 7,965,191**	
Savings - Comparable Bus Contractor Costs		**$ (4,097,280)**	**$ (4,685,815)**	**$ (5,338,096)**	**$ (5,605,001)**	8
Net Additional Cost of Providing Service In-House		**$ 1,838,897**	**$ 2,344,976**	**$ 2,074,727**	**$ 2,360,190**	
				3 year average	$ 2,149,060	

NOTES

1 One time set up costs include initial training for operators, uniform costs for operations and plant/equipment staff, system requirements, other required parts and equipment as well as temporary staff (3.0 FTEs) to manage initial recruitment and training efforts.

2 Salary and benefits reflect the cost of an additional 56.3 permanent FTEs. The costing reflects the terms of the current collective agreement and subsequent inflation at 2% per year. However the terms of future collective agreements may include wage concessions at different rates.

3 Fleet costs include fuel, annual maintenance, bus servicing and insurance costs. The maintenance costs include major overhaul work required causing higher expenses in 2029. Fuel reflects an estimated rate of $1.99/L including carbon tax for diesel in 2026 and increased by inflation thereafter. Fuel budgets are updated annually to reflect market conditions as part of the annual budget process.

4 Other operating costs include the ongoing annual training, uniform and software licensing costs.

5 Bus purchase costs and estimated useful life were provided by a bus manufacturer. Cost reflects a fleet of twenty (20) 27-foot buses with an estimated useful life of 9 years.

6 Cost estimates to provide garage space for the new fleet assume square footage would be added to the construction footprint for the planned new garage. Building costs are amortized over 30 years.

7 Financing costs reflect the interest expense on approved external financing for the purchase of the buses and assumed additional external debt for the garage storage. It is assumed all borrowing would occur in 2025.

8 Contractor costs reflect savings based on the average annual cost for service hours provided by buses. The operation currently uses a combination of vehicle types. As such this amount does not reflect the current budget for this service but rather an estimate of what the contractor price would be for the comparable in-house service. Estimated budget savings based on the actual individual contracts that would be replaced are reflected on Appendix C. Assumptions reflect contractor costs on new bid opportunities at rates exceeding typical inflationary level.