

Presidents Report April 2020

Even if we knew back in January, 2020 what we know now we would still be here faced with this Covid crisis and having to make these same decisions. Most likely we would have not renewed the North shop lease or opened our new shop downtown. There may be a time when we have to downsize our operations and close one of our shops in order to survive and continue to operate Bike Edmonton. However, we have a few months ahead of us to see if we can reinvent ourselves in the new world before we make those decisions. I can assure that even if we have to go into hibernation, and we lose everything, we will continue to operate and will rebuild ourselves when we can.

We have taken a hard look at our finances and our operational plan and devised a strategy going forward that will allow to keep our staff and reopen our shops in a limited fashion to sell some bikes and serve our customers and membership. We will not do it in a way that puts our staff or our volunteers at risk or disregards the chief medical officer and government direction on physical distancing. We are deemed an essential service so we have the ability and perhaps an obligation to support the biking community in the best way we can given the restrictions placed on all of us.

We will be applying for the wage subsidy under the Canada Emergency Wage Subsidy program. This will potentially cover up to 75 per cent of our staff wages for up to 3 months. If we make it retroactive it would cover the period of March 15-June 15, 2020. After that date we will likely need to apply for the work-sharing program which will allow us to retain our staff by reducing staff hours and supplementing the difference with Employment Insurance (EI) benefits. We will also be requesting rent reductions from our landlord at the South shop. In the long term we may be looking at further rent reductions. However even with these measures in place and with some revenues from our bike shops we will still need to apply for a small business loan of \$40,000 to help us continue our operations.

We have the ability to temporarily lay staff off in the fall 2020 and re-hire them within 13 weeks later as we gear up again for spring and our busy season. All of these plans remain contingent on our revenues, donations and grants. If someone donates a \$100,000 towards our operations this would definitely help. However there are many small businesses and non profit organizations who are in the same boat as we are and it is unlikely that we would be singled out for such a large donation.

So our responsibility as a board and as an organization is to go forward with our eyes open to the challenges and to be creative in adapting to current conditions and to make the tough decisions required to continue our operations. We have looked at a budget that would require us to plan for a 2 year period from 2020 to 2022. A very significant risk to that plan is our Casino funding scheduled for December 2020. In the coming months our focus will be to explore every opportunity to implement both short term and long term measures to ensure organizational sustainability.

Jeremy Shepherd
President, Bike Edmonton