



Executive Committee Agenda

October 17, 2019

Council Chambers

1. Call to Order

2. Declaration of Pecuniary Interest

3. Action Items

- a. Southwestern Integrated Fibre Technology Capital Funding Update

4. Closed Meeting

That the Committee move into a Closed Meeting pursuant to:
Section 239(2)(b) of the Municipal Act relating to personal matters about an identifiable individual including municipal or local board employees;
Section 239 (2)(d) Labour Relations or Employee Negotiations;
Section 239(2)(e) Litigation or Potential Litigation
Section 239(2)(f) Advice that is subject to solicitor-client privilege, including matters before administrative tribunals, affecting the municipality or local board

- a. Duty to Preserve Records

5. Rise and Report

6. Act on Recommendations

That in accordance with the Procedure by-law, staff be authorized and directed to give effect to the actions of the Executive Committee in respect of all resolutions passed during the October 17, 2019 meeting.

7. Next Meeting

November 7, 2019

8. Adjournment



Committee Report

To: Warden Mitch Twolan
Members of the Executive Committee

From: Bettyanne Cobean
Acting Chief Administrative Officer

Date: October 17, 2019

Re: Southwestern Integrated Fibre Technology Capital Funding Update

Staff Recommendation:

That the Warden and Clerk be authorized to sign the Request Regarding Refundable Portion of Member Contribution agreement with the Southwestern Integrated Fibre Technology Inc. irrevocably waiving any right to repayment by SWIFT of all Annual Refundable Amounts and authorizes SWIFT to reinvest all such amounts to accelerate or further expand the development of the SWIFT Network; and,

Further agreeing that, from and after the date hereof, the Municipal Capital Agreement shall read and construed as amended hereby.

Background:

Southwestern Integrated Fibre Technology (SWIFT) is the outcome of the Western Ontario Wardens' Caucus (WOWC) project to connect the region (15 Counties in the South Western Catchment) to ultra-high-speed broadband and prepare for ever-growing demand for connectivity. The caucus deemed that the ultra-high speed Internet connectivity is critical to rural economic development as critical as electricity was in the 1950s.

Bruce County Council is a founding member with the SWIFT initiative and By-law 2017-048 authorized the execution of a capital funding agreement between the County and SWIFT. The agreement included a clause, that if initiated which it was not, would waive the right to repayment by SWIFT to all annual refundable amounts and authorize SWIFT to reinvest all such amounts to accelerate or further expand the development of the SWIFT Network. I would offer that at that time there were still some uncertainties and Council wished to retain the right for future consideration.

SWIFT is now asking those members that did not waive the refund to reconsider their 2017 decision and waive their refundable amount prior to recalibrating the project budgets using each municipality's Net contribution rather than their Gross contribution.

The Waiver Request and Contribution History can be captured in the following highlights:

- All WOWC members (with the exception of Middlesex) were presented with an optional refundable portion to their gross contribution
- All of these members were given the opportunity to waive the refund
- Dufferin, Grey and Wellington waived
- Project budgets, which included a 4-times multiplier on the municipal contribution, were calculated based on the gross contribution
- In fairness to those that waived, it should have been based on the net contribution (Gross minus Refund)
- In order to correct this issue, the SWIFT Board has approved a plan to recalibrate the project budgets using each municipality's Net contribution rather than their Gross contribution
- Impacted municipalities will be given the opportunity to waive their refundable amount prior to recalibration
- In general, failure to waive will result in a reduction of the project budget equal to 4 times the difference between the Gross and Net contribution (the refundable amount) less offset dependent on what other municipalities decide

Bruce County Decision:

- Bruce County needs to determine if they will waive the refundable portion of their contribution (\$468,663) or not.
- Failure to waive will reduce the overall project budget for Bruce County.

Gross Contribution	Refundable	Net Contribution	4x Multiple of Gross Contribution	4x Multiple of Net Contribution	Increase / Decrease
\$ 860,092	\$ 468,663	\$ 391,429	\$ 3,440,368	\$ 1,565,716	\$ (1,874,652)

- Note that this reduction represents only the reduction to the 4-times multiplier calculation and may be offset by the redistribution of funds from other municipalities depending on their decisions.
- If all municipalities waive, there will be no increase or decrease since the Gross and Net contributions will be the same figure.

Financial/Staffing/Legal/ITS Considerations:

Bruce County has contributed \$860,092 over a 5 year period. There are no legal, ITS or staffing considerations.

Interdepartmental Consultation:

There was no interdepartmental consultation.

Link to Strategic Goals and Elements:

None identified.

Approved by:

A handwritten signature in cursive script that reads "Bettyanne Cobean". The ink is dark and the signature is fluid, with a long, sweeping tail on the final letter.

Bettyanne Cobean
Acting Chief Administrative Officer

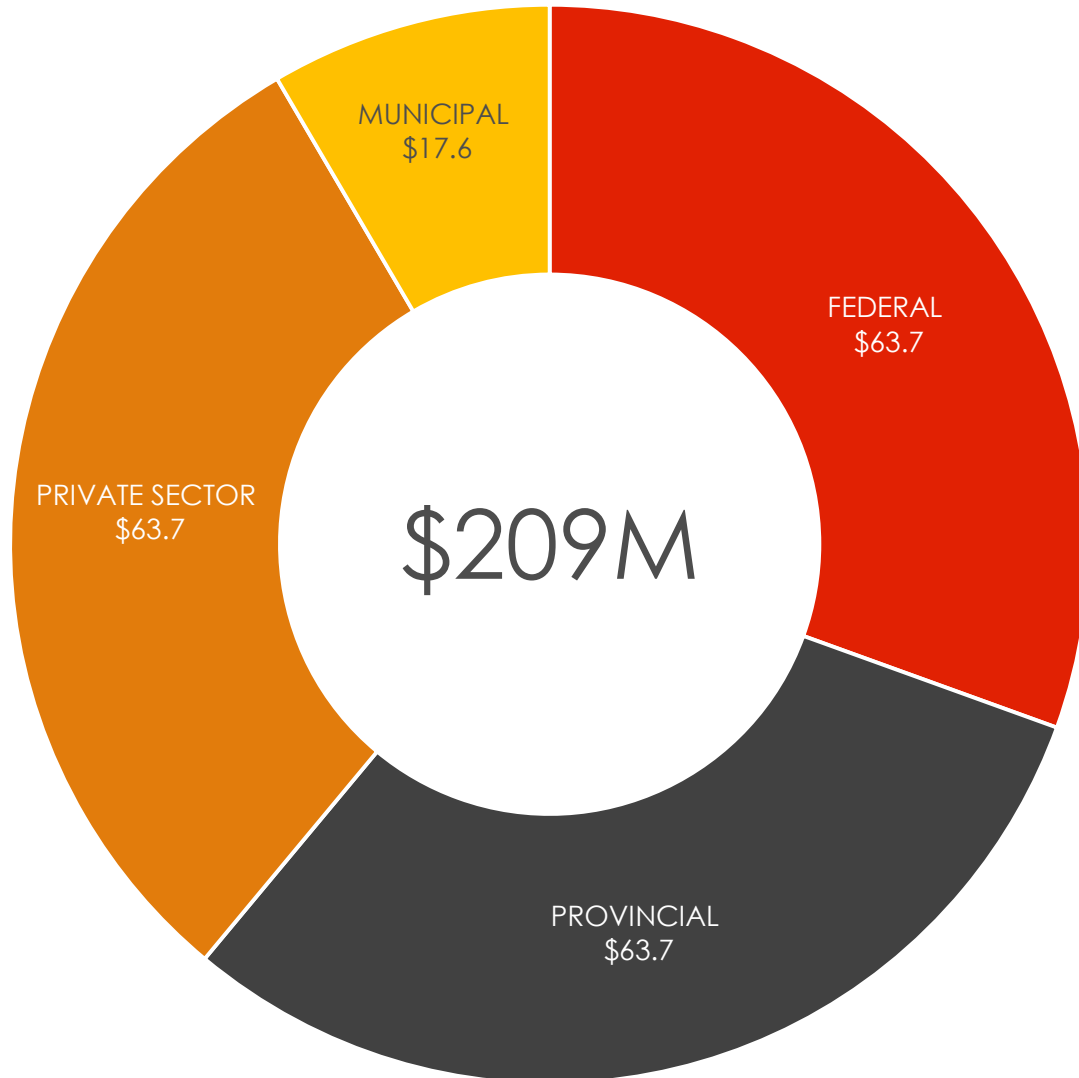


PROJECT UPDATE AND WAIVER REQUEST PRESENTATION

BRUCE COUNTY



SOURCES OF FUNDING

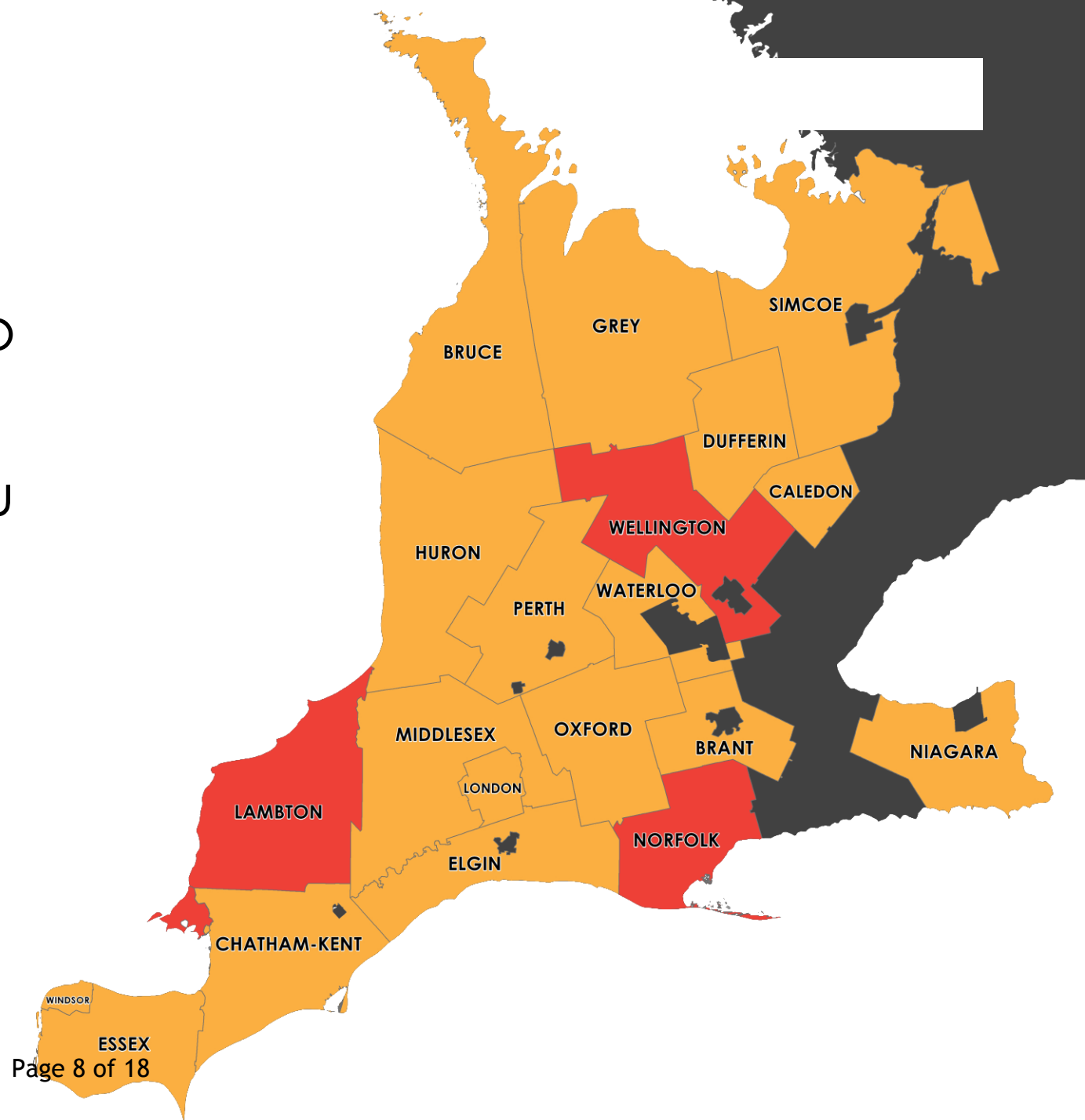


- Federal and Provincial matching contributions
- Private Sector – 1/3 of Fed/Prov contribution (minimum)
- Municipal funding covers overheads, admin and non-SCF eligible projects

Note: Federal and Provincial funding values represent maximum funding available and assumes successful Pilot Project.

PROJECT PHASES

- ✓ • Phase 1
 - Business Case Develo
- In Progress* • Phase 2 ■
 - 3 Pilot Projects (Procu Construction)
- 2020 start* • Phase 3 ■
 - Remaining Projects



PHASE 2 STATUS



- Phase 2 Provincial Approval 21-May-19
- 3 RFPs Issued
 - Norfolk 19-Jul-19
 - Wellington 26-Jul-19
 - Lambton 02-Aug-19
- CA2* Approved 06-Sep-19
- RFPs Close Oct-19
- Evaluation and Award Nov-19
- Construction areas and schedule dependent on winning proposals
- Phase 3 to be approved pending outcome of Phase 2 procurement

PHASE 2 ISP PARTICIPATION



VORs currently active in the municipality

Norfolk County

Item	Count	Vendor of Record																																										
		Bell Canada	Beyond Air Networks Limited	BH Telecom Corp.	Bluewater Regional Networks	Brant Municipal Enterprises Inc.	Brooke Telecom Co-operative Ltd.	Bruce Telecom	Cogeco Connexion Inc.	Distributel Communications Limited	Eastlink	Enfiel Networks Inc.	Entegrus	Envi Networks Ltd.	Execulink Telecom Inc.	Frontline 360 Inc.	GB TEL Incorporated	Gosfield North Telecom	Hay Communications	HCE Telecom	HuronTel	Hydro One Telecom	Internet Access Solutions Ltd.	KWIC Internet	Lakeland Energy Ltd.	MPV WiFi	Mornington Communications	Multiboard (Start.ca)	Nexicom Inc.	NRBN	NFTC, Elgin Corp.	Olds Fibre Ltd. (O-Net)	Quadro	Rogers Communications	Silo Wireless Inc.	TekSavvy Solutions	TeraGo Networks	The North Frontenac Telephone Company	Tuckersmith	Vianet Inc.	Wightman Communications	Xplanet Communications Inc.	Zayo Group LLC	
RFP Download	16	✓				✓			✓					✓						✓	✓	✓	✓	✓			✓						✓	✓			✓	✓			✓	✓		
Intent to Bid	7	✓				✓			✓					✓									✓											✓								✓	✓	

Wellington County

Item	Count	Vendor of Record																																												
		Bell Canada	Beyond Air Networks Limited	BH Telecom Corp.	Bluewater Regional Networks	Brant Municipal Enterprises Inc.	Brooke Telecom Co-operative Ltd.	Bruce Telecom	Cogeco Connexion Inc.	Distributel Communications Limited	Eastlink	Enthel Networks Inc.	Entegrus	Envi Networks Ltd.	Execulink Telecom Inc.	Frontline 360 Inc.	GB TEL Incorporated	Gosfield North Telecom	Hay Communications	HCE Telecom	HuronTel	Hydro One Telecom	Internet Access Solutions Ltd.	KWIC Internet	Lakeland Energy Ltd.	MPV WiFi	Mornington Communications	Multiboard (Start.ca)	Nexicom Inc.	NRBN	NFTC, Elgin Corp.	Olds Fibre Ltd. (O-Net)	Quadro	Rogers Communications	Silo Wireless Inc.	TekSavvy Solutions	TeraGo Networks	The North Frontenac Telephone Company	Tuckersmith	Vianet Inc.	Wightman Communications	Xplanet Communications Inc.	Zayo Group LLC			
RFP Download	14	✓						✓			✓											✓	✓				✓		✓					✓	✓			✓	✓			✓	✓			
Intent to Bid	9	✓						✓			✓											✓	✓				✓		✓					✓				✓	✓			✓	✓			

Lambton County

Item	Count	Vendor of Record																																												
		Bell Canada	Beyond Air Networks Limited	BH Telecom Corp.	Bluewater Regional Networks	Brant Municipal Enterprises Inc.	Brooke Telecom Co-operative Ltd.	Bruce Telecom	Cogeco Connexion Inc.	Distributel Communications Limited	Eastlink	Enitel Networks Inc.	Entegrus	Envi Networks Ltd.	Execulink Telecom Inc.	Frontline 360 Inc.	GB TEL Incorporated	Gosfield North Telecom	Hay Communications	HCE Telecom	HuronTel	Hydro One Telecom	Internet Access Solutions Ltd.	KWIC Internet	Lakeland Energy Ltd.	MPV WiFi	Mornington Communications	Multiboard (Start.ca)	Nexicom Inc.	NRBN	NFTC, Elgin Corp.	Olds Fibre Ltd. (O-Net)	Quadro	Rogers Communications	Silo Wireless Inc.	TekSavvy Solutions	TeraGo Networks	The North Frontenac Telephone Company	Tuckersmith	Vianet Inc.	Wightman Communications	Xplanet Communications Inc.	Zayo Group LLC			
RFP Download	16	✓	✓		✓		✓		✓					✓				✓			✓			✓			✓			✓			✓			✓		✓	✓			✓	✓			
Intent to Bid	9	✓	✓		✓		✓		✓					✓								✓			✓			✓			✓			✓			✓		✓	✓			✓	✓		

WAIVER REQUEST

CONTRIBUTION HISTORY



- All WOWC members (with the exception of Middlesex) were presented with an optional refundable portion to their gross contribution
- All of these members were given the opportunity to waive the refund
- Dufferin, Grey and Wellington waived
- Project budgets, which included a 4-times multiplier on the municipal contribution, were calculated based on the gross contribution
- In fairness to those that waived, it should have been based on the net contribution (Gross minus Refund)

BUDGET RECALIBRATION



- In order to correct this issue, the SWIFT Board has approved a plan to recalibrate the project budgets using each municipality's **Net contribution** rather than their **Gross contribution**
- Impacted municipalities will be given the opportunity to waive their refundable amount prior to recalibration
- In general, failure to waive will result in a reduction of the project budget equal to 4 times the difference between the Gross and Net contribution (the refundable amount) less offset dependent on what other municipalities decide

MUNICIPAL CONTRIBUTIONS



Municipality	Gross Contribution	Non-Refundable	Refundable Before Waiver	Refund Waived	Total Refundable	Net Contribution
Brant County	\$ 346,986	\$ 141,702	\$ 205,284	Not Waived	\$ 205,284	\$ 141,702
Bruce County	\$ 860,092	\$ 391,429	\$ 468,663	Not Waived	\$ 468,663	\$ 391,429
Caledon	\$ 634,062	\$ 634,062	\$ -	No Refund Available	\$ -	\$ 634,062
Dufferin County	\$ 535,857	\$ 201,000	\$ 334,857	Waived	\$ -	\$ 535,857
Elgin County	\$ 527,793	\$ 271,459	\$ 256,334	Not Waived	\$ 256,334	\$ 271,459
Essex County	\$ 1,101,024	\$ 398,181	\$ 702,843	Not Waived	\$ 702,843	\$ 398,181
Grey County	\$ 1,079,981	\$ 463,705	\$ 616,276	Waived	\$ -	\$ 1,079,981
Huron County	\$ 678,557	\$ 334,579	\$ 343,978	Not Waived	\$ 343,978	\$ 334,579
Lambton County	\$ 1,010,430	\$ 403,004	\$ 607,426	Not Waived	\$ 607,426	\$ 403,004
Middlesex County	\$ 784,063	\$ 784,063	\$ -	No Refund Available	\$ -	\$ 784,063
Niagara Region	\$ 1,000,000	\$ 1,000,000	\$ -	No Refund Available	\$ -	\$ 1,000,000
Norfolk County	\$ 505,432	\$ 218,276	\$ 287,156	Not Waived	\$ 287,156	\$ 218,276
Oxford County	\$ 704,239	\$ 308,292	\$ 395,947	Not Waived	\$ 395,947	\$ 308,292
Perth County	\$ 569,484	\$ 276,906	\$ 292,578	Not Waived	\$ 292,578	\$ 276,906
Simcoe County	\$ 2,457,275	\$ 748,210	\$ 1,709,065	Not Waived	\$ 1,709,065	\$ 748,210
Waterloo Region	\$ 2,231,874	\$ 2,231,874	\$ -	No Refund Available	\$ -	\$ 2,231,874
Wellington County	\$ 880,401	\$ 329,505	\$ 550,896	Waived	\$ -	\$ 880,401
London	\$ 690,000	\$ 690,000	\$ -	No Refund Available	\$ -	\$ 690,000
Windsor	\$ 250,000	\$ 250,000	\$ -	No Refund Available	\$ -	\$ 250,000
Chatham-Kent	\$ 762,440	\$ 333,857	\$ 428,583	Not Waived	\$ 428,583	\$ 333,857
TOTAL	\$ 17,609,990	\$ 10,410,104	\$ 7,199,886		\$ 5,697,857	\$ 11,912,133

BRUCE COUNTY DECISION



- Bruce County needs to determine if they will waive the refundable portion of their contribution (\$468,663) or not.
- Failure to waive will reduce the overall project budget for Bruce County.

Gross Contribution	Refundable	Net Contribution	4x Multiple of Gross Contribution	4x Multiple of Net Contribution	Increase / Decrease
\$ 860,092	\$ 468,663	\$ 391,429	\$ 3,440,368	\$ 1,565,716	\$ (1,874,652)

- Note that this reduction represents only the reduction to the 4-times multiplier calculation and may be offset by the redistribution of funds from other municipalities depending on their decisions.
- If all municipalities waive, there will be no increase or decrease since the Gross and Net contributions will be the same figure.

WAIVER



- The following waiver has been provided and it is requested that it be returned to SWIFT no later than October 25th, 2019.

TO: SOUTHWESTERN INTEGRATED FIBRE TECHNOLOGY INC. (hereinafter referred to as “SWIFT”)

FROM: _____
(hereinafter referred to as the “Municipal Member”)

RE: REQUEST REGARDING REFUNDABLE PORTION OF MEMBER CONTRIBUTION

WHEREAS SWIFT and the Municipal Member entered into an agreement dated _____, 20__ (the “Municipal Capital Agreement”) whereby, among other things, the Municipal Member agreed to contribute to SWIFT, for the purposes of advancing and developing the SWIFT Network, the Member Contribution;

AND WHEREAS pursuant to the Municipal Capital Agreement, the Refundable Portion of the Member Contribution is refundable to the Municipal Member in Annual Refundable Amounts payable at such times, and in such amounts, as set forth in the Municipal Capital Agreement;

AND WHEREAS SWIFT has requested that the Municipal Member irrevocably waive its rights to repayment by SWIFT of all Annual Refundable Amounts and authorize SWIFT to reinvest all such amounts to accelerate or further expand the development of the SWIFT Network;

AND WHEREAS all capitalized terms used and not otherwise defined in this document (including the recitals) have the meanings ascribed to them in the Municipal Capital Agreement.

NOW THEREFORE, the Municipal Member’s response to SWIFT’s request is indicated by the presence of the initials of an authorized signatory of the Municipal Member in one of the boxes below:

- ☐ *The Municipal Member hereby irrevocably waives any right to repayment by SWIFT of all Annual Refundable Amounts and authorizes SWIFT to reinvest all such amounts to accelerate or further expand the development of the SWIFT Network. The Municipal Member agrees that, from and after the date hereof, the Municipal Capital Agreement shall read and construed as amended hereby.*
- ☐ *The Municipal Member does not agree to waive its rights to repayment by SWIFT of any Annual Refundable Amounts. The rights and obligations of the Municipal Member under the Municipal Capital Agreement shall not be affected or prejudiced in manner by this document.*

TO: SOUTHWESTERN INTEGRATED FIBRE TECHNOLOGY INC. (hereinafter referred to as “**SWIFT**”)

FROM: CORPORATION OF THE COUNTY OF BRUCE (hereinafter referred to as the “**Municipal Member**”)

RE: **REQUEST REGARDING REFUNDABLE PORTION OF MEMBER CONTRIBUTION**

WHEREAS SWIFT and the Municipal Member entered into an agreement dated **July 6th, 2017** (the “**Municipal Capital Agreement**”) whereby, among other things, the Municipal Member agreed to contribute to SWIFT, for the purposes of advancing and developing the SWIFT Network, the Member Contribution;

AND WHEREAS pursuant to the Municipal Capital Agreement, the Refundable Portion of the Member Contribution is refundable to the Municipal Member in Annual Refundable Amounts payable at such times, and in such amounts, as set forth in the Municipal Capital Agreement;

AND WHEREAS SWIFT has requested that the Municipal Member irrevocably waive its rights to repayment by SWIFT of all Annual Refundable Amounts and authorize SWIFT to reinvest all such amounts to accelerate or further expand the development of the SWIFT Network;

AND WHEREAS all capitalized terms used and not otherwise defined in this document (including the recitals) have the meanings ascribed to them in the Municipal Capital Agreement.

NOW THEREFORE, the Municipal Member’s response to SWIFT’s request is indicated by the presence of the initials of an authorized signatory of the Municipal Member in one of the boxes below:

[] *The Municipal Member hereby irrevocably waives any right to repayment by SWIFT of all Annual Refundable Amounts and authorizes SWIFT to reinvest all such amounts to accelerate or further expand the development of the SWIFT Network. The Municipal Member agrees that, from and after the date hereof, the Municipal Capital Agreement shall read and construed as amended hereby.*

[] *The Municipal Member does not agree to waive its rights to repayment by SWIFT of any Annual Refundable Amounts. The rights and obligations of the Municipal Member under the Municipal Capital Agreement shall not be affected or prejudiced in manner by this document.*

Dated: _____, 2019

Name of Municipal Member:

**CORPORATION OF THE COUNTY
OF BRUCE**

By: _____
Name:
Title:

By: _____
Name:
Title:

I/We have the authority to bind the Municipal Member.

[Signature Page – Request Regarding Refundable Portion of Member Contribution]