



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 dark ink, reading "Bettyanne Cobean". The signature is written in a cursive, flowing style with a large initial 'B' and a long, sweeping tail on the 'n'.

Bettyanne Cobean
Acting Chief Administrative Officer