
REPORT TITLE: 2021 Public Sector Network Update and Budget

FROM: Sean Baird, Commissioner of Service Excellence and Innovation

RECOMMENDATION

That the Public Sector Network (PSN) 2021 Operating Budget, attached as Appendix II to the report of the Commissioner of Service Excellence and Innovation, listed on the May 27, 2021 Regional Council agenda titled “2021 Public Sector Network Update and Budget”, be approved in accordance with the PSN Partnership Agreement.

REPORT HIGHLIGHTS

- Under the Public Sector Network (PSN) Partnership Agreement, an annual PSN Budget is required to be submitted to the respective municipal Councils of the PSN Partners.
 - The 2021 PSN Proposed Budget has no impact on the overall Regional Budget.
 - In accordance with the PSN Partnership Agreement, subscriber revenues are applied to offset shared costs for operation and support of the network, thereby reducing partners’ cost of ownership.
 - The Reserve Fund balance at the end of 2020 was \$822,497 and is anticipated to reach \$852,859 by the end of 2021.
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DISCUSSION

1. Background

The fibre optic network, named the Public Sector Network (PSN), involves the effort of the four municipal agencies operating within the Region of Peel (City of Mississauga, City of Brampton, Town of Caledon and the Region of Peel). Established in 1996, the network is designed to meet the need to provide high speed telecommunications between municipal facilities across the Cities of Mississauga and Brampton and the Town of Caledon. In addition to providing operational connectivity between facilities of its owners (Peel Region and local municipalities), PSN provides connectivity for other public sector agencies operating within Peel.

a) PSN Budget

Under the PSN Owners’ Agreement, the PSN Steering Committee is required to submit an annual proposed budget and a statement of actual revenues and expenditures to their respective municipal councils for approval. The PSN Steering Committee consists of staff representatives from the PSN Owners: Region of Peel and the three local municipalities in Peel.

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Appendix I of the subject report includes a Revenue and Expenditure statement for the year ending December 31, 2020 with commentary on budget variances.

Appendix II of the subject report includes the PSN Proposed Budget detailing the proposed allocation of revenues in 2021. In accordance with the PSN Owners' Agreement, revenues received from PSN Subscribers are used to offset shared costs incurred for operation and support of the network, thereby reducing the partners' cost of ownership.

As noted in these Appendices, PSN incurred a dip in subscriber revenue in 2020, due to discontinuation by Trillium Hospital of its connections to the Mississauga Academy of Medicine. As a result, some operating costs previously covered by subscriber revenue will need to be borne by the owners. While some opportunities to generate additional revenue from subscribers are currently being explored, revenue generation is not the primary focus of PSN. While the owners have benefited from the fact that some of their operating costs have been, and will continue to be, offset by subscriber revenue, the network generates an estimated ten million dollars in annual savings/cost avoidance for the owners with or without these revenues.

b) PSN Activity

Despite the impact of COVID-19, which limited some PSN activity, PSN continued to expand during 2020:

- 15 kilometers of new fibre optic cables were installed, representing almost 1,000 new strand-kilometers.
- 36 partner connections were added – 8 sites (locations with staff) and 28 nodes (traffic controllers, bus stops, SCADA sites, etc.).
- 14 Region of Peel and two Peel Regional Police connections were added, including 11 traffic controllers and one Police VCom site.
- Redundant connection was added to a Region of Peel location containing a backup data centre, further minimizing the impact of a single lost connection.

Much PSN activity during 2020 continued to be focused on responding to externally imposed requirements:

- Completing bypasses (alternate routes) for key sites along the Hurontario corridor, to minimize the risk of service disruptions resulting from the Hurontario LRT construction.
- Working with Metrolinx and other utilities to design and implement alternatives to existing overhead GO Rail crossings, which will need to be replaced as part of planned GO Rail electrification.
- Working with Alectra and other utilities to relocate PSN fibre from Alectra poles scheduled for replacement.

c) Current Status

In 2020, a milestone was reached when the 1,000th municipal site was connected to PSN. PSN's 842 kilometers of fibre (almost 50,000 strand-kilometers) of fibre now connects 1,031 partner and subscriber facilities as follows:

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Partner Connections (1,016):

- Region of Peel (204)
- Peel Regional Police (24)
- City of Mississauga (395)
- City of Brampton (374)
- Town of Caledon (19)
- Subscriber Connections (15)

PSN provides highly reliable service. During 2019, there were 15 incidents where fibre was damaged. Eight of these incidents involved damage caused to buried fibre by contractors digging, despite locate services. Another three incidents were caused by vehicles snagging overhead fibre. Incidents are generally repaired within a few hours. However, since most critical facilities have redundant connections, many resulted in no loss of service to connected facilities. Overall, PSN maintains availability exceeding 99.99 per cent for connected sites.

d) Activities for 2021

In early 2021, additional fibre connections were provided for six sites across Peel Region that were being readied as potential COVID-19 vaccination clinics. With the wide availability of PSN fibre, these additional fibre connections could be activated on short notice and at minimal cost.

In addition to addressing ongoing municipal and/or subscriber needs, a significant area of focus in 2021 will be working with Metrolinx/Mobilinx, both to relocate existing PSN fibre located in the path of the Hurontario LRT, now under construction, as well as addressing new municipal and Metrolinx needs associated with the LRT and its transit stations.

FINANCIAL IMPLICATIONS

The recommendations in the subject report have no direct financial impact on the Region of Peel. Revenues received from PSN subscribers are used to offset PSN shared operating costs, which would otherwise be borne by PSN partners. Surplus funds are deposited to the PSN Reserve Fund and will be applied as determined by the PSN steering committee in accordance with the established partner agreements. The Reserve Fund balance at the end of 2020 was \$822,497. In 2021, the network is estimated to increase its Reserve Fund by \$30,362 and end the year with a reserve fund balance of \$852,859.

CONCLUSION

Public Sector Network remains an outstanding example of technological innovation and of the benefits derived through cooperation and partnership among Peel municipalities and with the broader public sector in the Peel. Access fees from subscribers to the network continue to fund many shared costs associated with network operations, while providing a small surplus for future network operations or replacement costs.

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APPENDICES

Appendix I - Public Sector Network, Revenue and Expenditure Statement for 2020

Appendix II - Public Sector Network, Proposed 2021 Operating Budget

For further information regarding this report, please contact Steve Van De Ven, Director IT Operations, steve.vandeven@peelregion.ca

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Reviewed and/or approved in workflow by:

Department Commissioner, Division Director, Financial Support Unit and Legal Services.