



Report
Staff Report
The Corporation of the City of Brampton
10/2/2024

Date: 2024-09-04

Subject: **Annual Public Sector Network (PSN) Update**

Contact: Douglas Elsmore, Director, Technology and Cybersecurity
Information Technology,

Report number: Corporate Support Services-2024-716

RECOMMENDATIONS:

1. That the report from Douglas Elsmore, Director, Technology and Cybersecurity, Information Technology, to the Committee of Council Meeting of October 2, 2024, re: **Annual Public Sector Network (PSN) Update**, be received; and
2. PSN Revenue and Expenditure Statement for 2023 as outlined in Appendix I and 2024 PSN Proposed Budget as outlined in Appendix II reported by the Region of Peel be received.

OVERVIEW:

- **Since 1999, the City of Brampton has been in a partnership agreement with the Region of Peel, City of Mississauga and Town of Caledon for the development of a fibre optic network known as the Public Sector Network (PSN).**
- **The PSN now consists of 860 kilometres of fibre that connects 1,081 partner and subscriber facilities, to the benefit of each partner municipality, its citizens and businesses.**
- **Within the PSN Agreement, revenues are to be applied to offset shared costs for the operation and support of the network, and each partner is required to seek Council approval of the annual PSN operating and financial status reports.**
- **The PSN Reserve fund balance at the end of 2023 stood at \$940,339 and is anticipated to reach \$998,085 by the end of 2024.**

BACKGROUND:

In June 1999, Council endorsed that the City of Brampton enter into a partnership known as the Public Sector Network (PSN) with the Region of Peel, the City of Mississauga and the Town of Caledon for the development of a fibre optic network. The key principle of the partnership is that each partner is responsible for construction of the fibre optic network within its municipal boundaries. However, spare fibre would be made available for use by the other member partners. The City of Brampton has 278 kilometres of fibre connecting 384 connection points to sites, ZUM stations and traffic controllers across the city.

PSN Budget

The Public Sector Network Agreement requires that each partner submits and obtains approval from its Council of an annual operating report update with the previous year's financial statement and the current year's budget forecast. PSN budgets, accounts and financial reporting are maintained by Region of Peel staff. The PSN Steering Committee decided that the report should first go to the Regional Council and then to the local municipalities of Brampton, Mississauga and Caledon. Region of Peel approved its annual PSN operating report on July 11, 2024.

Appendix I of the subject report includes a Revenue and Expenditure statement for the year ending December 31, 2023, with commentary on budget variances.

In 2023, \$37,254 was withdrawn from the PSN Reserve to cover a one-time shortfall in PSN Revenues used to offset shared PSN Expenses. This was as identified in the 2023 PSN Budget approved by Council in 2023. An additional \$30,000 withdrawal, proposed to cover the costs for design to address a bottleneck in the original PSN backbone network was not used. Instead, the PSN Team developed an approach to make more efficient use of PSN fibre, reducing or eliminating the need to expand capacity in areas where existing fibre is heavily utilized.

Appendix II, of the subject report, includes the PSN Proposed Budget detailing the proposed allocation of revenues in 2024. In accordance with the PSN Partnership 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. No withdrawal from PSN Reserve is anticipated to be required in 2024. In fact, budget includes a small operating surplus to be contributed back into the Reserve.

CURRENT SITUATION:

PSN now consists of over 860 kilometres of fibre (over 50,000 strand-kilometres), connecting 1081 partner and subscriber facilities, as follows:

- Partner connections (1065)
 - Region of Peel (211)

- Peel Regional Police (28)
- City of Mississauga (420)
- City of Brampton (384)
- Town of Caledon (22)

Subscriber Connections (16)

PSN provides highly reliable service. During 2023, there were 17 incidents where fibre was damaged. Such incidents may result from traffic incidents affecting overhead cable, damage caused by contractors digging (despite locate services) or even animals chewing through the fibre. Incidents are generally repaired within a few hours.

However, since most critical facilities have redundant connections, no loss of service was experienced in many cases.

CORPORATE IMPLICATIONS:

Financial Implications:

The recommendations in the subject report have no direct financial impact on the City of Brampton. 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 can be applied as determined by the PSN Steering Committee in accordance with the established partner agreements. In 2024, the network is estimated to increase its reserve fund by \$57,746 and end the year with a reserve fund balance of \$998,085.

STRATEGIC FOCUS AREA:

This report aligns with our Government & Leadership Strategic Focus Area. The PSN is an example of innovation, efficiency, and transparency.

CONCLUSION:

PSN remains an outstanding example of technological innovation and of the benefits derived through co-operation and partnership among Peel municipalities and with the broader public sector in Peel. Access fees from subscribers to the network fund a substantial portion of the shared costs associated with network operations while providing a small surplus for future network operations or replacement costs.

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Attachments:

- Attachment 1 – Appendix I - Revenue and Expenditure Statement
- Attachment 2 – Appendix II – 2024 PSN Proposed Budget