



**CITY OF HAMILTON**  
**PUBLIC WORKS DEPARTMENT**  
**Engineering Services Division**

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| <b>TO:</b>                | Chair and Members<br>Public Works Committee   |
| <b>COMMITTEE DATE:</b>    | April 29, 2024  |
| <b>SUBJECT/REPORT NO:</b> | Telecommunications Industry Investments in the City<br>(PW20003(a)) (City Wide)         |
| <b>WARD(S) AFFECTED:</b>  | City Wide   |
| <b>PREPARED BY:</b>       | David Lamont (905) 546-2424 Ext. 4413   |
| <b>SUBMITTED BY:</b>      | Jackie Kennedy<br>Director, Engineering Services<br>Public Works / Engineering Services |
| <b>SIGNATURE:</b>         |        |

**RECOMMENDATION**

- (i) That the General Manager, Public Works or designate be authorized to extend, on behalf of the City, an agreement with Bell Canada ("Bell") to facilitate Bell's expansion of their fibre optic network throughout the City of Hamilton (the "Project"), in a form acceptable to the City Solicitor; and
- (ii) That, in accordance with the City's Budgeted Complement Control Policy, the extension of additional temporary Full-Time Employees (FTEs) to the complement of the Engineering Services Division, for up to an additional 24 months, all at Bell's cost, be approved to facilitate the completion of the Bell's Project such that there is no impact on the tax levy.

**EXECUTIVE SUMMARY**

The Special Utilities Section, within Engineering Services, was established by Public Works Committee Report (PW20003//LS20001) which was presented to Committee on January 13, 2020, and ratified by Council on January 22, 2020 (Public Works Committee Report 20-001 - Item 10.5). The Special Utilities Section was established to address Bell Canada's ("Bell") proposal to install a fibre optic telecommunications network to service every urban resident within the City of Hamilton with Fibre to the Home (FTTH). Staff are very supportive of this ongoing initiative, and through the

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OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

extension of our current agreement Bell will continue to fund additional City staff for the purposes of issuing permits, conducting field inspections as well as any other tasks required for the normal facilitation of this work.

This approach is required because of the large volume of work proposed to be completed over a relatively short time. The original proposal was for the work to be completed within a five-year (60 month) cycle, however as the project is approximately 70% complete, it is anticipated that an additional 24 months will be necessary to see this project to its completion.

Accordingly, the recommendations in this report seek authorization for the General Manager, Public Works to:

- (i) extend the current agreement with Bell to retain the staff necessary to adequately respond to the Project at Bell's cost; and
- (ii) approve an extension to the temporary complement for up to 24 additional months to support Bell's Project and similar projects notwithstanding the 24-month limit in the City's Budgeted Complement Control Policy.

### **Alternatives for Consideration – See Page 5**

### **FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

**Financial:** It is intended that Bell will bear all costs associated with this Project. As such, the City should bear minimal costs of implementation.

**Staffing:** Currently, the City has four and a half FTE's, at Bell's cost, to respond exclusively to the Project. Bell and City staff are jointly reviewing the suitability of this complement on a quarterly basis, and may add or decrease complement, again at Bell's cost, proportional to work volumes.

**Legal:** Legal Services has been consulted with respect to this initiative and being that the current agreement that was previously negotiated with Bell will be used in the extension there is no legal implications with the extension.

### **HISTORICAL BACKGROUND**

As part of the work of the Mayor's Intelligent Community Task Force (MICTF), the City of Hamilton identified the importance of effective community-wide digital infrastructure. Generally, digital infrastructure includes a variety of types of connectivity to service the community, including, but not limited to access to high-speed internet, broadband, fibre, cable, DSL, LTE, 5G, and Low Power Wide Area Networks.

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The City also recognizes that insufficient digital infrastructure increasingly poses a barrier to economic investment, community satisfaction and digital inclusion.

Working in partnership with the Hamilton Chamber of Commerce's Digital Infrastructure Task Force, the City identified gaps in digital infrastructure across the community. Subsequently, the City worked with the telecommunications industry to increase investment in the digital infrastructure in the broader community.

Following the work of the Task Force, the telecommunications industry has identified a willingness to address gaps in digital infrastructure in Hamilton. As such, the City, primarily through the Digital Office and Public Works Engineering Services, took an active role in working with the sector to improve processes and relationships.

#### Current Status

In the telecommunication industry, the Key Point Indicators (KPI) of performance are measured on a scale of “homes passed”, which essentially means the potential number of premises which a service provider has capabilities to connect to a FTTH network in a service area.

Within the program, the Special Utilities Section has been capturing the industry standard of homes passed, the amount of underground infrastructure installed within the City of Hamilton’s right of way and permits issued up until the end of 2023. Records indicate that the Special Utilities Section has approved permits to support 140,000 homes passed with an estimate of approximately 60,000 more to permit. Prior to the establishment of the FTTH program through the on-demand stream of work, Bell on average would install approximately 10,000 meters of underground infrastructure annually.

The FTTH Project to date has installed approximately 870,000 meters of underground infrastructure within the City’s right of way. This calculates to 1640% increase in Bell infrastructure being installed in comparison to the pre-deployment of the FTTH Project. The other KPI that is tracked with regards to the FTTH program is the number of permits issued. Geographically, Bell has established 500 networks throughout the City and at the end of 2023 the Special Utilities Section has issued 455 permits with 45 networks remaining to be processed and permitted.

This represents a significant continued opportunity for the City from an economic development perspective, as well as for the community which is eagerly looking forward to enhanced internet connectivity and speeds.

The primary terms of the agreement with Bell include:

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- (i) Bell's commitment to significantly expand its fibre optic telecommunications network within the City of Hamilton at a rate significantly larger than its pre-deployment of the FTTH Project rate of installation; and
- (ii) the City's commitment to continue to staff the Special Utilities Section who are exclusively dedicated to the reviews, approvals, and inspections necessary to adequately support Bell's Project which complement can be adjusted periodically to respond to work volumes, all at Bell's cost.
- (iii) The current agreement between the City of Hamilton and Bell is due to expire November 1, 2024. We have received, as per the agreement, a letter from Bell dated January 11, 2024, expressing an interest to extend the existing agreement for up to an additional 24 months (November 1, 2026).

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

The City's Budgeted Complement Control Policy.

## **RELEVANT CONSULTATION**

- Mayor's Intelligent Community Task Force
- City Manager
- Financial Services Division
- Economic Development Division
- Legal Services Division
- Human Resources Division

## **ANALYSIS AND RATIONALE FOR RECOMMENDATION**

As part of the City's discussions with the telecommunications industry where City staff sought input on how to better enable investment in the City, feedback was provided regarding processes implemented in other Ontario municipalities.

The Special Utilities Section created the opportunity to develop new technologies and online portals for monitoring/updates and the use of dedicated teams. Public Works has worked actively over the past five years to proactively implement continuous improvements to its delivery model within the Bell Fibre to the Home Project and has enabled new technologies and delivered an on-line portal for the industry.

The orders of magnitude in works volumes for this Project requires the City to continue offering the services of the Special Utilities Section to meet the capacity of work. As

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indicated, Bell is committed to following this Project to its completion and in order to do so it is imperative that the business model established be extended up to 24 months. Staff support this model. As such, Bell would continue to work with the City to deploy a dedicated project funded team to support the Project. This model would be available to all other service providers contemplating similar significant investments to facilitate success.

This is a continued opportunity for the City to enable better service for residents and businesses through significant private sector investment without the cost being borne by the taxpayer. The City will continue to work with any other members of the telecommunications industry who wish to upgrade their infrastructure for the benefit of the entire community.

The development of the City's Digital Transformation and Smart City Strategy and the work of the Mayor's Intelligent Community Task Force identified that digital infrastructure is a critical component of a community's infrastructure today and in the future.

This infrastructure is increasingly viewed as the next fundamental utility, with the expectation that businesses and residents will make decisions about where to invest and locate based on availability. This initiative represents an important opportunity for Hamilton to increase and improve its digital infrastructure without adversely impacting the levy.

#### Next Steps

On receipt of Council approval, City staff intend to:

- (a) Extend the current agreement with Bell to retain the staff necessary to adequately respond to the Project at Bell's cost; and
- (b) Approve an extension to the temporary complement for up to 24 additional months to support Bell's Project and similar projects notwithstanding the 24-month limit in the City's Budgeted Complement Control Policy.

#### **ALTERNATIVES FOR CONSIDERATION**

Bell's continued initiative represents an innovative and unique opportunity for the City to facilitate the installation of significant amounts of telecommunications infrastructure at minimal additional cost to the City. The anticipated volume and speed of installation is such that the City could not adequately support this initiative with existing resources. Accordingly, staff do not believe that there exists a viable alternative if this Project is to be successful.

**APPENDICES AND SCHEDULES ATTACHED**

N/A