

City of Burlington Summary of Burlington Telecom Proposals
September 20, 2017

	TING/TUCOWS	SCHURZ	KBTL
Management	Successful operator for 24 Years (public company since 2001)	Successful operator for 144 Years	Majority owner is first-time operator
Offer/Source of Funding	\$27.5 million/Cash	\$30.8 million/Cash	\$12 million consisting of \$10.5 million cash and City retaining \$1.5 million interest/\$10million debt at 14% interest
Additional considerations	Will add \$0.5 million if financial target in excess of FY2018 plan met. Will be responsible for moving BT equipment out of Memorial Auditorium if necessary (estimated value of \$800,000).	Possible increase based on current fiscal year financial performance in excess of FY 2018 plan	All BT subscribers become coop members automatically at no additional cost to them (City will receive membership interest relative to service usage). KBTL will pay to move equipment from Memorial if necessary.
Potential City equity %	~20% (up to City's pro rata share of proceeds, with Tucows retaining right of first refusal on interest)	~20% (up to max of 33% if additional investment permitted)	City required to retain 12.5% ownership (offer is to purchase 87.5% of company)
Fiber build-out of Burlington	Will continue to support full build out as planned by BT (except for 120 homes)	Full build out by 2019, as currently planned by BT (except for 120 homes)	Will seek 100% buildout in Burlington

Projected capital investment over 5 years	Has agreed to fund planned BT cap expansion and will review plans for other expansion	Has agreed to fund planned BT cap expansion in amounts of \$6.2 to \$8.84 M through June 2021	Has proposed own cap ex schedule
Ongoing community investment in City	Annual contributions of \$60,000 into BTV Ignite and \$50,000 free TV advertising for local startups and community events and \$140,000 to other community projects	Expressed support for BTV Ignite and BT's existing current and planned community commitments	Expressed support for BTV Ignite and continuing BT's community involvement
Pricing commitment	No price increases for core Internet VOIP for at least 30 months Content cost increases on video passed on at cost	No broadband price increases to customers for at least 5 years Content cost increases on video passed on at cost	Not specifically addressed. City and School District required to agree to 10 year minimum service contract at existing BT prices
Customer service	Will maintain BT's current customer service focus and add extended support hours and additional tools, such as web forums.	Will maintain BT's current customer service focus and expand support hours.	Will maintain BT's current customer service focus.
Anti-monopoly future sales restriction	Included	Included	Future sale not contemplated as co-op
Commitment to Net Neutrality policies	Included	Included	Included

Other terms to be discussed before final agreement