

DRAFT

May 15, 2015

Regular Meeting

Members: Clem Nilan, David Provost, Joan Shannon (left at 6:47 p.m.), Theresa Alberghini-DiPalma and Tim Halvorson

Member's Absent: Karen Paul

Others Present: Stephen Barraclough, Amber Thibeault, Nick Martin, Dawn Monahan, Jeremy Patrie (via phone) and Stacey Trudo

Public Members: James

Meeting commenced at 5:39 p.m.

1. Agenda

Shannon inquired about adding an agenda item to discuss the preparation of Burlington Telecom for sale. *Provost* indicated that he was intending to speak to this issue anyway at the end of the meeting.

2. Approval of minutes from last BTAB meeting

MOTION to approve the minutes from the last Burlington Telecom Advisory Board meeting, made by *Shannon*, seconded by *Alberghini-DiPalma*. *Unanimous*.

3. Public Forum

James Derochia local business owner:

1. Wanted to know if BTAB would be interested in signing on to legislation that he would propose to require internet providers to disclose all rates to the public, not just promotional pricing. ***Shannon* asked that BTAB discuss support and advocacy for rate transparency at the next meeting. Agreement from BTAB to put this on the next meeting.**
2. Inquired as to whether anything prevented Burlington Telecom from expanding outside the boundaries of the City of Burlington. *Barraclough* explained that the Certificate of Public Good prevents us from offering cable television outside of Burlington but other than that restriction (and financial reasons) there are none.

4. FY15 results through Q3 and full year outlook (See Presentation)
 - a. *Monahan* provided the BTAB with a synopsis of her first five months at Burlington Telecom.
 - b. *Nilan* thanked Burlington Telecom for providing this information in advance of the meeting.
 - c. *Barracough* presented the FY15 results through Q3 to the BTAB. The low points in FY15 included a three day outage and the first price increase in five years. Despite this, Burlington Telecom was able to continue to grow the customer base.
 - i. High points included the conclusion of the Citibank litigation and Burlington Telecom becoming a Tier 2 ISP. The subscriber level reached 5000 for the first time ever.
 - ii. In spite of being several months behind due to the Citibank settlement, still managed to control costs from a cash flow perspective. Budgeted \$353,169 and delivered \$401,220.
 - iii. EBITA is within \$61,000 of budget in spite of City charges.
 - iv. Confident with two months left that we will break \$1.8 million. Subscribers continuing to climb.
 - d. *Provost* asked if there were any trends in subscribers. *Barracough* answered that there are a lot of cord cutters and customers wanting higher bandwidth.
 - e. *Shannon* wanted to know what it would take to deliver services to the City of Winooski. *Barracough* explained that it would take very little money but the focus over the next 12 months is completing the swap-out in Burlington. Beyond next year, we should have the financial capability to look beyond the borders. Most likely will do a small apartment block in Winooski as a test site in the next 12 months.

5. FY16 operational priorities and budget (See Presentation)
 - a. *Barracough*: In FY16, continue to focus on rebranding Burlington Telecom and becoming more visible. The mayor expense will be bringing equipment current, upgrading our phone switch and our Video-on-Demand platform. *Provost* wanted to know how much of the \$1.2 million will be for cable centric items. *Barracough* explained that only approximately \$150-\$200 is for cable in the capital expenditure budget.
 - b. The swap out of equipment will be completed in FY17 but very little will be done in FY17.
 - c. There are no monies in the budget for South Burlington and Winooski.
 - d. *DiPalma* asked about the increase in the help desk budget as to whether this was to focus on customer service. *Barracough* stated that customer service was a state of mind, not so much head count.
 - e. **Brief discussion regarding the new positions allocated for in the FY16 budget. Shannon specifically highlighted to draw folks attention to the positions and asked if BTAB was comfortable with the way the positions are set forth in the budget as this is not typically how Burlington budgets for new positions.**

MOTION to recommend the approval to CC and BOF of operating and capital FY16 budget made by *Shannon*, seconded by *Nilan*. *Unanimous*.

Shannon asked that if there are any changes to the FY16 budget between now and presenting to either body, that the BTAB be informed of those changes.

6. BTAB and Sale of Burlington Telecom

Provost would like to see the City council clarify through resolution the next work of the committee. Part of this will be answering the “what is the criteria” question regarding the sale of Burlington Telecom. He would like to have a process for developing the criteria which would include a public meeting as well as working meetings for the BTAB.

- a. *Shannon* asked if they BTAB could get of the previously discussed criteria in writing for the next meeting.
- b. *Provost* also mentioned releasing the confidential version of the Blue Ribbon Committee report to aid in establishing the criteria.
- c. *Provost* and *Barraclough* agreed that Eileen and Terry should prepare something for the BTAB to review.

Brief discussion on the next BTAB meeting and the contents of the meeting.

7. Adjournment

MOTION to adjourn made by *Nilan*, seconded by *DiPalma* at 6:50 p.m. *Unanimous*.