

BTAB Public Forum on Criteria for Sale of BT

Nov. 20, 2015

BTAB Members Present: David Provost, Clem Nilan, Jane Knodell

BTAB Members Absent: Karen Paul, Theresa Alberghini DiPalma, Tim Halvorson

Staff: Brian Lowe

Speakers were asked to sign up.

Chair David Provost called the meeting to order at 5:34 pm. He described the process and explained the purpose of the meeting: to get input from public on criteria for determining ultimate sale. Noted that a survey would be up in the next 48 hours at www.btcriteria.com. He provided context on what had happened to BT so far.

The next meeting will be Wednesday evening, 12/9 at 5:30 pm in Contois Auditorium.

Gene Carter—Draws parallel to BED growth and challenges in early years – not surprising BT has had its share of challenges. Strong emphasis on local control and a coop model.

Alan Matson—Keep BT Local Coop representative. We have been planning for the end game – a likely sale – for years now. Been thinking about the \$17M question and what value the City got from this “loan.” City likely to recover a small slice of that amount in real dollar terms. Different types of value could come back to the City, not just the \$\$\$. A comment about PSB criteria: an 11-year budget projection in an industry that is rapidly changing is perhaps unwise. PSB criteria will also be used on next buyer, as it was for Bluewater.

Bradley Holt: Live in Richmond now. Have long followed the BT story. Appreciate that you are thinking about criteria and not just selling to highest bidder. Important to make sure criteria are public and details of transaction should be public. Must ensure that new owner continues to upgrade capability

Ibnar Avilinx—Would love to see BT remain local. Trust in the people here, and the talent of the people here, to make good decisions.

Lauren-Glenn Davidian – Review of CCTV and cable history here in Burlington. In terms of criteria, need a corporate structure that weights public good in addition to profit (B company, coop, etc.). Needs to be able to purchase, but also maintain and upgrade service provided. Needs to value residential business – the fabric of this system. City should structure agreement with potential future owner to still allow City to have the right of first refusal on a future sale. Affordability for City residents needs to continue to be a criteria. And, educational and public access should continue to be a priority (civic cloud example). Continued access of key features for anchor institutions, community organizations, and small businesses. Sufficient capital to expand BT beyond Burlington.

Alton Kevar – disappointed that City has to relinquish this asset. BED and Burlington Coop (City Market?) that should provide the model criteria for the BTAB to review. Impressed by BED and what it's done. Likes being able to do business locally with another business.

Dave Marr – looking at these criteria (the CCTV criteria), one thing that is missing is sale price. How do you balance all the good things that are listed here, which are nice to have, with the total possible price? It is not clear how you balance these things.

John Halvy – I get to produce and watch my own TV show on BT. Couldn't do that prior to BT's construction. I asked to have an aerial connection rather than an underground wire, and BT was okay with that – its worked great. What about holding elections over the internet – would be a far greater turnout. I understand it's a pipe dream, but it certainly isn't possible with a new owner.

Molly Fleming – I use BT for my residence but not for my business. It isn't competitive for my business. Whoever buys it, I'd like to see increased competition. I'm also a taxpayer and my taxes have gone up a lot. \$17M is a lot of money. I feel like we, the people of Burlington, made that investment to make this happen. Don't blow that off – it would erode trust. We put hard earned money into this, into an investment we made without choice. Would support some kind of bond.

Erhard Mahnke – BT provides a superior level of service to Comcast. For many years, great service. Want it to remain public good, mission driven service...whether a non-profit or otherwise. This is a \$17M dollar economic investment that has put us on the map. It would be a travesty to sell it for profit. In the past, clearly, mistakes were made – not going into that, but want to keep it as a public asset. What about selling BT to the BCDC, financed by a revenue bond and leased back to BED or BT? And, I wholeheartedly agree with every criteria that Lauren-Glenn laid out in her handout.

Keith Brennar – Need to keep BT affordable for people who live here. Potential to integrate into our schools and workplaces.

David Provost – BTAB has a fiduciary responsibility to solve the challenge of the \$51M spent on BT by Burlington taxpayers. Personally, David sees the value in the service and it has done great things for Champlain College. He speaks to the meeting four years ago with hundreds of people in the room holding signs demanding the BTAB get the \$16.9M back. And he heard new ideas tonight – particularly the BCDC.

Clem Nilan – Fiduciary responsibility isn't about shareholders in this case – the term can be misused. It is about trust, and keeping the public trust.

Meeting ends at 6:27pm.