

Burlington Telecom Advisory Board

DRAFT

October 22, 2014

Regular Meeting

Members: Vince Brennan, David Parker, Pat Robins, Joan Shannon, Karen Paul (by phone), David Provost (arrived at 5:35 p.m.)

Member's Absent: None

Others Present: Stephen Barraclough, Jeremy Patrie, Amber Thibeault, Nick Martin and Stacey Trudo and Gillian Wildfire

Meeting commenced at 5:32 p.m.

1. Agenda
2. Approval of Minutes from September 10th BTAB meeting: **MOTION** to approve the minutes from the September 10th BTAB meeting, made by *Parker*, seconded by *Shannon*.
3. Public Forum:

None

4. Quarterly Results

Barraclough: Discussed the FY15 budget and the FY14 1st quarter -\$53000 to budget primarily because we started this year at a lower level than we had predicted.

- Quarter \$10000 higher in revenues.
- Gross margin at \$56,000 below budget largely from sales and internet side.
- \$68000 ahead from prior year. \$32,000 above last year – have a marketing area compared to last year.
- \$10,000 below budget for EBIDTA.
- Spent less in capital expenditures. End of quarter was \$137,000 which is \$40,000 higher than budgeted.
- Ended quarter at 4,905 subscribers, which is 165 up in the quarter, a record since Barraclough has been at Burlington Telecom.
- 401 new subscribers from FY14 Quarter 1 – FY15 Quarter 1.
- Projected FY15 for second quarter is a little over \$2 million. 2nd quarter usually quieter. Still no PSB decision. If we don't make revenue, will control costs to deliver bottom line.

Robins asked if the quarter started out good? *Barraclough* explained that it had but we experienced minor hiccup due to the outage but going to continue upward momentum.

Parker: a month into second quarter are we on track? *Barraclough* said it is hard to tell. We will probably be below in revenues after the outage.

Provost: inquired as to whether we are seeing an effect from the Fairpoint strike. *Barraclough:* No. *Martin:* With business customers, the biggest issue is stability but the fear of moving during the strike outweighs it. Let the dust settle to ensure solid port. *Patrie:* mentioned that activities in the field will be halted. They will use contractors for installation.

Provost: Scars from our hiccup? *Barraclough:* Too early to tell in terms of customers. Vast majority of business customers not affected. Residential customers, we will have some fall out. *Patrie:* explained the technical reason for the outage..

Parker: moving forward, do we have to increase capital to serve customer? *Patrie:* New design works around that. *Robins:* have we solved the GPON single point failure. *Patrie:* No, there are no redundant link.

Provost: in this quarter compared to last quarter seeing more customers but revenue up 5%. Can we expect this to stay the same? *Barraclough:* Less video traffic so yes.

Discussion regarding HBO and CBS OTT content that was released in the past couple of weeks and its effect on Burlington Telecom.

Brennan: hiccup on the TV Everywhere. *Patrie:* recent information is that they have changed the authentication method and we will need to walk them through the process over the form. Plan to communicate to customers.

Shannon: communication during the outage. *Wildfire:* Tweets around 10 a.m. Total over 12 hours of communication 130 tweets with the bulk occurring during the outage. Information was put out there and we responded to each comment individually. If they were still having issues, Wildfire told them to direct message her. Half did respond, half did not. Same thing on Facebook. Twitter is more active social media.

Barraclough: Issue was that when things went wrong, we didn't know what it was and how long it would be to get a fix. Call center became overwhelmed. Should have put up message sooner. *Patrie:* We have responded to every person who called BT and left a message. Policy going forward that we will put up a message asking them to check back at certain intervals. Better message than no message at all. *Shannon:* when you send tweets, if you could use the BTV hashtag because folks follow that.

Provost: congratulations for a job well done.

5. Tech Jam Discussion

BTV ignite panel discussion. Thursday and Friday this weekend.

Discussion regarding Gillian, Stephen and Jeremy's trip to EPB in Chattanooga. Serve 170,000 homes. Heavy manufacturing area.

6. Other Business

NONE

MOTION made by *Robins*, seconded by *Shannon* to move to find that premature general knowledge of Burlington Telecom's marketing would clearly place Burlington Telecom at a substantial disadvantage because the BTAB risks discloses its marketing strategy if it discloses the marketing in public.

MOTION based on the finding of substantial disadvantage, *Robins* moves to enter into executive session to discuss Burlington Telecom's marketing strategy under the provisions of Title I, Section 313, seconded by *Shannon*.