

DRAFT

November 12, 2014

Regular Meeting

Members: Pat Robins, David Provost, Karen Paul, Vince Brennan and Joan Shannon (arrived at 5:53 p.m.)

Member's Absent: David Parker

Others Present: Stephen Barraclough, Amber Thibeault, Nick Martin and Stacey Trudo

Thomas Melloni (Burak Anderson & Melloni), Terry Dorman (on phone)

Meeting commenced at 5:33 p.m.

1. Agenda
2. Approval of Minutes from October 22th BTAB meeting:

MOTION to approve the minutes from the October 22nd BTAB meeting, made by *Paul*, seconded by *Robins*. *Unanimous*.

3. Public Forum:
 - a. *Lauren-Glenn Davitian*: Congratulations on the PSB decision. Have an opportunity now that the case has been resolved, to open up the conversation to the public for the purpose of coming up with criteria for choosing the next owner of Burlington Telecom.
 - i. Important that BT be considered an enterprise as opposed to a City Department.
 - ii. Makes sense for BTAB to be a commission rather than ad hoc.
 - iii. Open the BTAB to folks with telecommunications backgrounds and public advocates.
4. PSB Approval of the Burlington Telecom Settlement
 - a. *Provost*: Work session on Monday to brief the Council on the PSB decision and an overview of the settlement agreement, documents that need to be executed. Council took no action this week. Board of Finance will make a decision next week on the documents. If there is anything BTAB wants to add, do so tonight.
 - b. *Melloni*: Provided the BTAB with background regarding the Citibank litigation, settlement agreement and PSB transactions in the past year. PSB approved bridge lease financing and resolved all of the CPG violations. Structure of bridge lease financing is a sale of the assets to the lessor with a lease back to the City.
 - i. Described the various documents that are part of the conveyance.

1. Lease agreement is subject to annual appropriation. Lease requires that only BT revenues can pay for the rental payments.
 2. Management and Sale Agreement provides that BT shall operate as a standalone entity as much as possible. It will have its own audit and BTAB operating like a Board of Directors. At the end of 4 years, if no buyer, Blue Water can find a purchaser. In event of default, Blue Water can direct sale.
 3. Real Estate Lease Agreement leases 200 Church Street with a sublease back to Burlington Telecom. Payments are the same as they are now. In the event of a default or sale with Blue Water earning less than the \$6 million lent to the City, than Blue Water can buy the building for \$100.00. Otherwise purchaser of BT may buy building for Fair Market Value.
- ii. *Brennan*: inquired as to whether there has been any change in the day-to-day operation of BT since the ruling? Clarified that the restriction on the build-out has been eliminated.
 1. *Barracough*: not in a meaningful way.
 2. *Trudo*: too soon for everyone to understand what is going on.
 - iii. *Robins*: pointed out that this is no different than CitiCapital lease. Clarification that the City has not sold the business, folks are confused by this.
 1. *Melloni*: lessor holds more assets. Operation is not a sale with a third party operating the entity. Higher level of oversight from Blue Water Holdings.
 - iv. *Paul*: debt is manageable.
 - v. *Provost*: recent appraisal?
 1. *Barracough*: No.
 - vi. *Brennan*: asked about huts at other schools.
 1. *Melloni*: Rights are to be conveyed as well for subsequent purchaser.
 - vii. *Robins*: what is the likely closing date?
 1. *Melloni*: Hopefully the 2nd week of December.
5. BTAB Resolution to Expand Members and Appoint Pat Robins Special Advisory to Mayor
 1. *Brennan*: praised Robins for his service on the BTAB.
 2. *Provost*: BRC formed to find path forward for BT. Deal is an incredible outcome. BTAB should recommend to the council, their support of the proposal and moving forward. The deal puts us on the ground where debt structure more appropriate. Allows City to retain ownership in the interim. Allows time for innovation and creativity to come up with what is the best solution for BT.
 3. *Paul*: BRC report with the first recommendation to find a firm to help turn BT around. We would not have found D&F were it not for Pat Robins. Second recommendation was to come up with way of addressing Citibank debt to get it down to \$10 million. Much of what

was said in the report has happened. As BOF member she will be voting in favor of moving forward. And will vote in favor for BTAB.

MOTION to recommend approval of the sale documents presented by Melloni, made by *Paul*, seconded by *Brennan*. *Unanimous*. Robins abstained.

4. *Shannon*: deal accomplishes the goals.
5. BTAB discussed a possible work session in early 2015 to discuss the criteria for choosing the next BT buyer.
6. Discussion regarding the appointment of new BTAB members and how this process will occur. *Provost* indicated that he wanted to have the BTAB defined and new positions approved before meeting to discuss the criteria for the buyer.
 - i. *Brennan*: recommended Lauren-Glenn Davitian for a BTAB seat.
 - ii. *Shannon*: when BTAB was formed, created buckets of skill sets and then determined named. Would like to follow same process. Agreed that Lauren-Glenn should be considered.

Dorman inquired as to whether the BTAB needs to be present for the meeting on Monday. *Shannon* indicated that if Parker could attend for BTAB that would be great.

Provost: praise and gratitude for Pat with regards to BT. Pat has always come to the table in this process with the best interests of the City. Greatly respect Pat. Turnaround at BT is nothing short of miraculous and it all starts with Pat trying to save BT. Having Pat not at the table is a loss. Urge administration and council to keep Pat involved. Would never have been involved had it not been for Pat. Thank you for everything you have done for Burlington Telecom.

Robins: has been great fun. Made a whole bunch of new friends and it was all worth the effort. Odds were pretty slim of pulling this off so we should all pat ourselves on the back.

Discussion regarding a motion to accept Pat Robins resignation but BTAB members decline to put forth that motion.

Barraclough: thanks to Pat from myself and BT team.

Dorman: Thank you

Shannon: Praised Pat for always keeping everyone on task.

MOTION to adjourn made by *Paul*, seconded by *Shannon* at 6:39 p.m. *Unanimous*.