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RESOLUTION TO RECONVENE THE BLUE RIBBON COMMITTEE
TO REVIEW BURLINGTON TELECOM

In the year Two Thousand Eleven.....
Resolved by the City Council of the City of Burlington, as follows:

That WHEREAS, on December 14, 2009, the City Council passed a Resolution establishing a Blue Ribbon Committee “to recommend external consultant(s) on Burlington Telecom viability, finance structure options and to serve as the liaison to the Council on litigation pending before the Public service Board;” and

WHEREAS, the Blue Ribbon Committee issued its Report on February 11, 2010; and

WHEREAS, the public has had a high level of confidence in the work of the Blue Ribbon Committee and the Council and Administration have worked diligently to follow the recommendations in the report; and

WHEREAS, the Council unanimously adopted a Resolution on March 22, 2010, commending the Blue Ribbon Committee for their outstanding contributions to the City of Burlington in providing an objective review of the BT issue and for their analysis of the options available to the City at the time; and

WHEREAS, the consultant (Larkin) hired by the Vermont Department of Public Service to conduct an “audit” of Burlington Telecom raised issues in connection with Burlington Telecom’s financial statements; and

WHEREAS, many of the issues raised by Larkin may have already been addressed by the consultants now managing BT; and

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39 WHEREAS, the Public Service Board has found Burlington Telecom in violation of
40 several licensing conditions imposed by the Board; and

41 WHEREAS, Burlington Telecom has terminated its lease-purchase agreement with
42 CitiCapital; and

43 WHEREAS, the City has approached businesses and investors interested in discussing
44 strategic and financial alternatives for Burlington Telecom that may result in a proposed
45 transaction; and

46 WHEREAS, the opportunity for recovery of the \$17 million of City funds expended on
47 Burlington Telecom is of primary importance; and

48 WHEREAS, preserving BT as a community asset is also of high importance; and

49 WHEREAS, it continues to remain in the best interest of Burlington citizens and
50 taxpayers that the City Council, Administration, and Community Leaders come together to
51 address these new difficulties and challenges faced by BT;

52 NOW, THEREFORE, BE IT RESOLVED that the Blue Ribbon Committee be
53 reconvened to review, in consultation with Dorman and Fawcett, any potential offers to buy
54 and/or partner with Burlington Telecom; and

55 BE IT FURTHER RESOLVED that the following criteria should be evaluated in review
56 of any and all offers:

- 57 1. The ability of the offer to provide the opportunity for return of Burlington’s \$17
- 58 million investment in the asset.
- 59 2. The ability of the offer to maintain the services that BT currently offers to the
- 60 community.
- 61 3. An understanding of what future legal liabilities to the City may be.
- 62 4. The ability to satisfy the terms of the Certificate of Public Good (CPG) with the
- 63 understanding that a new CPG will be required and will likely need modification.
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70 AND BE IT FURTHER RESOLVED that the Blue Ribbon Committee review the Larkin
71 Report commissioned by the Department of Public Service and make recommendations on any
72 issues contained in the Report that the City should address.

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74 lb/kas/c: Resolutions 2011/Burlington Telecom – Reconvene Blue Ribbon Committee
75 1/6/11