

Special Council Meeting Dec. 3
Introductory Statement Mayor Kiss

Good evening and thank you for attending this special meeting of the Council on Burlington Telecom. I want to briefly talk about the agenda and make a couple of points before we get started. The issue before the Administration and the Council is whether, ultimately, we should refinance Burlington Telecom through an arrangement with Piper Jaffray. That issue is not before the Council by accident. By resolution, the Council on October 26 requested that the Administration report back with refinancing options at its November 16 meeting. It was clear then, and it is clear now, that refinancing Burlington Telecom is of the highest priority for the City. It is precisely what the City intended to do before the financial markets made it impossible a year ago.

The importance of a refinancing option for BT cannot be overstated. I called this special meeting for tonight because of the importance of this issue coupled with the need to provide the Council with adequate information to move forward on the refinancing process. I am not asking the Council for action tonight. The intent of this meeting is to share information with the Council and take questions and input. The Council will receive presentations on BT's finances, a strategic overview, and an outline of next steps in the refinancing process. Finally, I will ask the Council to go into executive session to discuss confidential matters related to BT's business plan, marketing strategy, and the refinancing.

The administration will provide as much information as it can in public and only discuss information in executive session that will hurt BT. We are committed to answering all of your questions. And, I am not requesting that the Council approve a refinancing deal with Piper Jaffray at this time. A full proposal to refinance BT should be ready for Council review by mid-January. If the Council is asked to do anything during this stage, it will be to authorize the City to further develop and analyze a proposal for refinancing Burlington Telecom with Piper Jaffray. This is a minimal commitment and of no risk to the City.

There have been suggestions that we should discuss confidential matters related to BT in open session. Regardless of who has sat in my chair or yours, the Council has always held discussions of certain matters in executive session. This basic aspect of government is in place to protect the City and taxpayers from the serious consequences of disclosing certain information.

The reasons for holding discussions of BT's confidential information in executive session are compelling. Burlington Telecom is a multi-million dollar enterprise estimated to generate \$8 million in revenue this fiscal year. BT operates within an extremely competitive environment. Make no mistake about it: information about its business operations or marketing strategy, if made public, would be used by competitors such as Comcast to put BT out of business. This in no way serves the residents, businesses, and taxpayers of Burlington. I believe that the people of Burlington understand this.

I will not support reckless actions to kill BT. We should not discuss confidential information about BT in public. BT is an invaluable resource that we need to move forward. It has vital importance as an economic development tool and provides needed services to the community. I am looking forward to working together with the Council towards an appropriate refinancing solution for BT.