

Report to the City Council from The Ad Hoc Committee on BT Governance

To: City Council

From: Joan Shannon, Chair Ad Hoc Committee on BT
Governance

Date: December 1, 2009

Committee Members: Emma Mulvaney-Stanak, Paul Decelles, Ed Adrian, Karen Paul, Joan Shannon.

Invited Community Members: Chip Mason, Michael Rooney, Tim George.

The Committee met 3 times in November. Prior to the first meeting Chris Burns supplied committee members with a substantial amount of information about both BT and other case studies in Telecom from around the country and some consultants reports. Chris also made recommendations on who the Committee should consider inviting to speak to the committee regarding governance structure.

At our first meeting we invited a panel of speakers, each with different interests and expertise regarding telecom. The speakers included Chris Burns, General Manager of Burlington Telecom; Kyle Hollifield, Bristol Virginia Utility; Tim George, Burlington Telecom Advisory Committee (BTAC); Dick Pecor, Colchester Telecom Consultant; and Joe McLean, attorney for utilities. In an analysis of BT's strengths and weaknesses the following were identified:

- Strengths: citizen involvement and oversight, economic development, 4600 customers, savings from not paying outside entities, gives Burlington competitive advantage, government entity – not for profit.
- Weaknesses: not enough flexibility, lack of information to BTAC, current governance structure inhibits moving quickly, lack of Council time to oversee, BTAC lacks authority, has known governance was a problem since 2005 and has failed to take action, trust has been broken.
- Challenges include: Building trust, right to know vs. competitive confidentiality. Need to rebuild trust. Should BT be part of the City government or a separate entity?

The second meeting was focused on understanding some of the options the City of Burlington has pursued in the past with regards to utility governance and how

the various options taken worked out in hindsight. The Committee also discussed access to information which was requested at the previous meeting but not provided to the Committee. There was further discussion about possible board make up and the relationship between authority and responsibility.

At the third meeting the Committee reached the following conclusions:

- The Committee will need both more information and more time to make any recommendations on major governance changes.
- BTAC needs access to information so that they can play a more active advisory role to the City Council. (This is addressed in the attached Resolution).
- As currently structured within our Charter, the City Council can not give decision making authority to BTAC without a Charter Change that would make it a Commission or something other than an Advisory Board.
- The Committee would like to spend December studying models from other communities and then reconvene in January to begin addressing more substantive changes to governance.
- The Committee recognizes that major changes in governance will be of concern to the Department of Public Service, the Public Service Board, and the legislature, and would welcome any and all feedback from these organizations.

The Committee is looking forward to reconvening and further deliberating options for the governance of Burlington Telecom.