

APPOINTMENT OF A BLUE RIBBON COMMITTEE TO
RECOMMEND EXTERNAL CONSULTANT(S) ON
BURLINGTON TELECOM VIABILITY, FINANCE STRUCTURE
OPTIONS AND TO SERVE AS LIAISON TO THE COUNCIL
ON LITIGATION PENDING BEFORE THE PUBLIC SERVICE BOARD

In the year Two Thousand Nine.....

Resolved by the City Council of the City of Burlington, as follows:

That WHEREAS, the City has received a financing proposal from the firm Piper Jaffray & Co. which, if finalized and approved by the City Council, would provide funds sufficient to repay Burlington Telecom’s (“BT’s”) debit from pooled cash; and

WHEREAS, the City Council has received information on the Piper Jaffray proposal and the refinancing process from the Administration but as there are remaining questions the Council is not yet ready to give final approval to the refinancing proposal; and

WHEREAS, the City Administration is currently exploring the refinancing with Piper Jaffray with the intent of bringing a complete proposal for review by the Council by mid-January; and

WHEREAS, it will be beneficial to the City to have outside expertise and consultation on key issues related to the refinancing, viability and structure of BT; and

WHEREAS, the City is currently in litigation at the Vermont Public Service Board (“PSB”) regarding its compliance with Conditions 17 and 60 of Burlington Telecom’s Certificate of Public Good; and

WHEREAS, the Vermont Public Service Department (“PSD”) has informed the City that it would like to be informed about the proposed refinancing plan to ensure that it does not violate Burlington Telecom’s Certificate of Public Good; and

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WHEREAS, the expedited nature of the current PSB proceedings and settlement discussions with the PSD demonstrate a need for a representative committee of Councilors to facilitate communication between the Council and the Administration on issues related to the PSB litigation, as well as be responsive to the process of settlement discussions with the PSD; and

WHEREAS, it is in the best interest of Burlington citizens and taxpayers that the City Council, Administration, and Community Leaders come together to resolve the current difficulties faced by BT;

NOW, THEREFORE, BE IT RESOLVED that the City Council requests that Council President Keogh appoint a Blue Ribbon Committee consisting of three Councilors, and no more than four citizens, **who shall be charged** with the following responsibilities:

1. Assess the viability of BT in terms of:
 - a. Its current debt load.
 - b. Additional financing necessary to comply with its CPG.
 - c. Industry and Technology trends.
 - d. Develop projections based on these trends and financial analysis of BT to determine its ability to repay such financing and to preclude the necessity for relying on the resources or full faith and credit of the City.
2. Assess all available options for financial structure of BT including but not limited to:
 - a. Piper Jaffrey financing offer.
 - b. Other possible financing options.

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- c. Joint venture or equity sale.
- d. Outright sale of BT.
- e. Other options recommended by consultants; and

BE IT FURTHER RESOLVED that Council members of the Blue Ribbon Committee with the concurrence of the Mayor shall have the authority to retain any consultant(s) to address the topics listed above, provided that any such arrangement shall result in the Committee's report and recommendations being provided on or before the Council's January 15 meeting; and

BE IT FURTHER RESOLVED, that Council members of the Blue Ribbon Committee shall serve as a Liaison Committee to the Council on the litigation related to BT currently pending before the PSB, with the understanding that the Committee does not supersede or otherwise affect the Council's authority with respect to litigation matters; and

BE IT FURTHER RESOLVED that in coordination with the City's legal counsel, the Liaison Committee shall provide information and reports as needed and as requested to the Council on issues related to the PSB litigation, though no less often than at every Council meeting commencing with the meeting of January 4, 2009.