



**OFFICE OF THE CHIEF  
ADMINISTRATIVE OFFICER  
City of Burlington**

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City Hall, Room 20, 149 Church Street, Burlington, VT 05401

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**REQUEST FOR PROPOSAL TO REFINANCE  
BURLINGTON TELECOM'S DEBT  
CITY OF BURLINGTON, VERMONT**

**INTRODUCTION**

The City of Burlington, Vermont's wholly-owned telecommunications utility, Burlington Telecom, is seeking proposals to refinance \$33million in existing senior debt, as well as repay the City of Burlington \$17 million in money lent to the utility to cover working capital along with making available other moneys in order to complete the infrastructure of the network and other working capital, possibly at a later date as far as two years from the date of issuance of additional refinancing or securing the debt owed from another source. It is BT's desire to complete this transaction by February 15, 2010. Because of Burlington City Charter provisions and Vermont Public Service Board requirements, BT and the City of Burlington are unable to secure funding through a General Obligation bond. It is anticipated that funding will be secured through Certificates of Participation or some form of collateralized lending without financial recourse to the City. The City is rated Aa3.

**REQUIREMENTS OF THE PROPOSAL**

BT is soliciting proposals specifically for debt underwriting but is open to most types of structures. Additionally, the utility is looking for a partner to assist it in future financial strategic decisions, which may include the issuance of equity. If you indicate your desire to submit a proposal and participate in these discussions, BT will send you a package of information including pro-forma financials, budgets, etc., subject to the signing of a limited non-disclosure agreement. Burlington Telecom will be open to scheduling time for any due diligence visits prior to January 15, 2010.

Preliminary written responses are due January 20, 2010. Finalists will be invited to make presentations on Tuesday, January 26, 2010.

Proposals must include responses to each of the following information requests:

- 1) Contact information of the firm's designated representatives to BT for the purpose of this RFP (Name, phone, email)
- 2) A copy of your company's most recent annual report and quarterly filings
- 3) Your firm's current credit ratings
- 4) A list of a minimum of four transactions of municipal deals which you feel are representative of your capability for similar issues (be it similar in size, industry, or

- geography). Please give reference information for a contact at the issuer.
- 5) Amount of municipal business (both number of deals and size of issuance) you have underwritten in 2007, 2008, and 2009 through 12/15/2009 for a) overall tax-exempt business; b) negotiated business; c) New England issuers; d) Vermont issuers; e) telecom companies (municipal and corporate); f) secured lease financing
  - 6) Strengths and competitive advantages your firm would bring to the process that would benefit Burlington Telecom
  - 7) Two or three most likely structures you would propose for a BT solution. As of the writing of your proposal (please indicate reference security level and date), what would be your estimated net interest cost for such transactions?
  - 8) Guarantees your firm would consider making in such a financing

Failure to respond to any of the above information requests will disqualify your proposal.

Selection of the successful candidate will be based on the following criteria:

- 1) Demonstrated understanding of BT's financial condition, including the viability of different debt load and term structure levels
- 2) Experience of the underwriter in similar transactions over the past 3 years
- 3) Execution and price
- 4) Guarantees offered by the underwriter
- 5) Flexibility afforded BT by the structures proposed

## **SUBMISSION OF PROPOSALS**

To be considered, 10 bound copies, one loose copy, and a copy submitted electronically must be submitted by 4: 00 p.m. on January 20, 2010 to:

Jonathan P.A. Leopold, Jr.  
Chief Administrative Officer  
City of Burlington  
149 Church Street  
Burlington, Vermont 05401

William Keogh, Sr.  
President of the City Council  
City of Burlington  
149 Church Street  
Burlington, Vermont 05401

Any questions concerning this process should be addressed to:

Jonathan P.A. Leopold, Jr.  
[jleopold@ci.burlington.vt.us](mailto:jleopold@ci.burlington.vt.us)  
802-865-7000

Any Burlington Telecom questions should be addressed to:

Christopher Burns  
General Manager  
Burlington Telecom  
[cburns@burlingtontelecom.com](mailto:cburns@burlingtontelecom.com)  
802-540-0007

Thank you in advance for your interest.

## ATTACHMENT 2

Recommended recipients in the following order based on rankings from 11/01/2009 statistics compiled by BondBuyer.com:

1. Citibank (both the investment bank and its leasing entity which currently holds BT's \$33mm debt)
2. Merrill Lynch
3. JP Morgan
4. Morgan Stanley
5. Goldman Sachs
6. Barclays Capital
7. RBC Capital Markets
8. Wells Fargo
9. Piper Jaffray