

Present: Brower, Devereaux, Kokubo, Kuhne, Laidlaw and Lane – Birmingham
Borgon and Pfeifer – Beverly Hills
Leckie – Bingham Farms

Absent: Spivak - Birmingham
Lacroix – Beverly Hills
DiSessa – Franklin

Also Present: Hagaman - Executive Director
Currier – Attorney for Cable Board
Martinico – Director of Technology, Birmingham Schools
DiMaria - MediaOne representative
Colgan – Create Tech representative
Helwig – Bloomfield Community Television representative

Chairperson Kuhne called the meeting to order at 7:50 a.m. in the Rotary Room of the Baldwin Public Library at 300 W. Merrill. Kuhne informed the board that Peter Spivak is recuperating at home from a serious heart condition. The board extends their wishes to him for a speedy recovery.

APPROVAL OF MINUTES

MOTION by Leckie, supported by Devereaux, that the minutes of a regular Cable Board meeting held on February 21, 2001 be approved as submitted.

Motion passes unanimously.

INTERLOCAL AGREEMENTS

Board members have received a copy of a draft Interlocal Agreement worked on by the committee established to update the Interlocal Agreement. Currier related that it is not the intent of the committee to act on this document today. It is proposed that board members review the Agreement and obtain input from their respective municipalities if they feel it is necessary. The Interlocal Agreement will be refined and considered at the next meeting at which time the board may vote to recommend it for approval by the local legislative bodies.

Currier presented the highlights of the revised Interlocal Agreement. Much of the information in the Interlocal Agreement is a verbatim translation of the statutory authority and is specifically set forth under the Powers and Responsibilities of the Authority on page 3.

One of the items that the board should be aware of is the paragraph on voting on page 2. The board has discussed the proper method of developing a balance between the member communities in terms of how the voting should be established. Upon discussion with prior counsel, it appears that the Authority has used the national census as the basis for developing the weighting of how the communities vote.

The 2000 census figures are not final. However, preliminary information indicates an increase in the Beverly hills representation by one vote. Birmingham would have seven votes, Beverly

Hills would have four, Franklin would have one, and Bingham Farms would have one. The 2000 census should be final by the April or May meeting. This explains the reason for the increase in the number of votes available to the Village of Beverly hills.

One of the concepts discussed by the Interlocal Agreement committee was whether there is any other basis on which to develop the voting disbursement between the various municipalities. Currier stated that this board represents the community and not just the subscribers. Therefore, basing the weights on the number of people in the communities is fairer way of determining the number of votes as opposed to the subscriber statistics, which can vary through a given year. It also reflects the charge to the board to represent the entire community, not just those using the service.

The change in voting will require a change in the Bylaws. The Board has indicated that it will allow the communities to appoint not only a voting member but an alternate representative in order to be sure to have a quorum. One alternate representative from each community may be designated. The board may want to discuss having more than one alternate for Birmingham because they have seven representatives or Beverly Hills with four representatives.

Currier commented that the most significant change is the expansion of the powers to this particular Authority including the ability to make investments, maintain bank accounts, and own personal and real property. The Authority has done some of these things in the past, but the prior agreement did not specify them. The Birmingham Area Cable Board does own property in terms of cameras and a mobile van.

Currier concluded that, other than the articles he has discussed, the Interlocal Agreement is fairly standard. He noted that one of the issues that the committee discussed but did not include in the document was the concept of whether this board should recommend to its municipalities some sort of jurisdiction or review over telecommunications items. Reviewing telecommunication permit issues is currently not the charge of this board. The committee did not presume that this body wanted to undertake this responsibility; however, members may want to discuss this with their individual municipalities during this review period.

Currier elaborated on how the telecom industry is operated. He noted that not all communities are receiving the same interest from telecom carriers. The committee deliberately avoided this issue in the Interlocal Agreement with the belief that it is a topic that should come from the municipalities to the board. In answer to an inquiry, Currier indicated that other cable boards represented by his firm are not dealing with telecom issues at this point.

Currier asked the board members to review the Interlocal Agreement over the next month. Members of the committee will welcome comments and questions during the weeks ahead. The committee will meet again to review suggestions if necessary. This will be an agenda item for next month's meeting.

FINANCE COMMITTEE REPORT

Brower stated that the finance committee met over the last couple of weeks to review the budget for fiscal year 2002 and also to prepare a three-year financial plan to match the BCTV

contract. The projections were intended to identify cash flow, capital, and future expenditures. A three year fund balance projection was distributed to board members for discussion purposes.

Brower reviewed the three-year projection along with a sheet listing long-term expense projections. He noted that revenue projections can be affected adversely if competition enters the market.

Kuhne commented on the way the franchise is structured. As part of its commitment to this franchise, Comcast gave the Cable Board a grant for capital investments on the presumption that it would be the only cable entity in this franchise. If there is a competing cable entity and that company does not have to pay the communities the same amount of money in terms of franchise fees, Comcast has a right to match those fees and receive a rebate on the initial capital grant. There is a formula for this rebate built into the franchise agreement.

Kuhne related a situation that existed in the City of Troy whereby TCI held the cable franchise. Troy granted a cable franchise to Ameritech for Americast cable with terms that were less demanding financially than what was expected from TCI. As a result, TCI reduced its PEG payments, which drastically affected the revenue stream resulting in the elimination of several public access studios.

This consortium recognizes that its cable provider is committed to this franchise for a period of time. The cable company agreed to offer the communities a grant for capital improvements. Reasonable consideration was given to protect their position if a competing company were to come into the area..

DiMaria clarified the terms of the franchise agreement if another provider comes into the consortium.

Pfeifer referred to the budget line item for an annual audit. Beverly Hills currently conducts an expense audit of funds that come to the board through franchise fees. She questioned whether the increased revenue stream and additional line items will require the board to spend money to receive a report from the auditors.

Currier stated that the Interlocal Agreement committee discussed how the Authority would audit funds that are currently a line item in the Beverly Hills budget. It is an accounting question that will have to be discussed with the auditors. Coordination with the Beverly Hills audit will be pursued. The Urban Cooperation Act requires that the board provide in the Interlocal Agreement that a proper audit is prepared if the authority is maintaining funds. Therefore, even if the money allocated in this line item is not spent on an audit, the board has to show that such an audit would be performed in order to maintain public funds.

Board comments on the audit and the board's fiduciary responsibilities were addressed by Hagaman and Kuhne.

Devereaux asked if the board is limited to budgeting for capital expenses or can it commission programming expenses such as a Dream Cruise show.

Kuhne responded that the initial grant was for capital investment. If there is revenue remaining from annual franchise fees, he believes that the board could allocate money for programming.

Hagaman explained that, in the past, the board received only franchise fees that covered both the operation of MLAC-15 and the board operation. The board is now responsible for public and government access programming. The schools have been limited in what they have presented to the board in terms of opportunities to improve their equipment. The 3% PEG payment the board is receiving from the cable company can go towards equipment and programming for PEG access. Whatever is left over after board operation expenses from the 2% received from franchise fees can be used for PEG access.

Hagaman asked for input and direction from the board for preparation of the budget. Kuhne asked board members to review the budget material for discussion at the next meeting. Questions and comments on the numbers should be communicated to Hagaman or Brower over the next month.

Martinico distributed a response to an inquiry from the board at the last meeting regarding full disclosure of the school district's technology budget. She clarified a line item in her memo.

PEG – BEVERLY HILLS PROPOSAL

Pfeifer informed the board that Requests for Proposals were solicited to equip the Beverly Hills council chambers with audio/visual equipment. Three bids were reviewed. The review committee with the assistance of Jim Gillis from BCTV recommends accepting the bid from ROSCOR. The original bid of \$123,336 was reviewed, and certain equipment not deemed essential was eliminated allowing the bid to be reduced to \$98,605.

There was a consensus of the Beverly Hills Council at its March 19 meeting to underwrite the cost to install a console room and a council table to accommodate the new system. The Village will go out for bids on those items once the Cable Board approves the bid from ROSCOR.

RESOLUTION by Borgon, supported by Laidlaw, that the BACB approve the \$98,605 bid from ROSCOR for audio/visual equipment to be installed in the Beverly Hills council chamber for the purpose of live broadcasts and taping of Council meetings.

Questions from the board were addressed by Pfeifer. Devereaux thanked Jim Gillis from BCTV for the time and effort he put into assisting Beverly Hills with this bid process.

Roll Call Vote:
Resolution passes unanimously.

Devereaux stated that there was a meeting with Jane DiSessa, Leslie Helwig and Jim Gillis from BCTV in Franklin to discuss the need to improve the quality of taping monthly council

meetings in the Franklin Village Council room. The consensus was to work on improvements to the audio system at this time.

Jim Gillis indicated that he is not able to prepare the bid documents for Franklin. Devereaux recommended the assistance of Neil Shaffer, an engineer who does audio design. He requested board approval to retain Neil Shaffer to prepare a plan and bid for audio equipment for the Franklin council room. His consulting fee would be \$70/hour for six or seven hours.

MOTION by Devereaux, supported by Pfeifer, to retain Neil Shaffer as an audio consultant to design an audio system for the Village of Franklin council chambers and develop bid specifications at a cost not to exceed \$750.

Motion passes unanimously.

COMCAST RELATED TOPICS

Link BCTV/BACB

DiMaria reported that the cable company has a link established between BCTV and the Comcast hub facility for sending out programming. The character generator and modulator will be moved to BCTV and installed next week.

DiMaria commented that delays have been experienced with procuring permits from Detroit Edison. He estimates that getting the fiber link connection from Birmingham and Beverly Hills back to BCTV will take about three weeks. The April 2 Beverly Hills Council meeting and the April 9 Birmingham Commission meetings will be distributed live in the way they have been during the transition period. DiMaria will keep the board informed on the progress of this connection.

Subscriber Complaints

Hagaman stated that a complaint was received from Mr. Zimmerman from Beverly Hills about the high cost of cable. Hagaman commented that there have been a number of calls to the board recently relative to the increase in franchise fees noted on the subscriber bills. She has worked with Devereaux to prepare a statement explaining the use of franchise fees. A copy was sent to the Eccentric newspaper.

Hagaman indicated that there was an internal situation relative to the information received by subscribers from Comcast customer service representatives (CSR's). DiMaria has addressed this through retraining of CSR's.

Zimmerman also suggested that the cable company should provide a discount to seniors. DiMaria stated that consideration is given to people who have financial issues in terms of Broadcast Basic at a rate of under \$10 per month. DiMaria sent a letter to Mr. Zimmerman explaining how rates are calculated.

Helwig asked to be allowed to review the talking points Comcast is developing for its representatives regarding franchise fees since they are related to PEG access.

DiMaria addressed a complaint from Ron Pollock from Birmingham regarding a charge for a service that he asked to be removed. The subscriber was issued a credit.

Nancy Patterson from Birmingham complained about a cable line that is not buried. DiMaria talked to Ms. Patterson to assure her that the cable will be properly buried. The cable company typically buries cable in April when the ground thaws.

Kuhne asked if a person's phone number is changed when they switch their local phone service from Ameritech to Comcast.

DiMaria responded that it is taking quite some time to get a number ported from Ameritech to Comcast. Currier added that he understands that it is a technical issue at Ameritech's end.

Kuhne asked about the Comcast policy for calculating late fees, which was addressed by DiMaria.

Emergency Alert System

DiMaria stated that the equipment purchased to improve the Emergency Alert System is still on back order. A meeting is scheduled for tomorrow with the National Weather Service to work out some mutually responsible ways to substantially limit the alerts and make them less intrusive while still complying with federal law.

There was some discussion about the length of time it is taking the cable company to respond to problems with the emergency alert system.

DiMaria was asked to send a letter to Hagaman after his meeting with the National Weather Service indicating what the resolution will be and a time frame for receiving and installing the equipment. The board can consider whether a fine is appropriate through the Consumer Protection Ordinance if a deadline is missed.

Monthly Subscriber Statistics

DiMaria presented the system statistics reports for January and February in a new format. He attributed a drop in subscribers in February to people heading south for the winter. The figures are expected to go back up next month. The drop in high speed data service is also attributed to people who go away.

ADMINISTRATOR'S REPORT

Hagaman raised the issue of a price increase for cable services effective in April. Basic cable service will increase from \$27.27 to \$29.40 per month. There are other charges that will decrease including the hourly service charge and some installation charges. One of the conditions of the transfer was that there be no rate increase as a result of the transfer.

During franchise agreement negotiations, figures were generated that indicated that MediaOne would be saving about \$500,000 a year in equipment and personnel as a result of no longer providing public access. The recent rate increase may prompt the board into considering an

audit to determine whether any of the “savings” from eliminating prior franchise responsibilities can reduce this price increase.

DiMaria commented on reports to the FCC and asserted that money given to communities based on grants created a revenue neutral situation. He asserted that most of the proposed rate changes are directly related to programming costs and embedded costs of running the operation not having to do with consummation of the transfer. He stated that it is the board’s right to conduct an audit, but it will find that there is nothing that would cause concern based on the way the company calculated this in a revenue neutral situation.

Kuhne asked DiMaria if Comcast would be able to provide the board with information that would quantify his explanation of a rate increase occurring on the heels of the transfer.

DiMaria will have to inquire of the financial people as to what forms they have used for a calculation of the rates and what they will allow him to share with the board on a non-requested basis.

Currier thinks that a prudent way to proceed before authorizing an audit would be to receive whatever information DiMaria can provide on the background of the rate increase including some historical reference to Comcast traditional rate increases as well as any other data that would show that the rate increase is a normal cost increase and not related to the transfer of the franchise. Additionally, the board would like to know how decreasing service charges and increasing monthly subscriber fees translates into being revenue neutral to Comcast.

Currier is looking for a written explanation of how this increase relates to those elements of embedded cost, how it is revenue neutral, and how PEG fits in. These are questions that the members of this board will be asked by their legislative bodies and individual citizens. He proposed that the board obtain as much information as possible so it can react appropriately to the rate increase whether it be through an audit or a thorough explanation.

Hagaman reported that she will begin work on preparing a proposal for re-equipping the mobile van. She will work with a couple of sign companies on ideas for redoing the logo on the van.

It was questioned whether it is time to consider replacing the van. Hagaman replied that she would like some time to assess the function of the van. The equipment purchased can be transferred to a new van. DiMaria noted that there is about 40,000 miles on the van.

Hagaman mentioned that she and Devereaux drafted a letter to the Eccentric relative to franchise fees and where the money goes in order to disseminate this information to the subscribers.

Borgon commented that an important article about our franchise ran in the Eccentric on March 8 entitled “New Cable Channel unites local community”. He asked that this be distributed to the board.

Lane brought it to the attention of the board that a Birmingham resident wrote a letter to this board. His issue is that there may be an appearance of conflict or a conflict between sitting on this board and hosting a television show on this cable system.

Lane reviewed that he had submitted a proposal to BCTV for a show. It was later learned that, under the contract with BCTV, the Cable Board would appoint a member to sit on the programming review committee at BCTV. Lane was chosen. At that time, he questioned whether there would be a conflict because he will have a show. The board did not view this as a conflict. The letter received from the Birmingham resident raises this conflict of interest issue.

Currier will respond to the letter on behalf of the board and provide the board with a copy of his response. Currier does not think that Lane's selection to be on the Cable Board had anything to do with the show he wishes to produce. Nor did his approval of the show have anything to do with him being on the Cable Board. There are not that many people requesting to do shows. That potential conflict was raised by Lane. The fact that someone sits on this board does not deny them the right of a normal citizen to avail themselves of public access.

Lane related that his show will be about local issues that affect Bloomfield and Birmingham area.

Colgan commented that the short term lease for the MLAC-15 studio will terminate at the end of the month. Devereaux and Borgon will work with Hagaman to inventory and decide on the disposition of tapes, furniture, and equipment before the end of the month. Currier suggested that it is appropriate to make a listing of what has been disposed of in general terms.

MLAC 15 REPORT

Create-Tech

Colgan stated that Create-Tech has been airing programs according to the BCTV March cable guide. Colgan reported that a request last month from Jack Harmon of the Beverly Hills Parks and Recreation Board to post a message on the bulletin board regarding a March 12 millage vote was not posted at the direction of Assistant to the Manager Stan Pasiaka.

Colgan stated that it has been a pleasure working for the board. He wished the board well in its new endeavor with BCTV.

Kuhne stated on behalf of the board that it has enjoyed working with Colgan and appreciates his assistance during the transition.

BCTV

Helwig referred to her written report. The highlights have been discussed with respect to technical bids on equipment for Beverly Hills and Franklin. Helwig is looking forward to working with the PEG committee on scheduling for channel 15 and channel 18. She would like to work closely with the PEG committee on program selection, program scheduling, and the program guide.

Borgon commented that Helwig mentioned last month that there are two people in the area that are interested in public access programs. Helwig related that the programming proposals are from Jim Lane and an individual who works at Brighton Hospital.

Laidlaw questioned the distribution of the Channel 15 cable guide. Helwig stated that she would be happy to work with the PEG committee on this. She was not aware that the program guides were mailed directly to each board member. The current distribution of the monthly program guide appears in her March report to the board.

OLD BUSINESS

Laidlaw questioned whether Hagaman received a request from the City of Birmingham to tape a Planning Board meeting. Hagaman responded that she received a letter requesting taping of two meetings: a Planning Board meeting on March 28 and a budget meeting on April 28. The request was forwarded to Devereaux and Kuhne. There was agreement that this request was not within the purview of this board because the meetings would not be taped for cable access. Birmingham requested that the tapes be available at the library. The use of equipment was offered to the City of Birmingham as well as a list of freelancers who may be available to tape those meetings.

NEW BUSINESS

Laidlaw explained that he moved the microphones earlier in the meeting because there have been audio problems experienced with the broadcast of board meetings. He would like to see the Cable Board set the standard for high technical quality production of its meetings.

Helwig responded that, if the BCTV staff has control over the production, there is only one variable to work with.

BOARD COMMENTS

Borgon suggested that a determination should be made as to whether there will be at a quorum for the next meeting, which is scheduled for the week after Easter.

Borgon articulated a rumor that Kuhne is leaving the consortium.

Kuhne commented that his house is for sale and he and his wife are buying a house in Birmingham. However, he has decided not to seek reappointment to another term when his term expires at the end of this month. Kuhne stated that he has served through the franchise renewal process and the re-creation of public access. He does not think he will be able to serve another three years. Kuhne thanked all of the people who have assisted him and have contributed to his pleasant experience on this board, especially Steve Hall, Don Gillis, Tim Currier and Kathy Hagaman.

The meeting was adjourned at 9:38 a.m.