

Present: Bello, Hollinshead, Laidlaw – Birmingham
Borgon, Delaney, Lacroix, Woodard – Beverly Hills
Ettenson – Bingham Farms
Anderson – Franklin

Absent: Wilson - Birmingham

Also Present: Hagaman - Executive Director
Currier and Salhaney – Attorneys for Cable Board
Martinico – Director of Technology, Birmingham Schools
Helwig – Bloomfield Community Television representative
Pfeifer – Beverly Hills Council liaison
DiMaria - Comcast representative

Borgon called the meeting to order at 7:45 a.m. in the Village of Beverly Hills municipal building at 18500 W. Thirteen Mile Road.

APPROVAL OF MINUTES

MOTION by Woodard, seconded by Hollinshead, that the minutes of a regular Birmingham Area Cable Board meeting and closed session held on Wednesday, April 17, 2002 be approved as submitted.

Ayes - Anderson, Borgon, Delaney, Ettenson, Hollinshead, Lacroix, Laidlaw, Woodard
Nays - none
Abstain- Bello
Motion passed.

ELECT VICE-CHAIR

Borgon indicated that the Bylaws of the Cable Board state that an election should be held at the next meeting after an officer resigns from the Board. He opened the floor to nominations for the office of vice-chairperson, noting that an election for all Cable Board positions will be held at the July meeting.

Laidlaw nominated Mel Ettenson as vice-chairperson of the Cable Board, and Ettenson accepted the nomination. There were no further nominations. Ettenson was elected by a unanimous vote.

RESOLUTIONS OF APPRECIATION

Borgon read resolutions of appreciation of former Birmingham Area Cable Board members Kenneth A. Brower, James Lane, and Peter Spivak in recognition of their distinguished and unselfish service and their years of dedication and extraordinary accomplishments as city of Birmingham representatives to the Board.

MOTION by Bello, seconded by Delaney, to adopt Resolutions in recognition of former Cable Board members Kenneth A. Brower, James Lane, and Peter Spivak.

Motion passed unanimously.

FISCAL YEAR BUDGET 2002/2003

Bello highlighted the proposed Birmingham Area Cable Board budget for fiscal year 2002/2003 and presented an overview of significant changes in revenue and expenditures from the year end projected financial statement. He noted a 19% drop from the current year in franchise fees and PEG revenue. Comcast will no longer collect franchise fees on Internet revenue due to a recent FCC ruling. Projected revenue for 2001/02 of \$374,000 will drop to just over \$301,000 next year. Anticipated expenditures for 2002/03 are estimated at \$324,000, with \$23,000 to be drawn from the reserves to balance the budget.

Laidlaw commented that the budget document does not reflect the fund balance nor revenue from interest earned. Bello responded that the projected year end balance for 2001/2002 is approximately \$371,000. The proposed transfer of \$23,000 from the fund balance in 2002/03 will bring the fund balance to approximately \$350,000 by the end of next year. Bello will add a fund balance line item to the budget.

Pfeifer questioned why the variance column on the budget sheet compares the proposed budget to the projected year end for 2001/02 rather than comparing it to the 2001/2002 adopted budget. She does not feel that this is an accurate comparison. Pfeifer expressed the view that it is not appropriate to include Internet revenue in the budget comparison because it was not anticipated in fiscal year 2001/02.

Pfeifer also asked why an increase in compensation is not budgeted for the Executive Director in 2002/03. Hagaman is salaried and not an hourly employee. She does not receive benefits. Pfeifer pointed out that Hagaman has spent more time on the administration of the Board this year than in past years.

Bello addressed comments on specific line items and on the budget format. He will modify the budget document to include fund balance data and will provide variance percentages from both the current year's budget and from projected year end figures.

Laidlaw suggested adding attachments to future budget documents providing explanations of various line items.

The Board discussed the Executive Director's compensation for next fiscal year. Currier stated that the Agreement for Administrative Services states, "Contractor shall be compensated by the Board in the amount determined in the annual budget process." It is recognized that Hagaman works for the Board and understood that she also serves the Village of Bingham Farms as Village Clerk, where she also receives a flat salary.

In answer to an inquiry, Bello explained that the rationale for proposing no increase in the Executive Director salary was to hold expenses down due to the Cable Board's drop in revenue and deficit situation next year. Borgon affirmed that the proposal is not a reflection of Hagaman's performance. In fact, she is doing a wonderful job for the Board. It was the sense of the majority of the Board to increase the compensation for the Executive Director by 3.5% to be in line with salary increases furnished to employees of the member municipalities.

The procedure for presenting the Cable Board budget to the member communities was questioned. Currier stated that the Interlocal Agreement indicates that “The Authority shall prepare an annual budget specifying estimated revenues and expenses for the next fiscal year and furnish a copy of such budget to each of the members prior to adoption of the same. The Authority shall duly note any comments received from any member prior to the Authority’s formal adoption of the budget.” Currier clarified that ‘member’ refers to the four communities.

MOTION by Laidlaw, seconded by Hollinshead, to forward the Birmingham Area Cable Board budget to its member municipalities for consideration with format modifications discussed at this meeting and a revision to include a 3.5% increase in compensation for the Executive Director.

Motion passed unanimously.

Delaney questioned the audit procedure for the Cable Board budget. Hagaman responded that Cable Board bills are processed by the Village of Beverly Hills Finance Department and expenses are verified as part of their annual audit. Board members will be provided with copies of the pertinent portion of the Beverly Hills audit report. Hagaman will speak with the Beverly Hills Finance Director about an audit of the Board’s Franklin Bank money market account. It was noted that the level of transactions in that account is extremely low.

COMCAST RELATED TOPICS

Comcast Performance

Board members received copies of a letter dated May 15, 2002 from the Board chairperson to Kate Ebli, Vice President of Comcast Cablevision of the South, notifying Comcast of subscriber complaints received in the last month. The letter lists three subscriber complaints received subsequent to the April 17 letter to Comcast.

The Board reviewed the complaints listed in the May 15 letter. DiMaria related Comcast’s response to each complaint. Hagaman stated that she consulted with Salhaney from Beier Howlett on a recommended amount of liquidated damages to be assessed on the complaints.

Complaint #02-72: A complaint from Mrs. Diane Ladue of Beverly Hills was received regarding an unburied cable line in her back yard. She called Comcast but was unable to speak to a customer service representative (CSR). The liquidated damage proposed is \$100 because the subscriber was unable to speak to someone at the call center. DiMaria stated that he was not able to verify why this customer could not reach a CSR, but noted that the cable line was buried when Comcast received the complaint.

Complaint #02-73: Mr. Louis Trudell called Comcast four times in a five day period to complain about a snowy picture on certain channels and the fact that HBO was scrambled. The subscriber indicates that he received conflicting information each time he called. Comcast finally came out and replaced a splitter. Trudell questioned whether Comcast monitors the signals. The recommended liquidated damages for poor picture quality for five days are \$500.

DiMaria explained what Comcast did to address this customer's issues. Comcast's customer advocate spoke with Trudell directly about his problems, and a one month credit was issued. In answer to an inquiry from the Board, DiMaria stated that Comcast has 24-hour monitoring of the channel signals.

Complaint #02-74: Mrs. Holly Mustion contacted Comcast with a billing problem and poor service from the CSR. DiMaria explained that this situation relates to the customer having an expired package. A message on the bills informed subscribers of a change, and Mustion was personally contacted by a representative from Comcast who explained the packages. The call center manager is dealing with the issue of rude treatment of a subscriber.

Hagaman recommends liquidated damages in the amount of \$300: \$100 for unclear billing, \$100 for inaccurate billing, and \$100 for an incompetent CSR.

MOTION by Bello, seconded by Ettenson, to authorize the chairperson of the Birmingham Area Cable Board to issue a letter to Kate Ebli, Area Vice-President of Comcast Communications, Inc., dated May 15, 2002 that will accompany subscriber complaints received this month and place Comcast on notice of new defaults.

Motion passed unanimously.

MOTION by Ettenson, seconded by Hollinshead, to assess liquidated damages and/or rebates for violations of Consumer Protection Standards of the Franchise for customer complaints discussed at this meeting.

Motion passed unanimously.

Comcast Proposed Settlement

Ettenson visited the Comcast Customer Service Center in Plymouth yesterday and related his experience to the Board. The staff demonstrated how calls are taken and how their computer system operates. A monitor visible to everyone in the call center displays instant statistics as to the percentage of calls answered under 30 seconds. Their goal is 90%. All the monitors he observed throughout the large area were in the 80% range.

Ettenson found the atmosphere of the service center and the attitude of the people he met to be very good. The call center has obviously come through bad times, but he thinks that a concerted effort has been made to turn things around. Ettenson believes that Comcast is serious about making strides and he is optimistic for the first time.

DiMaria extended an invitation to Board members to visit the Plymouth facility. Those interested should call his office to set up a time.

Board members have received copies of a letter dated May 13, 2002 to Cable Board legal counsel Tim Currier from Kathleen Ebli, Comcast Area Vice President, outlining an offer to resolve outstanding customer issues. Currier presented background information on this topic.

For several months, the Birmingham Area Cable Board has been assessing liquidated damages with respect to customer complaints against Comcast. During this time DiMaria and other representatives from Comcast have informed the Board that they are working to resolve a number of problems that have occurred concurrently including a billing software conversion, channel line up changes, and a high-speed Internet service transition. Currier commented that there has been an unprecedented level of problems and complaints throughout the region served by Comcast.

When it was first decided to assess liquidated damages, Board members recognized that liquidated damages provide money to this Board, but it would be an expensive process for both sides. The Board wanted to find a better way to serve the interests of our citizens and customers of Comcast.

It was at Comcast's discretion to volunteer to provide a benefit directly to the customers in exchange for the Cable Board waiving liquidated damages to date in order to resolve the issues. The Franchise Agreement does not require Comcast to do this. The Franchise Agreement and Consumer Protection Ordinance provide remedies in terms of liquidated damages in the nature of fines or the ordering of rebates to customers who experience problems.

Currier stated that the cable company has the right to respond to each liquidated damage that is assessed before the communities have the right to draw the money. Comcast has a right to appeal that decision to the individual community where the complaint originated before going to court.

Currier related that past experience of communities that have gone through the liquidated damages process proved to be extremely expensive for both sides. Cable providers have vigorously fought liquidated damages causing communities to spend more than the fine itself. There is no provision in the Franchise Agreement or Consumer Protection Ordinance for the recovery of the Board's cost for pursuing liquidated damages.

This Board is concerned about addressing the outcry from its citizens who are asking what is being done in response to their problems with Comcast. The Board has encouraged Comcast to give rebates and has ordered rebates. In many situations, all the Board could do was assess liquidated damages as the remedy. Currier remarked that to collect approximately \$30,000 in liquidated damages from Comcast could take months even years and still may not reach a satisfactory resolution.

Currier summarized attempts by the Board and Comcast to work out a solution to resolve issues that have occurred over the last several months. The Board initially believed that an across-the-board credit should be given to every customer in the consortium served by Comcast for issues that have occurred. Comcast's position has been that not every customer has experienced problems. They proposed pursuing a customer survey whereby Comcast would contact every customer to solicit their input and deal with those people who had customer service problems. The Board did not feel that was adequate. Currier outlined a proposal received from Comcast last month, which was subsequently modified and resubmitted for the Board's consideration.

If the Board would consider waiving the liquidated damages to date, Comcast proposes the following for BACB represented customers:

1. Two free pay-per-view coupons to all customers
2. A free upgrade to any premium cable network, a free upgrade to Comcast Digital Cable, free installation of Comcast Digital Telephone Services, and/or free installation of Comcast High-Speed Internet.
3. Customers who choose to add Comcast High-Speed Internet will also be eligible to receive a rebate for their first month's service.

In addition, Comcast will survey BACB customers. Those who have received poor quality service in the past will still be eligible to receive credit where appropriate.

Currier commented that the Board should be aware that, pursuant to the efforts of this Board and Comcast, Comcast has issued more than \$100,000 in credits to customers in the Birmingham Area Cable Board communities since the beginning of the billing conversion.

Board members have struggled with the issue of the best course of action for the Cable Board and for the citizens. The Board has before it an opportunity to resolve the issue of liquidated damages without further expense and provide its citizens with an opportunity to receive upgrades if they wish. Those who are already customers will receive pay-per-view movies worth approximately \$10. Currier emphasized that this offer will not waive the rights of individuals to get rebates.

If this offer to resolve the issue is acceptable, it will be proposed to use the ability of each of the communities whose meetings are broadcast on cable television to inform citizens that the Board can attempt to resolve any individual problems they may have. This is a way to start fresh with Comcast and hopefully have a working relationship.

Currier understands that some of the offers will be categorized as offers Comcast could present at any time. A number of these items are promotional and would require people to sign up for services that they would have to pay for in the future. Currier emphasized that the Board is not encouraging anyone to sign up for additional services.

Currier noted that the Birmingham Area Cable Board has taken a lead in the issue of customer service in the state of Michigan. It is this Board's tenacity to pursue liquidated damages and to be open to a resolution with Comcast that benefits the citizens at a time when Comcast is about to spend \$50 billion to merge with AT&T. Currier mentioned that a similar offer will be made to the Intergovernmental Cable Communications Authority (ICCA) this afternoon.

Currier concluded that it is his recommendation that the Board accept the offer and waive the liquidated damages to date as of May 15, 2002. There is no waiver of rebates. The Board would participate in the Comcast survey of subscribers. Because the survey will be an ongoing process, there will be a high level of activity between the Executive Director and Comcast representatives as to what further resolutions need to be brought forth for discussion. Currier has been assured by DiMaria and Jon Kreucher that issues presented through the survey will be open for further resolutions.

Board members discussed the offer with questions addressed by Currier and DiMaria.

Currier clarified that the Board can assess liquidated damages for problems brought to its attention at the June meeting. Acceptance of the offer will only waive liquidated damages from January 1, 2001 to May 15, 2002. The suggestion was made to change point #3 on page 2 of the letter from Ebli to state, “That potential outstanding customer service related defaults *that existed between January 1, 2001 through May 15, 2002* are considered resolved if handled in the ordinary course by Comcast.”

Currier stated that the offers remain effective through August 31, 2002 with the pay-per-view coupons expiring on December 31, 2002. Woodard suggested that all offers should expire on December 31 on the basis that viewership lags in the summer, and people do not typically upgrade their cable service at that time.

DiMaria responded that this is one area that he cannot negotiate. Currier added that he addressed this issue with Comcast at the time when the first proposal indicated that all offers would extend through August. Comcast agreed only to extend the pay-per-view coupon offer through December.

Bello stated that the Board assesses liquidated damages because it believes that Comcast has violated the Franchise Agreement. In its offer to resolve customer issues, not only is Comcast not admitting that it has violated anything, but the Board is not allowed to describe this offer as a settlement or agreement. He questions whether the public will understand that this offer is in lieu of approximately \$30,000 in liquidated damages for franchise agreement violations.

DiMaria responded that this is a goodwill offer that does not usurp the Board’s ability to require credits. He commented that the billing conversion and Internet transition has been difficult, and Comcast is trying to look forward.

Bello remarked that the May 13 letter from Ebli states that “customers who can take advantage of all of these offers would receive about \$128 in services and waived fees.” He questioned whether this offer is in the marketplace presently. DiMaria answered it is not available now and that the only offer in the marketplace is a dish buy-back program that would result in \$500 for dish customers. Bello stated that he expected the offer to equal the best deal in the market place.

DiMaria stated that there has been over \$100,000 worth of credits issued to just this consortium. The survey will be publicized and will give people another opportunity to receive credit for problems experienced. This is an additional step to help quantify adverse effects of the conversions.

Delaney referred to a paragraph in the May 13 letter and commented that he cannot support the offer if it cannot be described as an agreement to resolve the issue of assessing liquidated damages for defaults to the Franchise Agreement. Delaney added that he is not willing to waive liquidated damages for an ongoing problem during this time period that the Board is not aware of.

Currier clarified that Comcast is asking the Board to waive liquidated damages between the dates of January 1, 2001 and May 15, 2002, not the ability to rebate credits to a customer.

DiMaria accepted that it will not be a condition of the offer that the BACB refrain from describing Comcast's offer as an agreement.

In answer to inquiries, Currier affirmed that individual rights are not being waived. The only right the Board is waiving is the right to assess liquidated damages in the time period described. Currier stated that there is no litigation to his knowledge pending against Comcast involving customer services issues in the state of Michigan at the present time.

Currier believes that the consortium has seen the worst of the problems. There has been a dramatic decline in the number of customer complaints last month and this month in the region.

Hollinshead asked if there is assurance that there is no issue with carrying this agreement forward under the new AT&T and Comcast merger. DiMaria assured the Board that this offer is fully understood and communicated through the Comcast organization and the newly formed AT&T Comcast Corporation. The offer involved all lines of their business from a regional and divisional level.

Hollinshead thinks that this package requires more than a press release for communicating to the consumers and subscribers represented by this Board. He questioned whether there should be a mailing to every subscriber on the letterhead of this Board detailing the final agreement in clear language, describing the options available, and outlining recourse that remains available. He would also suggest a communication in the regular Comcast monthly billing statement. Hollinshead suggests that a plan for communicating the offer should be considered as a part of this package.

Currier relayed discussions with DiMaria regarding the dissemination of information. The offers would go out in the Comcast customer billing. The offer would also be communicated through the cable television process both at this meeting and consortium community meetings. The communities have newsletters that are mailed to their residents quarterly. The Board is not precluded from any other format for dissemination of information.

Currier added that the presentation of this agreement to the municipalities is something that is anticipated to occur in conjunction with the Board's recommendation on Form 394, which will come before the member municipalities next month.

Bello does not see an acknowledgement by Comcast in this agreement that anything was done incorrectly. Secondly, cable customers have to sign up for more services to spend money with Comcast to get anything out of the agreement. Bello does not think that subscribers are being offered anything that Comcast is not going to do anyway. He will not support the agreement in its present form.

Borgon voiced some apprehension about Comcast's cooperation, but supports the acceptance of the offer as modified at this meeting. He thinks it is important to communicate the information to each resident of the four communities if the Board agrees to the offer from Comcast.

Currier commented that there has been mention made that franchise fees are no longer collected by Comcast on high-speed Internet service. It came to his attention late yesterday that the Michigan Public Service Commission chairperson issued a statement to the feds indicating that this issue may not be over. There is an objection to the rulemaking on the basis that it would hinder the broadband information highway that Michigan is developing.

The proposed press release was distributed to Board members for review.

In response to a Board comment, DiMaria concurred that it makes sense that the second heading of the press release be changed to read "Promotions Follow Agreement with Birmingham Area Cable Board". DiMaria stated that the draft press release will be sent back to the Comcast public affairs staff so everyone will know what is being proposed.

Delaney remarked that he supports resolution of this matter but believes that the press release is unacceptable and he will vote in favor of the agreement today. He commented on the wording related to what the Board has done and why it has assessed liquidated damages relating to Comcast's service. Delaney suggested that the first four paragraphs sound like a promotional offer from Comcast.

DiMaria stated that the press release cannot go out without the Board's approval. Currier suggested that the chairperson and volunteer from the Board work with him on the wording of the press release following the meeting.

MOTION by Laidlaw, seconded by Ettenson, to accept the offer from Comcast to resolve outstanding customer issues as set forth in a letter dated May 13, 2002 to Tim Currier from Kathleen Ebli, Area Vice-President of Comcast, with the following conditions: 1) On page 2, #1 should be changed to reflect that the word 'agreement' can be used by the parties; 2) point #3 should be amended to read that the BACB will waive its right to assess liquidated damages pursuant to the Consumer Protection Ordinance from January 1, 2001 to May 15, 2002, and it is understood that there will be no waiver of any other remedies; 3) the Press Release will be worked out between representatives of Comcast and the Cable Board.

Roll Call Vote:

Bello	- no
Hollinshead	- no
Laidlaw	- yes
Borgon	- yes
Delaney	- no
Lacroix	- yes
Woodard	- yes
Anderson	- yes

Ettenson - yes

Motion passed (6 – 3).

Currier, Borgon, and Hollinshead will work on the Press Release with Rich Ruggiero from Comcast following today's meeting.

Hollinshead asked that the Board enter into a comprehensive plan for communicating this offer to its subscriber and constituency base.

Subscriber Complaints

Hagaman outlined an ongoing complaint from cable subscriber Patrick LePine who had poor picture quality for months. LePine ultimately decided to disconnect his cable service because Comcast could not provide a clear picture to his location. The customer was given a credit for his situation, but is not satisfied with the amount of the credit. Hagaman asked the Board how it would like to handle this situation. It was not included in the liquidated damages because the individual's cable service is disconnected.

DiMaria related that an additional check will be sent to Mr. LePine as a credit for this situation. He mentioned the man hours spent on this problem. This customers' intermittent issues could not be solved by many diagnostic attempts to isolate the problem.

Laidlaw stated that he spoke with LePine, who voiced a number of complaints including problems with reaching a customer advocate and lack of follow up.

DiMaria stated that LePine was being dealt with directly by the technical services manager, who communicated regularly with DiMaria on this issue. Borgon suggested that the Board research this complaint further with Mr. LePine for discussion at next month's meeting.

Birmingham Link

DiMaria stated that Comcast representatives have been in contact with City of Birmingham engineers regarding drawings they need to provide in order to complete the underground fiber link to City Hall. Comcast is being asked to provide underground maps of the entire downtown area because the City of Birmingham does not have accurate information on previously laid underground cable. The city wants to be clear about what is underground and at what depths before the project proceeds.

Monthly Subscriber Statistics

DiMaria stated that he generally receives system statistics reports on the 15th of the month. The report is not available today due to the date of this meeting. He will provide the data for next month's meeting.

Form 394

Before the Cable Board for consideration is Form 394 Application for Franchise Authority Consent to Assignment or Transfer of Control of Cable Television Franchise from Comcast

Corporation to the AT&T Comcast Corporation. Currier summarized the basis of the transaction and the Board's authority and responsibility in this regard.

Under Federal Law, the local franchise authorities (LFA), which are the individual communities in this consortium, must act on an application for franchise authority consent to transfer control of cable television franchise prior to expiration of the 120 days from the franchise authority's receipt of Form 394. Comcast's transmittal letter of Form 394 is dated February 25, 2002. Possible actions of the LFA in response to an application for consent to a transfer of control are: 1) consent to transfer; 2) failure to take any action, which is an automatic consent; 3) disapprove the transfer, or 4) consent subject to reasonable conditions.

Currier stated that this particular transaction is different from the previous consent for transfers because the merger transaction will not change the holder of this franchise. The franchise will continue to be held by our local cable franchisee. Although the merger transaction will result in a new parent company for the franchisee, all day-to-day authority of the operations of the business will remain with current Comcast Corporation CEO Brian L. Roberts out of Philadelphia. It is the authority of the Board to review the legal, financial, and technical ability of the proposed transferee to operate the cable system. The cable operator in this instance is not changing and the Board has already approved that entity's legal, financial, and technical ability to perform

Comcast Corporation and AT&T Corporation have entered into an agreement and plan of merger whereby it is their intent to combine their cable systems into a new company. The proposed merger will result in the creation of a new company, the AT&T Comcast Corporation, which will be the new parent company for AT&T Broadband and Comcast Corporation. Currier highlighted the series of mergers that will take place. When this transaction is complete, AT&T Comcast Corporation will have a presence in 41 states with approximately 22 million subscribers, which will make it one of the largest if not the largest cable television company in the world.

Currier outlined a number of documents received and reviewed by his office in connection with the transfer. He noted additional information requested and responses received and summarized other pertinent information relating to the merger as outlined in his May 9, 2002 letter to the Board.

There has been concern about the customer complaint situation. The Board has the authority to review whether the company is legally, financially, and technically qualified to become a parent company of the existing franchisee. It cannot be argued that the entity does not have the legal qualifications. The financial ability exists for this parent company to present a sound financial picture. With respect to technical requirements, the combination of AT&T and Comcast would put together two companies with a long standing history of the business. The Board is concerned about technical issues, but it would be difficult to deny the transfer based on those issues because it is merely a transfer of the parent company.

Currier recommends that the Cable Board recommend to the consortium communities the adoption of the proposed resolution granting consent of the change in control of the cable franchise subject to the following conditions:

- A. The automatic revocation of the Local Franchising Authority's approval if the Agreement and Plan of Merger is not consummated by June 30, 2003, or such Agreement is terminated prior to that time without the same having been consummated;
- B. That AT&T Comcast Corp. will promptly notify the Local Franchising Authority of any material change in the service or operation of the Local Franchising Authority's cable system, or change in the personnel directly responsible for the operation of the Local Franchising Authority's systems as a result of the consent;
- C. The prompt remediation of all existing defaults under the current cable franchise agreement with the Local Franchising Authority as may have previously been noticed in writing by the Local Franchising Authority which have not been remedied by prior action or agreement of the franchisee and the Local Franchising Authority; and,
- D. Reimbursement in accordance with the Franchise Agreement within 30 days after receipt by Comcast, or AT&T Comcast Corp. or any parties to the Agreement and Plan of Merger of December 19, 2001 for all reasonable out of pocket expenses incurred by Local Franchising Authority including attorney fees that are attributable to the Local Franchising Authority's consent and consideration of the transfer application.

MOTION by Hollinshead, seconded by Bello, to recommend to each municipality adoption of a Resolution dated May 14, 2002 Granting Consent to the Change in Control of the Cable Franchise from Comcast Corporation to AT&T Comcast Corporation.

Bello stated that Comcast has been public about its intent to reduce costs of the new company once this merger is complete. He questioned whether there is a way to protect the cable subscriber from service levels dropping due to cost reductions.

Currier stated that there is no change in the cable company's obligation under the Franchise Agreement. The representation he has heard is that Comcast intends to reduce the operating cost of the AT&T franchises that it is acquiring and not the Comcast franchises.

Motion passed unanimously.

MEETING ROOM STATUS

The Cable Board decided last December to move its meeting location from the Rotary Room in the Baldwin Public Library to the Village of Beverly Hills council chambers. It was agreed to assess this arrangement in six months and advise the Library as to whether the Beverly Hills meeting room will be a permanent location.

The benefits of holding a meeting in this location include the ability to broadcast live. BCTV does not have to bring out the mobile production van and crew. Hagaman stated that the Board has been comfortable in this location, but it is three members short at present. When all Birmingham representatives are appointed, there will be more people seated at the table.

There was a consensus that the Beverly Hills council chambers be used as the permanent meeting location for the Birmingham Area Cable Board.

MOTION by Ettenson, seconded by Delaney, that the permanent meeting location of the Birmingham Area Cable Board will be the Village of Beverly Hills Council chambers.

Motion passed unanimously.

EXECUTIVE DIRECTOR'S REPORT

Hagaman reported that there have been several trial runs to test the equipment in the mobile production van. She will be presenting a proposal at an upcoming meeting to equip the van with additional equipment to complete the renovation. Hagaman will present drawings for Board approval of a new logo for the van next month.

Hagaman has had discussions with Treasurer Bello about conducting a franchise fee audit. The last audit was conducted in 1996. The consortium has experienced a number of transfers of control of the cable television franchise, and it is suggested that an audit be conducted in the next fiscal year.

Bello stated that this will be an audit of Comcast revenues to assure that the cable company is paying to the municipalities and to the Board the appropriate amount of fees in a timely manner. It is intended to receive proposals and come back to the Board with a recommendation. This expense is included in next year's budget.

MLTV/PA18 REPORT

Helwig reported on MLTV 15 and Channel 18 meetings and programs produced during the last month. She noted that some of Birmingham's meetings have been scheduled at the Department of Public Services building on Eton Road, which is not a good facility for TV coverage. BCTV has discussed the limitations of the site with appropriate staff.

Helwig met with the director of the Baldwin Library to discuss programming opportunities. BCTV will schedule programming after the director makes necessary staffing changes to oversee the activity.

BCTV is scheduling staff and volunteers for Birmingham's Summer in the City, Concerts in the Park, Celebrate Birmingham Parade, Beverly Hills' Concerts in the Park and Memorial Day Parade, and Franklin's Labor Day Parade.

The production van's new equipment installation by ProVideo is complete and is in good working order. The switcher is currently out for routine repair and is temporarily replaced with a BCTV switcher. A volunteer workshop to train prospective volunteers in the use of BACB's mobile production van is scheduled for Tuesday, May 21 at 7:00 p.m.

BOARD COMMENTS

Borgon mentioned that Lisa Martinico provided the Board with a comprehensive report of expenditures of grant money provided to the Birmingham Public Schools by the Cable Board.

Martinico has invited Board members to tour its new Groves and Seaholm High School Television Studios on Tuesday, May 21 or Thursday, June 6. Borgon encouraged members to attend a tour.

PUBLIC COMMENTS

W. A. Zimmerman of 22191 Camelot Court in Beverly Hills asked for a copy of the front page of Form 394 and the Board's resolution recommending approval of the transfer of control of cable television franchise from Comcast Corporation to the AT&T Comcast Corporation.

Zimmerman commented that Comcast's offer to resolve outstanding customer issues provides for those who currently subscribe to Comcast service. He asked if there is any remedy offered to those who have been disconnected from Comcast service.

Currier reviewed that Mr. Zimmerman has brought complaints before the Board concerning objections to paying franchise fees and PEG fees. His failure to pay those fees resulted in his service being disconnected by Comcast. His request for remedy does not fall under a customer service complaint.

Zimmerman stated that he has sent letters to DiMaria and others at Comcast requesting a detailed list of charges for which they claim payment. They have failed to respond to those letters.

With regard to Comcast performance, Zimmerman stated that the Franchise Agreement calls for a certified annual report to be provided by Comcast to the Board at the end of each year. He has submitted a FOIA request to the Beverly Hills Village Clerk for this information and has been informed that the clerk has not received a certified copy of annual reports for the years 1999, 2000 and 2001.

Borgon stated that the Village of Beverly Hills Clerk now has a certified copy of the 2001 Comcast Annual Report. Comcast was not the cable operator in 1999 and 2000.

MOTION by Delaney, seconded by Hollinshead, to adjourn the meeting at 10:39 a.m.

Motion passed unanimously.