

Present: Correa, Hirsch, Hollinshead, Kuhne, Lund, Wilson - Birmingham
Borgon, Delaney, Pinkos, Woodard – Beverly Hills
Gallasch – Franklin
Ettenson – Bingham Farms

Absent: Frishman – Birmingham

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

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. Borgon welcomed new members Matthew Lund and Susan Frishman from Birmingham and Fred Gallasch from Franklin.

APPROVE MINUTES

Motion by Woodard, seconded by Delaney, that the minutes of a regular Cable Board meeting held on March 24, 2004 be approved as submitted.

Motion carried.

COMCAST RELATED TOPICS

Subscriber Complaints

Board members have received copies of complaints received during the last month with Comcast resolutions noted on the sheets. A majority of the complaints are related to the April price increase. One was a service related issue. Comcast contacted that individual, who ultimately canceled his service due to increased pricing.

Hagaman commented on the annual rate increase received by subscribers in April. She emphasized that the Board does not have regulatory authority over rate increases or channel alignment. The 1996 Telecommunications Act removed all rate regulation control from the municipalities. The FCC has determined that competition is defined not only as coming from another cable provider but from satellite dish companies.

Ettenson commented that the Board through its Cable Liaison Committee is closely following hearings in Washington regarding rate increases as well as the ala carte cable proposals for subscribers.

Monthly Subscriber Statistics

Board members have received system statistics for March. Beller noted that subscriber numbers are increasing.

Other Issues

Hagaman related that a complaint was received from a subscriber who had a charge for “cable guard” added to her bill without authorization. Hagaman questioned whether this is an isolated incident or a widespread practice. Beller will investigate this further.

FRANCHISE FEE REVIEW

Attorney Tim Currier stated that he and Don Gillis met with John Gibbs, Comcast VP of governmental affairs for the Midwest region, to discuss the franchise fee review and other issues. In an effort to resolve outstanding matters, Gibbs was asked to show Currier and Gillis how Comcast is calculating the 5% franchise fee and 3% PEG fee on a hypothetical bill of \$100. Currier was told that he will have a response to this query next week. Gibbs was advised that the Board has waited patiently for several months for responses on these issues.

Currier anticipates that he will be recommending a definite course of action to the Board at the next meeting with or without a response from Comcast. Questions from Board members on the franchise fee review issue were addressed by Currier.

COMMITTEE REPORTS

PEG Committee

Hollinshead reported that the PEG committee’s work continues on the second phase of the Rouge Watershed series and several other programs for Channel 15 including a program for the City of Birmingham on the budget and new concert programming for the spring and summer season.

Cable Review and Liaison Committee

Hirsch stated that Grant Pinkos has joined the committee to replace departing member Carol Greenslade. Pinkos is experimenting with the concept of webcasting.

Pinkos remarked that this was an idea Hagaman heard about at the September NATOA conference. She learned that communities are placing their municipal meetings on a web server to be viewed at any time by people with access to the Internet. The idea has a lot of appeal because lengthy meetings could be organized by chapters so a person could view the portion they were interested in rather than sitting through an entire meeting.

Pinkos put a portion of the last Cable Board meeting on computer and sent it to a storage server. He believes that a staff person would be needed to watch a meeting and index the change in topics. The technical cost should be minimal. The predominant cost will be renting storage space on a server.

Pinkos will speak with the IT people in Beverly Hills and Birmingham to determine what type of service space may already be available. He suggested that only the most recent meetings be saved on the server.

Hirsch outlined a proposal from the Cable Review Committee for action to begin a campaign to reduce cable rates.

OBJECTIVE:

Put pressure on Congress and the Federal Communications Commission to use their powers to control cable television prices.

METHOD:

Launch a campaign urging Congress and the FCC to recognize the dissatisfaction of cable subscribers with the pricing practices of cable providers and to mandate needed regulatory reforms. Maintain organized pressure until the government takes action. Give the campaign a name, e.g. “Roll Back the Rates.. “Roll Back Cable Rates”... “Roll Back Cable Rates Now”.

PROPOSED ACTIONS:

A. Cable Boards

Consult and coordinate with other cable boards to present a unified and more powerful voice. Employ the organizational resources and expertise of NATOA (National Association of Telecommunications Officers and Advisors).

B. Subscribers

Urge cable subscribers to express their anger and frustration over cable pricing with a flood of letters, e-mail, phone calls and/or petitions to Congress and the FCC. Take the lead in organizing a grass-roots effort.

C. Local Governments

Encourage our community governments to join in the effort by passing resolutions asking Congress and the FCC to act.

D. News Media

Enlist the aid of newspapers, radio, television and other communication channels in broadly publicizing the campaign.

Hirsch commented that the committee may need help from other Board members particularly in organizing a grass roots effort to get cable subscribers to express their concerns to Congress about rates increases.

Beller asked if it would be appropriate for her to attend a Cable Review & Liaison Committee meeting in view of the partnership that Comcast has with the Board. She would like to make sure that the committee has all the knowledge necessary to put forth in terms of the investments Comcast has made in the community, the call centers, and the system.

Hirsch responded that he did not think it was appropriate for Comcast representatives to be involved in this effort.

In answer to a Board comment, Hirsch stated that there are two model resolutions that have been adopted by area cable boards. He thinks that it will make an impact if 30 or 40

communities issue these resolutions and send them to the right people including members of Congress, the FCC, and the news media. Hirsch will forward a model resolution to Currier for his opinion with respect to whether it is the kind of resolution that the City of Birmingham would approve.

Currier agreed that it is an important political statement for the Board to show how concerned it is. He thinks that most of the communities would probably be supportive of rate regulation considering the direction rates are going. However, regardless of the Board's relationship with Comcast, there is a mutual best interest that the consortium keep as many customers as possible so that the municipalities receive needed revenue. When customers are lost, it is not in the best interest of Comcast or the communities.

Ettenson proposed that the Board consider adoption of a resolution at the next meeting asking Congress and the FCC to take action to reduce cable rates. Currier suggested that the Cable Review Committee prepare a written resolution that could be distributed in formal form to the communities for their consideration.

Ettenson summarized that members of this Board and its committee are responding to a preponderance of complaints regarding cable rate increases. The Senate Commerce Committee hearings in Washington are reviewing a movement towards cable companies providing a la carte pricing, which would give cable subscribers the option of picking and choosing what they want and not having to pay for services that they are not receiving. Senate Commerce Committee members have said that they will do something about this if the cable industry does not. This Cable Board is adding its voice to that position.

FISCAL YEAR 2004/2005 BUDGET PROPOSAL

Board members have received the proposed budget for the Birmingham Area Cable Board and for the Cable Administrator for fiscal year 2004/05 as well as a narrative budget summary.

The proposed 2004/05 budget forecasts revenues and expenditures in the amount of \$382,350. The budget does not anticipate any major expenditures for the production van. It does include funding grants for the City of Birmingham and Birmingham Public Schools. Hagaman clarified that any request for funds must be approved by the Cable Board.

Hagaman reviewed the revenue projections for the current fiscal year. At the time of developing the budget, there were concerns that revenues would be severely impacted with the elimination of revenue generated on high-speed Internet. The worst case scenario budget projections for 2003/04 were not realized, and revenues in 2003/04 were significantly higher than projected.

Revenues for 2004/05 are estimated to increase approximately 4% over the projected year-end numbers for 2003/04. Franchise fee revenues are estimated to reach \$150,500 with PEG revenues projected at \$228,700. PEG revenues are used primarily to fund capital equipment purchases and grants to municipalities to improve the quality of their

cable television technology. A transfer from the money market account at Franklin Bank will be made to balance the budget.

On the expense side, BCTV costs are based on the approved contract at \$100,000 for the fiscal year.

The Board is anticipating grant requests from the City of Birmingham and the Birmingham Public Schools. The City of Birmingham is working on a proposal to replace all the cable television equipment in the commission chamber. The Board budget anticipates a grant request in the amount of \$125,000. The Birmingham Public Schools is expected to request \$25,000 to fund capital improvements for its cable operations. The Board has budgeted \$160,000 to fund grant requests in the next fiscal year.

There is an equipment line item for \$10,000 for new equipment needed for the next fiscal year. A line item of \$15,000 was included to cover special programs in excess of what is covered in the BCTV contract.

The Executive Director's expenses will increase by 3.7% over last year's budget. The budget includes salary, operating expenses, subscriptions and conferences.

Attorney fees have been increased based on projected year end expenses.

Hagaman explained that the conferences line item reflects the cost of sending two Board members to the NATOA conference. The recommendation was made following last year's conference that a Board member attend the forum in consecutive years in order to fully benefit from this conference.

Questions on the budget from Board members were addressed by Hagaman. Pfeifer requested that an actual expenditures column be included in the budget work sheet.

Hollinshead asked if the timetable for budget approval would allow the PEG Committee an opportunity to review the budget before it is forwarded to the municipalities for consideration. There was agreement to consider approval of the budget document at the next Board meeting after it has been reviewed by the PEG committee.

EXECUTIVE DIRECTOR'S REPORT

Hagaman was invited to attend the Cable Review and Liaison Committee meeting last month. She has also been working with the PEG Committee.

MLTV15/ PA18 REPORT

Helwig reported that BCTV produced the regular number of municipal and Cable Board meetings during the last month. A special meeting in Franklin will be covered on April 22.

BCTV produced BASCC's presentation about Medicare prescription drug legislation. Joe Valentine from the City of Birmingham has completed the voiceover for the program

about Birmingham's proposed budget, and it is almost ready to air. Steve Rota will be the director for the next Rouge River program.

Birmingham and public access producers contributed to the production of 45 programs this month for Channel 18. Mary Ann Verdi-Hus produced three "Metro Art and Books" programs; Betsy Laboe produced three "Spectacles"; Gerry Doelle produced two "Everyday People" segments; and Jim Lane produced one "Talk of the Town" show.

Two other programs are of particular interest to Birmingham area residents. BCTV produced the 25 Annual Diversity Champions Honor Roll with the Birmingham Bloomfield Task Force on Race Relations and Ethnic Diversity at the Community House. The Birmingham Musicale highlighted award winning performers at its regular monthly performance.

Lex Kuhne is in the pre-production phase of his upcoming public access series. The Community House's chef Peter Engelhardt has taped six "Flash in the Pans", which will be edited and aired soon.

Helwig commented that the BCTV staff has not slowed production even though its full-time staff is down by one person. She anticipates hiring a new staff member shortly.

Four new microphones have been received and are being used at today's Board meeting. The equipment will also be used for other programs, especially panel discussions.

After reporting to the Board last month on the number of hours of programming that air on MLTV, Helwig was asked by the Board chairperson to report on the number of new hours of programming produced each month.

Helwig elaborated on the program hour count. The report focuses on the number of new programs being produced each month, not including repeat viewing. BCTV airs 25.9 hours of original programming per month. The contract requires at least 20 hours.

Helwig affirmed that BCTV fully supports this Board's desire for more non-meeting programs on Channel 15. People in municipal governments are encouraged to work with BCTV in coming up with additional programs. Helwig recalled that the Board took no action on a four-part series proposed by BCTV in late 2002. BCTV would be happy to revisit this programming proposal at any time.

BOARD COMMENTS

Delaney asked a couple questions regarding PEG and franchise revenue coming to the consortium, which were addressed by Currier.

Delaney commented that he has been looking into whether there is a way that Southfield Township Board meetings could be recorded and aired on Channel 15.

PUBLIC COMMENTS

None

The meeting was adjourned at 8:58 a.m.