

Present: Decker, Fredrick, Frishman, Hirsch, Hollinshead, Jones - Birmingham
Delaney, Pfeifer, Verdi-Hus and Woodard – Beverly Hills
Gallasch - Franklin

Absent: Correa - Birmingham
Borgon – Beverly Hills
Ettenson – Bingham Farms

Also Present: Hagaman - Executive Director
Currier - Attorney for Cable Board
Martinico - Director of Technology, Birmingham Schools
Gillis – Bloomfield Community Television representative
Valentine – Birmingham Staff Liaison
Beller - Comcast representative

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

APPROVE MEETING MINUTES

Motion by Woodard, second by Pfeifer, that the minutes of a Birmingham Area Cable Board meeting held on Wednesday, February 16, 2005 be approved as submitted.

Motion passed.

COMCAST RELATED TOPICS

Subscriber Complaints

Hagaman stated that one of the complaints (#05-06) received was a service issue involving television and phone service. That individual has elected to discontinue services with Comcast.

Complaint #05-07 dealt with problems related to the installation of a box for HDTV reception. Beller commented that Comcast representatives have had numerous conversations with the subscriber, and this complaint is close to being resolved. Comcast has adjusted his account. She explained that part of the problem that Comcast faces is user understanding of the quality differences between high definition channels and non-HD channels. What may be an acceptable picture on an analog channel appears fuzzy with an HD box. Comcast is working on technical issues with Motorola to improve technical quality.

Complaint #05-08 has been resolved.

Monthly Subscriber Statistics

There were no comments on the Comcast system statistics for February.

Comcast Rate Increase

Hagaman stated that subscribers will receive notification in their March bills of a rate increase effective April 1, 2005. The Basic Plus package will increase by approximately 8%. She expects that subscribers will be calling the cable office next month to express their dissatisfaction with the price increase.

Hollinshead commented that this increase is seen against the backdrop of the growth and aggressive efforts of the Comcast organization to expand and move forward in a number of areas. He remarked on the amount of the increase at a time when costs for other technologies are decreasing. Hollinshead questioned the justification for the rate increase and challenged Comcast to explain what it is bringing the subscribers in the way of enhanced service.

Pfeifer mentioned that Comcast is notifying subscribers who are receiving a promotional package price that these packages are not longer current and these offers are withdrawn.

Beller explained that there are subscribers who have been receiving promotional packages that date back five to ten years. Comcast is trying to streamline its system and integrate rate codes and promotional packages of previous cable operators. The company provided the required 30-day notification to those subscribers and offered them other options. Those customers were encouraged to contact Comcast to discuss a package that meets their needs.

Attorney Currier stated that the consortium approved the FCC Form 394 Transfer Agreement in 2002 for transfer of control of Comcast Corporation through a merger with AT&T. One of the obligations Comcast agreed to at that time was to honor the liabilities and contracts of subscribers. It is Comcast's obligation to provide justification for ending a promotional package with no specified end date.

Fredrick commented that it appears to be a general perception in the community that the cable system is a quasi-utility. In actuality, it is a profit making company. It is frustrating to the Cable Board that it has no say with respect to rate regulation. Fredrick wondered whether it would be appropriate for the Board to present a listing of competitive options to subscribers who call to complain about the Comcast rate increase.

Currier commented that other cable consortiums such as ICCA have competition in terms of Wide Open West cable service. He noted that the prices are not much different. Because the consortium communities lease the rights-of-way to the cable franchisee for cable lines, the communities derive a 5% franchise fee from Comcast as well as a 3% PEG fee. Franchise fees are not provided by satellite dish providers.

Hagaman stated that Comcast subscribers who call about a rate increase are informed of what the FCC deems as competition. She tells them that the Cable Board has contacted Wide Open West in an attempt to bring competition into the Birmingham area. Hagaman also advises people to note when promotional packages end, whether it is for Comcast or satellite dish service.

Delaney expressed the view that the rate increase is not warranted, and it again exceeds the Consumer Price Index for the year. It concerns him that programming has been removed from the analog tier. The Federal Communications Commission is not giving local governing agencies the authority to negotiate pricing with cable companies that would provide some assurance as to what consumers will receive when municipalities enter into those agreements.

Beller emphasized that cable television is an entertainment option and not a utility. Comcast customers choose to have cable. Beller commented that Comcast is proud of the value that its product provides to the area. She mentioned the costs of doing business listing increasing costs of programming, network improvements, maintenance, facilities, taxes, and labor. Comcast has employees who live and work in the communities it serves including 3,300 employees in the State of Michigan. Beller maintained that the cable service that customers receive today is not the same cable they received 5-10 years ago. There are a variety of tiers and program content available.

Decker suggested that Beller present the Board with Comcast's justification of the price increases in terms of whether they are market based or whether they are due to direct costs associated with providing the service. It would be helpful to see the numbers.

Verdi-Hus was interested in knowing the cable rates for other communities that have no competition in terms of cable television providers.

Beller was asked to provide the Board with a comparison of cable rates and packages in other communities in this section of southeast Michigan.

Other Issues

Beller stated that the Comcast Foundation awards a \$1,000 scholarship to students who are recommended by their principal as an outstanding student with leadership potential. She reminded the schools in the area that the deadline for submission by area school principals is March 28, 2005 for receiving applications to Comcast's Leaders & Achievers Scholarship Program. Last year, more than \$150,000 in scholarships were awarded to schools in southeast Michigan.

At the last Cable Board meeting, Beller was asked why Comcast customers are charged more for Internet service if they are not cable television subscribers. She was asked to provide the Board with information on how many customers are in that group. Delaney suggested that discrimination on the availability of rates, terms and conditions that are offered by Comcast may be prohibited by the Franchise Agreement. He asked that Attorney Currier take a look at this and advise the Board.

Beller left the meeting at 8:30 a.m.

GRANT REQUEST – BIRMINGHAM PUBLIC SCHOOLS

Hagaman stated that the Cable Board budget includes a budget item for Birmingham Schools. She noted that the Board receives PEG money for public, education and government access.

Lisa Martinico, Executive Director of Technology for Birmingham Public Schools, is requesting a grant in the amount of \$25,000 to be used for cable production equipment at the district level and at both Seaholm and Groves high schools. Students attending Seaholm and Groves are representative of the four consortium communities. The grant request is for three editing systems and additional cameras for student use.

Martinico stated that Birmingham Public Schools are currently facing larger class sizes and have a need for additional editing systems and cameras. She mentioned BPS continues to commit dollars and staff towards cable production in both of the high schools. Questions and comments from Board members were addressed by Martinico. The decrease in school funding from the State of Michigan was a major topic of discussion.

Motion by Woodard, second by Fredrick, to approve a grant request not to exceed \$25,000 to Birmingham Public Schools for the purchase of editing equipment and cameras.

Roll Call Vote:

Decker	- yes
Fredrick	- yes
Frishman	- no
Hirsch	- yes
Hollinshead	- yes
Jones	- yes
Delaney	- yes
Verdi-Hus	- yes
Woodard	- yes
Pfeifer	- yes
Gallasch	- yes

Motion passed (10 - 1).

EQUIPMENT UPGRADE – MLTV

Jim Gillis of Bloomfield Community Television received quotes from four companies for equipment needed to improve playback capabilities and upgrade meeting coverage by MLTV by using a DVD format. The Board is in receipt of a comparison sheet tracking the low bids per item along with copies of each company’s proposal. The integration of the equipment would be done by Gillis. The total cost of the equipment is \$7,148.00.

There may be a need to purchase a few items such as cables once the equipment is in place. Gillis stated that some additional cost may be incurred if technical assistance is needed from ROSCOR when installing the DVD recorder into the Beverly Hills Council video

room. This work is not expected to exceed three hours at \$90/hour. Questions from Board members on the quote and contingencies were addressed by Gillis.

Motion by Hollinshead, second by Woodard, that the Board approve the allocation of funds to Bloomfield Community Television in an amount not to exceed \$8,000 for the purchase of equipment needed to improve playback capabilities and upgrade meeting coverage with a DVD format.

Roll Call Vote:

Motion passed unanimously.

COMMITTEE REPORTS

PEG Committee

Hollinshead reported that the PEG Committee met on Tuesday, March 15 and addressed several issues. The committee discussed a question raised at recent Board meetings regarding allocation of programming on Channel 15 between meeting coverage, original programs, and bulletin board. The PEG Committee will be discussing this topic and will bring a recommendation to the Board as a whole in terms of a formula. The goal may be to strive for 60% municipal meeting coverage, 35% original programming, and 5% bulletin board display.

The two Rouge River programs produced by the Board and BCTV have been received enthusiastically. The PEG Committee believes that these programs will retain the potential to attract and reach audiences outside of the consortium communities and even beyond the metropolitan area. The committee plans to more actively market the availability of these programs on the basis of their interest and relevance.

Hollinshead referred to a handout entitled “2005 Summer Franklin Village NatureScaping Series planning worksheet”. The sheet outlines upcoming sessions sponsored by Franklin in concert with the Garden Club and the Southeast Oakland County Water Authority that will address a series of environmentally relevant topics of broad interest to residents and homeowners in this area. Fred Gallasch brought this to the PEG Committee as a possible opportunity to work with the organizers of this series of seminars and discussions to produce public access programming. The PEG Committee intends to take a look at this project and come back to the Board with further information.

Hollinshead suggested that the Board reconsider the PEG Committee membership and structure. This will be his last Board meeting. The Board may want to assess who is available to do what and look at the representation of various communities on the committee.

Pfeifer stated that Beverly Hills may be requesting to have its Council budget sessions broadcast or taped and replayed on MLTV15 next year. These budget meetings occur in the spring but not on a regularly scheduled basis. Gillis informed her that BCTV needs two weeks notice to cover a meeting.

The Board's contract with BCTV includes the broadcast of an additional Birmingham Commission meeting occasionally. The City of Birmingham reimburses BCTV for taping Birmingham Planning Board meetings. It was suggested that Beverly Hills submit a request to the Board asking for coverage of a special meeting.

Frishman thanked Peter Hollinshead for his enthusiastic service on the PEG committee. Delaney agreed that Hollinshead has gone above and beyond the call of duty. Hollinshead stated that it has been a privilege to serve on the Cable Board and the PEG Committee.

Gillis added that Peter Hollinshead has been great to work with. He has assisted BCTV to help the Board do the things it wanted to accomplish.

Cable Action Committee

Hirsch agreed with the need to review the membership of the PEG and Cable Action Committees. He noted that Ron Fredrick has joined the Cable Action Committee.

Hirsch stated that the Board is pursuing the possibility of running channel listings on a BACB public access channel. There may be regulatory limitations on this, but the committee is researching what other cable boards within the NATOA organization are doing.

The Franchise Agreement requires that the Board receive a complaint log from Comcast every quarter. The Cable Action Committee recommends that complaint logs be received from Comcast no later than 30 days after the close of each quarter. The complaint log should include all complaints and not just those filtered through the cable office. It is also recommended that a summary of the types of complaints appear on the first page of each complaint log report.

The Board has not yet received a response from Comcast to the allegations of overcharging in several key categories of equipment and installation charges. Comcast's response was due by mid-February. The Board was adamant about receiving a reply for the next meeting.

The latest rate increase from Comcast has been discussed by the Board. Hirsch expressed the view that Comcast is doing a good job of running its business in an aggressive and successful manner. However, he does not think that it is taking into account the people who are paying the costs and underwriting Comcast's ability to make acquisitions and partnerships and expand services. Comcast is not being fair to consumers in its pricing policies.

Hirsch stated that Comcast can do this because there is no pricing control by local bodies. The goal of the Cable Action Committee was to engage boards like this throughout the country to get together and exert pressure on the Congress and FCC. The committee has not received much response to date.

FY 2005-2006 BUDGET REVIEW

Board members are in receipt of the proposed budget for the Birmingham Area Cable Board and for the Cable Administrator for fiscal year 2005/06 as well as a narrative budget summary. The budget is being presented for review and comment by the Board. If there are no major changes, the budget will be forwarded to the consortium communities for review. The Cable Board will consider any comments from the communities and adopt the budget at its May or June meeting.

Hagaman reported that revenues for 2005/06 are estimated to increase approximately 8% over the 2004/05 budget. The proposed budget for 2005/06 estimates revenues of \$413,800 with expense of \$345,350. The budget does not anticipate any major expenditures for the production van. It does include funding grants for possible web streaming and for the Birmingham Public Schools.

Questions from Board members on the proposed webstreaming grant, representation at the NATOA conference, and cable administrator budget were addressed by Hagaman and Delaney. The webstreaming proposal from Granicus for the communities is being revised for submission to the Board. Because the NATOA conference will be held in Washington DC this year, the Board will consider sending three Board members as this is a prime opportunity for one-on-one meetings with Michigan representatives and other legislators. The policy set by the Board is to send the Executive Director and two Board members to the annual NATOA conference.

In answer to an inquiry, Currier stated that the salary budgeted for the cable administrator does not preclude the Board's action at a later date to consider proposals from candidates for the position.

Motion by Hirsch, second by Fredrick, to forward the proposed 2005/06 Birmingham Area Cable Board budget and Cable Administrator budget documents to the member communities for review and comment before adoption by the Cable Board.

Roll Call Vote:

Motion passed unanimously.

EXECUTIVE DIRECTOR'S REPORT

Hagaman stated that the NATOA Conference is coming up in September in Washington DC. Details will be finalized in May or June.

The Board will be receiving a proposal from Granicus for webstreaming service. Hagaman remarked that a determination will have to be made on whether it is possible to go out for bids on webstreaming due to the limited segment of the market that can provide this service.

Hagaman announced that she is resigning as Executive Director of the Cable Board effective April 1, 2005 after 13 years. She is leaving the Board for the reason that her

current position as Village Clerk of Bingham Farms is going to be full time. She stated that it has been a pleasure to serve with so many professionals over the years and she wished the Board well in the future.

Delaney thanked Hagaman for her fine work and professionalism and said that it will be difficult to replace her knowledge and enthusiasm for this industry and this Board.

Hollinshead remarked that any progress that the PEG committee and the Board in general has been able to make over the last few years has been due in large part to the great support and direction it received from Kathy Hagaman. The Board wishes her well.

Frishman thanked Hagaman for the orientation and education she provided to new Board members. Pfeifer added that Hagaman's historical knowledge will be missed. She thanked Kathy Hagaman for her loyal service.

Hirsch added his thanks and appreciation to Kathy Hagaman.

Currier stated that he has worked with a number of cable administrators and that Kathy Hagaman has been the best of the professionals he has served with.

MLTV15/ PA18 REPORT

Jim Gillis referred to his monthly report dated March 10, 2005. He asked that community representatives advise him of the dates of summer events normally covered by BCTV.

OLD BUSINESS

None

NEW BUSINESS

Hagaman distributed a copy of an advertisement prepared by Bob Borgon and Tim Currier for the Executive Director position. It will be published in the Eccentric Newspaper.

Delaney suggested establishing a personnel committee of the Cable Board to review, organize and present applications for the Executive Director position to the Board. It was suggested that the committee receive the information from candidates and formulate a recommended selection procedure to the Board. A committee of Borgon, Pfeifer, Decker and Jones was formed.

PUBLIC COMMENTS

None

BOARD COMMENTS

Hollinshead thanked the people of Birmingham for the opportunity to represent them on the Cable Board and thanked his fellow board members for the privilege of working with them.

Pfeifer thanked Peter Hollinshead for his fine efforts and all the time he devoted to the Cable Board.

Valentine stated that the cable equipment for the Birmingham Commission chamber upgrade is in the process of being ordered. Once it is received, he will provide details on the installation.

Delaney suggested that the committee membership be an agenda item for next month's meeting.

The meeting was adjourned at 10:00 a.m.