

Present: Correa, Decker, Fredrick, Frishman, Hirsch, Jones, Tarini - Birmingham
Borgon, Delaney, Verdi-Hus and Woodard – Beverly Hills
Gallasch - Franklin
Ettenson – Bingham Farms

Absent: None

Also Present: Hagaman - Interim Executive Director
Currier - Attorney for Cable Board
Martinico - Director of Technology, Birmingham Schools
Helwig - Bloomfield Community Television representative
Valentine – Birmingham Staff Liaison
Pfeifer – Beverly Hills Liaison
Beller - 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. He welcomed Birmingham alternate member Patricia Tarini as a full member of the Board.

APPROVE MEETING MINUTES

A correction was made to indicate that Borgon called the April 20, 2005 meeting to order.

Motion by Woodard, second by Gallasch, that the minutes of a Birmingham Area Cable Board meeting held on Wednesday, April 20, 2005 be approved as amended.

Motion passed.

EXECUTIVE DIRECTOR'S REPORT

Hagaman stated that the number of complaints received over the last month continue to be above average. Complaint forms from last month including Comcast's response and resolution were distributed to Board members before the meeting.

The PEG Committee met on Thursday, May 12. Committee Chair Ron Fredrick will provide an update.

There were no comments received from the member municipalities on the 2005/06 Cable Board budget. The Board will consider approval of the budget at today's meeting.

Birmingham Public Schools received a check for a grant that was approved by the Cable Board to be used for cable production equipment at the district level and at both Seaholm and Groves High Schools. The City of Birmingham has received most of the equipment purchased with the grant approved by the Board for cable equipment for its Commission chamber and DPW upgrade.

The webstreaming proposal from Granicus was tabled at last month's meeting in order to obtain further information and receive direction from the communities. Hagaman proposed that the Board make a decision on whether to approve the concept.

APPROVE FISCAL YEAR 2005/2006 BUDGET

The Board reviewed and discussed the proposed 2005/06 Birmingham Area Cable Board budget and Cable Administrator budget at its April meeting. The budget document was sent to each of the member municipalities for review. There have been no questions or comments on the budget from the government bodies.

A change was made in the 2005/06 Cable Administrator Budget document to reflect a \$25,000 amount for the salary line item in lieu of the \$32,500 amount indicated on the prepared document. Hirsch questioned the \$33,100 projected year end figure for Special Projects under the Board Expenses heading. Hagaman will provide a response in writing to the Board on this line item.

Motion by Ettenson, second by Delaney, to approve the 2005/06 Birmingham Area Cable Board Budget and Cable Administrator Budget with a revision to the Cable Administrator Budget salary line item from \$32,500 to \$25,000.

Motion passed unanimously.

UPDATE – EXECUTIVE DIRECTOR’S POSITION

Ettenson reported that the search subcommittee placed advertisements for the executive director position in the Eccentric newspaper and posted an ad on the Michigan Municipal League and Michigan NATOA web sites. The subcommittee received over 40 responses from well qualified people and conducted a total of 13 interviews. The applications have been reviewed and the search subcommittee recommends Thomas Hanson for the executive director position.

Ettenson related that Mr. Hanson currently works for the City of Southfield as producer/director for the Southfield cable channel. He brings to the Board a good deal of experience and a balance between the technical and administrative end of the business. Ettenson introduced Tom Hanson, who came forward and provided Board members with some background information, experience, and his qualifications for the position.

Motion by Ettenson, second by Woodard, that the Birmingham Area Cable Board approve the recommendation of the search committee to appoint Thomas Hanson as the Executive Director of the Board.

Motion passed unanimously.

Borgon congratulated Tom Hanson and welcomed him to the Cable Board. Borgon will consult with Treasurer Delaney on an offer to Ms. Hagaman for her continued assistance in the next month during the transition period.

COMCAST RELATED TOPICS

Subscriber Complaints

Borgon stated that he was advised that a Comcast customer service representative (CSR) informed a subscriber that there are no senior discounts available because the Board did not

negotiate the discount in its contract with Comcast. This is an incorrect statement, which should not continue to be made by Comcast representatives.

Beller stated that she brought the new director of call center operations Ken Snead to today's meeting. He has an impressive background in call center management including training programs. Comcast looks forward to Mr. Snead's expertise to improve call center training.

Hagaman reviewed complaints from last month that included responses from Comcast and thanked CSR manager Ishania Howze for following up on each complaint. Many of the complaints were related to pricing. Hagaman noted that the franchise and PEG fees increase proportionately when Comcast increases its rates.

Currier clarified that the Federal Law provides that the cable company is to pay a PEG fee and a franchise fee, which is the fair market rental of rights-of-way to the city. It is the cable company's right to pass that cost through to the customer if it wishes. If the cable provider chooses to raise prices, the franchise fees goes up.

Beller explained that a clerical billing error occurred at the same time as the price adjustment last month, which resulted in an overcharge of \$3.25 to approximately 600 people in the subscriber area. Credits were immediately placed on the accounts and a follow-up mailing was sent to each impacted subscriber to inform them of the error.

Woodard referred to Complaint #05-52 involving the failure of a Comcast technician to show up for a service call. She recalled that a number of similar complaints occurred a couple of years ago at which time financial penalties were issued to Comcast, and customers received compensation for their inconvenience.

Currier reviewed that the Franchise Agreement and the Consumer Protection Ordinance provide that the Board can issue a default against Comcast for failures to live up to the service responsibilities and windows. The Cable Board has done that in the past. The Board decided that it would be more advantageous to waive default payment to the Board in return for Comcast providing a credit to the customer who is aggrieved.

Beller responded that Comcast takes service complaints seriously with its new tech management team. The complaint mentioned has been reviewed, and she will follow up to determine whether a credit was issued. In response to a question about standard operating procedures in terms of issuing credit, Beller stated that Comcast offers credit on a case by case basis.

Ettenson asked for a follow up on Complaint #52 next month. The Board expects Comcast to offer credit to a subscriber as a policy when there is a violation of the service window and to indicate that action as part of the complaint resolution.

Hagaman related that a number of analog tier subscribers protest that they continue to lose channels to the digital tier after receiving a rate increase. Comcast contends that operating and

programming costs are increasing, but analog subscribers question why they are losing channels and suggest that the increase should go onto the digital and not the basic tier.

Hagaman reviewed a complaint (#53) with regard to a subscriber being asked for her social security number in order to make changes to her account. Beller responded to the incident in some detail suggesting that the customer may have been misinformed by the account representative in this case. She assured the Board that Comcast is in compliance with state statutes regarding the social security number policy.

With regard to a complaint from Mr. Faggan about being overcharged for cable service, Beller stated that the matter has been resolved to the subscriber's satisfaction. Beller offered to provide the Board with more detail on the resolution of this complaint at the next meeting.

Gallasch commented on the increasing amount and intensity of subscriber complaints and voiced frustration at the way Comcast CSRs are handling calls.

Monthly Subscriber Statistics

It was explained that "homes passed" refers to the number of homes in the area that are able to receive cable service. There were no further comments on the Comcast system statistics for March and April.

Other Issues

Delaney observed that the TV guide channel lineup has been reduced to about 25% of the screen scrolling across the bottom. He does not think that Comcast is being fair to the consumer on that issue.

Borgon questioned the status of the quarterly complaint log. Beller responded that she located a sample complaint log from 2002 that included some complaints received by Comcast through its internal managers or corporate escalation team. She will assemble the appropriate information and apply this format to a revised complaint log to be submitted to the Board for next month's meeting. Beller noted that the ICCA consortium communities receive a copy of the Comcast service log on a computer disk. That is different than customer complaint log as defined by the franchise agreement.

In response to an inquiry, Beller clarified that analog customers who were receiving a premium channel without an analog box received a letter from Comcast informing them that Comcast is now providing its premium service via digital transmission. Those customers who do not have a box of any type in their home and are receiving a premium channel such as HBO or Showtime will need to purchase a box in order to receive that transmission effective June 8. The cost of the box is \$4.20/per month. Analog customers with a box can swap their current box at a payment center for an upgraded box. The analog converters are no longer being supported by the manufacturer. Analog customers who chose to upgrade their box will also receive the interactive programming guide and multiplexing. There is no impact to analog customers with no premium channels.

Currier related that city clerks are anticipating the annoyance and confusion that will result on June 8 when the premium channels no longer operate on the analog tier. The letter from Comcast is combined with promotional offers, which may confuse subscribers into thinking that there is a price increase involved in swapping their cable boxes. If there is any change in pricing, the switchboards will light up again.

Beller responded that customers will not receive a price increase. She remarked that there are promotional digital package rates being offered at this time that may make it advantageous to upgrade to the digital tier.

At Currier's suggestion, Beller will draft accurate information for distribution to city clerks and Comcast CSRs clarifying the issue, how to address it, and the price impact.

Beller was asked what will happen to the analog tier in the future. Her response cited the digital transition scheduled to occur by 2007. Comcast will abide by federal mandates with respect to the digital television transition.

Ettenson related that Brian Roberts from Comcast made a statement at press conference within the last couple weeks saying that Comcast expects to go digital, and analog will not exist.

Beller responded that Comcast's competition is touting its all digital capability. Comcast continues to build on the digital platform and will be poised to provide an all digital signal. Beller commented that there will be changes coming up the next few months as Comcast tries to evolve the platform to carry multiple products.

Currier referred to this month's subscriber system statistics in an attempt to determine the total number of analog subscribers who will be affected by the box change. The total number of analog and digital cable subscribers was also questioned. Beller will add an element to the report that will indicate the total number of households serviced in the four communities.

Beller highlighted Comcast's involvement in community events in the past month: Comcast provided support for the Birmingham Fine Arts Festival by running public service announcements throughout the area; Comcast provided donations for the Bingham Farms Elementary Tech Expo; Comcast was recognized by Cranbrook Institute of Science for support of its "Science on the Go" program; Comcast volunteers supported the March of Dimes in walks earlier this month; Comcast was a sponsor and supporter of the Arab American Museum opening held in Dearborn. Beller included information in the Board's packet that provides facts that will help parents control their family TV viewing.

Beller introduced call center director Ken Snead, who is present to listen to some of the concerns of the Board. He has 17 years of experience in call center and operations management. Ken is looking forward to resolving some of the concerns that he has heard today and to better educate the consumer and improve the interaction between subscribers and call center personnel. In response to an inquiry, Beller stated that all calls are taken locally except when there is an overflow, at which time primarily billing related calls are sent to Canada.

COMMITTEE REPORTS

PEG Committee

Committee chair Fredrick stated that the committee will hold monthly meetings on the Thursday before each Board meeting. The goal of the committee is to increase original programming and to make program schedules viewer friendly. The group's first task towards that end will be to review and evaluate current programming content and current scheduling practices in conjunction with Bloomfield Community Television. It is hoped to develop an idea model of what our channels should look like and then do what we can to conform to that model.

On another topic, the committee would like the Board to be aware that the Michigan Telecommunications Act expires this year. This is the legislation that establishes ground rules for municipalities to charge fees for use of their rights-of-way. Changes in that law could reduce or eliminate the revenue municipalities use to support local channels. The Board should start to think about developing contingency plans if this comes to pass.

Hirsch asked how the Board can stay informed on this topic and make its views known. Fredrick stated that NATOA is making the expiration of the Telecommunications Act a priority issue and is working with a non-profit organization called ProTec, which represents the municipalities. Currier added that the Michigan Municipal League has also weighed in on behalf of the municipalities on this matter.

Cable Action Committee

Hirsch stated that the committee has been following up on residents' complaints regarding the latest Comcast price increase. The lack of competition is often cited by subscribers as being one reason for annual rate increases. The committee has researched possible competition alternatives.

A number of years ago, the Cable Board approached Wide Open West, a company that provides cable service in other Oakland County communities, to determine if it had any interest in providing service to this consortium. WOW responded that the company had no interest in expanding its subscriber base. In the last few weeks, the committee contacted a cable company called Bright House serving Farmington, Farmington Hills, Livonia and Novi. The company was not interested in providing cable service to the BACB communities. Hirsch remarked that the problem is the huge cost to a company coming in to compete with the technical infrastructure, organization, and personnel of a well established firm like Comcast with no assurance that it would make a profit. Hirsch concluded that there is no likelihood of competition from another cable company in the near future.

The long term outlook may be better. Large phone companies like SBC and Verizon are developing new ways to provide cable television service using fiber optic technology. It is a topic that is receiving national attention.

With regard to Internet service, Consumers Energy in Michigan is one of several utility companies working on pilot programs to offer high speed Internet service over power lines. Customers could simply plug a computer modem into an existing electrical outlet in the future.

Big companies in related fields may be able to make money by providing cable TV and related services in new and innovative ways. Hirsch views this as hope for competition, which should mean more reasonable prices for cable television subscribers.

Hirsch stated that the Cable Board is eager to locate anyone in the area who has been a cable subscriber since Booth Communication was the provider and who has been receiving a long-term senior rate. Contact the Cable Board at (248) 646-8450 or through its web site (birminghamareacableboard.org).

UPDATE ON WEB STREAMING

Board member John Decker has been investigating the possibilities for web streaming municipal meetings. The Board has received a proposal from Granicus, a California based company, for comprehensive solutions for creating, managing and distributing live and on-demand streaming media content to support and enhance public meeting communications. Decker has learned of a local provider of web streaming service in Troy, Michigan. Power Stream could provide the basic service of getting a municipal meeting on the web at a considerably reduced cost than Granicus but without the municipal experience offered by Granicus.

Decker explored the actual cost of receiving the full service from Granicus as well as reviewing services offered by Power Stream. He was impressed by both companies, but particularly with the low-cost model offered by Power Stream. Power Stream will not develop an entire new web site, but it will provide a link that shows the meetings online.

Decker related that the City of Birmingham has already chosen its provider and is moving forward with Power Stream to provide Commission meetings on the Internet for the first year.

Decker suggested that the Cable Board could opt to observe Birmingham as it goes forward with web streaming of its municipal meetings and could introduce the concept to Beverly Hills, Franklin, and Bingham Farms to determine their interest. It is a zero cost approach for this Board to facilitate the transition to web streaming in Birmingham.

It was the consensus of the Board to defer the web streaming proposal while Birmingham takes the lead in providing web streaming for its municipal meetings. The Board asked for periodic updates from Joe Valentine on the status of the program and how it is received.

Valentine clarified that Birmingham will be looking at streaming of the signal that is going to BCTV live over the Internet one time only. The city is not considering the comprehensive solution demonstrated by Granicus in terms of archiving and links to the agenda.

Decker stated that Power Stream has indicated that it will not be an issue if Birmingham becomes interested in leaving the meeting link online. Their pricing structure is such that the power stream is based on how much data is transferred per month. Archiving meetings will be more costly in terms of data storage.

MLTV15 / PA18 REPORT

Leslie Helwig from Bloomfield Community Television stated that there were nine municipal meetings produced for MLTV 15 this month. The *Franklin Nature Series* about the Emerald Ash Borer was produced and played. Other programs that aired on the channel this month are *Eye on Oakland* by County Commissioner Chuck Moss, *H2Oakland* by Drain Commissioner John McCullough, Birmingham Historical Museum Preservation Workshop Series, Rouge River Part II, and *Barking at Berkshire* sponsored by BYC. The parades and summer concert series will be starting this summer. Beverly Hills and Birmingham summer concerts will not be held on the same night this year.

BCTV completed 39 programs for PA 18 for this time period. Of special interest to this Board are programs that are produced by Birmingham Area producers. Maryann Verdi-Hus taped *Private Paradise*. It was a busy month for *Talk of the Town* by Jim Lane due to many local election issues. Betsy Laboe did a good program on women in business in the area. *Flash in the Pan* is a show done by the chef at the Community House. There were shows aired for Birmingham Area organizations including the Birmingham Bloomfield Symphony Orchestra, Birmingham Concert Band, Birmingham Musicale, and Birmingham Bloomfield Community Coalition.

Helwig announced that Lisa Antuna will be filling the open position on the BCTV production staff. She provided information on Antuna’s extensive background and experience in community programming and studio operations as well as her expertise with technical equipment. Helwig reported on other staffing issues and congratulated Steve Rota for receiving the Community Service Award from the Metropolitan Christian Council on April 29.

BCTV took delivery of the playback equipment that was ordered to provide the capability of recording municipal meetings on one six-hour DVD and playing back meetings on one deck. It is scheduled for installation on May 24.

Delaney questioned the source of funding for the School Board cable channel, which was addressed by Helwig and Currier. It was clarified that the Cable Board has no influence over what is aired on the School Board channel.

RECOGNITION RESOLUTION

Borgon read a Resolution of Appreciation recognizing Kathryn P. Hagaman for her years of dedicated service and extraordinary accomplishments while serving as Executive Director of the Birmingham Area Cable Board from February of 1992 through March of 2005.

Motion by Delaney, second by Woodard, to adopt the Resolution of Appreciation recognizing former Executive Director of the Cable Board Kathryn Hagaman.

Roll Call Vote:

Motion passed unanimously.

OLD BUSINESS

Joe Valentine reported on the status of the cable equipment installation for the Birmingham Commission chamber upgrade. The new system should be operational in mid June.

The meeting was adjourned at 9:29 a.m.