

Present: Decker, Heldt, Lurie, McLain, Thorsby, Urcan - Birmingham
Briggs, Heyman, McFadden – Beverly Hills
Ettenson – Bingham Farms
Eads – Franklin

Absent: Armitage - Birmingham
Verdi-Hus, Woodard – Beverly Hills

Also Present: Borgon – Executive Director
Currier - Attorney for Cable Board
Rota - Bloomfield Community Television representative
Visperas – Comcast representative
Glenn and Valentine – Birmingham staff representatives

Chairperson McLain called the meeting to order at 7:46 a.m. in the Village of Beverly Hills municipal building at 18500 W. Thirteen Mile Road. She welcomed new member David Lurie representing the City of Birmingham.

APPROVE MINUTES OF REGULAR CABLE BOARD MEETING HELD SEPTEMBER 16, 2009

Motion by Heldt, second by Ettenson, that the minutes of a regular Cable Board meeting held on September 16, 2009 be approved as submitted.

Motion passed.

PUBLIC COMMENTS

Hildreth Buterbaugh of Beverly Hills said that the new free converters do not receive the same range of channels as the older converters. Further, VCRs have no control over the converters, which make it difficult to tape programming.

Tom Schultz on Saxon in Birmingham commented that he would like to receive television service through the AT&T U-verse product. The AT&T website indicated that the service is not available for his address; however, neighbors in close proximity are able to subscribe to U-verse. Schultz is frustrated with the AT&T's response regarding when he would be able to receive the service.

McLain responded that other individuals have asked the same question. It appears that there are people whose property falls in between the coverage provided by AT&T VRAD boxes. It has been questioned how this can be considered effective competition when it is not available everywhere in the community. McLain will relate this concern to the Board's AT&T representative, Lori Doughty, and request that she contact Mr. Schultz.

ELECTION OF VICE-CHAIR

Ettenson indicated his interest in stepping down as vice-chairman of the Board for the reason that he spends three months during the winter in Arizona. Ettenson intends to remain on the Board noting that he was recently reappointed by Bingham Farms to another term as its representative to the Cable Board.

Ettenson nominated John Decker for the position of Vice-Chairperson of the Birmingham Area Cable Board. There were no further nominations. John Decker was elected as Vice-Chair by a unanimous roll call vote.

PLANTE & MORAN AUDIT

Beth Bailey from Plante & Moran presented the audit report of the Birmingham Area Cable Board financial statements as of June 30, 2009. She thanked Bob Borgon for his assistance with the audit.

Bailey highlighted the content of the audited financial statement. She referred to the Opinion Letter of the report, which indicates that the Board's financial statements received an unqualified audit opinion for 2009. The Management's Discussion and Analysis pages explain the differences from one year to the next and point out highlights.

Bailey reviewed the condensed financial information for the year. She referred to a comparison of 2009 and 2008 Assets, Revenue and Expenses. Ettenson questioned the sale of assets loss reflected under Revenue in the amount of \$34,695. Bailey explained that the Board sold its old production van for under \$5,000; the truck had a depreciated value on the books of \$39,000. McLain related that the Board conducted a comprehensive analysis to determine what that truck was selling for in the marketplace. The process was documented, and the information was reviewed by the auditors.

Bailey commented on the section entitled Governmental Fund Balance Sheet/Statement of Net Assets. The bottom line reflects cash investments of \$700,000; \$248,000 on deposit with Beverly Hills; and receivables in terms of PEG and franchise fees from the consortium communities.

The Statement of Government Revenue, Expenditures, and Changes in Fund Balance/Statement of Activities was reviewed. The largest sources of revenue are Franchise Fees and PEG fees, which were up slightly over last year. The total revenue this year is \$666,000. On the expenditure side, grant expenditures and capital outlay increased from last year; other expenditures were similar to last year.

Bailey referred to the Notes to Financial Statements. In terms of Fixed Assets, she pointed out that Board policy is to capitalize fixed assets that have a value of \$500 or more and an estimated useful life in excess of one year. Note 2, Deposits and Investments, mentions that the Board has designated two banks for the deposit of its funds. The Board's cash and investments are subject to custodial credit risk. At year end, the Board had approximately \$350,000 of bank deposits (checking account and certificates of deposit) that were uninsured and uncollateralized. Bailey noted that this is typical, but encouraged the Board to take the current banking environment into account.

Decker, who was the Board Treasurer at the time, interjected that the Board's policy is to insure all deposits. He explained that there were uninsured funds for about a week or two at the end of June for the reason that a large payment on the production truck was due within two weeks. McLain affirmed that it is the Board's policy to keep the level of deposits under \$250,000.

Bailey reviewed the Budget Comparison Schedule under Required Supplemental Information. She commented on the budget to actual statement noting the positive variance in the fund balance amount of about \$214,000. This was higher than projected because revenues were up from the amount budgeted and several expenditures were under budget.

Bailey related that there was only one item mentioned in the recommendation letter and it involved documentation of the bank reconciliation review. Plante & Moran suggested that bank reconciliations be initialed to indicate that it they were reviewed by the Treasurer with a copy filed by the Executive Director.

Thorsby suggested that a topic of discussion in terms of Board's long range planning initiative should be to understand what it intends to do with its unrestricted assets. The Board should affirm that it is either protecting those funds or that it has a strong intention in terms of the use of the assets.

McLain added that the Board is uncertain about future revenue due to the impact of legislative changes. This is a reason why the Board has a fairly large fund balance.

Bailey understood that the Board had planned to start a capital equipment reserve fund. If that is approved by the Board, the unrestricted fund would have a subset on next year's financial statement.

Hildreth Buterbaugh suggested that the Board did not depreciate the old production truck fast enough. The depreciation schedule for the new truck should be reviewed to bring the replacement value closer to reality. He proposed initiation of a contingency fund for a new production van. Additional questions from Buterbaugh were addressed by the Board.

COMMITTEE REPORTS

Cable Action Committee

McFadden announced that the next Cable Action Committee meeting will be held on Thursday, October 29 at 5:30 p.m. in the Baldwin Library. The November meeting will be held on November 19.

Eads provided information to the Board on the long-term strategic planning session that will be held at Intellitrends in Clarkston from 8:30 a.m. until about 4 p.m. on November 4. Members of the Board who are not able to attend are encouraged to provide their input on this session. Individuals from the public can add comments or suggestions on issues that they think should be a part of the Cable Board by visiting the Board's website.

McFadden commented on another level of complexity that will become an issue in the future. There are two formats that will impact the concept of cable in terms of delivery of content. They are called Keychest and DECE (Digital Entertainment Content Ecosystems). The technology would allow consumers to pay a single price for permanent access to a movie or TV show across multiple digital platforms and devices—from the Web, to mobile gadgets like iPhones and cable services that allow on-demand viewing.

This would in essence eliminate CDs and DVDs. It would impact various channels available on cable and satellite. The DECE protocol is being developed by Sony; and the Keychest protocol is being developed by Disney and Apple. This will impact cable alternatives, the competitive landscape, and how consumers will choose to obtain information and content. The new technology will impact the development of this Board's focus, strategies, and efforts for the future.

PEG Committee

Heldt announced the U-verse rollout of the PEG channels since the last meeting; programming is up and working. He mentioned that BCTV and the schools are unable to monitor their programming due to restrictions from AT&T. The company will not do a U-verse drop at a school on the basis that it is considered a commercial location.

Heldt reported that Congresswoman Tammy Baldwin from Wisconsin has introduced House Resolution 3745 called the Community Access Preservation (CAP) Act of 2009 to address the challenges faced by public, educational, and governmental (PEG) TV channels and community access television stations. The CAP Act would address the immediate issues facing PEG channels by:

- Allowing PEG fees to be used for any PEG-related purposes;
- Requiring PEG channels to be carried in the same manner as local broadcast channels;
- Requiring the FCC to study the effect state video franchise laws have had on PEG channels, and requiring operators to provide the greater of the support required under state laws, or the support historically provided for PEG; and
- Making cable television related laws and regulations applicable to all landline video providers.

Heldt said that there will be a PEG meeting following today's Board meeting. There may be a recommendation that the Cable Board pass a resolution in support of the Community Access Preservation Act. It was noted that the legislation is supported by NATOA.

Personnel Committee

Decker reported that the Personnel Committee met yesterday, October 20, at the Baldwin Library with Executive Director Bob Borgon. The two agenda items were periodic review and evaluation of the Executive Director and composition of the Cable Board.

The discussion with the Executive Director led to the realization that periodic reviews are constructive in that they provide a forum to address open concerns and questions on both sides. Decker stated that role of the executive director in the context of what is anticipated going forward will be addressed at the long range planning session. The Personnel Committee plans to meet in November after the long-range planning session to address questions that arose at the meeting.

ANNUAL REPORT

Borgon stated that the annual report distributed at last month's meeting has been edited to reflect suggestions from Board members. Upon its approval, the annual report will be forwarded to the member municipalities for their review and comment.

Motion by Ettenson, second by Eads, to approve the Birmingham Area Cable Board Annual Report for Fiscal Year 2008-2009.

Motion passed unanimously.

EXECUTIVE DIRECTOR'S REPORT

The Audit Report has been presented today by Beth Bailey from Plante & Moran. Borgon will comply with the suggestion to have bank reconciliations initialed by the Treasurer and filed. Borgon thanked Finance Director Bob Wiszowaty for his assistance with the audit report as well as Treasurer Mike Urcan.

A Comcast updated fee schedule is included in the Board's information packet. A new channel lineup card will be distributed today by the Comcast representative. Borgon informed the Board that Olivia Visperas has offered to arrange a tour of the new Comcast Westland facility for all Board members interested in attending.

The PEG channels are available for viewing on AT&T U-verse. Borgon related that recent statistics show that AT&T has an 8%-12% penetration in the four communities. There are few people in our communities who have the choice to subscriber to AT&T U-verse television.

The quarterly budget has been included in the Board's packet. Borgon included the Fund Balance sheet with all three accounts reconciled through September.

Board members have been provided with a copy of the brochure "Choosing a TV Provider" for their review. Borgon suggested that members may want to consider updating the information and printing a revised version.

McLain commented that much of the information in the brochure no longer applies. She proposed that members of the Cable Action Committee work with Borgon on updating the content and creating an updated piece of information.

Urcan volunteered to take on this project. He proposed highlighting key messages and designing an aesthetically pleasing handout to effectively communicate the message of the Cable Board. Thorsby had ideas about how to communicate available choices to the public in the face of ongoing changes and fragmentation in the industry.

Borgon extended congratulations to Leslie Helwig and her staff including Steve Rota, Zack Florance and David Sommerfeld for receiving five first place awards and four second place awards in the 2009 Philo T. Farnsworth Video Festival. Eads added that people in the four communities should be proud of BCTV and the Board's support in terms of the quality of programming that is available to the communities.

COMCAST RELATED TOPICS

McLain commented that customers are having a difficult time with the Comcast digital migration. Olivia Visperas remarked that the majority of the complaints received in the last month have been resolved; Comcast is continuing attempts to contact customers.

Visperas addressed comments made earlier by Hildreth Buterbaugh stating that he should be receiving the same channels plus additional channels with the new adapter. She will discuss his package with him after the meeting.

Visperas addressed comments about the customer guarantee on the Comcast.com website. It is an internal initiative rolling out nationally to motivate employees to the fact Comcast is operating in a competitive environment. There are things that can be done to improve the customer experience. There will be more communication coming about this initiative.

McLain commented that there are still occasional long waits when attempting to reach the call center. People are being overflowed to the Philippines. Visperas will look into whether there is a routing issue. Comcast has invested in three call centers in Michigan; the intent would be to have the calls routed locally.

Visperas asked to address a question from the last meeting regarding customer downgrades to limited basic service.

McLain quoted text of letters from John Gardner and Olivia Visperas related to preparing for the digital migration: “If a customer does not obtain digital equipment by the time the digital enhancement is completed, their service will be changed to limited basic and their price reduced accordingly.” McLain stated that this statement does not appear in the more recent August 17, 2009 letter from Mike Cleland of Comcast.

Visperas explained that customers are downgraded if they are contacted by Comcast, decline to take any new equipment, and ask to be downgraded. However, Comcast determined that there was a substantial amount of activity in this area after the cut-over date. Customers lost channels and realized there was a problem. Comcast mailed an additional letter and did more telemarketing to reach these customers to determine if those individuals wanted to take advantage of the equipment or downgrade to limited basic. If the remaining customers in this consortium do not take steps to transition to the new equipment, there will be a blanket downgrade. The downgrade will be retroactive to the cut-over date of September 10.

McLain related statements made by customers who are frustrated with the digital migration. People question why they should receive a significant decrease in services with no credit if they choose not to take part in the enhancement.

Visperas responded that customers who choose not to accept the new equipment should have been downgraded to limited basic. She reiterated that the remaining customers will receive a blanket downgrade to limited basic and receive a retroactive decrease in price.

There was further discussion by Board members and Visperas regarding the digital migration. Thorsby commented on the channels received with the cable boxes prior to the digital migration and a decrease in signal quality with the new adapters. McLain reiterated the frustration experienced by customers who believed in the Comcast product and suffered. Questions from Board members regarding other customer complaints and comments were addressed by Visperas.

AT&T RELATED TOPICS

The AT&T representative was not present. McLain reminded the Board that a rebate for the BCTV PEG installation of \$7,790 is due two billing cycles after the T-1 line is up and running.

MLTV1515/ PA18 REPORT

Rota presented the Bloomfield Community Television report on programming taped for Municipal Channel 15 (BAMA), PA Channel 18 (BAPA), and programming from BACB area organizations during the last month (information included in BCTV monthly report for September 17, 2009 – October 21, 2009). Upcoming shows scheduled for next month are the 14th Annual Beverly Hills Halloween Hoot and the last day of the Birmingham Farmers Market on Sunday, October 25.

Seven individuals attended the September volunteer workshop. The Program Development Committee met last week and added three new programs. A Birmingham/Bloomfield Chamber employee proposed a studio series that will highlight local businesses and organizations. Ken McFadden and Blaire Miller's program will outline public service/community outreach activities of Birmingham Country Club. The third program proposed was from a local resident who wants to highlight local bands, do interviews in the studio, and shoot performances on location.

BCTV staff and community producers received five first-place awards and four second-place awards in the 2009 Philo T. Farnsworth Video Festival sponsored by the Alliance for Community Media – Central States Region.

Rota reported that a camera and monitor from the production truck was sent to the manufacturer last month to be replaced under the warranty. That is still in process. A replacement ENG camera was received this week. A possible problem with the sync generator was detected recently and is being investigated by Roscor. Rota will keep the Board informed on repairs to production truck equipment.

McFadden said that he has informed the chairperson that he would recuse himself from any discussion or action that may occur related to his involvement with a BCTV program.

Urcan questioned whether the Board should review its warranty conditions on the production truck or allot funds in the budget for future repairs. McLain said that BCTV has kept a log of problems with the truck and equipment and is following up with the repairs. Rota stated that he will talk to Roscor about the availability of an extended warranty on the equipment.

OLD BUSINESS

McLain noted that the local Comcast emergency alert system was discontinued. Visperas added that it was determined that many of the cities were utilizing the County system. Valentine asked for additional information from Comcast to make sure that the municipalities are covered.

NEW BUSINESS

None

PUBLIC COMMENTS

Hildreth Buterbaugh of Beverly Hills recalled that a former Comcast representative promised the communities that analog service would be maintained two to three years after the digital changeover. Visperas remarked that Limited Basic is analog.

Buterbaugh commented that the new converter is on all the time, which may be a safety hazard. He has experienced pixilation generally on channels 40-60. Buterbaugh suggested that BCTV provide 24-hour programming.

BOARD COMMENTS

None

The meeting was adjourned at 9:44 a.m.