

Present: Heldt, Lurie, McLain, Thorsby - Birmingham
Heyman, McFadden, Pfeifer, Verdi-Hus – Beverly Hills
Ettenson – Bingham Farms
Eads – Franklin

Absent: Armitage– Birmingham

Also Present: Borgon – Executive Director
Currier - Attorney for Cable Board
Helwig - Bloomfield Community Television representatives
Dr. Hoffman - Birmingham Schools representative
Valentine - Birmingham staff representative
Briggs – Beverly Hills Council representative

Chairperson McLain 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 MINUTES OF CABLE BOARD MEETING HELD APRIL 20, 2011

Motion by Pfeifer, second by Eads, that the minutes of a regular Cable Board meeting held on April 20, 2011 be approved as submitted.

Motion passed unanimously.

PUBLIC COMMENTS

None

PROPOSED CHANGE IN BANKING ARRANGEMENTS

Treasurer Ken McFadden referred to his memo to the Board of May 18, 2011 presenting an overview of the structure of the Cable Board's finances.

Overview: BACB funds are currently held in three institutions/groups:

- a) Village of Beverly Hills: Acts as receiving agent for Franchise and PEG funds for all municipalities. Disburses operational funds and capital funds as directed. Funds on deposit subject to FDIC statutory limits.
- b) First Place Bank: Acts as primary banking facility for Board expense and PEG operation fund holding and disbursement. Funds on deposit subject to FDIC limits.
- c) Multi-Bank Securities: Acts as the primary investment bank for BACB reserve funds. All investments conform with provisions of Michigan PA 20. All funds on deposit are managed to assure full coverage by FDIC or other similar governmental agency. Additionally, investments generate modest incremental revenue until needed for PEG operations or equipment.

History:

BACB entered into a relationship with First Place Bank when the organization was Franklin Bank, a Michigan-owned institution. The primary reason for expanding the financial portfolio to Franklin Bank was to assure FDIC coverage for reserve funds and to generate additional income from investments where appropriate. As the reserve balance grew to exceed statutory limits of

the FDIC, the portfolio was further expanded adding MBS. MBS acts as an investment bank and holds BACB funds in a portfolio of financial institutions in a manner that all funds on deposit are fully insured by the FDIC against any bank failures.

Banking Change and Rationale:

Franklin Bank was acquired by First Place Bank, headquartered in Warren, OH. One of the philosophical tenets of the Board is to support the communities it serves as much as practical. Furthermore, with pressures on banks and financial institutions the past 3 years, the relative strength of any financial institution is of primary concern, particularly if an organization accepts the fiduciary responsibility for public funds.

The Treasurer has conducted a review of financial institutions that meet the following criteria:

- A) Locally domiciled in Oakland County, Michigan or the State of Michigan with a branch office in or close to the BACB municipalities.
- B) Fully insured deposits by either FDIC or other appropriate agency
- C) Operational and financial structure reflects above average strength and stability

Options: Based on public records search and consultation with financial industry consultants, the following institutions conform to the selection criteria:

- A) Birmingham Bloomfield Credit Union, MI - All funds insured by NUCA to \$250,000. Services offered include: Online banking, Debit cards, wire transfers, interest on deposits/checking, free checking
- B) Citizens Bank, MI - All funds insured by FDIC to \$250,000. Services offered include: online banking, wire transfers, interest on deposits/checking, free checking

Recommendation: Treasurer McFadden recommended terminating BACB's relationship with First Place Bank and establishing an account with Birmingham Bloomfield Credit Union by Resolution. Questions from Board members were addressed by McFadden.

Motion by Heldt, second by Eads, that the Birmingham Area Cable Board resolves as follows:

1. That Birmingham Bloomfield Credit Union ("Credit Union") be designated as a depository of the Birmingham Area Cable Board ("BACB"), and that the Credit Union is authorized to accept for credit to the BACB and/or for collection, any and all checks, drafts, notes, and other negotiable instruments when endorsed in the name of the BACB in writing, by rubber stamp, or otherwise, with or without a designation of the party making such endorsement.
2. That and all funds standing to the credit of the BACB with the Credit Union in said account or accounts may be withdrawn upon checks, drafts, notes, orders or other undertakings for the payment of money, when signed in the name of the BACB by any of the following:

Elaine McLain, Chairperson
Kenneth McFadden, Treasurer
Robert Borgon, Executive Director

Whose signatures shall be duly certified to the Credit Union are authorized to pay any checks, drafts, notes, and orders so signed without any inquiry as to the circumstances of issue of the disposition of the proceeds thereof.

3. That these resolutions and the authority hereby conferred shall remain in full force and effect until notice to the contrary in writing shall be received by the Bank.

Roll Call Vote:

Motion passed (10 – 0).

GRANT REQUEST – BIRMINGHAM PUBLIC SCHOOLS

Dr. Hoffman thanked the Board for its past investments in Birmingham Public Schools that have allowed the School District to provide state-of-the-art equipment and cabling to expand its television and video broadcast curriculum at Seaholm and Groves High schools as well as the district level. Hoffman presented a new grant request that would be used to replace existing infrastructure and equipment in order to continue to provide students with up-to-date and reliable tools as part of their video production experience in the high schools.

The Board is in receipt of a sheet that summarizes the grant request using prices obtained from local vendors and the internet for a total cost of \$102,500.00. Consistent with procurement laws and policies from the State of Michigan and the BPS Board of Education, these items may require a formal bid process for purchase.

Seaholm High School

- (3) Apple MacPro Editing Suites at \$8,000 each
 - (1) Studio Editing Switcher at \$8,800
 - (3) JVD HD Camcorder at \$3,800 each
 - (1) Cables and Loose Equipment at \$3,000
- Total \$47,200

Groves High School

- (3) Apple MacPro Editing Suites at \$8,000 each
 - (1) Studio Lighting Control Board at \$900
 - (3) JVC HD Camcorder at \$3800 each
 - (3) Canon GL2 MiniDV Camcorder at \$2,000 each
 - (1) Cables and Loose Equipment at \$3,000
- Total \$45,300

District Studio

- (1) Apple MacPro Editing Suites at \$8,000 each
 - (1) Cables and Loose Equipment at \$2,000
- Total \$10,000

McLain informed the Board that this grant request was coordinated with the assistance of independent contractor Cyndi Hopkins, who is a friend of hers. For this reason, McLain asked to recuse herself from voting on the grant request.

In response to an inquiry, Hoffman explained that the State and BPS procurement laws and policies are clear in terms of which items have to go out for bid. The grant amount requested is approximate. The Board noted that there is \$94,391.92 remaining in its PEG grant budget for the

current year. Hoffman remarked that the grant request could be adjusted to reduce the amounts for cable and loose equipment.

Hoffman addressed questions from Board member on the items listed in the grant request including information on existing equipment and the use and need for the requested items.

Eads suggested that a motion approving the grant request be capped at \$90,000 for this budget year. If more funding is needed, the Board could revisit the grant request in the next fiscal year.

Heyman entered the meeting at 8:03 a.m.

Heldt made a motion that was supported by Ettenson to approve the grant request from Birmingham Public Schools not to exceed \$94,000 for the equipment listed in the May 4, 2011 letter to the Cable Board. There followed discussion on whether to place a caveat on the motion requiring that the Board receive firm figures for the requested items before grant money is transferred.

Heldt said that protocol requires that the School District must comply with State Law and School Board policies on bidding and awarding of contracts. He did not think that the Board should review the bids. Pfeifer clarified that she would like to review the bottom line figures.

Attorney Currier responded that either way would work. He affirmed that the School District is bound by its policy and State Law with respect to bidding procedures. He suggested that the motion include a request that the actual figures come back to the Board for review following the purchase.

Borgon stated that the standard procedure is to send a check to the School District after a grant is approved. Hoffman would then provide documentation on the purchases. Hoffman added that grant money is applied to an account code with orders generated using that code. He reviewed the School District parameters for soliciting bids. In answer to an inquiry, Hoffman clarified that maintenance and repair of the equipment will be the responsibility of the Birmingham School District.

Motion by Heldt, second by Ettenson, that the Birmingham Area Cable Board approve the grant request from Birmingham Public Schools not to exceed \$94,000 for equipment listed in a letter dated May 4, 2011 to the Cable Board, with the requirement that the Cable Board receive an accounting as to how the money has been spent.

Roll Call Vote:

Motion passed (9 yes – 0 no - 1 abstention).

GRANT REQUEST – AGE BUSTERS

The Board is in receipt of a grant request from Sandy Debicki and Lori Harbour for the estimated cost for two years of production of the television program called Agebusters. Debicki and Harbour talked about their popular morning exercise program for the 55+ population. It was noted that Agebusters has received the 2009 and 2010 Philo T. Farnsworth Award. They are requesting financial support in order to produce new Agebusters exercise television shows and to double the amount of programs over the next two years.

The letter from Sandy Debicki and Lori Harbour lists the following costs for two years of program production. They are requesting a grant in the amount of \$7,600.

- Music production – must be royalty-free and specific exercise type music. Previously, the music was donated by a music production company, which is now unavailable. Cost estimates for custom-mixed music range from \$500 to \$300 for 60 minutes.
- Replication costs – for distribution to other community access cable stations in Oakland County in the amount of \$600.
- Legal and filing fees – to keep the Agebusters trade name and a legal entity in the amount of \$400.
- Miscellaneous – office supplies, program props, shipping and auto mileage totaling \$600.

McLain clarified that the Birmingham Area Cable Board contracts with Bloomfield Community Television to provide public, educational and governmental programming for the four consortium communities. Any funding that comes from the Cable Board cannot be used to produce a product that is sold or brings in a profit. McLain asked to be recused from voting on this matter because of a family friendship with Sandy Debicki.

Heldt suggested that the Board could justify music production and replication costs as a part of a product supported by local PEG funds. He expressed concern about who owns the finished product. Heldt had problems with a funding request for legal and filing fees as well as office supplies.

Leslie Helwig from BCTV said that the producer pays the replication for distribution to other stations for broadcast. The Board does not generally pay for legal fees or office supplies. In terms of who owns the productions, Helwig said that they are jointly owned between the BACB, Bloomfield Community TV, and the producer.

Ettenson questioned the demographics of the population based on a recent community survey. McFadden responded that the 55+ population was significant in the consortium area according to the recent cable survey.

Thorsby referred to past Cable Board discussions relative to its mission. It has been determined that independent programming is within the mission of the Board. The beneficiary of the proposed programming is our communities.

Heldt added that the Board has budgeted for programming in hopes of generating new programs. There may be a way to fund some of the cost of producing Agebusters. Pfeifer suggested that the Board develop a policy to determine how it will issue grant money.

Currier suggested that the Board needs to differentiate between paying to broadcast and paying to produce. The Board provides support for production capabilities to BCTV so people can come in on their own and produce programs. If the Board has any dollars going into production, the person who produces a program cannot sell it for individual profit.

Motion by Heldt, second by Ettenson, to table the grant request from Sandy Debicki and Lori Harbour for funding to produce new Agebusters exercise television shows and to

refer the funding request to the PEG Committee and Leslie Helwig from BCTV for review and recommendation to the Cable Board at its next regular meeting.

Motion passed (10 – 0).

COMMITTEE REPORTS

Cable Action Committee

McFadden commented that a key initiative of the Cable Action Committee has been an overall outreach program. The Cable Board's presence at the Birmingham Farmers Market is an example of a way to improve outreach. McFadden talked about future changes that will result from technological issues that are coming later in the year with Comcast working on an HD digital transport adaptor.

McFadden commented on recent findings announced by the American Customer Satisfaction Index. He quoted from an article that states, "Dish Network and AT&T's U-verse TV service each saw their customer-service rankings drop 6% on the 2011 American Customer Satisfaction Index, while Comcast, Time Warner Cable and Charter Communications once again brought up the rear among pay-TV providers tracked in the survey with a three-way tie for last place." It further states, "A couple of years ago, a variety of bundling promotions boosted what people saw as value for money. But now, as many of these promotions have ended, subscribers with bundled services are becoming less satisfied and more concerned about price."

McFadden concluded that there are three issues: quality, price and value. These are issues that the Cable Board considers in an attempt to maximize value to the consumers and the service they receive. This is one of the functions of the Cable Board.

PEG Committee

Heldt reviewed that the Board's contract with Bloomfield Community Television for cable television programming services is due to expire on June 30. It was a two-year contract with a third year renewal option that was exercised. Board members are in receipt of a sheet including the present contract price as well as what is proposed for an extension of that contract with BCTV. The pricing for 2011-2012 and 2012-13 is \$178,500, which is a 5% increase over the current year's contract. The contract cost for 2013-14 is proposed at \$187,425 with the same cost for the option year of 2014-15. The proposal is for a three-year contract renewal with a fourth year option.

The proposed contract content is almost identical to the existing contract with BCTV. Heldt noted that the original contract from 2003 was amended four times. He recommended that the contract be rewritten to include all the amendments in a new agreement for clarity purposes. A new contract would be easier to read and reference.

Motion by Heldt, second by Eads, that the Cable Board approve the renewal of the contract with Bloomfield Community Television at the following costs:

2011-12	\$178,500
2012-13	\$178,500
2013-14	\$187,425
2014-15	\$187,425

Leslie Helwig, general manager of BCTV, pointed out that this is year 12 of their partnership with the Cable Board. She views this partnership as a model that other communities should be looking at. In answer to an inquiry, Helwig related that BCTV produced approximately 600 programs, which does not include municipal meetings. She believed that doing that many programs with a full-time staff of three-full time people plus hourly work and a good cadre of volunteers was remarkable. Helwig commented on the exceptional quality of programs on a wide range of topics, noting that it is a great value for all of our communities.

The Board commented on its excellent relationship with BCTV. Questions from members on the contract were addressed by Currier. It was noted that the contract could be rebid at the Board's discretion. Once a contract is initially bid through a RFP process, the Board may renew or extend the contract without rebidding every year.

Lurie referred to the 10% increase over the four year contract. He mentioned the need to keep costs down applying a similar budget framework as cities and schools, which is flat or tied to the CPI. Thorsby noted that public funds are under scrutiny and everyone is trying to make resources go further. The Cable Board is doing its job by asking these questions.

Heldt responded that it was his sense that the Board should foster its joint venture cooperative relationship with Bloomfield Community TV. Particularly since the Board purchased its new production truck, BCTV staff has never hesitated to go above and beyond the call of duty in terms of using their resources to address repairs. The Board can hold down the cost of the contract, but it would define the nature of the business relationship.

Helwig reported that, considering the BCTV operating budget and number of programs produced for the BACB communities, those programs represent about half of BCTV's production effort. The \$175,000 contract cost represents well less than half of BCTV's operating budget. Helwig made the point that the BACB communities are getting great value for their dollar in terms of the quality and quantity of programming.

Borgon said that the programming contract has gone out for bids three times. BCTV has served the Board well in terms of its equipment, studio, quality of programming and people available to the BACB. Eads added that BCTV has done an outstanding job of providing coverage to Franklin.

Heyman remarked that the Board extended its programming in the last year with the broadcast of Birmingham School sports. He asked if those production costs were included in the contract numbers. Helwig stated that this was an addendum to the contract.

Roll Call Vote:
Motion passed (10 – 1).

Personnel Committee

Ettenson announced that the Personnel Committee will meet on Wednesday, May 25 at 4:00 p.m. at his office in Bingham Farms. The agenda will include recruiting BACB members to fill openings, discussion of the City of Birmingham performance review procedure, and the executive director review.

EXECUTIVE DIRECTORS REPORT

Borgon reported that there were four official complaints received in the last month, three from Comcast customers and one from an AT&T subscriber. That complaint dealt with U-Verse service availability in the local areas. One of the Comcast complaints has been resolved; one complaint refers to the orange temporary cable hanging on the telephone poles; another complaint was about a refund.

The Board is in receipt of a financial report through the end of April, 2011. Borgon outlined updates that were made to the BACB website last month. He informed the Board that Doug Prew has resigned from the Village of Beverly Hills Council. The new Council liaison to the Cable Board will be Walter Briggs.

There will be a PROTEC meeting next month on Thursday, June 2 from 2-4:00 p.m. at the Southfield Library meeting room. BACB members are invited to attend. PROTEC is the Michigan Coalition to Protect Public Rights-of-Way.

The 2011 CAP Act was reintroduced this month by Congresswoman Tammy Baldwin. The CAP Act:

- Removes the distinction between "capital" and "operating" in PEG* support fees.
- Ensures local governments can secure funding for PEG channels in exchange for cable operators' use of public rights-of-way and makes sure local government can have PEG channels.
- Requires cable operators transmit the PEG channels without charge to the local government.
- Requires the FCC to undertake a study of PEG.

COMCAST RELATED TOPICS

McLain summarized the three Comcast complaints received last month.

AT&T RELATED TOPICS

McLain commented on an ongoing complaint that is being handled by AT&T. She noted that people continue to ask when the U-Verse product will be coming into their area; they are referred to the AT&T website. McLain said that U-verse subscribers are not able to view public access programming due to a complex set of circumstances. All parties are continuing to work on this issue.

WOW RELATED TOPICS

McLain summarized an ongoing WOW complaint involving a fence issue. Ettenson noted that the May issue of Consumer Reports rated WOW first in customer service satisfaction for the categories of cable, Internet, and phone.

BAMA/BAPA REPORT

Leslie Helwig summarized 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 April 21, 2011 – May 18, 2011).

The next volunteer camera workshops are scheduled for Thursday, July 21 with one in the morning and one in the evening.

Helwig announced a major redesign of the BCTV hub as part of a long-term technical upgrade. She apologized in advance for any resulting temporary channel disruptions.

OLD BUSINESS

McLain reported briefly on a conference she attended on April 27 on the topic of Social Media. It was a program about the concept of putting your organization on Facebook or Twitter. If this is something the Board wants to consider, it can be a future topic of discussion.

NEW BUSINESS

Referring to Consumer Report ratings, Ettenson reported that the bundled telecom service ratings showed Verizon first, AT&T U-verse second, Brighthouse Networks third, and Comcast in tenth place. Ettenson suggested that it would be timely for the Board to invite Brighthouse Network to participate in our communities.

McLain reported that she will be attending a Smart Grid Symposium today hosted by the Michigan Public Service Commission called “Transforming to a Smart and Secure Electric Power Grid”. She will present a report on this symposium to the Board.

PUBLIC COMMENTS

None

BOARD COMMENTS

Eads expressed disappointment with the lack of representation from the three cable providers.

McLain commented that there is a free link on the Gas Station TV website that allows public access for uploading community information.

The meeting was adjourned at 9:24 a.m.