

BIRMINGHAM AREA CABLE BOARD MEETING

Wednesday, August 20, 2014 at 7:45 am

Village of Beverly Hills

18500 West 13 Mile Road

Council Chamber

~AGENDA~

1. Roll Call
2. Approve Meeting Minutes For Cable Board Meeting of July 16, 2014-M
3. Public Comments
4. Grant Request- Village of Bingham Farms- M
5. Committee Reports
 - a. Cable Action Committee
 - b. PEG Committee
6. Treasurer's Report-M
7. Executive Director's Report-M
8. Provider Related Topics
 - a. Comcast
 - b. AT&T
 - c. WOW
9. BAPA/BAMA Report
10. Old Business
11. New Business
12. Public Comments
13. Board Comments
14. Adjourn

PEG Committee meeting immediately following BACB meeting

Present: Heldt, McAlear, McLain - Birmingham
Borgon, Schneider, Verdi-Hus – Beverly Hills
Ettenson – Bingham Farms
Stakhiv – Franklin

Absent: Kelly, Lurie - Birmingham
Heyman– Beverly Hills

Also Present: White - Executive Director
Currier - Attorney for Cable Board
Kowalski - Bloomfield Community Television
Valentine – Birmingham staff
Fred Eaton – Comcast

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 JUNE 18, 2014

Motion by Heldt, second by Schneider, that the minutes of a regular Cable Board meeting held on June 18, 2014 be approved as submitted.

Motion passed.

PUBLIC COMMENTS

None

TREASURER’S REPORT

The Treasurer’s report was postponed until the next meeting due to the unavailability of quarterly reports.

ANNUAL ELECTION OF OFFICERS

McLain opened the floor for nominations to the office of secretary of the Cable Board. Heldt nominated Alan Heyman for the position of secretary of the Cable Board. There were no further nominations. Heyman was elected by acclamation.

Ettenson nominated Jeffery Heldt to serve as treasurer of the Board. There were no further nominations. Heldt was elected to the position of treasurer by acclamation.

Nominations to the position of vice-chairperson of the Cable Board were accepted. McLain nominated Mira Stakhiv as vice-chair. There were no further nominations. Mira Stakhiv was elected vice-chair by acclamation.

Heldt nominated Elaine McLain to continue as chairperson. There were no further nominations. McLain accepted the nomination and was elected vice chair by acclamation.

COMMITTEE REPORTS

Cable Action Committee

Verdi-Hus reported that the Cable Action Committee did not meet in July due to the lack of agenda items. The next meeting was scheduled for Thursday, August 7 at 5:30 pm at the Baldwin Public Library.

PEG Committee

Heldt reported that the three-year Cable Board contract with Bloomfield Community Television expired on June 30, 2014. The contract is to provide television programming services for the Government Access Channel and Public Access Channel servicing the communities of Birmingham, Beverly Hills, Franklin and Bingham Farms. A provision of that contract allows the Cable Board to extend the contract for one year. There have been preliminary discussions with BCTV relative to a longer-term extension of this successful and productive partnership.

Motion by Heldt, second by McAlear, that the Birmingham Area Cable Board approve the extension of the Cable Board contract with Bloomfield Community Television through June 30, 2015 at the current pricing.

Greg Kowalski representing BCTV stated that the Bloomfield Township Board approved the contract extension at its meeting on Monday, July 14, 2014.

Roll Call Vote:
Motion passed (8 – 0).

Heldt said that there will be a brief PEG Committee meeting following today's Board meeting.

EXECUTIVE DIRECTOR'S REPORT

Executive Director White highlighted two complaints pending from last month's meeting, both of which have been resolved. Three new complaints received since the last meeting were outlined. Two complaints are outstanding, a billing issue and a customer service complaint.

The account balance for the MBS, BBCU and Beverly Hills accounts were provided to Board members together with budget to actual figures. Check disbursement information was included in the report.

FCC Chairman Tom Wheeler announced the members of an inter-bureau steering committee and working team leaders established to coordinate the agency's review of the merger applications from both Comcast-Time Warner Cable-Charter and AT&T-DirecTV.

The FCC has recently ruled that AT&T is a cable operator and that its U-verse Multichannel Video Service is a "cable service." This ensures that municipalities can continue to collect franchise fees from AT&T U-Verse annual revenues. The FCC stated that AT&T's U-verse video programming is a proprietary package of video programming (i.e., of AT&T's own choosing) that AT&T transmits over its own landline system of closed transmission paths that crosses local ROW. AT&T is therefore delivering a "cable service" over a "cable system."

The U.S. Supreme Court ruled in favor of broadcast television in its dispute against streaming service Aereo. The Court decided that Aereo violated the copyrighted work of major television networks by streaming their content to subscribers who paid anywhere from \$1 a day to \$80 a year for the service. Pay-TV providers are relieved about this decision because Aereo would have given consumers one more reason to “cut the cord” and get rid of cable. Consumers are complaining loudly about this ruling on Twitter and other social media channels. The justices said that Aereo was operating like a cable system and that cable systems must pay for the programming they transmit.

PROVIDER RELATED TOPICS

Comcast

Fred Eaton, Comcast Senior Manager of External Affairs, reviewed that he made an announcement to the Cable Board this Spring that Comcast was preparing to enter into an arrangement whereby it would be acquiring the assets of Time Warner Cable. As a part of that larger transaction, Comcast has declared its willingness to divest sufficient numbers of customers so that Comcast would have fewer than 30% of all cable and satellite customers in the country following closure of the acquisition. Eaton stated that it has now been decided that subscribers would be divested in Michigan and surrounding states including Minnesota, Indiana, Kentucky, Alabama, and Virginia.

Eaton read from his scripted notes. Comcast systems in Michigan and several other states in the Midwest and South are going to come under the ownership of a new company, temporarily named Midwest Cable. This change is coming about as a result of Comcast’s pending acquisition of Time Warner Cable. Upon the completion of the merger, followed by the planned divestiture, Comcast will have 29 million subscribers or 29% of the multi-channel video market. Midwest Cable will be a new independent publicly traded company. Midwest Cable will initially own 2.5 million Comcast legacy subscribers concentrated in the Midwest and the South; about half of those will be in Michigan. Midwest Cable will be the nation’s fifth largest cable company.

The new company will retain existing Comcast facilities, assets, and employees. The new company will initially have an estimated value of \$14.7 billion and will have an expected \$4.5 billion annual revenue at launch. With regard to the new company’s relationship with Comcast, Comcast shareholders will initially own two-thirds of the stock of Midwest Cable. Comcast Corp. will have no ownership interest. Comcast will have no management or control and will be prohibited from owning more than one percent of the shares for the first eight years.

Eaton talked about the complicated transactions involving stock conversions and the new company’s relationship with Charter Cable. There will be a three year management agreement renewable annually with Midwest Cable and Charter so that Charter will provide services to the new company to include procurement, programming management, product development, Internet and fiber connectivity, marketing, commercial sales and customer care. Charter would be a one-third owner of Midwest Cable. Eaton said that Charter will be initially under contract with Midwest Cable to provide many of the functions of a cable company. Comcast will have a one-year agreement with Midwest Cable to provide transitional services.

Eaton related that all of what he has said is contingent upon approval of the Time Warner acquisition. Comcast's goal has been to close the Time Warner deal by the end of the year. The Midwest Cable deal would come about no sooner than the first quarter of next year.

Eaton stated that Michigan Public Act 480 specifies the process for change of control. PA 480 does not require Comcast to obtain the consent of its local franchising authorities. The FCC Form 394 Application is a process for franchise authority consent to transfer control of the Local Franchising Authority from the Cable Company. As part of the FCC transfer process, local franchise authorities representing 80% of customers involved in the change of control must give their consent before the FCC approves the deal.

Borgon asked about the future status of "comcast.net" email addresses. It was questioned whether Comcast personnel and policies would change under Midwest Cable. Eaton did not have an answer to these questions. Etnenson asked if Midwest Cable would have the same programming purchasing power as Comcast. Eaton responded that, during the three year contract with Charter, one of the services that Charter will provide for Midwest Cable will be negotiating programming deals.

Cable Board Attorney Tim Currier from Beier Howlett stated that PA 480 governs the establishment of a new franchise and not a transfer. Specifically, Comcast did not reject the existing franchise agreement established under federal law. Comcast has elected to go through a 394 Transfer process, which permits this cable consortium and its member communities to do one of three things: not approve the transfer; accept the resolution in approving the transfer; or to enact a resolution that approves the transfer upon reasonable conditions that can be established in the resolution.

The franchising authority is permitted to ask questions of the cable providers about the transaction within the first 30 days of receipt of FCC Form 394. This transaction became known since the last BACB meeting. Pursuant to discussion with the Cable Board chairperson, Beier Howlett undertook formulating initial questions, which were sent in a correspondence to Comcast dated July 11, 2014. The Board is expecting written answers to its inquiries. Eaton responded that a team of people from the corporate office in Philadelphia will be responding to these inquiries.

Currier asked several of the written questions that would be of interest to subscribers. Can Comcast give any representation that the transaction will not cause any increases in subscriber prices? Eaton answered that he could not answer definitively, but said that it would be unwise of the new company to burden its customers with transaction costs.

Currier asked if call centers would be located where they are currently. He asked who would be the cable provider representative to the Cable Board. Eaton did not have an answer to these questions.

Currier stated that the proposed Resolution indicates that either Midwest Cable or a new franchisee may assign or transfer its assets. He asked which cable company will ultimately have

the Franchise Agreement? Eaton responded that Midwest Cable is a temporary placeholder name for the company that it is going to become.

Currier asked if Midwest Cable has been incorporated and in what state. He asked how much of Charter Communications does Comcast own. Eaton will get to the Board with answers to these inquiries. In response to another inquiry, Eaton said that there will be no entities in Michigan that will be going from Comcast to Charter. What is presently Comcast will become Midwest Cable or whatever name is assigned to that company. Those subscribers will receive some services by way of Charter.

Currier stated that this consortium would request the following statement from Comcast as a formal part of the transfer request: “In all instances, the transferee will assume all obligations, known or unknown with respect to the existing franchises.” Eaton responded that he is not the person to negotiate this, but it is assumed that Midwest Cable will assume the franchise obligations of the predecessor company.

Currier related that his July 11, 2014 letter to Comcast states that the member communities of the BACB reserve their right pursuant to Section 10.5.6 of the Franchise Agreement that they may have to require Comcast to pay and/or reimburse the BACB and/or any individual member community for all costs reasonably incurred due to any proposed transfer. Eaton was not prepared to speak to this statement.

McLain thanked Fred Eaton for attending the meeting and sharing his information with the Board.

AT&T

There were no representatives present from AT&T.

WOW

There were no representatives from WOW.

BAPA/BAMA Report

Greg Kowalski highlighted programming outlined in the written report from Bloomfield Community Television 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 June 19, 2014 – July 16, 2014).

Kowalski stated that three people attended the camera workshop. One was interested in producing a program and two were interested in camera operations. The next camera workshop is scheduled for Tuesday, October 22, 2014 from 10:00 am to noon or 6:30 pm to 8:30 pm. Call 248-433-7790 to sign up.

The Beverly Hills control room equipment has been purchased and should be installed today.

McLain mentioned that the Executive Director sent a note to BCTV on behalf of the Board to congratulate staff on the awards received as part of the 35th Annual Telly Awards.

OLD BUSINESS

None

NEW BUSINESS

None

PUBLIC COMMENTS

None

BOARD COMMENTS

Joe Valentine congratulated the newly elected officers on their appointments. Valentine announced that he was promoted to City Manager and that this would be his last meeting as staff liaison. He introduced new staff liaison Amanda Thomas, who recently joined the manager's office as a management analyst.

The meeting was adjourned at 8:39 a.m.



July 28, 2014

Birmingham Area Cable Board
P.O. Box 165
Birmingham, MI 48012

Re: Grant Request

Dear Board Members:

The Village is again respectfully requesting a grant from the Birmingham Area Cable Board to offset the costs of maintaining the Village website in addition to costs incurred for ordinance hosting as well as search capabilities for Village minutes and ordinances.

Websites have become a critical communication tool that provides the general public with 24 hour access to important Village services and information. Bingham Farms has expanded its online access to include Council meeting packets as well as Planning Commission & Design Review Board packets.

The Village of Bingham Farms respectfully requests consideration of a grant to offset these costs. In reviewing Village expenses, the Village is respectfully requesting grants for the following:

FY 2014-2015

Website Hosting	\$ 195
American Legal (hosting of Village ordinances & search engine)	\$ 495
Minutes on Demand (hosting Village minutes & search engine)	<u>\$ 750</u>
Total	\$1,440

Should you have any questions, please feel free to contact the undersigned. Again, thank you for your consideration.

Sincerely,

Kathryn P. Hagaman
Clerk/Administrator

MEMORANDUM

DATE: August 14, 2014

TO: Board Members

FROM: Cathy White

Re: Monthly Report

CUSTOMER COMPLAINTS

Complaint No. 2014-30, which was pending on the date of our last meeting, has been resolved. This complaint involved a Comcast subscriber who kept receiving a bill each month that had an extra \$65 charge. According to Comcast, a credit card payment was posted in error to this subscriber's account in October 2013. The charge was reversed in December 2013 to the correct amount. An adjustment was applied to the account and the subscriber is satisfied.

Complaint No. 2014-31 has also been resolved. This complaint was filed by a Birmingham resident who needed assistance with a nonworking DVR box. A Comcast technician went to her home on July 16, 2014 and was able to resolve the customer's service issue.

There have been six (6) new complaints submitted since the date of our last meeting. Complaint No. 2014-32 was submitted by the Village of Franklin because the cable was not working at the Kreger House. This complaint has been resolved by Comcast since it was determined that the tv was on the wrong input.

Complaint Nos. 2014-33 and 2014-34 involve a downed wire on the north side of 13 Mile Road west of Briarcliff Road in Franklin. It was not clear whether the line belonged to Comcast or AT&T so complaints were filed with both companies. It has been determined that the line belongs to AT&T so Complaint No. 2014-34 has been closed. Complaint No. 2014-33 is pending.

Complaint No. 2014-35 was submitted by a Franklin resident who loses her Comcast internet connection several times a day. This complaint is pending.

Complaint No. 2014-36 was submitted by a Birmingham resident who has been without phone service from Comcast for ten (10) weeks. This complaint is pending.

Finally, Complaint No. 2014-37 was received from a Birmingham resident who tried to get his security cameras connected on-line from Comcast and was told he would need business service instead of residential service and that "the cost would be the same." He later lost his cable tv service and was informed that he would need to sign up for residential service in order to get

cable tv. Now he is getting both business and residential service at double the cost. He has had a great deal of difficulty trying to cancel the business service and obtaining residential service only. This complaint is pending.

FINANCIAL

The account balance for the MBS and BBCU accounts will be provided via hard copies at the meeting. Due to the audit, the account balance for the Beverly Hills account is not yet available from Beverly Hills and thus will be provided next month, together with budget to actual figures.

CHECK DISBURSEMENT

Since the date of my last report, I have not written any checks.

ADDITIONAL NOTES:

1. We now have a new AT&T representative. Evette Hollins has replaced Robert Jones as our representative and her contact information is as follows:

444 Michigan Avenue, 17th Floor, Detroit, MI 48226

313-223-5747

Eh935v@att.com

2. Beverly Hills has submitted a summary of grant monies spent in 2013-14, a copy of which is attached hereto.

3. Bingham Farms has requested that the BACB pay the cost of its PROTEC dues for 2014-15 in the amount of \$138.88. We have paid such dues in the past and I am requesting authorization to pay these dues.

4. This year's NATOA conference will be held in St. Paul, Minnesota from September 29 to October 2, 2014. The cost of registration is \$650, hotel rooms are \$121 per night plus tax and the cost of airfare and meals will need to be included. I am requesting authorization in an amount not to exceed \$2,000 (the same amount authorized last year) to cover the cost for the Chairman to attend. Funds are available in the 2014-15 BACB budget for this purpose.

5. Even though we have purchased a large amount of new equipment this year, our insurance costs for next year have actually gone down by 1.1%. Our contribution this year will be \$4,825.00. In addition, our distribution from MMRMA will be \$2,975.00, more than \$1,000.00 more than last year. This information is summarized in the sheet attached hereto.

6. The Detroit Free Press has reported that Comcast's second-quarter net income rose 15% to nearly \$2 billion as it added high-speed internet customers at a faster pace and losses of video subscribers moderated.

7. Multichannel News has reported that following a relatively smooth second quarter, typically the weakest for the pay-tv industry as students depart and other consumers move to their summer homes, the budding cord-cutting trend has slowed to a crawl.

8. Comcast has notified us of some channel changes. Beginning August 17, 2014, Encore Espanol is being added to the Comcast channel lineup as part of their XFINITY TV 300 Latino and XFINITY TV 450 Latino services. Also, effective August 19, 2014, Real+ (Channel 551) will no longer be available. Hustler (Channel 547) will be added to the channel lineup as a pay-per-view channel effective August 20, 2014.

MEMORANDUM

To: Birmingham Area Cable Board

From: Ellen E. Marshall, Assistant Manager/Clerk

Re: Grant Requests – Fiscal Year Accounting

Date: July 31, 2014

The following table summarizes grant requests and their status for FY 2013/14 on behalf of the Village of Beverly Hills. The Village is grateful for the opportunity to seek funding for various communication purposes.

Grant Requests	Item	Requested Amount	Action	Actual Cost	Overpayment returned to BACB
July 1, 2013/2014	Internet Connection thru WOW! for Village Office	\$765	Granted	\$925.50	
July 1, 2013/2014	Web streaming	\$1,560	Granted	\$1,346.73	\$213.27
August 15, 2012	Public Safety Dept. Internet Access	\$958.80	Granted	\$958.80	
November 18, 2013	Cable Control Room Upgrade	\$35,000	Granted	\$31,967.86	\$3,032.14

Community:
Renewal period:

Birmingham Area Cable Board
July 1, 2013 to July 1, 2014

Reasons for Premium Change

	2012	2013	% Change
Ratable Expenditures:			
Ft employees	0	0	0%
Pt employees	1	1	0%
Seasonal PT	0	0	0%
Property Values:	120,044	224,862	87%
EDP	+1,000,000	+1,000,000	0%
Vehicles:	1	1	0%
Coverages	Does not include Sewer Backup \$10M Pool w/ \$1,000 Property deductible		
Other:	2013-14: -4.7%		
	2012-13: -8.1%		
	2011-12: -7.8%		
	2010-11: -15.7%		
	2009-10: -12.0%		
	2008-09: -0.6%		
	2007-08: 0.4%		
	2006-07: -0.5%		
	2005-06: 3.3%		
	2004-05: 2.9%		

	<u>Total Contribution</u>	<u>Property Totals</u>
Last Year	\$4,879	\$120,044
This Year	\$4,825	\$224,862
Total Change	-\$54	\$104,818
% Change (+ -)	-1.1%	87.3%

Note: Provide Data Breach Questionnaire for Member for 2015 renewal.
Judicial Tenure: N/A
For 2015, MMRMA wants list of Equipment, EDP & Fine Arts valued over \$50K.

No RAP Grant:

2006 MMRMA Distribution:	\$333	
2007 MMRMA Distribution:	\$815	
2008 MMRMA Distribution:	\$2,466	
2010 MMRMA Distribution:	\$1,589	
2011 MMRMA Distribution:	\$2,770	
2012 MMRMA Distribution:	\$5,069	
2013 MMRMA Distribution:	\$1,874	RM
2014 MMRMA Distribution:	\$2,975	KE
	\$17,891	

Memo



To: BACB
From: Steve Rota
cc: Greg Kowalski, Cathy White & Elaine McLain
Date: 8/13/14
Re: Report July 17th, 2014 through August 20th, 2014.

BAMA Programs

During this time period we completed six regularly scheduled municipal meetings, two Baldwin Library Board meetings and the BACB meeting.

In Studio

County Corner hosted by Marcia Gershenson.

On Location

Baldwin Library Lectures.

BAPA Programs

From BACB area individual producers and organizations we've taped 19 programs. From individuals:

- ❖ Three *Making a Difference at TCH* hosted by Camille Jayne.
- ❖ Three *Spectacles* hosted by Ellen Rogers and Betsy Laboe.
- ❖ Six *Eye on Oakland* hosted by Chuck Moss and David Potts.

From BACB area organizations:

- ❖ *Plant Based Nutrition Lecture.*
- ❖ *Senior Women's Club Lectures.*
- ❖ *Five In the Park Concerts*

CAMERA WORKSHOP

Our next camera workshop has been scheduled for Tuesday, October 22nd, 2014 from 10:00 AM to Noon or 6:30 PM to 8:30 PM. Call 248-433-7790 and sign up today!

VILLAGE OF BEVERLY HILLS

Control room with new equipment has been installed and in working order. Our staff was trained on the new equipment at the end of July.

PROGRAM DEVELOPMENT COMMITTEE

The PDC has approved two new series. They will be assigned to a staff director and will start production soon. One show is about Mediation and will use actors presenting actual Mediations of real life disputes. The other show deals with daily issues called "The Rich Life." It will have a host along with a trained psychotherapist and one to two guests per show.

NEW HIRE

Greg Black has accepted the Equipment Coordinator/Production Specialist position. Greg has been a part of our team for the past three years as a part-time employee. He has a degree in Electronic Media-Film Studies & Creative Writing from Eastern Michigan University. We are happy to have him on as staff, full-time and I would like to introduce to you Greg Black.