

Present: Armitage, Decker, Heldt, McLain, Thorsby, Urcan - Birmingham
Heyman, McFadden, Verdi-Hus, Woodard – Beverly Hills
Ettenson – Bingham Farms
Eads – Franklin

Absent: Lurie – Birmingham

Also Present: Borgon – Executive Director
Currier - Attorney for Cable Board
Rota - Bloomfield Community Television representative
Martinico - Director of Technology, Birmingham Schools
Kiste – WideOpenWest representative
Valentine and Glenn – Birmingham staff representatives
Briggs, Beverly Hills Council Liaison

Chairperson McLain called the meeting to order at 7:48 a.m. in the Village of Beverly Hills municipal building at 18500 W. Thirteen Mile Road.

APPROVE MINUTES OF REGULAR CABLE BOARD MEETING HELD APRIL 21, 2010

Motion by Heldt, second by Woodard, that the minutes of a regular Cable Board meeting held on April 21, 2010 be approved as submitted.

Motion passed.

PUBLIC COMMENTS

None

COMMITTEE REPORTS

Cable Action Committee

McFadden stated that he had an opportunity to attend the National Network Disaster Recovery Exercise conducted by AT&T on May 11, 2010. He commented on the event and talked about AT&T's plan to replicate a mobile central office in the case of a network disaster. It was an opportunity to see the technology, equipment and logistics that go into providing signals.

McFadden revisited an issue regarding the patent case involving Tivo and Dish Network. Dish Network has been ordered to pay about \$200 million to TiVo in an ongoing patent dispute over DVR technology. The case was appealed, and another judge ruled that the previous ruling was improper. This goes back to the issue of consumers being empowered to view what they want when they want to view it.

Another item that McFadden brought to the attention of the Board was a cutting-the-cord trend that has been the subject of speculation as networks have increasingly made television programming available for free on the Internet. One in eight consumers will eliminate or scale back their cable, satellite, or other pay TV service this year, according to a new study released this week by Yankee Group. The biggest reason why customers will cut the cord, according to the study, is the growing cost of pay-TV service. Netflix's streaming service is rapidly gaining

ground as well. More devices are coming pre-installed with Netflix or Internet connections so people can stream videos right onto their televisions.

PEG Committee

Heldt reported that progress is being made on the infrastructure and connections at Groves and Scaholm High School pools and gymnasiums to the television studio, which would allow students to produce sporting events from the television studio with a direct connection.

Heldt recapped that, at its April meeting, the Birmingham Area Cable Board took action to authorize its chairperson to notify Bloomfield Community Television by mail of its intent to exercise the option to continue its contract for cable access management services for a third year.

GRANT REQUEST FROM BALDWIN PUBLIC LIBRARY

Doug Koschik, Library Director, and John Hart, IT Coordinator, were present on behalf of the Baldwin Public Library requesting a grant to facilitate live broadcasting of Library Board meetings, committee meetings, programs and author visits in the Rotary Room of the library. Staff from Bloomfield Community Television (BCTV) has been recording Library Board meetings since 2009 utilizing portable cameras for later broadcast. While this arrangement has worked, it does not allow for live broadcasting of meetings and events.

Library staff has been working with BCTV and local vendors to determine the cost of adding the ability to record and broadcast live from the Rotary Room, the main meeting room in the library. It has been estimated that the total cost for these improvements will be approximately \$72,000. The costs include cameras and recording equipment, installation of equipment, necessary electrical work related to the project, and live broadcast feed installation. Once the grant is approved, the Baldwin Public Library will go through a bid process.

Borgon related that BCTV staff has carefully reviewed a quote from Roscor. Rota added that the cameras quoted have the future capability to be upgraded to the high definition standard. BCTV met with Roscor and other vendors at the library facility months ago; Roscor was the only company that supplied a quote.

Borgon stated that, if the grant request is approved, the money would not be dispersed until the next fiscal year starting July 1, 2010. There is enough money in the grant request budget for FY 2010/2011 to accommodate the Baldwin Library request for funding.

Questions from Board members on the proposed project were addressed by Rota and the library representatives. Costs quoted include equipment, installation, training, and warranties as well as a \$3,800 one-time cost from Comcast to go live. A five percent cushion has been added to the quote. Koschik addressed inquiries on uses of the Rotary Room, the speakers scheduled to appear at the Baldwin Library, and programs that would be broadcast. He added that the library provides programming in conjunction with the Birmingham Historical Museum.

Member Carol Woodard stated that she will not vote on this grant request for the reason that she is employed by the Baldwin Library. She believed that this was a good use of Cable Board funds. The Library Board would like to expand its ability to tape municipal and library programs that would be of interest to the entire community.

Armitage commented that this would be an opportunity for programming that would provide content for our PEG channels. It was noted that program decisions are made by the PEG Committee and Executive Director in concert with BCTV staff.

It was suggested that the proper procedure would be to discuss and act on the Cable Board budget for 2010/2011 prior to considering a grant from the Library. Attorney Tim Currier stated that the Board can proceed with approval of the grant at this meeting or wait until the next fiscal year beginning July 1, 2010. It is a matter of policy.

Motion by Eads, second by Ettenson, to amend the agenda to consider approval of the 2010/2011 Cable Board Budget prior to taking action on the Library Board grant request.

Motion passed unanimously.

APPROVE 2010/2011 CABLE BOARD BUDGET

Borgon stated that the draft budget was prepared and reviewed by the Board. He outlined modifications made to the budget following Board discussion: 1) The cost of the Cable Access Management contract with BCTV has increased by \$5,000; 2) Grant funding increased to \$200,000; and 3) Programming expense was increased to \$75,000 to cover the cost of increasing educational programming. Questions and comments from the Board were addressed by Borgon.

McLain referred to the Conferences line item under the budget heading of Board Expenses. While the Board did not attend any out-of-state conferences last year, it is intended to send representatives to the NATOA Conference in Washington D.C. this September. McLain has estimated the expenses for this conference and proposed that the \$6,000 allocated towards conferences be increased to \$8,000.

Motion by Ettenson, second by Heyman, to increase the budgeted amount for Conferences to \$8,000 to cover costs for Board members to attend the Annual NATOA conference in September.

Motion passed unanimously.

Motion by Heldt, second by Ettenson, that the Birmingham Area Cable Board adopt the Cable Board Budget for fiscal year 2010/2011 as amended.

Roll Call Vote:

Motion passed unanimously.

GRANT REQUEST FROM BALDWIN PUBLIC LIBRARY (continued)

Thorsby questioned how the Board generally handles a grant request that includes a 5% cushion for changes. Currier responded that the Board can address this by stipulating a “not to exceed” amount and by requesting that excess funds be returned to the Board. The Baldwin Library has indicated that it will go through a bid process, after which time they can report the actual costs to the Board and refund unused money.

Motion by Heldt, second by Ettenson, that the Birmingham Area Cable Board approve a grant not to exceed \$70,000 to the Baldwin Public Library for wiring and camera equipment to facilitate the recording and live broadcasting of Library Board meetings and other programming; funding will come from the 2010/2011 fiscal year Cable Board budget.

There followed discussion on the motion. Currier commented that the grant request that is before the Board is similar to the grant requests approved for Birmingham Schools because the Baldwin Library is a municipal entity. There was a question about competitive quotes and full warranty. Borgon stated that BCTV held a bid meeting with three main suppliers in the area - Roscor, ProVideo and another firm. The next step will be to go out for bids on the specifications. The Board asked the Library Board to provide it with details on actual costs.

Roll Call Vote:

Armitage - yes
Decker - yes
Heldt - yes
McLain - yes
Thorsby - yes
Urcan - yes
Heyman - yes
McFadden - yes
Verdi-Hus - yes
Woodard - abstain
Eads - yes
Ettenson - yes

Motion passed (11 yes – 1 abstention – 0 no).

EXECUTIVE DIRECTOR’S REPORT

Borgon announced that Carol Woodard has submitted her resignation as Beverly Hills representative on the Cable Board effective June 30, 2010. Carol has been a member of the Board for nine years and has served on the Programming Committee for most of that time. She will be missed by the Board.

Comcast has sent notice that Leslie Brogan, Senior Director of Government Affairs, will be the new liaison to the Cable Board replacing Olivia Visperas.

Comcast has announced a price adjustment effective June 1, 2010. Borgon noted that customers who call with complaints about the price increase are receiving deals.

There were nine new complaints received since the last Board meeting, two from AT&T. The complaints involved programming issues, pixilation, “free” digital boxes, and a \$30 service charge. Borgon commented on the disposition of the problems.

Borgon reported that WideOpenWest was granted a Franchise Agreement from the Village of Beverly Hills on May 4, 2010. He welcomed representative from WOW, Kathy Kiste, to the meeting. Construction will start in June to install almost 70 miles of state-of-the-art fiber coax network throughout Beverly Hills to be completed by the Fall of 2010. On behalf of the Board,

Borgon welcomed WOW to this area indicating that everyone looks forward to having another competitor for cable, telephone and Internet services.

Borgon provided financial reports to Board members including the Fund Balance through April 30 and Income & Expenses comparing the current budget and expenses.

Ettenson questioned whether it is within the Intergovernmental Agreement to allow WideOpenWest to seek a Franchise Agreement only in Beverly Hills.

Attorney Currier stated that the Franchise Agreements are granted by the local franchising authorities, which are the municipalities. The municipalities through an Intergovernmental Agreement have given this Board the authority to negotiate and administer cable franchise agreements. It is up to the individual municipality whether it wishes to have a franchise or not. By State Law, the communities must have nonexclusive franchises for use of rights-of-way.

The Local Franchising Act of 2006 requires the local franchising entity, upon receipt of the franchise agreement under the Act, to either approve or disapprove the Agreement submitted by the video service provider within 30 days of receipt of the Agreement. The application and draft franchise agreement from WOW has been reviewed by legal counsel along with submittals and draft resolutions that were set forth for Beverly Hills. All documents were complete and appropriate.

Currier provided historical background noting that the predecessor to WOW was Americast. Americast came to the BACB seeking a franchise agreement with the City of Birmingham and possibly Beverly Hills with no interest in providing service to Bingham Farms or Franklin. At that time, the Cable Board took a “none or all” position. The negotiations ended at that point, but not because of the Board’s position. Americast made a policy decision at the corporate level to get out of the cable business and concentrate on direct satellite broadcast. The decision was made not to proceed because Americast was going to be sold to WideOpenWest.

Currier believed that the franchise agreement with Beverly Hills is WOW’s first expansion of a franchise system in this area since they took over the Americast system. He emphasized that the process was stopped in the past due to an internal decision of Americast not to continue in the cable business.

In answer to an inquiry, the Board was informed that WOW will carry the PEG channels in Beverly Hills on the basic cable channels. The WOW network manager is working with Bob Borgon and Steve Rota on this.

Decker commented on the legal implications of a provider serving one community and not a majority of the consortium communities. The Interlocal Agreement and foundation documents of this Board contemplate a company providing services only to one or less than a majority of the communities but includes the caveat that provider expenses associated with that one community would not be borne by the entire Board. If WOW does spend money to get hooked up to PEG channels or other expenses that directly relate to one community, those expenses should not be paid by the Board. The Cable Board may be able to handle this with a grant request.

Currier commented that, since the Interlocal Agreement was adopted, the Board did have an experience with AT&T requiring funding to hook up PEG channels. This was not a requirement from Comcast and is not contemplated with WideOpenWest. There is a legal and policy discussion that should take place on the issue of a provider for one community and not all four.

Briggs commented that there were comments and concerns expressed at the Beverly Hills Council meeting relative to the WOW franchise being offered to only one of the consortium communities. It was indicated that the company's business plan was to expand into a contiguous community.

Currier stated that it is an expensive capital investment for a cable company to wire a community involving up front money that takes years to recover. It is always easier for the first cable provider that enters a community to invest in wiring the area; that provider has an opportunity to secure more service than preceding companies. The second provider competes for the same number of televisions. This is called an overbuild. The third provider is competing against two companies plus antenna and satellite providers; the risks of coming into the market are greater. WOW has said that it will proceed one step at a time. The company does not want to be in a position to jeopardize its entire operation.

COMCAST RELATED TOPICS

The new Comcast representative to the Board was not in attendance. McLain provided information on Comcast complaints received in the last month. She noted that pixilation is a recurring problem, and subscribers are entitled to a service visit for pixilation. Hildreth Buterbaugh commented on problems with pixilation on certain channels.

AT&T RELATED TOPICS

Lori Doughty from AT&T was not present. McLain related that the Management Information System credit due to the Board in the amount of \$7,790.00 to offset the cost of the AT&T encoders has been issued.

WOW RELATED TOPICS

Kathy Kiste from WideOpenWest provided an introduction to the company and outlined the services provided by WOW. WideOpenWest is a privately held company based in Madison Heights, Michigan; it offers service to about 1.6 million homes and businesses in Michigan, Illinois, Indiana, and Ohio. WOW is the 12th largest provider in the country. WOW began servicing southeast Michigan in November of 2001, and today it provides a suite of broadband services including cable, Internet, and phone to 42 different communities in Oakland, Wayne and Macomb counties. WOW employs about 450 people and contractors that support 42 communities and serve about 570,000 customers.

Kiste stated that WOW has an internal structure that places the focus on the customer and its front line team. The products it offers are a commodity, but how the company operates is unique. WOW hires only the best team members and offers the best customer service available. WOW offers residential and commercial service. Services can be purchased a la carte or at a bundled price. Kiste talked about the company's offerings for cable television, Internet and phone service.

WOW will be servicing the entire residential community within the Village of Beverly Hills using the dedicated public easements. Apartment and condos with private easements will be

constructed based on the ability to obtain a commercially reasonable right of entry. The construction will involve about 42 miles of aerial coaxial cable and about nine miles of underground construction. WOW works with an experienced company from the west side of the state. Kiste said that it will be a relatively seamless installation that will be essentially unobtrusive to residents. Any issues that occur will be taken care of immediately by Kiste.

The Village of Beverly Hills service will be fed out of the Troy distribution center. Construction is expected to begin in June and will be completed in 4-5 months. The company will build in the community on a node to node basis from east to west. Once the construction is completed, the residents of Beverly hills will be educated on the features and benefits of using WOW. This will be done by direct mail or by a cable consultant.

Borgon inquired about the location of Kathy Kiste's office. In response to a question, Kiste confirmed that WOW is offering free drops to schools and municipal buildings.

Thorsby referred to homes with existing wiring from a previous provider and asked about updating with new connections and installation charges. Kiste responded that WOW will remove older cable to ensure it has the best available cable when it does an installation. Currently, the installation is free. In answer to another inquiry, Kiste state that WOW works with contractors and will be using both in-house staff and partners.

McLain stated that WOW has agreed to provide a 5% franchise fee to the Village and a 3% PEG fee to support the cost of PEG access facilities and services. These are the same fees paid by Comcast and AT&T.

MLTV15/ PA18 REPORT

Steve 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 April 22, 2010 – May 19, 2010).

Rota met with the Beverly Hills Parade Committee last week to discuss the new location for the truck and other details. BCTV staff dropped off the truck yesterday to have the generator repaired; the problems were fixed.

Last week the BAMA bulletin board computer lost power and was off the air for the weekend due to high winds. Staff is on call to handle these situations. Viewers are asked to call if they notice that a channel is offline so staff can get the problem solved as soon as possible. BCTV will be working with the BACB webmaster to post a page on how to contact BCTV when they notice a problem.

The next volunteer camera workshop is set for Thursday, July 15. Interested individuals can call 248/433-7790 to sign up.

OLD BUSINESS

McLain asked members to check the BACB website periodically to make sure that links are operational and determine if updates are needed.

NEW BUSINESS

McLain stated that McFadden, Eads and she will be attending an administrative law luncheon with Michigan Public Service Commission representatives to discuss what is happening in the four communities, competition, customer services, and necessary enhancements.

McFadden stated that one of the takeaways in terms of the Board survey was feedback from the four communities with respect to a number of issues including complaints, jurisdiction, competition, and PEG channels. There is a meeting scheduled on June 11 with the MPSC to share the results of the Board survey with them as well as to discuss a going forward strategy.

PUBLIC COMMENTS

None

BOARD COMMENTS

None

The meeting was adjourned at 9:33 a.m.