

Present: Heldt, McAlear, McLain - Birmingham
Borgon, Heyman, Schneider – Beverly Hills
Stakhiv – Franklin

Absent: Kelly – Birmingham
Verdi-Hus – Beverly Hills
Ettenson – Bingham Farms

Also Present: White - Executive Director
Currier - Attorney for Cable Board
Rota - Bloomfield Community Television
Eaton – Comcast representative
Delaney – Beverly Hills Council representative

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.

Beverly Hills Council liaison Jim Delaney related that he was charged by the Beverly Hills Council at its March 17 meeting with reviewing Cable Board practices regarding its budget and fund balances. He finds himself in a difficult position to be a voting member of the Cable Board at the same time he is reviewing Board procedures, which may constitute a conflict of interest. Delaney chose not to sit as an alternate voting member from Beverly Hills at today's meeting; he took a seat in the audience.

Attorney Tim Currier stated that, if Mr. Delaney is present to sit at the table as an alternate member of the Cable Board, he has the obligation to act on behalf of the Birmingham Area Cable Board. Delaney can serve as a liaison from Beverly Hills, who is present to comment and report back to the Council. McLain explained that the alternate member from Beverly Hills generally sits at the table and votes if one of the four regular Beverly Hills members are not present at a meeting.

APPROVE MINUTES OF CABLE BOARD MEETING HELD FEBRUARY 25, 2015

Motion by Heyman, second by Heldt, that the minutes of a regular Cable Board meeting held on February 25, 2015 be approved as submitted.

Motion passed.

PUBLIC COMMENTS

Hildreth Buterbaugh from Beverly Hills commented on the alternate member voting status of a Beverly Hills liaison to the Cable Board. Buterbaugh related a favorable experience with Comcast involving the replacement of a modem. He noted that Comcast's automated systems are doing an excellent job of replacing service representatives that can be reached by phone. Buterbaugh observed cable service trucks that have a name other than Comcast on them.

TREASURER’S REPORT

Heldt reviewed that action on an amendment to the administrative grant policy was tabled at the February 25, 2015 meeting for consideration at the March Cable Board meeting. He had noted that the current administrative grant policy provides that the Board reserve a portion of every year’s excess funding as a working capital reserve. It was determined that there was a flaw in this policy because the fund balance increases significantly over time, which is not the intention of the policy. The proposed amendment would redefine what the Board considered to be an appropriate franchise fee administrative reserve.

Motion by Heldt, second by Heyman, to take last month’s motion to amend the administrative grant policy off the table.

The Board discussed the following proposed amendment to the administrative grant policy: The Birmingham Area Cable Board shall administratively grant back to the communities any year end “excess” between operating (franchise) income and expense, after preserving “working capital” for operations at 25% of last year’s franchise fees.

Heldt referenced the recent separation of accounting for franchise revenue and expense versus PEG revenue and expense and allocating reserve funds between franchise and PEG fees. This separation of funds has revealed that the Board is overfunded on the administrative franchise side and underfunded on the PEG side. Heldt will be proposing a transfer of a portion of the franchise reserve into the underfunded PEG reserve according to policy. He anticipated an additional administrative grant back to the communities following this action.

Borgon asked if the proposed policy would be in effect from today going forward. Heldt said that the Board voted to issue an administrative grant to the communities in January of 2015 based on this grant policy. However, the totality of the franchise reserves versus the totality of the PEG reserves was not addressed at that time.

Vote to take the motion off the table:
Motion passed (7 – 0).

Motion by Heldt, second by Heyman, that the Board hereby establish the following policy regarding Administrative Grants: The Birmingham Area Cable Board shall administratively grant back to the communities any year end “excess” between operating (franchise) income and expense, after preserving “working capital” for operations at 25% of last year’s franchise fees.

Roll Call Vote:
Motion passed (7 – 0).

Motion by Heyman, second by Schneider, to amend the agenda to move “Provider Related Topics – Comcast” to the next item for the reason that Comcast representative Fred Eaton has to leave the meeting early.

Motion passed.

PROVIDER RELATED TOPICS – COMCAST

Fred Eaton representing Comcast reported that Comcast has submitted a Uniform Franchise Agreement to the City of Birmingham. Comcast representatives are in discussion with City Manager Joe Valentine and legal counsel Tim Currier regarding the franchise renewal. Eaton remarked that the renewal window is near for all four member communities. As the expiration dates approach, each of the communities will receive a renewal packet consistent with the State Uniform Franchise Law.

Eaton reported on the progress of the merger transaction between Comcast and Time Warner Cable. Federal regulators are still debating the merger. The process has been slowed down due to a dispute between broadcasters and other parties over the disclosure of contract terms. Part of the discovery process in consideration of this transaction was a demand that contracts between the broadcasters who provide the programming and cable providers be disclosed. The broadcasters filed a suit because they did not want those terms to be disclosed. The ultimate decision on the merger will be delayed by this litigation.

Eaton relayed that the expectation continues that the Comcast acquisition of Time Warner Cable will be approved in mid-April. No substantive objections have been raised by any of the opposing parties that were not anticipated a year ago. Eaton clarified that the review process has been extended until August, but the expectation is that it will not take that long.

McLain related a question posed by a member of the public earlier in the meeting regarding service trucks that do not bear the Comcast name. Eaton responded that Comcast employs contractors. There are trucks that bear the name of those contractors with a small magnetic sign on the truck reading “contractor for Comcast”.

McLain related an inquiry from a subscriber who entered a contract with Comcast and is not able to receive any further promotions during that contract period. Eaton said that subscribers can take the market rate without agreeing to a term of service or receive a promotional price.

PROPOSED FISCAL YEAR 2015-2016 BUDGET

Board members are in receipt of the draft Cable Board budget for fiscal year 2015/16. White asked that members review the budget and forward their comments or recommendations to her before next month’s meeting. She went through the proposed budget and highlighted changes from the current budget as discussed at the Cable Action Committee meeting. White noted that a new line item for administrative grants in the amount of \$200,000 was added at the recommendation of the auditors.

Borgon requested that the executive director prepare a worksheet that compares the current budget with the proposed budget, noting the differences. White responded that she will work on a comparison chart.

Delaney questioned the franchise renewal process that the City of Birmingham is undergoing with Comcast. Attorney Tim Currier explained that franchise renewal negotiations will be coming up this year for each of the consortium communities. Birmingham’s franchise agreement with Comcast expired on March 16, 2015. Comcast extended the Birmingham franchise to mid-

April. Negotiations are continuing under the submission of the Comcast PA 480 Uniform Franchise Agreement. Currier and Valentine have met with Mr. Eaton twice and will meet a third time to discuss additional terms that they think may be important for the City of Birmingham.

Currier said that the Cable Board communities have indicated that they prefer to negotiate with the company that will exist after the merger and acquisition is complete, which would be GreatLand Connections. Birmingham is currently negotiating with Comcast. Currier mentioned that Comcast's position is to provide 2% for PEG fee income in lieu of the current 3% in the contract. This would affect the Board's budgetary process. Currier added that, if no franchise agreement is reached, the municipality is automatically in litigation.

Delaney questioned whether the franchise agreements would be the same for all four communities. Currier responded that Comcast is approaching the communities in order of when their franchise expires as allowed under PA 480. Delaney said that the Beverly Hills Council directed him to gather information and report on the totality of the situation. It appears that the budget is a moving target considering the upcoming franchise negotiations with the cable provider.

Borgon related that, prior to PA 480, one of the most important functions of the Cable Board was to negotiate a franchise agreement with the providers. The cable provider now goes directly to the municipalities as the franchise agents.

Borgon provided background on the collection and distribution of franchise fees and PEG fees. In keeping with the resolve of the Cable Board to refund unused franchise fees to the municipalities, he questioned why the Board is not refunding the \$803,000 franchise fee reserve to the communities.

Heldt responded that he stated earlier in the meeting that funds in the franchise fee reserve have been discussed. The Board intends to make an additional administrative grant back to the municipalities probably in April. Before that is done, Heldt proposes to transfer a sum of money from the franchise fee reserve to the PEG reserve because one is over-funded and the other is under-funded.

McLain referenced sections of the Interlocal Agreement that address the distribution of franchise fees. The goal of the Cable Board is to represent the four member communities in cable provider disputes and to manage Cable Board funds. The Cable Board has properly and publicly managed its funds. It is the intention of the Cable Board to responsibly return franchise fee reserve funds to the communities with a very clear calculation that will allow the Cable Board to meet its obligations.

Delaney concurred with properly funding the activities of the Cable Board. The Beverly Hills Council is reviewing that process. This will be a continuing discussion.

The Cable Action Committee will continue its discussion on the proposed budget at its meeting on Thursday, April 2 at 5:30 pm at the Baldwin Library.

COMMITTEE REPORTS

Cable Action Committee

White related that the Cable Action Committee discussed the proposed 2015/16 budget at its last meeting. Review of the budget will continue at the next CAC meeting scheduled for Thursday, April 2.

PEG Committee

Heldt commented that the Spring High School sports season is approaching. The Cable Board provides funding for Bloomfield Community Television to tape and broadcast selected Groves vs. Seaholm High School athletic events. Specific contests and dates have not been confirmed, but it is anticipated that some of the sporting events will occur prior to the April Board meeting. Heldt recommended authorizing an expenditure for the broadcast of up to eight athletic contests at a cost of \$2,500 per event.

Motion by Heldt, second by Stakhiv, that the Birmingham Area Cable Board authorize up to eight broadcasts of Groves vs. Seaholm High School sporting events by Bloomfield Community Television at a cost of \$2,500 per broadcast.

Steve Rota from BCTV stated that, in past years, they have taped girls soccer, softball, baseball, boys lacrosse, girls lacrosse, girls water polo and tennis. He provided tentative dates.

Roll Call Vote:

McAlear	- yes
McLain	- yes
Borgon	- no
Heyman	- yes
Schneider	- yes
Stakhiv	- yes
Heldt	- yes

Motion passed (6 – 1).

Personnel Committee

Stakhiv reported that the Personnel Committee conducted a performance appraisal with Executive Director Cathy White on March 5, 2015. Stakhiv thanked White for her dedication and hard work. She is a professional who conducts herself with dignity and confidence.

EXECUTIVE DIRECTOR'S REPORT

Executive Director White outlined three complaints that have been received in the last month. One of the issues concerning customer service remains pending. Financial information was not available from Beverly Hills this month; members will receive two sets of reports next month.

WOW! has notified the Board that effective April 1, a Payment Convenience Fee of \$5.00 per transaction will be charged when a customer makes a payment over the phone with a customer service representative. In addition, a \$2.00 fee per transaction will be imposed when a customer

makes a payment at a WOW! payment center. Customers can continue to pay their bills at no cost via automated payment by phone, pay by mail or pay online.

White asked that Board members email or call her with any questions or comments regarding the draft budget prior to the April meeting. The Board received a thank you note from the Baldwin Public Library Board of Directors for a grant for the Library's new website. White reminded the Board that the May Cable Board meeting will be held on the fourth Wednesday of the month, May 27.

PROVIDER RELATED TOPICS

Fred Eaton provided a report to the Board earlier in the meeting. There were no representatives present from AT&T or WOW.

BAPA/BAMA REPORT

Steve Rota 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 February 26, 2015 through March 18, 2015).

BCTV covered an event on Thursday, March 12 at which time the former BASCC organization changed its name to NEXT. The new name is designed to acknowledge that whatever stage of your life you are in, there is always something NEXT. There were a number of community leaders as well as L. Brooks Patterson in attendance at the event.

The next camera workshop has been scheduled for Tuesday, April 22, 2015 from 10:00 am to noon or 6:30 pm to 8:30 pm. Call 248-433-7790 to sign up.

The Annual Easter Egg Hunt will be held at Beverly Park on Saturday, March 28 from 9:00 am to 5:00 pm.

OLD BUSINESS

None

NEW BUSINESS

None

PUBLIC COMMENTS

None

BOARD COMMENTS

None

The meeting was adjourned at 8:58 a.m.