

Present: Armitage, Heldt, Kelly, McLain - Birmingham
Heyman, McFadden, Pfeifer, Verdi-Hus – Beverly Hills
Stakhiv – Franklin

Absent: Lurie, Thorsby - Birmingham
Ettenson – Bingham Farms

Also Present: Borgon – Executive Director
Currier - Attorney for Cable Board
Dr. Hoffman - Birmingham Schools representative
Valentine - Birmingham staff representative
Rota - Bloomfield Community Television representative
Leslie Brogan and Kyle Mazurek – Comcast representatives
Burry – 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 CABLE BOARD MEETING HELD NOVEMBER 21, 2012

The correction was made on page 2, first paragraph, line 2, to change “an accountant” to read “our accountant from Plante Moran”. Pfeifer asked the Executive Director to make sure that the correct heading is placed on the October meeting minutes.

Motion by Heldt, second by Heyman, that the minutes of a regular Cable Board meeting held on November 21, 2012 be approved as amended.

Motion passed.

PUBLIC COMMENTS

Hildreth Buterbaugh from Beverly Hills questioned the need to install Comcast converter boxes on every television set in a home. Comcast representative Leslie Brogan stated that all channels went digital as of December 5, 2012 as part of a phased-in project to enhance the Comcast system. Customer notification of this change began in September. Brogan outlined the type of digital equipment needed on every box in a home. She mentioned that Comcast came out with a low cost box called a DTA (digital cable box).

Beverly Hills Village Manager Chris Wilson spoke to the Board on behalf of Council liaison Greg Burry, who could not be present today. The Village had submitted a grant request to the Cable Board for a plasma display wireless projector for the Beverly Hills Council chamber. Burry was in the process of working with AVI Systems to set up a demonstration of the proposed equipment in this meeting room. Due to difficulties with the Panasonic sales representative with setting up a demonstration, AVI has contacted another provider who is in the process of arranging a demo through Sharp. Details are being finalized and will be available shortly.

GRANT REQUEST FROM BASCC

At the November Cable Board meeting, Renee Cortright, Executive Director of the Birmingham Area Senior Center, presented a grant request on behalf of the Birmingham Area Seniors Coordinating Council (BASCC) to cover cable service for the center, Internet service for their computer lab, and website expenses for a total amount of \$2,698. Action on this item was postponed to the December meeting for the reason that a quorum of the Board was not available without the votes of two members who abstained from voting due to their affiliation with BASCC.

Motion by Heldt, second by Armitage, that the Cable Board approve the grant request from the Birmingham Area Seniors Coordinating Council (BASCC) in the amount of \$2,698 to cover the cost of cable service for the senior center, Internet service for the computer lab, and website expenses.

Roll Call Vote:

Pfeifer - Abstain
Verdi-Hus - yes
Stakhiv - yes
Armitage - yes
Heldt - yes
Kelly - yes
McLain - yes
Heyman - yes
McFadden - yes

Motion passed (8 yes – 0 no – 1 abstention).

GRANT REQUEST – CITY OF BIRMINGHAM

Assistant City Manager Joe Valentine outlined a grant request submitted by the City of Birmingham for cable related equipment that will serve the cable broadcasting needs of the City. The first grant request is for the replacement of an Uninterrupted Power Supply (UPS) unit that protects the broadcasting equipment for the City Commission room in the municipal building.

The second grant request is for an amount not to exceed \$5,563.00 for the acquisition and installation of 12 additional microphones at the Department of Public Services facility. Three proposals have been obtained for the required equipment; the selected proposal from the low bidder is attached to the grant request. The total for both grant requests is \$6,561.99.

Motion by Heldt, second by Pfeifer, that the Birmingham Area Cable Board approve a grant request dated December 11, 2012 from the City of Birmingham in the amount of \$998.99 for the replacement of a UPS (Uninterrupted Power Supply) unit serving the City’s broadcasting equipment; further, to approve a grant in the amount of \$5,563.00 for the purchase and installation of additional microphones and related equipment to expand the broadcasting equipment at its Department of Public Services facility.

Roll Call Vote:

Verdi-Hus - yes
Stakhiv - yes
Armitage - yes
Heldt - yes
Kelly - yes
McLain - yes
Heyman - yes
McFadden - yes
Pfeifer - yes

Motion passed (9 – 0).

MBS PRESENTATION

McLain welcomed Charles Kipp, Vice President of Multi-Bank Securities Inc., an institutional fixed-income securities broker-dealer headquartered in Southfield, Michigan. The firm's mission is to serve only institutional investors including municipalities, credit unions, banks, hospitals, school districts, etc. MBS is an underwriter and full service broker-dealer, which means it brings product to market. MBS has about 105 representatives across the country and clients in all 50 states.

Kipp proceeded with an overview of MBS and how it has served the Cable Board for the last five plus years to maximize the safety, liquidity and yield of its investments. He has invested Cable Board reserves with input from Treasurer McFadden in either Michigan, FDIC insured banks or US Government Agencies in accordance with Cable Board investment policy. Kipp has provided McFadden with the MBS due diligence package. The website is www.mbssecurities.com.

Kipp discussed the relationship between a broker-dealer in specific Cable Board investments and how they ascertain the best investment decisions. He explained that a trade is routed through Pershing LLC, a subsidiary of Bank of New York Mellon and a third party custodian hired to protect the securities in the Board's account. Pershing is the company that sends out confirmations and statements and allows customer to view and provide access to their accounts online 24/7 in real time.

McLain thanked Kipp for clarifying the MBS relationship with Pershing. She reviewed that the Cable Board's auditing firm Plante Moran had a reporting issue with MBS again this year. Plante Moran was unable to confirm the value of Board held securities as of June 30, 2012 with Pershing LLC due to their policy of not providing third party audit confirmations. Plante Moran is required under auditing standards to receive confirmation from the actual holder of the investments and would prefer to receive direct confirmation from Pershing. McLain and Treasurer McFadden will direct a letter to Pershing asking for confirmation of assets next year.

Kipp encouraged the Board to look at the MBS website as well as Pershing's website (www.pershingllc.com). He affirmed that Pershing LLC is the single largest provider of custom service in the world, working with 1500 broker/dealers. Kipp referred to a particular auditing guideline, SAS-70 relative to independent confirmation language, and he provided information on what can be done to satisfy audit firms.

Armitage asked if a duplicate confirmation statement to Plante Moran would satisfy the audit firm's condition for direct confirmation of the value of Board held securities. Kipp indicated that it was his experience that a duplicate confirmation has satisfied auditors.

McFadden clarified that we are talking about an issue between the Cable Board's auditors and a third party holding company for MBS. The Board has every confidence that all of its investment funds are fully protected by Pershing.

Attorney Tim Currier clarified the issue under discussion related to the recent audit report (November 21, 2012 meeting minutes) and the difficulty encountered by auditing firm Plante Moran. Plante Moran is required under current auditing standards to receive confirmation of assets from the actual holder of the investments and would prefer to receive direct confirmation from Pershing LLC. Currier stated that the Board must have proper accounting of all its funds and confirmations as required by law every year.

Further inquiries and comments from Board members on this topic were addressed by Kipp and Currier. McLain thanked Charles Kipp for his presentation.

APPROVAL OF 2013 MEETING DATES

Motion by McFadden, second by Pfeifer, to approve the following Birmingham Area Cable Board meeting dates for 2013 on the third Wednesday of each month: January 16, February 20, March 20, April 17, May 15, June 19, July 17, August 21, September 18, October 16, November 20 and December 18.

Motion passed (9 – 0).

COMMITTEE REPORTS

Cable Action Committee

McFadden announced that the Cable Board has launched an updated website. He thanked the members who worked with MuniWeb on this project. The new website has a fresh look, is easier to navigate, and provides a variety of content. There is a mobile application for the website.

McFadden mentioned that an issue that arose a couple of years ago relative to a Cable Board survey had to do with the cost of cable services. There have been a number of things taking place in the industry. A couple of providers have chosen to levy a \$3 per month surcharge for local sports programming to defray the cost of sports franchises. Another element goes back to an idea that has been discussed frequently. People's viewing habits demonstrate that they want to view sports and news live; other programs can be recorded and watched at the user's specified time. There has been a groundswell for a la carte viewing.

The next meeting of the Cable Action Committee will be held on Thursday, January 3 at the Baldwin Public Library.

PEG Committee

Heldt reported that a PEG meeting will follow the regular Cable Board meeting, at which time members will discuss plans for a new Birmingham Public School Board meeting room. The Board will be discussing needs of the school district and the Cable Board's role in helping to provide that.

Joe Hoffman representing Birmingham Public Schools reassured the Cable Board and the communities that the district is doing its best in terms of security for their students. Procedures have been put in place to make sure that teachers and principals will be accessible to parents who have concerns.

Hoffman reported on a change in his employment status with the Birmingham School District. Effective December 1, he moved to the position of Assistant Superintendent for Instruction. The district is interviewing candidates for his replacement as Cable Board representative. Hoffman will continue as representative to the Board for the next couple of meetings.

Hoffman mentioned that the School District administration center will be moving into the Birmingham Conference Center attached to Groves High School. The new space will house their administrative offices and professional development rooms. They are converting the lunch room into a board meeting room. The School District will be looking at updated equipment and accessories for the new location. Hoffman has prepared an overview of the equipment needed for that room and will be requesting a grant from the BACB. There will be a formal presentation at the next Cable Board meeting. Questions from Board members were addressed by Hoffman.

Personnel Committee

Armitage reviewed that the Personnel Committee has been conducting a search for an Executive Director for the BACB. He thanked members of the committee for their substantial contributions to this process and to Joe Valentine for his assistance. Armitage announced that the committee has a recommendation to present to the Board.

Five members of the Board representing all four consortium communities interviewed two candidates on December 13. Both candidates were qualified; one of the candidates had relevant experience with cable ordinances, franchise authorities, regulation, MPSC reporting on competition and related developments, and contacts in organizations such as NATOA and PROTEC. Cathy White served in the law department for the City of Livonia for 29 years and was the chief assistant attorney since 1996. Armitage commented on Ms. White's personal skills, work ethic, flexibility and passion for the Board's mission.

The Personnel Committee unanimously and enthusiastically recommended hiring Cathy White for the part-time position of Executive Director of the Birmingham Area Cable Board at a salary of \$35,000 annually with reimbursement for expenses authorized by the Board and no other benefits. It is hoped that Ms. White can start work within 30 days or soon thereafter.

Motion by McFadden, second by Stakhiv, that the Birmingham Area Cable Board offer an employment agreement to Cathy White to serve as a part-time Executive Director of the Cable Board.

Roll Call Vote:
Motion passed (9 – 0).

McLain thanked Bob Borgon for his years of service to the Board and his assistance during the Executive Director search. His month to month association as Interim Executive Director will end as of Friday, December 21 with transfer of the cable phone/files to the Chairman and laptop to the Vice Chair/Treasurer, Ken McFadden. This will make it easier for both subscribers and Board members during the holiday season.

In response to an inquiry, Currier stated that an employment contract will come before the Board for approval after is it prepared and accepted by Ms. White.

Grant Policy Committee

No report.

EXECUTIVE DIRECTOR'S REPORT

Borgon stated that there was one official complaint this month regarding Comcast service, which has been resolved. Board members are in receipt of a resolution form for Complaint #1093. Borgon reported on Board finances.

The annual NATOA membership is due for renewal at a cost of \$585.00.

Motion by Heldt, second by Heyman, to renew the Birmingham Area Cable Board membership with NATOA for 2013 in the amount of \$585.00.

Roll Call Vote:
Motion passed (9 - 0).

Board members have received a copy of the Michigan NATOA Public Policy Platform as adopted by members. The Board received a notice from Comcast of a price increase effective January 1, 2013.

PROVIDER RELATED TOPICS

Comcast

Comcast representative Leslie Brogan reported on a notice that was mailed to subscribers regarding MGTV (Michigan Government Television). The State Department of Technology, Management and Budget has announced that programming for MGTV will no longer be available on a cable channel; it will become a 24/7 website managed by the State. Coverage will be extended and available at www.mich.gov/MiTV.

Comcast has notified its customers and communities of a price increase as of January 1, 2013. Programming is a major cost that Comcast has to absorb and move into its model of what viewers want to see.

Kyle Mazurek, Government Affairs Associate at Comcast Cable, presented a project update on the Comcast Internet Essentials program 18 months after the rollout. He summarized the

enhancements to the program. Comcast looks forward to connecting more households in 2013. Questions from Board members were addressed by Mazurek and Brogan.

Hoffman thanked Comcast for offering the Internet Essentials program to Birmingham Public School students who qualify.

AT&T

McLain provided an update from AT&T on their investment over the next three years to expand and enhance broadband networks. McLain updated the Board on the billing resolution following contract termination with Management Information System for delivery of the U-Verse product.

WOW

McLain spoke with WOW representative Kathy Armstead, who wanted subscribers to know that WOW is working on its billing system issues. Customers should call WOW directly with any questions. McLain mentioned that WOW is expanding to Lathrup Village.

BAMA/BAPA 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 November 22, 2012 – December 19, 2012).

The next camera workshop is scheduled for Thursday, January 24 from 10:00 am until noon and 6:30 – 8:30 pm.

BCTV staff received a quote from AVI to replace a damaged shell on one of the cameras in the truck in the amount of \$1,500.

Motion by Heldt, second by Pfeifer, that the Cable Board authorize AVI to repair a camera from the production truck at a cost not to exceed \$1,500.

Motion passed (9 – 0).

Rota outlined proposed enhancements to the BCTV studio in 2013. He wished Bob Borgon a Happy Birthday.

OLD BUSINESS

McLain said that she will be presenting the Cable Board Annual Report for 2012 in January.

NEW BUSINESS

None

PUBLIC COMMENTS

Charles Kipp, Vice President of Multi-Bank Securities Inc., stated that he has reviewed the communications letter that was part of the Cable Board audit report as of June 30, 2012 prepared by Plante Moran. He commented on the paragraph regarding difficulties encountered in

performing the audit. Kipp quoted several sentences from the communications letter and asserted that there appears to be an issue with the auditors' understanding of the relationship between MBS and Pershing LLC. He clarified that Pershing performs record keeping and is the custodian of the assets. Kipp reiterated that the concerns brought forward are important to him and to the firm. He would like to have this issue resolved to the satisfaction of the entire Cable Board.

Hildreth Buterbaugh of Beverly Hills acknowledged the long and enthusiastic service of Bob Borgon on the Cable Board and wished him the best of luck. Buterbaugh commented on the 5% increase in Comcast cable service.

BOARD COMMENTS

McLain wished everyone a Happy Holiday.

The meeting was adjourned at 9:20 a.m.