

BIRMINGHAM AREA CABLE BOARD MEETING

Wednesday, January 20, 2016 at 7:45 am

***Village of Beverly Hills

Council Chambers***

18500 West 13 Mile Road

1. Roll Call
2. Approve Meeting Minutes For Cable Board Meeting of December 16, 2015-M
3. Public Comments
4. Committee Reports
 - a. Cable Action Committee
 - b. PEG Committee
 - c. Personnel Committee
5. Executive Director's Report-M
6. Provider Related Topics
 - a. Comcast
 - b. AT&T
 - c. WOW
7. BAPA/BAMA Report
8. Old Business
9. New Business
10. Public Comments
11. Board Comments
12. Adjourn

PEG Committee meeting immediately following BACB meeting

BIRMINGHAM AREA CABLE BOARD MEETING MINUTES – December 16, 2015

Present: Heldt, McLain, Eick – Birmingham
 Stakhiv – Franklin
 Ettenson – Bingham Farms
 Burry, Heyman (arrived at 7:48 AM), Schneider, Verdi-Hus – Beverly Hills

Absent: McAlear

Also Present: White – Executive Director
 Currier – Attorney for Cable Board
 Rota – Bloomfield Community Television
 Bob Borgon, Beverly Hills Alternate

McLain called the meeting to order at 7:45 AM in the Village of Beverly Hills municipal building at 18500 W. Thirteen Mile Road.

APPROVE MINUTES OF CABLE BOARD MEETING HELD November 18, 2015

Motion by Ettenson, seconded by Heldt to approve the minutes of the Regular Cable Board Meeting on November 18, 2015.

Motion passed.

PUBLIC COMMENTS

None

GRANT REQUESTS (2) – VILLAGE OF FRANKLIN

Jim Creech, Village of Franklin Administrator, presented the first of two (2) requests. He referred to a letter dated November 24, 2015 that included support documentation for a grant of \$4000 to offset costs related to the website and Comcast service at the Village Hall (Broughton House) for 2015-2016.

Motion by Heldt, seconded by Ettenson to approve the grant in an amount not to exceed \$4000 to the Village of Franklin to offset costs related to the website and Village Hall Comcast related costs for 2015-2016.

McLain reminded the Board what it had done for the other communities and Franklin in the past.

Currier introduced David Eick who had been appointed to the Cable Board Monday night by the Birmingham City Commission. He took his seat at the dais.

Roll Call Vote:
 Motion passed (8-0).
 Mr. Eick abstained from voting.

Jim Creech, Village of Franklin Administrator, presented the second (2nd) request. He referred to a letter dated November 24, 2015 that included support documentation for a grant for \$2,300 to fund the Comcast services being provided at the Kreger House for community use. He explained that the Kreger House is a Community Center. It provides meeting space for many community organizations and is open to the public for use.

Ettenson inquired if any competitive bids had been solicited? Stakhiv stated that AT&T services only portions of Franklin and the Village center was not one of them.

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Motion by Heldt, seconded by Ettenson to approve the grant in an amount not to exceed \$2,300 to the Village of Franklin for Comcast related costs to the Kreger House for community use.

Roll Call Vote:
Motion passed (8-0)
Mr. Eick abstained from voting.

COMMITTEE REPORTS**Cable Action Committee**

Verdi-Hus stated there was no meeting in December. The next meeting would be January 7, 2016 at 5:30 PM at the Baldwin Public Library. McLain stated that on the agenda would be the Budget and Administrative Grants.

PEG Committee

Rota remarked that the T-shirts and ponchos order had been placed and the lens was in for repair.

The PEG meeting which usually followed the Cable Board meeting was cancelled as there was nothing on the agenda.

EXECUTIVE DIRECTOR'S REPORT

White summarized the three (3) complaints that she received since the last Board meeting. One (1) involved service and billing issues, one (1) related to a malfunctioning remote, and the third (3rd) complaint concerned a down cable line hanging over a resident's driveway. All have been resolved.

Copies of the account balance for the MBS, BBCU, and Beverly Hills accounts were provided at the meeting, in addition to budget to actual figures. This information had also been emailed to all Board members in advance of the meeting.

Since her last report White has written four (4) checks on behalf of BACB which were listed in her memo, two (2) to B & H Photo Video for the purchase of equipment pursuant to authorization by the Board and two (2) to Michigan Municipal Risk Management Authority for liability insurance payments.

Additional notes included her completion of a survey titled "Status of Competition for Video Services in Michigan" that the Michigan Public Service Commission conducts each year. A copy of her responses on behalf of BACB was attached to her written report. A list of the 2016 scheduled regular BACB meeting dates (third (3rd) Wednesday of the month) and the 2016 scheduled regular Cable Action Committee meeting dates (first (1st) Thursday of the month), were provided. Multichannel News reported on November 9, 2015 that the notion that the issue of millennials cutting the cable cord would erode the cable business has changed. The article stated that, in fact, cable was gaining share in relation to its teleco and satellite rivals. In the same report, Multichannel News reported that cable bundles were becoming increasingly more attractive alternatives to over-the-top video offerings like Sling TV, Sony's PlayStation Vue, and others. Comcast notified the Cable Board that new prices would apply to Select XFINITY TV services and equipment beginning January 1, 2016. She provided a list of the price changes and added that if the technician does not arrive on time, the customer would be credited \$20.00.

Ettenson inquired what "on time" meant? The interpretation of that phrase was nebulous.

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Referring to the chart White provided the Board, McLain itemized the “Schedule of video-related price changes; effective January 1, 2016” for those residents viewing the meeting, giving the “CURRENT PRICE” and the “NEW PRICE”. She also reminded the public that when calling for service to take detailed notes, including the name of the customer service rep. he/she is speaking with, clarify if there is going to be a charge if they are coming to your house, etc.

Responding to Ettenson’s query, White confirmed that each year she has filled out the Michigan Public Service Commission questionnaire but not necessarily given copies of her responses to the Board. According to McLain this has been done since 2007 when the Video Services Providers Act was enacted. Ettenson also questioned the listings in the “Current Provider” and “Other” spaces; if the order of the providers related to the percent of concentration within the area? The answer was negative. He also inquired of Currier if anyone in Lansing looked at this document? Currier and McLain replied that a summary of the report would be generated.

PROVIDER RELATED TOPICS

a. Comcast

Unfortunately, Fred Eaton, Comcast representative, was not present. On behalf of the Cable Board, McLain wanted to congratulate him on his retirement. She expressed the Cable Board’s appreciation for all his tireless work in trying to resolve complaints, implementing new ideas, and following up with details. Comcast will appoint someone else to step into his old position. The process with resident complaints and the escalation team, which she briefly detailed for the new Board Member, David Eick, would remain the same.

b. AT&T/Uverse/Direct TV

There was no representative present. The merger of AT&T and Direct TV went through. This is important because satellite providers do not pay franchise fees and PEG fees, which is how the Cable Board is funded.

c. WOW

There was no representative present and there were no notifications about any changes.

BAPA/BAMA REPORT

Steve Rota referred to his memo to BACB, dated 12/7/15, and pointed out the six (6) completed **BAMA** Programs were regularly scheduled municipal meetings, Board of Zoning Appeals meeting, Advisory Board meeting, and the BACB meeting.

For the **BAPA** Programs, from the BACB area individual producers and organizations they taped twenty-five (25) programs. He listed all the programs.

The next volunteer Producer workshop has been scheduled for Tuesday, January 19, 2016 from 10AM to Noon or 6:30PM to 8:30PM. Call 248-433-7790 to sign up for a Producer Workshop or a Robotic Camera Workshop. To schedule a one-on-one session, call 248-433-7790.

The upcoming Sport Shoots will be Boys Basketball 1/8/16, Boys Swim and Dive 1/28/16, Unified Hockey 2/20/16, Boys Basketball 2/26/16.

He updated the BACB that crew shirts had been purchased and the truck camera lens was in for repair. He also had an update concerning the audio problems which he had reported on last month. He tried to troubleshoot the problem before notifying Comcast of the problem. In the end he believed that the problem originated with Comcast. Bob Borgon, Beverly Hills Council Member and BACB alternate,

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commented that during the audio outage, BCTV ran a crawl across the bottom of the screen offering a free CD of the meeting.

Rota wished everyone Happy Holidays! Happy New Year to Everyone!

OLD BUSINESS

None

NEW BUSINESS

McLain and White attended the Michigan NATOA Board meeting on Dec. 11 in Lansing. McLain is the at-large member. Issues that were discussed included Michigan NATOA's budget (if necessary there is funding for lobbying), cord-cutting experiences of some communities, and some of the Michigan House bills. There appeared to be nothing happening in Lansing or Washington, DC that was related to public communications and cable that would affect what BACB is currently doing. Currier affirmed that there was nothing pending that he saw on the horizon.

PUBLIC COMMENTS

None

BOARD COMMENTS

For the benefit of new member Eick and residents, McLain provided the Cable Board's phone number, 248-336-9445. The Executive Director has the phone and is available for a question, a problem, or a complaint. When White is unavailable, McLain is in charge of the phone. They have found that a majority of the calls were residents mistakenly trying to connect to cable providers to pay a bill or give a credit card number. She explained that the Cable Board was an independent governing body representing the consumers and the communities. In order to alleviate any confusion, McLain has recorded a lengthy, but necessary, message with the appropriate numbers. White will return all phone calls. Board members' patience is appreciated with this matter.

Happy Holidays to Everyone and to David Eick, welcome to the Birmingham Area Cable Board.

The meeting was adjourned at 8:15AM.

MEMORANDUM

DATE: January 14, 2016

TO: Board Members

FROM: Cathy White

Re: Monthly Report

CUSTOMER COMPLAINTS

Complaint No.2015-35, which was thought to have been resolved last month, was reopened due to ongoing billing questions. A Comcast escalation team representative spoke with this Franklin subscriber on January 5, 2016 to discuss her bill in detail. Her bill was adjusted to provide her with a credit for an amount she was disputing and the subscriber is now satisfied. This complaint is closed.

Complaint No.2015-41, which was pending on the date of my last report, has also been resolved. This complaint involved a low-hanging Comcast wire. The wire was raised to the appropriate height on December 10, 2015 and this complaint is now closed

We have received three (3) complaints since the date of our last meeting. Complaint No. 2015-42 was received from a Beverly Hills resident who was experiencing problems with his Comcast internet service. The resident notified me that his issue was resolved that same day and he indicated that "all was ok." This complaint is now closed.

Complaint No. 2015-43 was submitted by a business involved with the construction of a residential home addition in Franklin that will run right through an existing easement. The business is requesting a letter from Comcast that they will move the lines to a new location at the expense of the builder and agree to vacate their rights to the existing easement. A Comcast representative has spoken with the builder and has sent him what he needs. Comcast has advised us that nothing else needs to be done at this point until Comcast and the builder review all that is involved with the work. This complaint is therefore pending.

Complaint No. 2015-44 was received from a Birmingham resident who was concerned because Comcast suddenly raised her bill and she did not know why the bill was increased. This complaint is pending.

FINANCIAL

The account balance for the MBS, BBCU and Beverly Hills accounts will be provided via hard copies at the meeting, in addition to budget to actual figures. This information will also be e-mailed to all Board members in advance of the meeting.

CHECK DISBURSEMENT

Since the date of my last report, I have written four (4) checks as follows:

1. KTM Logo Gear LLC (BCTV uniforms) \$825.54
2. State of Michigan (truck license plate renewal) \$491.00
3. Birmingham Bloomfield Credit Union (Visa- MI-NATO meeting luncheon) \$31.72
4. Charter Township of Bloomfield (BCTV filming of sports events) \$5,000.

ADDITIONAL NOTES:

1. I have completed the Annual Report for FY 2014-15 and a copy is included as part of your packet this month. The report includes updates on the proposed mergers in 2015 between Comcast and Time Warner Cable, as well as between AT&T and DirecTV. It also includes information about the MPSC no longer accepting cable complaints (see note #2 below).

2. At midnight on December 31, 2015, a section of 2009 PA 480 expired and funds were cut off that the MPSC had used for cable oversight. The Michigan Legislature did not renew this section of the law. According to a spokesperson for the MPSC, the Legislature did not renew the funding because "the thought here is that cable TV is just like the telephone business- there's so much competition now, you can take your business elsewhere" if the service or cost of a given cable TV provider is unacceptable. The spokesperson added: "And you can contact your provider directly. They have those 800 numbers" on monthly bills. In a December 31, 2015 Detroit Free Press article, consumer advocates (including PROTEC, the American Consumer Council and those in charge of cable TV commissions in Dearborn, West Bloomfield and Meridian Township) expressed disappointment in this development. The \$1million that was annually allocated to the MPSC for its watchdog role "is all going away," said the assistant city attorney for Dearborn and the chair of PROTEC, a statewide organization that advocates on behalf of cities and townships on issues regarding utilities and public rights-of way. According to PROTEC's general counsel, "This is just one more erosion of consumer protection in Michigan."

3. With the assistance of the Chairman and the Treasurer, the Administrative Grants have been calculated for FY 2014-15 as follows:

Birmingham \$122,613.00

Beverly Hills \$51,418.38

Franklin \$15,821.04

Bingham Farms \$7,910.52

It is respectfully requested that the Board adopt a resolution authorizing payment in these amounts to the four communities, which funds constitute a return of franchise fees.

4. Comcast has notified us of certain channel changes. National Geographic Channel (channel 109) and National Geographic Channel HD (channels 199 and 1261) are now available on the TV450 Latino and TV300 Latino channel lineups. Fox Sports 1 (channel 33) and Fox Sports 1 HD (channels 223 and 1620) are now available on the TV300 Latino channel lineup. Also, effective January 1, 2016, GAC (channel 147) will be available on the Digital Starter channel lineup.

BIRMINGHAM AREA CABLE BOARD
ANNUAL REPORT
FISCAL YEAR 2014-2015

Submitted By:

Cathy K. White

Executive Director

December, 2015

CABLE BOARD MEMBERS

As of December 31, 2015

BIRMINGHAM

Elaine McLain- Chairman

Jeffrey Heldt-Treasurer

David Eick

Matt McAlear, PEG Comm. Chair

BINGHAM FARMS

Mel Ettenson

FRANKLIN

Mira Stakhiv- Vice Chair, Personnel Comm. Chair

BEVERLY HILLS

Mary Ann Verdi-Hus, Cable Action Comm. Chair

Alan Heyman-Secretary

Greg Burry

Patricia Schneider

Background

We continue with varying degrees of competition for cable, internet and phone in our consortium post 2006 Michigan Public Act 480. Comcast/NBCU, as incumbent, is still the only provider to offer service in all four of our communities. As first overbuilder, WOW! wired Birmingham and Beverly Hills in 2011 and has not expanded any further in our area. AT&T continues to offer their U-Verse internet protocol service to a limited number of our residents. The legislature has not updated guidelines for buildout or disclosure for any providers. In effect, competition is still not available to all of our residents as was envisioned by previous local franchise agreements.

The merger that was expected in 2015 between Comcast and Time Warner Cable did not materialize after Comcast decided to pull out of the deal. There had been rumblings that the merger was not going to be approved by the U.S. Department of Justice.

The planned merger between AT&T and DirecTV, however, did occur in 2015 after receiving federal approval.

The traditional cable franchise agreement with Comcast Cable expired in 2015. Negotiations took place with respect to our four communities and a new Uniform Video Service Local Franchise Agreement was entered into in each community pursuant to 2006 Public Act 480 for a period of ten years. In the new agreement, the Public, Education and Government (PEG) fee was reduced from 3% of gross revenues to 2% of gross revenues beginning April 27, 2015. However, Comcast also agreed to execute a side agreement to provide for PEG funding supplemental fees in addition to the 2% as follows:

4/27/15 – 4/26/16 = an additional .75% PEG fee

4/27/16 – 4/26/17 = an additional .50% PEG fee

4/27/17 – 4/26/18 = an additional .25% PEG fee

4/27/18 – 4/26/25 = no additional .00% PEG fee

BCTV Contract

A new contract was negotiated with BCTV for public and governmental programming and an agreement was entered into for the period from July 1, 2015 through June 30, 2018 (with an option to extend for an additional year.) The amount paid for BACB production and associated services in FY 2014-15 was \$187,425.00. We also paid for Sports production through PEG funds.

The new agreement with BCTV provides for taping of three additional Birmingham public meetings: the Board of Zoning Appeals, the Advisory Parking Committee and the Multi-Modal Transportation Board. The annual cost going forward will be \$194,950.00 for the first two (2) years and \$200,000.00 for the last year (and one additional year if extended.)

Board Committees

The Board has three standing committees: PEG (Public Educational Governmental), CAC (Cable Action) and Personnel committees.

PEG Committee

The PEG Committee is charged with oversight and development of programming on the public access and governmental channels as well as reviewing proposed grants for PEG infrastructure. Matt McAlear is the Chairman; membership is open to any Board member, and representatives of BCTV and the Birmingham Public Schools participate on a regular basis. Live broadcast, as well as re-broadcast, of local governmental meetings continues on the Governmental channel. The Public channel provides opportunities for local citizens to produce their own programs, as well as to broadcast/re-broadcast parades, lectures, concerts and other events of community interest. Re-broadcast of Groves versus Seaholm athletic contests, both boys and girls, is now in its fifth year and is an especially popular undertaking. Comprising its contribution to the "E" in PEG, the Cable Board has made significant contributions to help fund the broadcast infrastructure for the Birmingham Public Schools.

CAC Committee

The Cable Action Committee was formed to follow up on Board initiatives and cable provider commitments at the monthly meetings and drive special projects. Subscriber complaints are reviewed and legal/legislative issues and new initiatives are discussed. Mary Ann Verdi-Hus is the Chairman. Discussions involved PEG and municipal support services grants, financial matters, cable provider merger implications, website updates and long term planning. The possibility of doing another resident survey was discussed but it was deemed too soon to undertake a survey (the last one was done in 2013.) This has been a transition year in terms of financial reports since the Beverly Hills Finance Director retired and a permanent replacement was not hired during this past fiscal year.

Personnel Committee

The Personnel Committee was formed to address personnel issues and fill Board vacancies and complete performance evaluations of the Executive Director. Mira Stakhiv is the Chairman. The Personnel Committee met in February of 2015 to conduct the second annual review of the Executive Director's job performance.

Audit

Plante & Moran, PLLC conducted the annual audit of Board financial operations. The audit included review of the financial activities performed by Beverly Hills, which acts as the BACB fiduciary agent. The audit also reviewed activity on the Birmingham Bloomfield Credit Union (designated funds to purchase capital equipment for PEG-related activities) and our Multi Bank Securities account (institutional investments). The Independent Auditor's Report indicated that the BACB's financial statements received an unmodified audit opinion for 2014-2015, which is the highest level given.

Grants

The Board provided a total of \$141,189.00 in grants during the fiscal year. Municipal support services grants were awarded to the four communities: Birmingham received \$29,815.00, the Village of Beverly Hills received \$3,115.80, Franklin received \$7,000.00 and Bingham Farms received \$1,440.00. PEG grants were also awarded as follows: Birmingham received \$24,720.00 (for Baldwin Public Library) and Franklin received \$1,263.55 (given to the Franklin Historical Society in connection with the Kreger House). BASCC (now known as NEXT) was given a grant to pay for cable and internet services. The Birmingham Public Schools were awarded a PEG grant in the amount of \$72,000.00. Grants were awarded to the Franklin-Bingham, Birmingham and Beverly Hills Police and Fire Departments to support essential security internet services.

In addition, Administrative Grants from franchise fees, per our Interlocal Agreement, were also returned proportionally to each BACB community.

Complaints

Written complaints to the BACB decreased in FY 2014-2015. There were approximately 49 formal complaints, compared to 57 the previous year. Our Executive Director accepts all calls and website complaints including informal actions, wherein residents decline to record formal action. Complaints involved pricing/billing, poor service, service interruptions, long wait times on Comcast 1-800 numbers, calls being shifted overseas, missed appointments (without compensation) and downed/unburied wires in the rights-of-way. Subscribers are still encouraged to call their provider first in an effort to resolve disputes. The BACB continues to accept and process complaints from our residents. We have streamlined the escalation process. WOW!, Comcast and AT&T have escalation teams to promptly deal with residents' problems and are often resolved within 24 hours.

Although in the past the Michigan Public Service Commission could address complaints against cable providers (as well as disputes between local units of government and cable providers), the Michigan legislature did not provide the necessary funding for these activities beyond 2015. Going forward, therefore, the role of the BACB in resolving subscriber complaints is more important than ever because there is no longer any possibility of seeking recourse from the MPSC. One noteworthy development in this area, however, is that the FCC has announced a new initiative to accept cable complaints. The details of this initiative have not yet been specified.

Fiscal Year Budget

The Board is expected to receive \$841,200 in franchise and PEG fees this fiscal year. This includes \$330,000 in franchise fees and \$511,200 in PEG fees. PEG fees are designated funds and may only be used for purchase and maintenance of capital equipment.

Memo



To: BACB
From: Steve Rota
cc: Greg Kowalski, Cathy White & Elaine McLain
Date: 1/13/16
Re: Report December 17th, 2015 through January 20th, 2016.

BAMA Programs

During this time period we've completed five regularly scheduled municipal meetings, Board of Zoning Appeals meeting, Two Baldwin Library Board and Trust Meetings and the BACB meeting.

BAPA Programs

From BACB area individual producers and organizations we've taped 18 programs. From individuals:

- ❖ Two *About You* hosted by Ellen Rogers.
- ❖ Three *Making A Difference at TCH* hosted by William Seklar
- ❖ Four *Michigan Entrepreneur* hosted by Tara Kachaturoff.
- ❖ Five *Patriot Lessons* hosted by Judge Michael Warren.

From BACB area organizations:

- ❖ Birmingham Bloomfield Community Coalition *Teen Talent Palooza*.
- ❖ First Presbyterian Church *Lunch and Learn* Lecture.
- ❖ BACB Sports *Boys Basketball*.
- ❖ TCH Race Relation and Diversity Task Force *MLK Breakfast*.

PRODUCER WORKSHOP

We had three residents attend our January 19th producer workshop.

We are offering a one on one session for those who are interested in producing their own show and to those who want experience behind the scenes. Please call 248-433-7790 and we can schedule a date and time with you.

UPCOMING SPORT SHOOTS

Thursday, January 28th Boys Swim and Dive at Seaholm
Saturday, February 20th Hockey at Birmingham Ice Arena
Friday, February 26th Boys Basketball at Groves

UPDATES

Crew Shirts and camera lens have been delivered.