

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

Absent: Kelly – Birmingham  
Ettenson – Bingham Farms

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

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.

Motion by Heldt, second by Borgon, to amend the agenda to add item 5a, “Discuss Reconciliation of Franchise Fee Fund Balance”.

Motion passed.

#### **APPROVE MINUTES OF CABLE BOARD MEETING HELD MARCH 18, 2015**

Motion by Heldt, second by McAlear, that the minutes of a regular Cable Board meeting held on March 18, 2015 be approved as submitted.

Motion passed.

#### **PUBLIC COMMENTS**

None

#### **GRANT REQUEST – FRANKLIN HISTORICAL SOCIETY**

Before the Cable Board for consideration is a grant request from the Franklin Historical Society to fund the purchase of a one-year Internet subscription from Comcast and a new computer to be used at the Franklin Historical Museum. In a correspondence dated March 27, 2015, Ann Lamott, President of the Historical Society, stated that a computer with on-site Internet access will be invaluable in allowing museum personnel to work at the museum rather than carry documents and files to locations with Internet service. The Internet Service will cost \$87.85 per month or \$1,054.20 annually; a computer will cost \$1,000. The total grant request is for \$2,054.20.

Other tasks that the equipment will be used for include:

- Easier public access to museum records
- Another avenue for public access to obtain information about their local area
- Genealogical research using ancestry.com
- Museum record keeping
- Faster updates for the Franklin Historical Society web site (franklin-history.com)
- Immediate answers to museum visitor questions requiring web access
- Access to the Internet during Birmingham school student visits

The Board discussed whether purchase of a computer was within the scope of the Cable Board grant policy and whether it would set a precedent. It was pointed out that a SmartBoard was purchased by Beverly Hills with a Cable Board grant. McLain read the goals listed in the Grant Policy. She added that entities that request grant money must clarify their intent; grants are considered on a case by case basis. The suggestion was made that the Franklin Historical Society has set forth a project worth supporting.

It was noted that this grant request covers Internet service for the remaining portion of this fiscal year and for the entire 2015/16 fiscal year. The motion will reflect a grant for Internet service through June 30, 2015. A motion could be brought before the Board in July to approve Internet service for FY 2015/16.

Motion by Stakhiv, second by Borgon, that the Birmingham Area Cable Board approve a grant request from the Franklin Historical Society for the purchase of a computer in the amount of \$1,000.00 and for Internet service in the amount of \$87.85 per month through June 30, 2015.

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

**CLOSED SESSION FOR ATTORNEY/CLIENT PRIVILEGED COMMUNICATION PURSUANT TO SECTION 8(h) OF OPEN MEETINGS ACT**

Motion by Heldt, second by Schneider, to go into closed session at 8:04 a.m. for attorney/client privileged communication pursuant to Section 8(h) of the Open Meetings Act.

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

The Board returned to open session at 8:28 a.m.

**DISCUSS RECONCILIATION OF FRANCHISE FEE FUND BALANCE**

Heldt reviewed that, at the February meeting, Board members received a financial report listing the Board's franchise fee and PEG fund balance year-to-date as of February 22, 2015. This report showed a franchise fee amount in excess of \$800,000 in the fund balance. There was discussion on whether the Board should distribute unused franchise fees to the member communities.

Heldt provided information with the intent to analyze and reconcile the franchise fee fund balance and arrive at a recommendation on how to proceed. The fiscal year ending 6/30/14 Franchise Fee balance was \$889,363 per the audit. The four communities received an administrative grant in January of 2015 in the amount of \$180,000. Current fiscal year net franchise revenue amounts to \$93,997. The February 22, 2015 franchise fee fund balance was \$803,950.

Current fiscal year revenue should not be granted back to the communities for the reason that the Grant Policy states that excess franchise fees are distributed following the year end audit. Further, the Board policy on franchise reserves calls for retention of 25% of “last year’s franchise revenue” for “working capital”. Per the audit, 25% equals \$83,757.

Heldt recommended that the Board transfer \$200,000 to the PEG reserve, which is presently underfunded. He outlined the three components of the PEG reserve policy adopted by the Board in January of 2014.

Heldt summarized that \$803,950 (2/22/15 franchise fee balance) minus \$93,997 (current FY net franchise revenue) minus \$83,757 (working capital) minus \$200,000 transfer to PEG leaves \$426,196 available for an Administrative Grant. The distribution amount could be rounded off to \$425,000.

Heldt addressed questions from Board members on the proposed franchise fee reconciliation and permitted uses for franchise and PEG funds.

Motion by Heyman, second by McAlear, that the Birmingham Area Cable Board transfer \$200,000 from the Franchise Fee balance to the PEG Reserve Fund and provide an Administrative Grant to the four communities in the amount of \$425,000 based on the percentage of their franchise fee contributions.

Borgon disagreed with transferring franchise fee money to the PEG reserve. He expressed the view that franchise fee reserves should be returned to the municipalities.

Roll Call Vote:

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

Motion passed (7 – 1).

**PROPOSED FISCAL YEAR 2015-2016 BACB BUDGET**

The Board is in receipt of the proposed 2015/16 Cable Board budget prepared by Executive Director White with the assistance of Jeff Heldt and Elaine McLain. White referred to the budget material and noted a change in the accounting for Administrative Grants. She mentioned that a budgeted amount of \$2,000 was omitted from the Tech Support/Consulting line item.

Questions from Borgon regarding an increase in legal fees and anticipated revenue were addressed by White.

Motion by Borgon, second by Heldt, to approve the Birmingham Area Cable Board Budget for Fiscal Year 2015/16 and forward copies of the document to the member municipalities for their review and comment.

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

## **COMMITTEE REPORTS**

### **Cable Action Committee**

Verdi-Hus reported that she and Cathy White were present at the April 2 meeting of the Cable Action Committee. They discussed the BACB website and results of the Google Analytics web tracking report.

Verdi-Hus related that White participated in the FCC webinar for State and Local Governments on March 30, 2015. The webinar addressed the FCC's recent Tennessee and North Carolina broadband decision, its Open Internet Order, and its Notice of Proposed Rulemaking released on March 16, 2015. White has provided Board members with a summary of the webinar discussion. The next CAC meeting will be held on May 7 at the Baldwin Library at 5:30 pm.

Stakhiv noted that Board participation in recent Cable Action Committee meetings has been down. She questioned whether a change in the meeting time should be considered in order to increase the involvement and input from members. McLain agreed that other options could be considered.

### **PEG Committee**

Heldt reported that he received a proposal yesterday from Bloomfield Community Television regarding contract renewal with the Birmingham Area Cable Board. This will be a topic of discussion at the May Cable Board meeting. The contract expires on June 30, 2015.

Verdi-Hus and McAlear left the meeting at 8:52 a.m. McLain announced that there were six Board members remaining at the table; seven people are required for a quorum to conduct Cable Board business. Alternate member from Beverly Hills, Jim Delany will leave the meeting following the Executive Director's Report.

## **EXECUTIVE DIRECTOR'S REPORT**

White reviewed one complaint pending from the last meeting, which has been resolved. She outlined four complaints received since the date of the last meeting. Financial information was not updated due to the absence of Beverly Hills' finance director. White reported on checks written in the last month.

A summary of the FCC March 30 Webinar was included in the Executive Director's report. White related that Livonia Television requested the participation of other Michigan PEG operations in its colleague survey. White participated in the survey on behalf of the BACB; Livonia Television intends to share its survey results with all participants.

White summarized information from a Broadcasting and Cable Magazine report indicating that Charter Communications has agreed to buy Bright House Networks.

McLain stated that this Cable Board meeting will conclude due to lack of a quorum. The remaining agenda items include Provider Related Topics, BAPA/BAMA Report, Old Business, New Business, Public Comments and Board Comments. McLain noted that the meeting materials are posted on the BACB website for public review.

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