

BIRMINGHAM AREA CABLE BOARD MEETING MINUTES – December 19, 2018

Present: Abraham, Eick, Fenberg, McLain - Birmingham
 Bayer, Bresnahan, Gugni – Beverly Hills
 Ettenson – Bingham Farms

Absent: Borgon – Beverly Hills (arrived at 8:16 AM)
 Shand – Birmingham
 Stakhiv - Franklin

Also Present: White – BACB Executive Director
 Currier – Attorney for Cable Board
 Rota – Bloomfield Community Television

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 14, 2018.

Motion by Ettenson, seconded by Eick to approve the minutes of the Regular Cable Board Meeting on November 14, 2018 as presented.

White inquired if any board member remembered who moved and who seconded the motion to amend last month's agenda. With no one responding, McLain will listen to the tape.

On page 4, McLain highlighted the new Cable Board web address: BACB.org, which would be linked up to the new website.

Motion Passed (8 -0).

PUBLIC COMMENTS

None

MULTI-BANK SECURITIES (MBS) PRESENTATION

Charles Kipp, Senior Vice President, Multi-Bank Securities, Inc. gave a brief overview and a "Heads Up". The paperwork for the new Treasurer, Michael Fenberg, has been completed. He assured the Board members that the Cable Board's investments with MBS were FDIC-insured and they need not worry about what has been happening in the equity market in the last 45-50 days. He advised the Board that interest rates might be changing and explained how it would affect the BACB's investments and how the Board could be and should be most fiscally responsible. The change in the Cable Board's investments would depend upon the Cable Board's necessity for cash and for projects.

McLain requested that Kipp send an email to the Board, via White, with his analysis of the market trend(s). In the Cable Action Committee meeting there will probably be a discussion about the revenue stream and strategic planning. She noted that she would visit each community in January or February explaining how the Cable Board very carefully analyzes everything. Fenberg explained that the Cable Board was well positioned to be able to accommodate any cash requirements or uses for the monies.

AUDIT PRESENTATION FOR FISCAL YEAR 2017-18

Spencer Tawa, CPA Engagement Manager, Plante Moran, PLLC presented a draft copy of the Financial Report with Supplemental Information, June 30, 2018 to each Board Member. He conducted a power point presentation, “Birmingham Area Cable Board Audit Presentation – December 19, 2018”, which summarized everything for the Board. He gave an overview of each page including, General Fund Balance Sheet/Statement of Net Position, Statement of Changes in Fiduciary Net Position (Income Statement), Revenue Trend, Expenditure Trend, and Communication with Those Charged with Governance. On page 4, he pointed out and clarified the categories under **Equity**, Fund Balance: Restricted (PEG Fees) and Committed (Franchise Fees).

Last year two (2) items were identified as deficiencies; one related to the journal entry they had identified and the other one related to controlled wire transfers. This year all the support for the journal entries was supplied but the internal control related to wire transfers and the ACH approvals were still on-going with the Credit Union. The Board has a policy requiring two (2) signatures for any disbursement over a certain amount. However, there remained the issue with the Credit Union of a single person being able to initiate and release wire disbursement. He recommended that after White initiates a wire transfer the Credit Union would then contact the Treasurer to confirm and track that transaction. This would be a “preventative” control as opposed to an “after the fact” control which the Board had previously practiced.

Tawa ended his report by saying this was a very clean audit of the current year.

With Tawa’s permission this Audit Presentation will be posted on the Cable Board website. Based on her many years of working with non-profit organizations, Bayer complimented the Board on the great job it was doing.

Fenberg and White thanked Tawa for his professionalism and stated it was a pleasure working with Plante Moran.

McLain stated that the Cable Board is a volunteer board and has a tremendous responsibility as a municipal arm for the four (4) communities. Because it is an appointed board and not an elected board, the standards are higher and it takes the assets very seriously. This is a professional organization.

COMMITTEE REPORTS**Cable Action Committee**

Regarding the website, the launch is set for January 1, 2019; the address will be the same and there would be a link, BACB.org. In January White and McLain would be working with Muniweb to set up some training sessions on how to maintain the new website. Fenberg and anyone else might wish to be involved with this. The next Cable Action Committee meeting will be Thursday, January 10, not the 3rd, at 4:30 PM in the Baldwin Public Library.

(Borgon arrived at 8:16 AM)

McLain listed several significant items on the agenda relating to the new website which would be discussed, i.e., social media presence and some security issues, such as “ghosting”.

PEG Committee

Borgon stated there was one thing on this morning’s agenda which will be finalized and presented to the full Board in January: adoption of the BCTV Policies and Procedures.

Rota updated the Board that the Library equipment has been ordered and will arrive in January for installation in late January.

Ettenson reported that in past years the Village of Bingham Farms meetings had not been televised. Due to new Council members’ interest and the new Executive Director, this may be changing, as he has been advocating for many years. He has requested that Rota come to the January Council meeting to talk about and demonstrate the advantages of televised meetings and possibly have a Council “straw vote”. Hopefully, this item would be put on its agenda in February, March or April. Rota noted that about 8-9 years ago there had been a site survey of the meeting room. The situation and arrangement would be similar to that of Franklin. McLain explained the entire process of involving the PEG Committee, resulting in its recommendation. Fenberg suggested that before its January meeting Council members have a field trip to Franklin to look at the facilities. McLain explained that with Bingham Farms being one of the four (4) communities with which BACB partners, funding would be provided through a PEG Grant.

EXECUTIVE DIRECTOR’S REPORT

White referred to her monthly report dated December 13, 2018. There were two (2) new complaints since the November meeting. The first (1st) complaint came from a Board member who lost all of her Comcast service (cable, internet and phone). It was restored and her account has been credited. This complaint is closed. The second (2nd) complaint was submitted by a Bingham Farms resident regarding an AT&T line that was dangling close to the ground. She has submitted the complaint to AT&T and is waiting for a response. This complaint is pending.

The account balances for the MBS, BBCU and Beverly Hills accounts as of November 30, 2018 were provided to the Board. The Beverly Hills balance is significant due to receiving a lot of end-of-the year revenues, which is typical for November and December. She will be requesting a transfer of funds from Beverly Hills to the Credit Union which will be needed in January for the payments of the Administrative Grants.

Since the last meeting White has written three (3) checks on behalf of the BACB, two were for significant PEG Grants for the Baldwin Public Library and Birmingham Public Schools (both for equipment upgrades) and a Municipal Support Services Grant to the Village of Franklin.

Additional Notes

Fortune Magazine reported in its November 15, 2018 issue that after a decade of rapid increases, the average cable TV bill had barely budged this year. The magazine credited this to the growing “cord cutting” of pay TV altogether and the cutting of the number of channels by the “cord shavers” (mostly millennials who never received pay TV).

Michigan NATOA, along with several communities and entities, has filed comments with the FCC opposing the FCC's proposed rules that would reduce cable franchise fee revenues for local governments and which would negatively impact other cable franchise obligations, in particular PEG channels. Michigan Municipal League, Michigan Township Association, PROTEC, Meridian Township and Bloomfield Hills have joined the effort.

The Wall Street Journal reported on November 19, 2018 that this past quarter was one of the greatest seasonal drops in consumers cancelling their cable TV or satellite subscriptions. The Cable Board will have to wait and see what effect it will have on its revenues. In order to compensate for the losses, some cable companies are making arrangements with the streaming services for their subscribers. Unfortunately, profit margins for this service (skinny bundles) are in the negative.

TV Technology reported that a new study has revealed that consumers recommend online pay TV rather than traditional pay TV services. This is a challenge for the pay TV providers.

Comcast has notified BACB that there will be price increases beginning January 1, 2019 for certain services and fees, including the Broadcast TV Fee and the Regional Sports Fee. White distributed a chart showing the changes to the Board.

Comcast also notified the Board that it will be offering some new Xfinity channels which she outlined in her written report. The Board has also been notified that, as of December 31, 2018, Comcast's programming agreement with Fuse will expire. Comcast will be notifying customers of this and changes with other content providers in the bills and annual notices. White provided the website and toll free number for customers to reference programming contracts.

Ettenson inquired if the new services, scheduling and pricing applies to the business subscribers in Bingham Farms. White was unsure but would find out for him.

McLain highlighted two things: 1. She opined that the first complaint was from a Franklin subscriber who has had endless issues. She considered this as a recidivist complaint. Mazurek, Comcast representative and who frequently attends BACB meetings, is well aware of the problems. 2. She advised all subscribers to review their contracts with the cable providers before January 1, 2019. Residents should know what they currently have and what will be changing as of January 1, 2019.

PROVIDER RELATED TOPICS

a. Comcast

There was no representative present; however, White had some communication from Mazurek, Comcast representative. Comcast is going to launch Amazon Prime video on its Xfinity X1 platform which is consistent with her report about trying to link itself with the streaming service.

b. AT&T/Uverse/Direct TV

There was no representative present; however, McLain was aware that some AT&T products would also be linking with a streaming service but she did not have specifics.

c. WOW

There was no representative present and McLain was not aware that WOW was looking at this as part of its business plan.

BAPA/BAMA REPORT

Rota referred to his memo to BACB dated December 13, 2018. He listed the completed **BAMA** Programs which were nine (9) regularly scheduled municipal meetings, the BACB meeting, the Parks and Rec Board meeting, the Zoning Board meeting and two (2) Baldwin Public Library meetings.

For the **BAPA** Programs, from the BACB area individual producers and organizations, thirty (30) programs were taped, all of which he listed.

PRODUCER WORKSHOPS and/or CAMERA WORKSHOPS- BCTV is offering a one-on-one session for those who are interested in producing their own show and for those who want experience behind the scenes. Please call 248-433-7790 and BCTV will schedule a date and time for you. Rota encouraged those on the Board who have not toured the facility to make arrangements to visit the facility.

The **UPCOMING SPORTS EVENTS** coverage will be two (2) in January and two (2) in February: Boys Swim and Dive, Boys and Girls Hockey and Girls Basketball. This will complete the Winter Sports Schedule.

He wished the Board a Happy Holiday Season and Happy New Year. It has been a pleasure to work with the Board the entire year.

At McLain's request, Rota explained what the Programing Committee is, its purpose, how to schedule meetings and what he would recommend to those members of the public who might want to produce a program: Go to www.bloomfieldtwp.org , Government, Services, Cable, Forms, Fill out form, "Program Development Proposal Form", submit it to BCTV. Someone will contact the resident to schedule a meeting with you and the Committee to discuss your proposed show idea and offer suggestions. After an agreement about the program is reached, the program is submitted to him and he distributes it to the full time staff members, one of whom will direct the show. The Director will contact the new Producer to set up a meeting to discuss pertinent and specific details which he further listed, up to and including when the show would air on the channel. McLain confirmed there were policies and procedures which needed to be agreed upon and signed in order to move forward. Said documents were the same for all those who wish to produce a show. Rota explained that all the information, including the Policies and Procedures, can be found on the website.

Rota has spoken with Stream Dynamics which is responsible for streaming the content BCTV provides, whether it is government or public programing, and Muniweb about providing a button on the new website which when clicked would access live BAMA/BAPA programs.

OLD BUSINESS

McLain attended the Holiday event at NEXT which was a lovely event. She encouraged the public to check out NEXT's website for all its winter activities.

NEW BUSINESS

Rosemary Bayer, the newly elected State Senator of District 12, regretfully stated she would not be allowed to stay on the Cable Board. She thanked everyone in the community for their support in the election and to everyone on the Cable Board and those in Beverly Hills. Serving on the Board has been a great opportunity and allowed her to give some of her technical expertise and service to the community and to learn a lot about cable and its impact on/in the community.

McLain extended the Board's thank you to her for outstanding work ethic and her immeasurable help with the new website. Her sense of humor and creativity has been essential.

PUBLIC COMMENTS

None

BOARD COMMENTS

None

There being no further business, the meeting was adjourned at 8:45 AM.