

MINUTES OF REGULAR SESSION
CITY OF HIGHLAND
TELECOMMUNICATIONS ADVISORY BOARD
CITY HALL
1115 BROADWAY
Monday, May 13, 2013
7:00 P.M.

ROLL CALL:

Members Present: Chairman Marron, Board Member Sharon Rusteberg

Additional attendees: City Manager Mark Latham, Director of Finance Kelly Korte, Councilman Neill Nicolaides, City staff members GERALYN HEMPEN, TRACEY ROBINSON, KATHLEEN MULCRONE, HCS staff members Eric Liening, Craig Wasser, John Deluca and one member of the public

CALL TO ORDER:

Chairman Marron called the meeting to order at 7:00 p.m.

MINUTES:

The Board did not approve the April 8, 2013 minutes due to lack of a quorum.

REPORTS:

A. List of Customer sign Ups and Installs

- a. Director of Finance, Kelly Korte, reported that HCS currently has 959 customers and a total of 1,919 services.

B. Financials

- a. Korte stated she will send updated financials at a later date.

DISCUSSION:

A. Reorganization of HCS

Latham reported that Dan Kennedy is no longer with HCS. In his absence, Latham has been overseeing HCS. Latham and Korte meet with HCS staff every morning. Latham stated that he is looking to recommend leadership in the next couple of months. The ideal candidate is someone who is well-respected in the community and is familiar with the business community. In particular, Latham is looking for an individual who is excellent in sales and can sell to the business community; especially businesses that were originally interested in HCS but wanted to wait until the service was stable before they signed on. Latham: "HCS business sales would help with the average revenue per customer."

Marron said that he has heard lots of compliments about HCS staff—“very friendly, polite, nice, and helpful.” Latham added that he believes one reason people stay with the service is the outstanding customer service.

B. Discuss RF Basic and Expanded Rates

Latham reported that there has been discussion regarding constructing an additional video package which would bridge the gap between the basic channel package and the digital family package. Latham and Korte suggested an expanded basic package (which wouldn't require a set top box) for \$59.95. Rusteberg questioned whether customers would want to jump from paying \$26.99 to the next package \$59.95. Latham: “We are trying to find a mid-range for customers to choose. This would be slightly under our competitors.” Hemen added that the package would come at a cost savings because the package doesn't require a set top box.

Korte reported that several suggestions have come out of the daily morning meetings as to what the staff would like to see happen. One suggestion was ordering two different set top boxes: one with DVR/additional features and one without. The basic box would be the free set top box, which would just allow channels. If customers requested, they would receive a better set top box (with DVR) for an additional fee.

Korte reported that staff will look into contacting Minerva and receive suggestions from them as to which set top boxes would work better with the system. From there, HCS would consider spending more money on higher quality boxes; which would save HCS money in the long run in terms of trouble calls.

Korte noted that a large portion of trouble tickets have to do with the routers. All of the calls have been for simple things and have been isolated incidents. HCS techs are spending a lot of time servicing routers, so the techs would like direction as what should happen in the future. One option would be selling high-end quality routers to customers.

There was some discussion on how router charges should be proposed when brought to Council. Korte suggested several options: 1.) Set a percent markup on routers and maintenance fees (since the price of routers constantly changes) or 2.) Set a flat rate and continue to modify the ordinance through Council. There was some discussion on whether or not to sell a router maintenance plan to customers. Marron stated that he is familiar with competitors who either rent routers to customers or have them buy it over time. Marron: “Customers paid a little extra each month. If customers had problems, they could talk to the company and would be charged a maintenance fee for this each month.” Marron said that he doesn't think people would be upset about a markup or maintenance fee factored into bill in terms of purchasing a router. HCS staff member Robinson noted that one challenge is that routers are backordered; keeping a good stock of dependable routers (at a good price) can be difficult. There is a serious need for quality routers. Korte clarified what should be taken to Council-- if customers want to purchase a router from HCS, there will be an automatic maintenance charge factored in.

Korte said that HCS staff also requested clarification on different charges and what each item covers such as: maintenance fees, services calls, wireless installation rates, etc. It was suggested that all of these items need to be covered in a letter. Korte confirmed that HCS will put together a list of proposed costs by the next meeting.

There was some discussion regarding commercial video pricing. It was decided that the entertainment package will be clarified by next meeting.

C. Discuss Bulk Rates for MDU's

Latham reported that Kennedy was in the process of constructing rate agreements with local property owners. The agreements would serve as a marketing advantage to property owners because they would be selling 'made ready' units with added amenities installed. HCS will continue to look into constructing rates for the MDU's.

ACTION:

A. Approved letter to customers

Korte presented a draft customer letter and updated information packets. She stated that once HCS has more clarification about various fees, they will send out another letter to all customers. Korte explained that the second letter might serve as another marketing opportunity for customers to add on services. She stated that so far, HCS has not lost any customers--- most people understand when the charge adjustments are explained to them.

Highland School Board member Jim Gallatin approached the Telecomm Board regarding HCS promotions and wondered if there were some ways in which HCS and the school could benefit from each other. Gallatin suggested HCS providing various promotions to benefit the school/sports programs. Rusteberg explained that HCS is ultimately trying to eliminate promotions since it is going through some growing pains; HCS has similar financial issues as the school. Marron and Latham agreed that HCS would need to look into additional marketing and market research before moving forward.

ADJOURNMENT

Board Member Rusteberg made a motion to adjourn the meeting; seconded by Chairman Marron. All in favor. Meeting adjourned. Next Telecomm Advisory Board meeting will be June 10, 2013.