

**MINUTES of REGULAR SESSION
CITY OF HIGHLAND
TELECOMMUNICATIONS ADVISORY BOARD**

**CITY HALL
1115 BROADWAY
MONDAY, AUGUST 12, 2013
7:00 P.M.**

ROLL CALL:

Members Present: Chairman Marron, Vice-Chairman Boulanger, and Board Member Rusteberg

Additional attendees: City Manager Mark Latham, Director of Finance Kelly Korte, City staff members Tracey Robinson and Kathleen Mulcrone

CALL TO ORDER

Chairman Marron called the meeting to order at 7:02 p.m.

MINUTES:

- A. Approval of minutes of the July 8, 2013 Regular Session of the Telecommunications Advisory Board

Board Member Rusteberg made a motion to approve the July 8, 2013 minutes. Vice-Chairman Boulanger seconded the motion.

REPORTS:

- A. List of Customer Sign Ups and Installs

Latham reported that HCS currently has 1,053 customers. Presently, HCS is catching up on installs. This is due to the fiber techs installing a fiber line from the hospital to the high school--this took a couple days to do. Latham reported that Terri acquires, on average, 11-15 sign ups per week. Rusteberg asked whether HCS has lost a lot of customers. Korte explained that most of the residents, who have voluntarily disconnected from HCS, do so because they move out of the service area--not because they are dissatisfied with HCS services. Marron noted that a lot of residents tend to move right before school starts.

B. Financials

Korte reported on the financials for May and June 2013. Korte, "As you can see, in terms of revenue versus expenses, they are not where we want them to be yet." However, Korte noted that they continue to track the revenue per customer; which is updated all the way through July. Korte stated that billing reports have shown that the customers who are leaving are those with the higher dollar amount. In turn, they have been replaced with customers who have a lower billing average. Korte asked the Board to keep in mind that the numbers presented are only estimates; the number of customers, additional services, etc. continues to change daily. Latham stated that HCS makes most of its revenue off of Internet—"We need to start selling that. Video makes the least amount of revenue for HCS and is the most costly." Rusteberg: "I would assume video probably drives you the craziest; people pressing the wrong buttons, unplugging cables, etc." Latham responded that the number of trouble calls has decreased in the past few weeks. HCS has had very few trouble calls right now; the weekend on-call tech received one call. Rusteberg asked whether HCS was still having problems with the post office and billing statements. Korte explained that the issue has been resolved. City Hall has requested a credit to be issued since the billing problem wasn't a City error. Rusteberg stated that her husband is very pleased with the business Internet and has encouraged people to take the service.

C. ICN Connection and Avail Feed Information

Robinson reported that, "The ICN connection to Chicago is not quite there yet, should be there by September 30." Currently, the Alhambra and Highland attorneys are working together on an agreement for the transport. Robinson reported that, "HCS should have its first ICN connection on the dark fiber tomorrow, which will be going into the hospital." Robinson stated, in terms of the Avail feed, HCS has now obtained (back) the live radio stations. HCS has also added an additional 10 music channels--they are now live. This brings the channel count to 315.

D. Progress Regarding Call Center

Latham reported that there are no updates on the call center at this time. Latham hasn't heard back from the gentleman interested in the fiber. The City is trying to promote fiber to prospective businesses. Latham reported that HCS and the Electric Department are gearing up for fiber construction---south and east of Poplar Street. Dan Cook will be in charge of construction and has all of the equipment that needs to be ordered. Latham anticipates that fiber construction will begin the first part of September. The projected completion time would be the end of the year. From there, HCS should be able to begin fiber construction

in other areas. Latham made contact with Terra Properties regarding the bulk rate. He would like to see the MDU projects started soon. In addition, Latham has other businesses to contact in order to work towards seeking additional revenue sources within the community.

ACTION:

A. Approval of Changes for Telephone Features

Korte stated that she would like to clean up rates so that the billing reflects what the ordinances read. They are still waiting on the Pay Per View rates. Since the Pay Per View rates have not been calculated/included, she would like for the Board to look at them at next month's meeting. Korte requested to go to Council with all of the rates at once to receive approval.

B. Amend Business Video Charges

Korte explained that before she was heavily involved with HCS, commercial charges were passed but not used. She would like to amend the ordinance so as to reflect what the customers are getting billed. Korte stated that, with the exception of long distance charges, these changes would not affect the customers. Korte: "This is just a cleanup issue." Marron recommended bringing the commercial video charges up at the next meeting. Rusteberg made a motion for the Board to approve the changes recommended for the telephone features differences between the City and Big River and have the commercial video rates and Pay Per View rates placed as an action item on the agenda for the next meeting. Boulanger seconded the motion. All in favor. Motion carried.

Robinson stated, "In the next three months, HCS has a lot of changes coming up. Our affiliates are dropping the SPEED channel. It will now be (FS1) Fox Sports 1. This will take effect August 17. This is not our decision." Boulanger stated that this may be due to Fox's recent re-branding efforts. Robinson reported that HCS will also have to look at renewing contracts. Many networks will be forcing HCS to add more channels, with additional costs involved. Robinson: "This is something we will have to look at in the near future. We will have to make a determination on who will pick up the extra costs." Robinson stated that in a couple weeks, YouTube channels streams will be available to HCS customers.

ADJOURNMENT

Boulanger entertained a motion to adjourn the meeting. Rusteberg seconded the motion. All in favor. The meeting adjourned at 7:31 p.m. The next Telecomm Advisory Board meeting will be September 9, 2013.