

HIGHLAND, ILLINOIS
MINUTES OF REGULAR SESSION
TELECOMMUNICATIONS ADVISORY BOARD
CITY HALL, 115 BROADWAY
MONDAY AUGUST 8, 2011
7:00 PM

Call to Order

The meeting was called to order by Chairman Marron at 7:00 PM.

Roll Call

Members present: Chairman George Marron and Vice-Chairman Jon Boulanger.

Also present: Councilman Neill Nicolaides, City Manager Mark Latham, Director Dan Cook, Operations Manager Steve Ferguson, City staff members Andrea Enright and Tracey Robinson.

Approval of Minutes

Vice-Chairman Boulanger made a motion to approve the minutes of the July 11, 2011 Telecommunications Advisory Board meeting; seconded by Chairman Marron. All voted in favor; the motion carried.

Reports

Updated List of Customer Sign Up and Installs: Steve stated that there are currently 124 customers connected to phone and internet. Vice-Chairman Boulanger asked how many customers will be set up each month and Steve stated that the goal is 40 right now and it is currently 30. Steve explained that right now HCS is working on going back to set up phones to the customers that only had internet. Steve anticipates that business will increase with the Phase II build outs and the upcoming television services. He said that having 900 customers installed by April 2012 is the goal.

Phase II Status: Steve said that the first LCP that needed to be completed, LCP 9, has been completed except for the underground work. He said they will then move forward with LCP 10 and the splicer will splice the MSTs. He said that HCS will be sending postcards out this week to new addresses that are now available for service. He said that the remaining material needed for Phase II has been ordered and there is enough to move forward. Steve said that everything is moving forward and there is a project partner on hand from Spectrum Engineering that is on hand to help the contractors. He said that has been beneficial.

Connection to Troy Update: Steve said that the permitting is completed for IDOT, the fiber is in, and the material that is being shipped from Graybar should be in within the next two weeks. He said that HCS should have a construction meeting within a week.

Chairman Marron asked if HCS is still working on the agreement with Ameren and Mark explained that it has been completed and the full analysis should be completed by the end of this week. Mark explained that everything is underground from Highland all the way to Route 4 and the swamps.

Channel Lineup: Steve handed out the current channel lineup and pricing associated with the packages. Steve explained that the basic television package is currently at \$26.99, the next step up is at 67.99, and the expanded package is \$73.99. He explained that if you were to select the middle tier or upper tier, HCS should be able to market it that those packages will include DVR. He said that it would be \$10 additional to get all of the HD channels. The premium channels will be packaged about \$12.00/package for channels such as HBO and Showtime.

Chairman Marron asked if there would be packages for the additional channels such as HBO and Showtime together. Steve stated that HCS will market a couple different packages for these channels.

Steve said that the original pricing sheet is very similar to the most current pricing. Chairman Marron stated that he has heard from residents that Charter has not been raising their pricing since HCS has been established. He said that this should be kept in mind because if HCS was not around then Charter would have continued to increase their rates. Steve said that the current rates include any rate hikes that there could be for next year.

Chairman Marron asked when the Board needs to recommend the prices. Mark explained that the lineup and pricing needed to be recommended during the current meeting because Council should approve to move forward next Monday, August 15, in order to implement the television services in September. The Board discussed that the pricing was comparable to that of Charter.

Status of Implementing Minerva: Steve said that Jim Feola from MegaHertz is in town and the installation of the technical pieces of the middleware should be in place by Thursday. The board discussed the various features of the new software such as internet access, messages from HCS to the users, setting up separate profiles for each user in a house, etc. Steve said that six months down the line customers who have DVR and an iPhone will be able to set their recordings from their iPhones as well as eventually streaming such programs to the user's phone.

Mark said that one of the advantages of this software is that it doesn't cost anything for upgrades. In addition, the software company sends updates from their location to you and those updates are automatically installed into your set top box. Therefore, technicians do not have to go out to the customers' locations and install upgrades.

Vice-Chairman Boulanger asked how to back up the DVR that you might store images on and that it might be a service HCS could offer. Steve said he was unsure but he would look into it for the next meeting.

New Business

Recommendation of Programming Agreements: Steve handed out information regarding the Programming Agreements and stated that the Telecommunication Advisory Board has the sole authority of the City to decide which channels HCS carries. Steve explained that if the Board agrees to move forward with the lineup then a Resolution would be created and it would go to City Council for their approval.

Chairman Marron asked about the Game Show Network and Steve explained that it is including in the basic but he is trying to get it incorporated into the lifeline. Chairman Marron asked if there were any religious channels and Steve confirmed that there was one religious channel.

The Board discussed bundling the packages in options such as purchasing two services results in \$5.00 off per month and purchasing three services results in \$10.00 off per month.

Chairman Marron asked how often the Board would have to reestablish rates for the HCS services. Mark and Steve stated that this should be only once a year. Chairman Marron asked that City staff keep the Board up-to-date on the costs so that they may recommend any necessary changes.

Mark stated that Fidelity was working to become a reseller of Avail and that this could be much easier for HCS.

The Board discussed Charter's pricing and knowing what the quality of service is and the channels as well as internet speeds that Charter is offering in comparison to HCS. In addition, the Board discussed increasing internet speeds to stay competitive with Charter.

Pricing of Channel Lineup: Chairman Marron made a motion to recommend the programming agreement, outline, channel lineup, and pricing to the City Council. Vice-Chairman Boulanger seconded the motion. All voted aye; none nay.

Status of Service Affecting Issues: Steve said that 4-5 customers that HCS has been having difficulties with the IP addressing and also if the companies have their own servers to host email. He explained that when the companies switch to new IP providers other servers often think that the email is coming from a spam email account because the IP addresses have changed. He said that HCS has to go back and do configurations as well as work with Cogent. In addition, HCS has to come in contact with other companies to let them know that the IP addresses are good.

Chairman Marron asked who was working on these problems for the City. Steve explained that Rick with Fidelity, HCS, and local IT companies are working together to solve the problems. Steve said that he has been sending Rick out to some of the sites to see if he can solve the problem.

The Board discussed problems with some of the particular businesses and how the issues were resolved.

Mark said that the City is currently in the process of hiring an engineer to replace Rick. The Board discussed the position and how difficult it is to find someone that fits the needs of the position within the same pay grade. The Board agreed that the important thing is that the problems are solved.

Steve explained that the level of lights waves has been coming in incorrectly at certain locations. He said that this is partially because of the amplifier for the video services and that Jim Feola would be in tomorrow to work on lowering the light levels for each install.

Vice-Chairman Boulanger stated that it is very important that the City have someone on staff that knows how to address these problems before going in; otherwise, it is a poor reflection on what HCS is trying to do. The Board discussed that often times businesses do not have IT guys and this can make correcting problems difficult.

Chairman Marron reiterated the importance of staff keeping the Board up-to-date on any pricing or profit changes so that the Board can make the necessary recommendations to Council.

Vice-Chairman Boulanger asked what the time delay in an increase in hardware demand and the amount of time it takes to get the necessary hardware in. Steve said that Fidelity and Minerva has a lot of set top boxes on hand so he does not see a problem with the DVRs. The Board discussed that the current set top boxes are less expensive than the initial set top boxes that HCS was looking at. In addition, the Board discussed the current economy and the rate at which most companies produce products and the amount of inventory they keep in stock.

Chairman Marron and Vice-Chairman asked that the SWOT Analysis be placed on the next meeting's agenda so that the Board can have a general discussion regarding it.

Next Meeting

The next meeting of the Telecommunications Advisory Board is scheduled for September 12, 2011 at 7:00 PM.

Adjournment

Vice-Chairman Boulanger made a motion to adjourn the meeting; seconded by Chairman Marron. All members voted aye, none nay; the meeting adjourned at **7:44 p.m.**