

Council Workshop  
August 9<sup>th</sup>, 2011  
5:30PM Council Chambers

Councilors Present: Kenneth Murchison, David Martin, John Boone, Chris Bell, Miles Williams, Mark Goughan, Mary Kate Barbosa

Other Present: Steven Buck, Michael Edgecomb, Chief Gahagan, Chief Woods, Sergeant Vincent  
Mayor Murchison opened the meeting at 5:38PM.

**1. Informal review of Time Warner Franchise Agreement pending for negotiated renewal with Michael Edgecomb, Director of Government Relations.**

Michael Edgecomb, Director of Governmental Relations for Time Warner Maine, presented on the current and proposed Franchise Agreement for cable services. Mr. Edgecomb and manager Buck had reviewed the contracts earlier in the day and narrowed the focus to five major areas.

1. Time Range for the renewal is viewed to be a 5, 10, or 15 year agreement depending upon the Council's preferences. There is a premise that the State could impose a statewide franchise agreement that could replace individually negotiated agreements. Any such agreement would not become effective until after the end of any currently effective agreement. A longer agreement could protect against such an occurrence. A 5 year agreement is viewed as short as Time Warner must provide notice to negotiate 36 months prior to expiration. The rate of technology changes are factors to consider for a shorter term agreement, giving the opportunity to renegotiate based upon the implementation of such new technology.

2. Franchise Fee is the second major area. The City's past agreement set a 3% fee upon qualified services provided as defined. This franchise fee is a direct pass thru or tax upon users of the system. Should the City set the franchise fee higher, Time Warner simply increases or passes this increased franchise fee onto the user as part of their monthly bill. Council expressed concerns of increasing the fee/tax on the cable users and will discuss further.

It was discussed that the City can negotiate the basic tier 1 programming as part of the franchise agreement, but Mr. Edgecomb indicated that this is seldom done.

3. Section 22 Franchise Fees of the proposed Agreement is set at 3%. It was discussed to have a time period to reopen the Agreement earlier than the expiration of the entire Agreement. It was noted that the proposed language allows for a 90 day notice to Time Warner and the City could reopen and set a different franchise fee, assumed due to the business model changing and or the desire to increase or decrease said fees upon the users.

4. Section 20 Service Area was reviewed extensively. It was noted that the current Agreement had a threshold for system expansion of 40 homes per mile or 20 signed users for three year contracts per mile. The proposed Agreement suggests a threshold of 25 homes per mile as the threshold. The Manager requested Time Warner provide a map of the currently served areas and then depict the potential expansion areas as per the lowered threshold of 25 homes per mile. The Council concurred this would be an essential element in negotiations. The number one request of residents is from those currently unserved wanting to obtain Time Warner services. The City recognizes the potential expansion to unserved areas as the single most important issue to resolve.

5. The area of improving the city's public access channel broadcast equipment is also an area of major concern. Mr. Edgecomb committed to having a technician assess the current system and make recommendations for improvements. Typically Time Warner will expense such improvements over time and account for the expense from the franchise fees or a special assessment upon the users, a direct pass thru.

Discussions continued on systems upgrades. System upgrades can be negotiated but Time Warner is currently continuously upgrading the system, typically by nodes. A major upgrade would be to run all fiber to each area, neighborhood, allowing for substantially increased speeds and capacities within the system. Caribou's current capacities, number of users per node, is low in comparison to the larger metropolitan areas of the state, thus we have very good speeds on the systems and programming capabilities.

Currently there are approximately 2,438 customers for video services in Caribou. This number has decreased slightly in recent years, assumed due to competition and pricing by competitors. Some councilors expressed cost of Time Warner services are a concern amongst some constituents.

Future conversion to all digital channels is ongoing in certain markets. It is unknown when this will hit Caribou, but is assumed in the next few years. Customers will then have to have a converter box, free for the first three years, and then \$1.00 per month thereafter. Will this technology provide for individual channel selection instead of by packages? It probably would not as the costs to deliver programming are relatively fixed. Individual selection of channels would elevate the pricing.

Other topics discussed:

- Cost of expansion is averaged as \$25,000 per mile, some more, some less.
- Need to have a two-way connection at the Caribou Performing Arts Center to allow for broadcasting from the facility to the public access channel.
- Virtual LAN for all City Departments\*\*\*
- TW cables along Sweden Street need to be moved to new MPS poles so older poles can be removed
- Consider video conferencing capabilities installed in Council Chambers as part fo the upgrade
- TW to quote City on phone services as the City is exploring upgrades of services and costs savings
- Consideration of expanding the City's bandwidth for business operations
- Camera connectivity with school buildings to police department to increase security

The Council will meet again on all these topics to prepare for negotiations. The Manager was directed to work with Time Warner for necessary amendments to the propose Agreement prior to first negotiation meeting. Mr. Edgecomb left at 6:15PM. Councilor Goughan left at this time. Council took a short break awaiting the Police Sergeants to arrive.

## **2. Executive Session: Review of pending Sergeants' Contract for the Caribou Police Department, pursuant to Title 1 MRSA Section 405 (6) (D).**

Motion by Councilor Martin to move to Executive Session for the purpose of further developing a Police Sergeants' Contract, pursuant to Title 1 MRSA Section 405 (6) (D).

Second by Councilor Williams – Voted 6-0

In at 6:55PM

Out at 8:07PM

**3. Executive Session: Review of Mediation work product for Teamsters Fire & Ambulance, and Police for continued negotiations, pursuant to Title 1 MRSA Section 405 (6) (D).**

Chief Gahagan and Chief Woods joined the meeting.

A Motion by Councilor Bell to move into Executive Session for the review and development of materials stemming from mediations with the Teamsters Units of Fire and Ambulance and Police, pursuant to Title 1 MRSA Section 405 (6) (D).

Second by Councilor Boone – Voted 6-0

In at 8:10PM

Out at 9:32PM

The Manager will communicate the outcome of the Councilors' review of the mediation developed materials to the State mediator, John Alfano, and hold until a response has been received.

Councilor Barbosa listed several storm damage areas to be addressed:

- Tree off Elmwood Avenue leaning towards utility lines and is a hazard to those passing by the property
- Home off from Prospect and Collins Street having a tree leaning on the roof of the structure
- Home on Lynn & Pioneer

Councilors also discussed with Chief Gahagan a business that is depositing materials and wares on the City sidewalks. Council has no problem with enforcement actions.

Adjourn 9:45PM