

**Minutes of the Special Formal Meeting
of the
Oakland University Board of Trustees
March 6, 2002**

Present: Chair Ann V. Nicholson; Trustees Henry Baskin, Penny M. Crissman, David J. Doyle, David T. Fischer, Louis Grech-Cumbo, Linda S. Hotchkiss, and Rex E. Schlaybaugh, Jr.

Also Present: President Gary D. Russi; Vice Presidents Susan Goepp, Lynne C. Schaefer and Mary Beth Snyder; Interim Vice President Virinder K. Moudgil; General Counsel and Secretary to the Board of Trustees Victor A. Zambardi and Assistant Rhonda G. Saunders; and Student Liaisons Adam L. Kochenderfer and Kimberly A. Langley

I. Call to Order

Chair Ann V. Nicholson called the meeting to order at 2:05 p.m. in the Auditorium of the Elliott Hall of Business and Information Technology.

II. Roll Call

Mr. Victor A. Zambardi, General Counsel and Secretary to the Board of Trustees, conducted a roll call. All of the Board members were present.

III. Action Items

A. Approval of Agreement with Comcast Cablevision to Provide Cable Television Services to Residence Halls and University Apartments

Chair Nicholson called on Dr. Mary Beth Snyder, Vice President for Student Affairs, to present this item. Dr. Snyder stated that at the November Board Working Session she reported on the progress in developing a new agreement with Comcast cable services to continue cable television in the residence halls and to add services to the new apartment complex. She noted that the current seven-year agreement for cable television expires this May, and that since the Board did not meet in January and February, it was necessary to bring this item to the Board for

approval to enter into an agreement with Comcast Cablevision in a Special Formal Meeting. Dr. Snyder stated that the Board has been provided copies of the Service Agreement, Bulk Bill Addendum, and Memorandum of Agreement that will become effective in August of 2002 for a ten-year term upon the Board's approval. She noted that the agreement includes an increase in connection cost from the current \$8.09 to \$11.00 for a total payment of \$11,660 per month, which has already been included in the residence halls budget. Dr. Snyder added that the rate includes the installation of all wiring and necessary equipment to bring the cable services to the apartment units, which will be very convenient for Comcast to work in tandem with the other telecommunication installations that are occurring right now during the construction of the apartments.

Dr. Snyder presented the following recommendation for Board approval:

RESOLVED, that the Vice President for Finance and Administration be authorized to execute the proposed Service Agreement (Attachment A), the proposed Bulk Bill Addendum (Attachment B), and the Memorandum of Agreement (Attachment C), with Comcast for residential cable television services; and, be it further

RESOLVED, that the total annual cost of the cable television service in the first year shall not exceed \$139,920.

(Attachments A, B, and C are on file in the Board of Trustees Office.)

Trustee David J. Doyle moved approval of the resolution, and Trustee Rex E. Schlaybaugh, Jr. seconded the motion.

Trustee Henry Baskin expressed concern about the fact that Comcast, which is experiencing difficulties, has a virtual monopoly on cable deliveries. He also raised concern over the contract language that allows Comcast to increase the unit price no more than once a year, and he questioned whether there will be a relationship between what Comcast charges residents in the community and what they charge the university. Trustee Baskin also commented that he does not want to give Comcast the opportunity to just raise rates at their discretion.

Trustee Baskin stated that, even though the annual cost is supposedly built into the budget, he is concerned about the additional cost incurred with the rate increase. Dr. Snyder responded that the annual cablevision cost is built into the projections approved by the Board last year in the housing auxiliary budget. She noted, however, that the budget did not include the additional \$15,000 to cover the rate increase. Dr. Snyder added that the university has contracted for cable services for seven years with no rate increases during that time. She stated that when the discussion with Comcast began, they looked at that history and

negotiated an increase that is significantly less than the rates paid by the community for residential cable service. Dr. Snyder stated that Comcast is the only provider in this geographic area, and that language was negotiated to limit increases in concert with what is happening in the surrounding community. She also commented that she believes the increase from \$8.09 to \$11.00 per connection charge is reasonable.

Trustee Baskin stated that he is also concerned about Comcast's ability to control the program selection for the university and not having leverage over what channels are chosen. He also cautioned whether the university actually wants to commit to a 10-year contract with Comcast when technology may change drastically during that time.

Trustee Schlaybaugh asked if the agreement has a termination clause in case the rate of increase is too high. Mr. Zambardi responded that the agreement does have a termination clause if Comcast goes over the cap of the local community rate. Trustee Schlaybaugh stated that his question is actually related to if it is determined that the rate is too expensive versus an alternative delivery system on the market, even if it is at the increased residential rate, can the university terminate the agreement. Mr. Zambardi replied that the university would not have a termination option in that situation.

Trustee David T. Fischer asked if the agreement language could be modified to address the Board's concerns. Dr. Snyder replied that it could be done, even though the student apartments contractor is ready to install the cable wiring along with the other telecommunications wiring.

Trustee Schlaybaugh inquired whether other technology has been explored, and Dr. Snyder replied that some people living in married housing have experienced considerable equipment cost and interference with satellite technology due to high winds, etc. She added that the university simply does not have the personnel to deal with the annoyances associated with the satellite technology.

Trustees Baskin and Fischer asked if the university has control over the programming, and Dr. Snyder replied that the whole geographic area gets the same line up, driven by market demand. Trustee Fischer asked if a premium upgrade is available to the students, and Dr. Snyder responded that it is available but not included in this basic rate, so the students would have to contract separately for the upgrade. She stated that it may be possible to negotiate the premium upgrade rate through another bulk billing for the premium channels. Dr. Snyder added that the students have not objected to the program line up in the seven years that they have had cablevision.

As a result of the Board's requests, Dr. Snyder agreed that the administration will continue to negotiate with Comcast to discuss clarification of annual rate increases, control over program selection, setting rates for expanded services, and additional termination options, and that she will return to the Board with that information.

President Gary D. Russi suggested that this item be tabled to allow the negotiating team time to respond to those issues. Chair Nicholson asked for a motion to table the item. Trustee Baskin moved, and Trustee Fischer seconded the motion to table the resolution. The motion was unanimously approved by those present.

IV. Adjournment

Chair Nicholson adjourned the meeting at 2:32 p.m.

Submitted,

Approved,

Victor A. Zambardi
Secretary to the Board of Trustees

Ann V. Nicholson
Chair, Board of Trustees