

MINUTES OF A PUBLIC HEARING OF THE MAYOR AND COUNCIL OF THE TOWN  
OF CHAPEL HILL, CHAPEL HILL HIGH SCHOOL, OCTOBER 15, 1979, 7:30 P.M.

Mayor Pro Tem Epting called the meeting to order. Present were:

Marilyn Boulton  
Gerald Cohen  
Jonathan Howes  
Beverly Kawalec  
R.D. Smith  
Bill Thorpe

Mayor Pro Tem Epting announced that Mayor Wallace had been delayed. Council member Vickery was excused.

The council was to hear proposals from Alert Cable Television of North Carolina, Inc., Vision Cable of Chapel Hill, Inc., and Mega Vision Company.

Alert Cable Television

Mr. James McHugh represented Alert, which offered multiple channels in all of its franchises, and proposed 30 channels for Chapel Hill. The company would have local citizens engaged in access to the facilities. Mr. McHugh stated that Alert was the only company in the U.S. to provide a distribution service for background music. He described some of the local programming in other communities such as high school football games and the black mayors' caucus. The system in Carrboro would also be televising a forum for candidates.

Mr. Kawalec asked if the antenna in Carrboro would be used for reception in Chapel Hill. Mr. McHugh answered it would. The Chapel Hill system, though interconnecting with Carrboro's system, would not be an extension of Carrboro's system.

Council member Howes questioned the lack of a Washington, D.C. channel. Mr. McHugh explained that Washington channels were available only through a carrier which was not satisfactory.

Council member Thorpe requested information on the percentage of blacks employed by the company in management level positions in North Carolina. The company had 46 employees, several of which were blacks. Although there was one woman in management, there were no blacks. Mr. McHugh stated that there were blacks in training programs but the company had difficulties finding blacks qualified in cable vision in North Carolina.

Mr. Charles Propster requested a description of the institutional network and how its cost would be paid. Mr. McHugh answered that the institutional network was proposed in response to specific needs of a certain sector of the community. It would not be an entertainment channel. The network would be paid for by its subscribers, but would be free to schools.

In response to questioning Mr. McHugh added that an advisory committee of local residents would advise on the type of local programming wanted.

Mr. Vogel questioned the location of head-in sites or earth station sites. Mr. McHugh said the company worked with the environment. The projected location was where the station was in Carrboro.

Mr. Propster asked if every home in Chapel Hill would have access. It would. There were various ways of installing the equipment. In some homes, it would be fixed to aerials for utilities and in others it would be underground. Damage could be done to yards when putting in the cable. Subscribers would be billed by the month or could pay in advance. Mr. McHugh believed his company to be the most capable and the most determined to produce a good system.

Vision Cable of Chapel Hill, Inc.

Ms. Trish Hunt came forward to introduce the company to Chapel Hill. She stated it was not a local company, but one which had many franchises within the state. When first called to represent the company, she had investigated and found the company to be an outstanding one. It was large enough to give Chapel Hill a good system, was financially secure and had experience. She then introduced some of the company officers.

Mr. Sidney Knofel presented a slide show of cable television equipment and the offices of Vision Cable. The company proposed hiring high school students on a part-time basis for training. A local citizen's committee would be formed to advise of programming. Non-profit organizations would have free airing of public announcements. Two-way communications--commercial, computerized burglar, fire, and medical alarm systems--would be available.

Ms. Pam Hammond described some types of the local programming offered. She added that community agencies would be solicited for other ideas.

Mr. Mike Wilner reviewed the history of the company and its plans for future growth in services offered in the proposal.

Mr. Rivers believed the projected year for installation of service to be ambitious. He asked for more detail. Mr. Wilner responded that the company had established itself within 9 months in Morehead City. The size of building and equipment needed were less for Chapel Hill. The suppliers had been checked for equipment.

When questioned about the cost of the TOCOM service, Mr. Wilner said it would be between \$12.95 and \$15.95.

Council member Thorpe asked how many minorities were in the company. Of 250 employees, 1/2 were in North Carolina. Many of the employees were black. Although there had been some blacks in management, they had left the company.

Mr. Vogel inquired about the head-in site and clearing. Mr. Wilner admitted there might be problems with a site in Chapel Hill. The company was considering the high school as a possible site. They would have a 175' tower.

Council member Howes requested an explanation of the FM system. Mr. Wilner stated the radio system would hook to the antenna just as a television. There would be 22 to 23 signals. Seven of these systems were in operation. The two-way interaction was in the experimental stage now, but the capability would be built in.

Ms. Howard questioned the use of alarms with the system as there had been problems with false alarms. Mr. Knofel explained the problems were in the alarm devices in the home, not in the carrier. The sensing connectors were at fault.

In response to more questioning, Mr. Wilner stated the company was the first to propose 51 channels for the future in Chapel Hill. The technology had not been available when other systems were installed.

Ms. Waldorf inquired whether the construction schedule outlined could be met with the number of franchises which had been granted the company. Mr. Wilner anticipated no problems with the construction schedule. There had been some delays in other areas due to the weather. Difficulties with signals of systems acquired from other companies had been overcome.

Queried about the local access production systems, Ms. Hammond stated the company would supply technical help and support. Some of the equipment used by Vision Cable and staff would be available for use for local production as well.

Mr. Propster asked how the rates would be determined as the company would have a monopoly within the community.

Mr. Knofel explained that the Council could regulate prices for the system. The proposed rate would be in effect for two years. Vision Cable proposed a ten year schedule with built-in rate increases.

#### Mega Vision Company

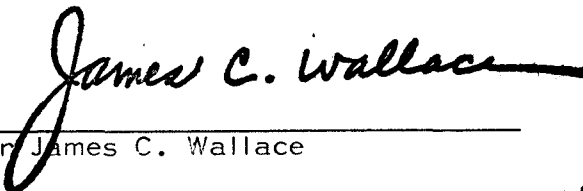
Mr. Clark explained that Mega Vision would form a limited partnership for ownership of the system. He stated the experience of his company. In direct benefits provided by the company included a 20% discount to senior citizens. The head-in site and antenna would be located at the high school if possible. The company would build a \$200,000 studio at the high school and donate it to the school. The studio could also be used as in-kind funds for a matching federal grant. Technical assistance and personnel would be provided. Students would be employed in the studio. Fifteen per cent of the partnership would be offered to the Town so that local citizens could invest in the company.

Council member Epting asked why the proposal for citizens to invest was not in the submitted proposal. Mr. Clark answered he thought the proposal would be easier to explain at the public hearing.

Mr. Edinger inquired whether the company had this arrangement with any other city. They did not. Mr. Edinger was concerned this might create a conflict of interest.

Council member Howes asked whether Mr. Clark had approached the High School for permission to locate there. He had not.

As there was no further questions, the hearing was adjourned.

  
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Mayor James C. Wallace

  
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Town Clerk David B. Roberts

MINUTES OF A PUBLIC HEARING OF THE MAYOR AND COUNCIL OF  
TOWN OF CHAPEL HILL, FINE ARTS BUILDING  
OCTOBER 16, 1979, 7:30 P.M.

Mayor Pro Tem Epting called the meeting to order. Present were:

Marilyn Boulton  
Gerald Cohen (late)  
Jonathan Howes  
Beverly Kawalec  
R.D. Smith  
Bill Thorpe

Also present were Town Manager E. Shipman. Mayor Pro Tem Epting announced that Mayor Wallace and Council member Cohen had been delayed at another meeting and would be coming shortly. Council member Vickery was excused.

Village Cable

Mr. Hevner first corrected some errors in the consultant's report. In its proposal Village Cable had tried to address some of the concerns of council members. Mr Hevner introduced the directors for the company. The Council would be allowed to name two others. A UNC sports channel was proposed. All profits from this would go to the UNC Athletic Department. The basic service would be free to provide universal service. The construction site was already approved. Village proposed to offer TOCOM in its fourth year as it believed the current cost to be prohibitive. A 40 channel system would include radio FM dial and talking books for the blind. The company would have 24 hour live supervision. Mr. Hevner gave a presentation of the service tiers offered by Village which included local religious services, HBO, coverage of congressional hearings, a live sports channel and children's programming.

When questioned about the production of local performing arts, Mr. Hevner explained that the company would quickly expand in areas in which they were experienced such as communications and news, but could not produce drama in as short a time. They would however, support cultural interests in Chapel Hill.

Village did not have a full-time financial channel, but did have a 24 hour news wire, which would carry financial news as well.

Ms. Johnson questioned whether there might not be an ethical problem with Village Companies being involved in all types of media in the community. Mr. Hevner did not believe this to be a problem and named competing media companies in the area.

Mr. Olsen asked how much control the company would have on the programming on all channels. Mr. Hevner responded that although a company might have a great deal of control over a radio station, they did not have the same control over television programming. They would control only the local programming. The public access channel would be controlled by the public.

Although they had not installed a cable system before, Village Cable had commitments from banks for the capital needed.