

The Spirit of U'Hills

27 February 2009



PROGRAMS AND ACTIVITIES

- Mar. 6**Denver Art Museum Visit Members and Guests
- Mar. 13** ...Melissa Kutchner-Rinehart.... Subject: DU Woman's Gymnastics Program
- Mar. 20** ...Dr. Stephen Jordan..... President, Metro State College.....Subject: Trends in Higher Education in Colorado
- Mar. 27** ...Lowell Palmquist and Mike Hitchcock Subject: Wellness and Other Projects
- Apr 3**Ernie Carwile.....Subject: Inspirational Materials

GREETERS



Frank Chao, Red Holland, and Andrew Dodgen

Well, here they are again...two Greeters (**Frank Chao** and **Andrew Dodgen**) and the scheduler from waaaay back, **Red Holland**. It's probably a good idea for Red to come in a little early, occasionally, just to be sure that everything in the greeter universe is under control. No problem here.

Frank and **Andrew** were wide awake and full of good cheer as they welcomed arrivals for another exciting meeting of the University Hills Rotary Club.

INSPIRATIONAL MESSAGE AND PLEDGE

Our member with the inspirational message this afternoon was past president **Linda James**. Linda opened her "Treasure Chest" of stories and turned to the desk of Thomas Jefferson and his *Decalogue of Canons for Observation in Practical Life*:

1. *Never put off until tomorrow what you can do today.*
2. *Never trouble another for what you can do yourself.*
3. *Never spend your money before you have it.*
4. *Never buy what you do not want, because it is cheap; it will be dear to you.*

5. *Pride costs us more than hunger, thirst, and cold.*
6. *We never repent of having eaten too little.*
7. *Nothing is troublesome that we do willingly.*
8. *How much pain have cost us the evils which never have happened.*
9. *Take things always by their smooth handle.*
10. *When angry, count ten before you speak; if very angry, an hundred.*

—Letter to Thomas Jefferson Smith,
1825

"Please join me in the Pledge of Allegiance: I pledge allegiance to the flag of the United States of America, and to ..."

INTRODUCTIONS AND ANNOUNCEMENTS

Our President-Elect **David Wood**, standing in for **Mike Hitchcock**, got us started into the business at hand, beginning with his statement of appreciation for our greeters today: **Andrew Dodgen** and **Frank Chao**. [Applause for those stalwarts who welcomed the arriving members and guests.]

Paul Egan introduced the visitors and guests. **Brad Groves**, **Joe McCaffery's** cousin introduced himself. He's from Wray, Colorado. Classification? According to Brad, "Newbie". [OK. We can identify with that.]

Jay Carpenter spoke of the pleasure it was for him to introduce his niece, **Katie Fox**. She is also the mother of two children and the president of a plumbing company, J. W. Fox Plumbing.

Tom Benson introduced his guest, **Phil Beaver**, retired from the U. S. Army. **Paul Egan** asked him, "What do you do now?" Answer: "Tom just told you. I'm retired." **Jerry Regan** announced that he's glad to have Phil's membership application and check.

David ran through several announcements. First, our meeting next week, 6 March, will be at the Denver Art Museum. **Tom Benson** circulated to get a tally on the number who will attend.

David continued: "We also have the Rotary 5450 Conference coming, 1-3 March 2009, at the Antlers Hilton, Colorado Springs. Mike will get a table for 12. Mark your calendars."

Jerry Regan reminded all of our new members, Board, and all members, that we're having a new member orientation and social next Thursday night, 5 March, at **Dennis Eichinger's** place of business. We'll review the tenets of Rotary as well as club activities. It's all for the new members. They can ask questions. There will be wine and cheese and everyone's invited. Directions are on Page 5, this newsletter.

Alan Coldwell will give us a membership update. "Last



week you heard from our president, how technology is going to be very important in the future. On the cover of my Fortune magazine, a fellow is talking about how Facebook is taking over our lives." He then did a survey of just how many members actually have a Facebook page. About 10 hands went up. "We're making headway. About twice as many as the last time we asked. It's evidently quite addictive." Jay said that he heard of one man who was making an extreme sacrifice by giving up Facebook for Lent.

"University Hills has its own Facebook experience. On the tables are some free lunch cards that you can give to friends and associates to come to our meetings and share in our fellowship.



Helen Hempel

Helen Hempel had a few words about RYLA (Rotary Youth Leadership Awards) for 2009.

"The RYLA deadline for names will be on us quickly. We need to start assigning names and getting them accepted for the camps. Those of you who are new may not know about RYLA yet but, it's a leadership camp, one of the best leadership camps, anywhere. There are two different camps. One for

juniors and seniors in high school and another one for children going into the 8th grade. It lasts a week, end of July running into August.

"This is one of the few, if not the only, Rotary sponsored activity that permits members of Rotary families to participate, so grandchildren and children of members can go.

"I'll apply, this week, for a certain number of slots. I want to know today if you have a grandchild or child who is eligible. Give me their names with their ages so that I know whether it's Junior or Senior RYLA." **Jay Carpender** gave **Helen** a name, but Helen leveled with Jay, "Don't expect me to remember that, Jay. Write it on a piece of paper because I've already forgotten whose name it was. Thank you very much." End of RYLA notification.

SERGEANT AT ARMS



Jeff Stotler

Jeff had a somewhat lengthy opening remark about his procedure for screening stories received from the U'Hills membership for use in this segment of the meetings. Some think their story is a good one but would prefer to remain anonymous, for one reason or another, in case anyone asks about the source.

"That's the situation today. So, in order to keep the name of the originator from critical attribution, I will refer to "Red" as

"Blue" so you won't know who gave me the story.

"And that's how the story starts. Blue owned this small farm in Iowa. The U.S. Labor Department, based on reports from employees, claimed that he was not paying the proper wages to his employees. So, they sent an agent to interview him as the opening step in their investigation. The agent showed up, asked for a list of his employees and what Blue paid them.

"Blue replied, 'OK. The first one is my hired hand. He's been with me for five years. I pay him \$200 per week plus free room and board. Then, there's the cook. She's been here about 18 months. I pay her \$150 per week plus free room and board. Then, there's the half-wit. He works about 16 hours per day, seven days per week, does about 90% of all the work, makes about \$10 per week, pays his own room and board and I buy him a bottle of bourbon every Saturday night. He also sleeps with my wife, occasionally.' The agent said, 'Aha! That's the one I want to talk to, the half-wit.' Blue said, 'Sure. That would be me.'"

"It's a good story. I'd like to take credit for it but I can't but I didn't want to reveal the source of the story. I hope you understand."

"Who has something they'd like to share today?" **Rich Sattizahn** was the closest to the mike, so he was first. Rich's story: "A couple of weeks ago, I mentioned that my son, Paul, who's in the 7th grade, competed in a math competition up in Greeley, statewide, on 11 and 12 February. We just had a teacher conference at West Middle School and his Math teacher told us that of the 7th graders from West Middle School who took the test, he had the highest score of any of the 7th graders. This means that he even beat the Asian kid." [Now, that's an accomplishment!]

Doug Dixon rose to thank **Helen** for all her help at the Super Bowl Party. Said, Doug, "She's the one who made the silent auction at the party look so effortlessly professional. Thank you, Helen."

John Lawton: "As many of you know, we have a sister Rotary Club in Japan, the Sagae Rotary Club. Every three years, we have a meeting with them. And, this year, it's their turn to entertain us. So, they're setting something up for Saturday and Sunday, 13-14 June 2009. I'll get more information on this, but they expect some of us to come to Japan and attend the meeting. [Comment from the crowd: "Well, good luck."]

Bill Collier: "My grandson, who is 12 years old, I don't know if he's the RYLA age or not, but I'll find out. He is ranked second in the state for technical skills in soccer and was invited to try out with the Olympic team, to start the training process. Then, last week, I went to Costa Rica on my honeymoon." [Incredulous comments and laughter and "honeymoon?" from the crowd] Bill explained that he wanted to remember the date of his wedding, which was on Valentine's Day, so they did something special.

Jim Fleming reported on an upcoming birthday [2 Mar] and he understands that some of us might be interested in how old he is. To enlighten us, he commented, "My girlfriend is 39 and I'm not." [Well, OK. Nice to get that straightened out.]

Mickey Williams told us that it was another great Ski



Train trip to Winter Park. "If you didn't go on it, you missed a great time. I'll take this opportunity to thank Jay for putting it together. Thanks, Jay. Looking forward to next year."

Michael Haviland had a report on his ski trip to Vail yesterday and his encounter with the Highline Express Lift environs. "When you get to the top, you have three choices and all three are black diamonds; lots of moguls. I'd been down Blue Ox before, thought I might as well try it again. I got about half way down in a steep area of Blue Ox and I stopped, about in the middle of the slope. I looked left and that didn't look good, then looked straight ahead and that looked worse, then right, same thing. So, I went to the right and fell, ummm pretty hard, hit my head and after falling I was still sliding downhill and I noticed the trees were getting closer. Fortunately, I stopped, ended up with a little bit of a stiff neck and quite relieved and happy to be able to make it back and tell you about it."

Dixie Davis rose, money in hand, to "Make a tribute to **Melody Sattizahn** for overcoming the obvious handicaps related to the raising of such a bright son." [Laughter and applause rose slowly as the true import of the tribute began to sink in and its carefully hidden meaning came to be fully realized. As they say in Patee, touché.]

Stan Love related for us his past relationships and occupation in his chosen field of printing. All told, he has over 50 years of experience in that field...and there probably ain't very many people who can make that statement...truthfully.

JIM MACDERMOTT THE CHANGING FACE OF LOCAL TV

Don Goe introduced our in-house speaker today. As you will see, it was one of those last minute switches that makes the scheduling of multiple individuals to speak at our meetings an exercise in staying cool in spite of changes in the schedules of multiple individuals.

Per Don, "Several weeks ago, there was an article in the Sunday Post that focused on the financial difficulties of commercial TV around the country and compared it to a lot of the same problems being experienced by a lot of newspapers. That sounded like a good subject for discussion at one of our meetings, so I called **Jim MacDermott**, asked him if he'd be willing to speak to the club about the financial difficulties in the commercial TV field. He agreed.

"Then we had this cancellation by Curt Fentress, the well known local architect. So, I called Jim, said, 'Can you be ready in a week?' He said he could. Then, lo and behold, the Rocky Mountain News ceased its activities today. Hard to beat that kind of timing.

"To those of you who are new and don't really know **Jim MacDermott** the way the rest of us do, rather than say, 'You're fortunate,' I will tell you a thing or two about Jim. All you have to do is listen to him talk a little bit and you'll know that he's a Yankee-loving individual from New York City. He grew up and did his collegiate work at night as he was getting himself through the City College of New York. He entered a training program with GE, which indirectly led him to Denver because Channel 4 was connected with GE. It's been our good

fortune to have Jim here as President, we've had Jerry and other members of his family as a part of the Rotary family activities, and it's your good fortune to have one of the outstanding spokesmen for commercial TV because Jim retired, not too many years ago, as the station manager of Channel 4. Jim?"

Jim commented on the difficulties of following other people who speak at these meetings by observing that, "I had to follow Enrico Caruso last week, but I'm not going to even try to follow Dixie and her award to **Melody Sattizahn**."

"I thought that before we talk about where TV is headed, we need to have an understanding of the history of local TV and how it got to where it is today."

Meanwhile, over at the projector, Jim's technical team of experts was having a problem or two with getting the projector to do what it's supposed to do, i.e., project. Jim went over and provided some guidance on which buttons to push and which file to load. OK. Slide's on the screen. Here we go.

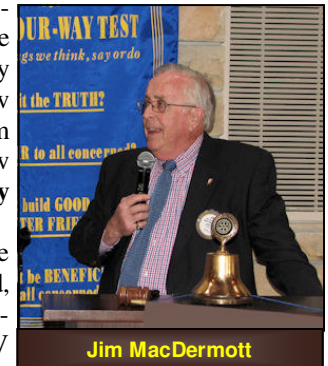
"TV stations are licensed by Uncle Sam to serve the public interest. They are stations either owned by networks or owned by independent companies. Broadcast TV has one stream of revenue: advertising, period. There are more than 200 individual markets in the U.S., and the number of licenses owned by a single owner is limited. So, a network can not deliver programs to the full market place without affiliating with stations owned by others.

"Networks produce or acquire and distribute high cost, high quality programming. It's not feasible for local stations. So, local stations are just that, local. They earn their money by being local. Local news, community talk, emergency information, weather services, criminal activity, political issues, and local governmental issues. Local businesses who cannot afford to advertise on network TV, can afford the cost of local media.

"The marriage of networks and affiliates is a natural by-product. The networks have the product and the affiliates have the distribution mechanism. And, this is what is changing today.

"There is a contractual arrangement between networks and the local stations. In Denver, for instance, Channel 4 is owned by CBS. The other stations in Denver are owned independently. Stations broadcast specified network programming. Early morning, The 'Today' Show, prime time, soap operas, news at 5:30 or 6:00. The networks purchase time on the stations in order to air that program. That was the basic contractual arrangement initially.

"Stations benefitted from quality programming that they could market and sell to some extent. It provides an audience to lead into and out of their local programming: 7 o'clock news, 10 o'clock news, etc.





“Today, with the economy where it is, the networks have been trying to reduce their costs and the cost of their deals with the affiliates. They don’t any longer pay for that time with the network programming and the stations have lost that revenue stream. Now, they want the stations to pay them for the programming, an element that the stations really can’t afford.

“Over time, cable and satellites have entered into the whole video ecosystem. There is a plethora of viewing opportunities; 200 to 300 channels coming into your house is not unusual. Compounding that, broadcast audiences have dropped. They’re about 50% of what they used to be for local TV stations right now.

“At the same time, the cable and satellite systems are not really viable unless they can carry the local stations. Few people will sign up for a cable system unless they carry the local stations. And, still, the vast majority of cable and satellite viewing today is attributable to the local stations. The amount of viewing of those other 300 channels is meaningful but minimal.

“The networks are also, currently, programming their own cable channels. Cable channels themselves have become much more competitive. They compete with the networks in what they cover. ESPN is owned by Disney and has become very valuable in covering major sporting events. They carry Monday Night Football now. They will be, in the next round of bidding, a viable competitor for the Olympics and other major events.

“Cable and satellites also have the advantage of a multiple revenue stream. They charge you and me a subscription rate that brings the signal into the house and they also sell advertising. In effect, we pay them to put advertising on our TV screens.

“Station revenues are declining across the country and stations are doing things to offset that income reduction. They cut personnel, they’re changing the local product they produce. There are instances where newscasts, which are a primary local station revenue product, have been cut. Strangely, if you look at this market, you can see where Channel 4 reduced the number of newscasters and has replaced them with syndicated programming. But, in other markets, you see places where stations have taken syndicated shows out and replaced them with newscasts. The logic there, as it was when I was at Channel 4, was that you have a huge asset in all your newsgathering capability, and to put on another half hour or hour with newscasts, you don’t have any large increase in investment and you have better control of your costs.

“If you’re buying syndicated programming, there are huge expenses involved and on top of that expense, if you have successful programs, the rates go up. You’ll see that ‘Oprah’ becomes very expensive. Or, ‘Wheel of Fortune’ becomes very expensive.

“You see one of the things going on is that marquee programming that used to be on the network moves over to cable now. So the networks are doing things like having reality TV. You’ll see, come the Fall, a program like Jay Leno now being

on in prime time, five nights per week. It’s a much less costly show than a highly produced crime drama, for instance.

“They now have the ability they didn’t have before, for ownership to have more than one station is a marketplace. It used to be that you couldn’t do that. Now you see it happening all over the country. There are some limitations based on the size of the market—how many viewers you can attract—but you can reduce your costs considerably by sharing them. You see here, right now, Channel 9 and Channel 7 are sharing a helicopter. Channel 9 and their ownership acquired Channel 20 and they’re operating both stations out of one facility. You see the same Channel 9 News on Channel 20. The same thing is happening with Channel 2 and Channel 31. They’ve merged their operations, they function independently but their sales are together, they market them as an entity, so as to reduce their overhead.

“As part of the offset for that you see products being sold on TV but not as advertising. They’re integrated, in various forms, into the program. You see people running a computer, with Dell or the Apple very visible on the screen. There was a recent program where someone sat with a Coke bottle for the whole half hour.

Question: “And Coke pays for that?”

Answer: “<Grin> We don’t give anything away.”

“Digital technology has come into play and will continue to impact what’s going on in TV. The Internet is a very viable medium, although it hasn’t proven to be economically viable as yet. Networks are programming their own web sites. But, the websites can’t deliver the picture quality, yet, that you can get on TV.

“Digital TV has been implemented. It has an advantage for local TV. With that digital signal, stations can program up to six channels on one frequency. You see a little of that taking place here. Channel 9 has had a digital signal but until they start operating from Lookout Mountain, and quit broadcasting a low power signal coming off the Republic Plaza building downtown, it won’t be fully satisfactory. They’re programming two digital channels right now.

“Mobile TV is just around the corner. The complete technology to get it into your cell phone on a continuing basis, is being tested right now. It won’t be long till there is a plethora of TV on cell phones, anywhere you go.

“DVRs (Digital Video Recorder) impact viewing and will add viability. Right now, about 29% of the country has DVR capability.

“That’s a brief history, sort of a Local TV 101. Next, is where do we go from here? Very recently, there was a report that was done by the BIA Advisory Services for the four networks, Fox, ABC, NBC, and CBS. They found that ‘The local TV industry and its relationship with affiliated networks is at a crossroads. The path taken may either render local broadcasting irrelevant or make its localism the key differentiator in a TV universe with virtually unlimited channels.’ And, that’s where the crystal ball comes into play. What’s going to happen from here on out?”

Mobile TV is just around the corner. The complete technology to get it into your cell phone on a continuing basis is being tested right now. It won't be long till there is a plethora of TV on cell phones, anywhere you go.



“The answer is, I don’t have that crystal ball. The networks deliver their programming direct to cable/satellite providers, bypassing the local affiliates, creating new service. As we sit here, there’s an offer on the table from Comcast to CBS to do exactly that. Counterbalancing that, the networks have a significant investment in the stations they own. It’s not likely they will toss that investment away unless there was no significant cost saving in doing it that way.

“Even among cable/satellite viewers, the mix of local and network programming on local stations still drives most viewing hours. Broadcast TV has been a bedrock of American TV viewing since right after WWII. People spend more time with TV than anything else except work and sleep.

“The TV economy could look to a station/network/cable/satellite partnership to create economic advantages for each of the parties and have a system to market broadcast content and permit interactive and on-the-fly spot insertion. The station/network combination would have much more leverage in seeking fees from the cable/satellite people as opposed to each of them trying to do it independently as they do today.

“A recent study, this week in fact, of the Advertising Research Foundation, reported that TV ads are as effective today, if not more so, in increasing sales, as they have been in the past.

“So, what’s the result? The answer is, I don’t know. There will be a lot of things that will be experimented with. Some will succeed, others will fail. Local TV will change but be different and it will all be driven by economics into the ultimate form it takes. Local TV serves its communities in ways that cannot be replicated by any other media.

DAVID’S THOUGHT FOR THE DAY

David’s thought for the day came from his wife:

**I told my wife that a husband is like fine wine.
It gets better with age.**

The next day she locked me in the cellar.

PROSPECTIVE NEW MEMBERS

We have a couple of new members whose induction procedures are in the “implementing” phase. They are:

Philip (Phil) Beaver
65 Glenmoor Dr.
Cherry Hills Village, CO 80113
(H) 303-789-9346
philip.beaver@hotmail.com

AND

More on Mel Grusing than we had last week:

Melvin (Mel) Grusing
7992 S. Vincennes Way
Centennial, CO 80112
(H) 303-773-3293
(O) 303-691-2635
(Fax) 303-756-5930
melgru@earthlink.net

NEW MEMBER ORIENTATION

**NEW MEMBER ORIENTATION AND SOCIAL
THURSDAY, 5 MARCH 2009
5—7 PM
HOSTED BY DENNIS EICHINGER**

All new members are encouraged to attend this important, exciting, fun orientation meeting. Wine and cheese will be served as you listen to Board Officers and Committee Directors explain their areas of Club responsibility and answer your questions.

Driving directions to Dennis’ office:

Mowatt Financial, Inc.
383 Inverness Parkway, Suite 400
Englewood, CO 80112
Dennis’ cell phone: 720-470-9779

- I-25 south to County Line Road.
- Turn east on County Line Road.
- Drive east through two signal lights (when green) where
- County Line swings south and becomes Inverness Parkway.
- Look for a black ground-level sign for Dennis’ address:
- 383 Inverness Parkway.
- Take elevator to the fourth floor. You’re there.

**When even you have to admit you’re lost,
drive to closest street sign, call Dennis.
Tell him you’re lost.
Read off what the street sign says.
Do what he tells you to do.**

**His cell phone:
720-470-9779**