

**MINUTES**  
**FINGER LAKES TELECOMMUNICATIONS DEVELOPMENT CORP.**  
**d/b/a AXCESS ONTARIO**  
**BOARD OF DIRECTORS MEETING**  
**December 17, 2010**

Members Present:

Geoff Astles, Ontario County Administrator  
Doug Mossbrook, Eagle Mountain, Inc.  
Steve von Berg, Pervasive Solutions  
Robert Seem, Cornell Ag & Food Tech Park  
John Sheppard, Supervisor, Town of Seneca  
David R. Smith, Ontario County Citizen  
Camille Sorensen, Wayne Finger Lakes BOCES  
Mike Ward, Vice President, Information Technology, Ultralife Corporation

Members Absent:

Michael Manikowski, Ontario County Economic Developer

Others Present:

Edward Hemminger, Chief Information Officer, Ontario County  
Meghan Connor Murphy, Dixon Schwabl  
Andy Lukasiewicz, ECC Technologies  
Terry Phillips, Bonadio & Co.  
James Townsend, Esq., Remington, Gifford, Williams & Colicchio  
Linda Wiener, CFO on behalf of The Bonadio Group

The Meeting for the Board of Directors of Axxcess Ontario (aka Finger Lakes Regional Telecommunications Development Corporation) was called to order by Geoff Astles at 11:00 a.m. in the conference room of the Ontario County Economic Development Office.

**MINUTES**

A motion was offered by Doug Mossbrook and was seconded by Mike Ward to approve minutes of November 5, 2010 and September 24, 2010. Motion carried.

**AUDIT COMMITTEE REPORT**

Mike Ward - We met prior to this meeting with the external auditor to discuss the 2010 audit. We are going to recommended competitive bids for next year's audit contractor. We also had discussions about succession for the CEO position.

**GOVERNANCE COMMITTEE REPORT**

Steve von Berg and Bob Seem memberships expire in 2011.

Chairman of the Board – interview candidates and send out recommendations before the January meeting.

## **ANNUAL SUPPORT CONTRACTS**

Remington, Gifford 2011 Legal Support Proposal - \$18,000+ (\$1,500 per month). A motion was made by Doug Mossbrook and was seconded by Dave R. Smith, and carried

Dixon Schwabl 2011 Marketing Support Proposal - \$18,000. A motion was made by John Sheppard and was seconded by Dave R. Smith, and carried.

MMB 2010 Audit Proposal - \$11,500. A motion was made by David Smith and was seconded by Steve Von Berg, and carried.

Bonadio 2011 CFO Support Proposal - \$25,200+. Discussion took place regarding the staff changes and the number of hours. Terry Phillips requests an increase in the number of hours from 275 hours at \$91 per hour is \$25,200. The motion to authorize an annual contract with quarterly payments not to exceed the typical average quarter, with a six month review, to determine how we are doing on the hours, was made by John Sheppard and was seconded by Robert Seem. Motion carried with Geoff Astles abstaining from voting.

ECC – Ed Hemminger informed the Board that ECC has agreed to extend their contract at \$125 per hour until the funding is settled with the bank. Mr. Hemminger would like to get an updated COO proposal. The cost savings are significant and we should get into a COO agreement quickly. He has requested ECC to get the 2010 operating costs. If the board wishes to do a RFP, they need to move quickly on it. An RFP will probably take 2-3 months.

## **DESIGN, ENGINEERING AND CONSTRUCTION UPDATE**

Andy Lukasiewicz discussed the details of pending contracts with the Board. The Iberdrola contract needs to be invoiced before the end of the year. Iberdrola has the draft contract and we are awaiting their response. We would like to sign a twenty year IRU with them. With that contract, we would agree to build a lateral connecting our fiber ring to their facility. The expected cost will be under \$49,000 and our price to them is \$49,000. That will be invoiced in 2011 when the lateral is complete. This is in addition to the \$544,000.

Geoff Astles requested a motion for the approval to sign the IRU for \$544,000, after the review of counsel, because it has to be complete to submit the invoice by the end of the year.

A motion was offered by John Sheppard and was seconded by Mike Ward. Motion carried.

## **CEO UPDATE**

Mr. Hemminger would like the board to consider a declaration of completion stating the fiber ring is complete, it is fully functional, completed it on time, under budget.

Mr. Hemminger discusses a draft resolution for consideration:

The Finger Lakes Regional Telecommunications Development Corporation Board of Directors does hereby declare the fiber ring has been completed. As of December 17, 2010, the fiber ring is complete and fully functional with the following conditions:

- The acceptance of the final testing of the Ontario Telephone IRU fiber. Completion planned for December 17, 2010;
- Segment 13 is completed and tested;
- The acknowledgement that Segments 14 and 15 are not complete at this time but are not essential to the functionality of the ring. The Board will continue to negotiate with NYSEG to reduce the make ready costs but if unsuccessful, ECC will begin design and engineering in February 2011 to complete these segments underground with an anticipated completion date in the spring 2011;
- The corporation is committed to building the Segment 20 and 22 laterals.

Discussion followed and revisions were made to the above resolution.

- Omission of first and second bulleted items
- Segments 14 and 15 will be done by May 31, 2011
- A notice of completion provided to Citizens Bank and request the unencumbered balances transferred to the corporations
- Completed on time and under budget
- As of December 17<sup>th</sup>, 2010, the fiber ring is complete and fully functional

Geoff Astles requests that once the press release is fully drafted, that we circulate it and let everyone get a look at it before it actually goes out the door.

Geoff Astles recommends the above resolution with revisions and Bob Seem made the motion, which was seconded by David Smith; motion carried.

Mr. Hemminger told the Board that they had accomplished something that has not been done anywhere else in the country. He said it was an honor to have worked with them.

#### **DESIGN, ENGINEERING AND CONSTRUCTION UPDATE** – Out of order from Agenda

Andy Lukasiewicz informed the Board that there had been an accident that occurred in West Bloomfield on December 1<sup>st</sup>, which caused an extended outage for 9 hours. A car had hit a pole. It took several hours for RGE to fix. They had to make it safe replace the pole. It hit the riser pole where the fiber was going underground. It yanked and damaged the underground fiber. Verizon was impacted and they did go into simplex which means they were still operational. ECC was notified a minute after the accident occurred. They contacted Verizon Wireless and were in contact the entire time.

#### **ACCOUNTING SERVICES UPDATE**

Terry Phillips and Linda Weiner reviewed the October 2010 Profit & Loss YTD Comparison, Balance Sheet, Profit and Loss Report - January through October 2010 the following policies with the Board.

FLRTDC Revenue and Expense Recognition Policies with the Board.  
Credit Card Policy  
Cash Receipts Procedure  
Cash Disbursement Procedures  
Bank State Reconciliation

A motion to approve the above policies/procedures was made by John Sheppard and was seconded by Doug Mossbrook; motion carried.

Being no further business to come before the Board, the meeting was adjourned at 12:15. All were in favor to adjourn. The next Board Meeting is scheduled for 10:00 p.m. on January 14, 2011 in the Economic Development Conference Room.

Respectfully submitted,  
*Reliefia Kramer*

Distribution:

All attendees present and absent  
Ontario County Board of Supervisors  
Darlys McDonough, Deputy County Administrator