

**MINUTES  
BOARD OF DIRECTORS  
FINGER LAKES REGIONAL  
TELECOMMUNICATIONS DEVELOPMENT CORPORATION  
DECEMBER 19, 2008**

Members Present:

Geoff Astles, Ontario County Administrator  
James Fralick, Ontario County Citizen  
Edward Hemminger, Chief Information Officer, Ontario County  
Wayne Houseman, Vice Chairman, Ontario County Board of Supervisors  
Mike Manikowski, Ontario County Economic Developer  
Doug Mossbrook, Eagle Mountain, Inc.  
Robert Seem, Cornell Ag & Food Tech Park  
David R. Smith, Ontario County Citizen

Members Absent:

Camille Sorensen, Wayne Finger Lakes BOCES  
Mike Ward, Information Service Director, Ultralife Batteries

Others Present:

Ray Jacobi and Jackie Boom of Mengel Metzger Barr & Co, LLP  
Joe Starks, ECC Technologies  
James Townsend, Esq., Remington, Gifford, Williams & Colicchio  
Linda Wiener, Bonadio & Co.

The meeting of the Finger Lakes Regional Telecommunications Development Corporation (TDC) was called to order by Geoff Astles at 10:05 a.m. in the Economic Development Conference Room. Mike Manikowski introduced Maureen Duggan to the Board advising that she was recently appointed to the position of Economic Development Specialist in his department, and when needed, she would cover the LDC meetings on his behalf.

**COUNTY AUDITORS**

Ray Jacobi and Jackie Boom were introduced to the Board as the new auditors. Mr. Jacobi advised that the audit is expected to begin in early January and a draft report should be ready by the end of January for review in early February. He noted that the one substantial change was the 990.

**MINUTES OF NOVEMBER 7, 2008**

Wayne Houseman made a motion to approve the minutes of the November 7, 2008 meeting as written, seconded by Jim Fralick, and carried.

**CORNELL JOHNSON SCHOOL OF BUSINESS**

Via a telephone conference call, students and staff of the Cornell Johnson School of Business who recently conducted a study on the corporation presented their findings, and made suggestions. Attached to the original minutes on file with the Board Clerk are the slides from the PowerPoint presentation that was presented during the telephone conference call. A written report by the students will follow, but one of the new concepts introduced during the presentation was the concept of franchising the innovative manner of building private/public partnerships taken on by the LDC.

**CEO UPDATES**

Ed Hemminger advised of the following:

- Discussions with Citizens Bank are still taking place, and Zion is interested in the project.
- Interest rates are down....Letters of credit are up.
- Consideration should be given to releasing customer lists to contracted carriers with the understanding that as more contractors sign on they will be given a copy of the customer list too.
- Revenues will start to be received in October 2009.
- Provided a project summary for the 2008 year, dated 12/18/08 showing uncommitted/available funds without projected revenues at \$156,678, and with projected revenues at \$266,978.
- Budget presented for 2009 was for uncommitted/available funds of \$268,216, and without budgeted revenues and interest, it would be \$159,216. The budget proposed and presented by Ed included \$93,243 for Phase I make ready cost, which would be carried for another six months into 2009. Ed was asked to include the draft budget revenues and Marcus Whitman funding, and he advised that he and Jim Townsend would determine the property tax required. Ed advised that missing from the budget was pole attachment fees at \$15 each, and lease of fiber to Ontario/Trumansburg. Jim Fralick made a motion to approve the budget, seconded by David R. Smith, and carried.
- Corporate master agreements have been taking about 6-9 months to process, which produce revenues of \$500 per month to the LDC.
- Everyone was sent a copy of the oral testimony given in Albany before the NY State Assembly Standing Committee on Governmental Operations.
- Future grant applications will be filed by ECC for Ontario County. Potential avenues to explore for future grants may be the linking of public libraries.
- Ed Hemminger presented a report providing an overview of The Finger Lakes Regional Telecommunications Development Corporation, dated December 18, 2008.
- Collateralization is still an issue, and will be on hold for another month.
- The annual report format will be devised by both Ed and Geoff Astles.

**MARCUS WHITMAN**

Ed Hemminger distributed information pertaining to a bid he recently submitted to build 8.5 miles of fiber along the LDC fiber ring route, as well as fiber on-site at the three Marcus Whitman School buildings (elementary schools in Gorham and Rushville, and the high school in Rushville). Cost to the school district would be \$166,644.28, whereas the cost to the LDC would be \$276,250. The \$109,605 difference between the price given to the school district and the actual cost for the project takes into consideration that the LDC will get eight miles of fiber, and 72 strands of fiber would go into Rushville, which is a benefit to the LDC. Ed acknowledged that he had no authority to sign the bid, and asked for support of a resolution to submit the bid proposal to BOCES for consideration.

Ed indicated that Phase II came in under budget by \$125,000, and by using \$110,000 from operating capital, fiber can be built in a rural area for public/private partnership, a route that was already in the plan. He also advised that the cost per mile was still \$32,500, and the LDC would own the pole fiber and the fiber going into the school buildings, with minimum maintenance as they will be underground.

Joe Starks spoke of the cell towers and the new water tower across from the high school, which might be of interest to a carrier. By having fiber in the Rushville area, it allows for the Rushville Health Clinic and other businesses in the area to connect.

Jim Fralick made a motion giving Ed Hemminger authorization, as per resolution, to sign the bid submission on behalf of the corporation for Wide Area Network Fiber Optic Cable Plant – Gorham – Middlesex, Wayne-Finger Lakes BOCES. The motion was seconded by David R. Smith, and carried.

### **CORPORATE POLICIES**

**Whistleblower Policy** – In discussing the policy distributed in the agenda packet, the following changes were recommended:

- 1) Under the category of GENERAL – Include only the paragraph beginning with “The Finger Lakes Regional Telecommunications Development Corporation, Inc....”
- 2) Delete the copyright reference (Note: Per Jim Townsend, this can be done as long as permission as been given to use it, and Linda Wiener said it had.)

**Code of Ethics** – Jim Townsend advised that he would file the policy with the Controller’s Office.

**Conflict of Interest** – The policy will not change and LDC members will get the necessary forms to complete annually. Jim Townsend stated that the policy applied to all Board members, and provided an avenue for contractors, employees, and customers to address any concerns. Jim reminded the Board members that they were obligated to discharge the duties of the corporation and to advise of any concerns, and he spoke of their duty of candor and loyalty whether written or not. Final details will be taken care of by Jim Townsend and Linda Wiener.

Motion made by David R. Smith to adopt the three policies above with any amendments noted. The motion was seconded by Robert Seem, and carried.

**Form 990** – Linda Wiener distributed the draft policy on the IRS Form 990. She advised that the governing body must be provided with a copy of Form 990 prior to filing, and the Board would be responsible to comply on an annual basis, which Linda and the LDC Treasurer would monitor. After review of the draft policy, the Board will need to designate the Treasurer to sign and file. Linda advised that the document would be filed in March or April of 2009.

**Records Retention Policy** – Linda advised that the policy hadn’t been completed yet, but she wanted the concept of the policy to be included in the minutes. She noted that records would be retained indefinitely until development of a policy in 2009, when there would be more awareness of the types of records being maintained. Currently all legal papers are retained by Jim Townsend, financial papers by Linda, contracts by Ed Hemminger, and QuickBooks is hosted by Bonadio & Co. All accounting/financial documents are scanned into an electronic filed maintained by Linda and backed up on Bonadio’s server. Linda advised that she would expand the types of documents being scanned to include contracts and other corporate materials.

A motion was made by Jim Fralick to adopt the draft Records Retention Policy as written and included in the minutes as presented by Linda, seconded by David R. Smith, and carried.

**Property Disposal Policy** – Adopted one-year ago.

**Indemnity Policy** – Covered in bylaws.

**Compensation Policy** – To be developed when employees are on the payroll.

**Regulatory Policy** – To be worked on by Ed Hemminger and Joe Starks.

**FINANCIAL REPORTS**

Linda Weiner presented the Balance Sheet as of November 30, 2008 showing total assets at \$2,259,835.95 and total liabilities and assets at \$2,259,835.95. Also presented was the Profit and Loss statement dated November 2008, and a Statement of Cash Flows dated January through November 2008.

**ECC TECHNOLOGIES**

Ed Hemminger reviewed the proposal for continuation of support services and loan development services from ECC Technologies. Ed advised that the proposal was the same as in past years, providing support for sales and marketing and personal contact. Outside of the context of the contract were activities which involve the Public Safety Commission and utility filings.

Wayne Houseman made a motion to authorize Ed Hemminger to sign the contract for continuation of services with ECC Technologies for a cost not to exceed \$75,000, or an hourly rate not to exceed \$125.00 per hour. The motion was seconded by Doug Mossbrook, and carried.

Joe Starks advised that ECC's call center was operational now should there be any fiber related problems in the future. He also indicated that marketing is nearly complete and they will proceed with development of business.

**PREMIER UTILITY SERVICES**

Joe Starks presented a proposal from Premier Utility Services to mark areas where buried cable exit, which is required after calls are made to DIG Safely. Joe advised that ECC provided this service in the past, but Premier does the markings on a regular basis. He also advised that there were other firms in the area that provide the service too.

It was decided to seek several proposals for the service, and an RFP will be prepared by ECC and presented at the next Board Meeting.

**PROJECT OVERVIEW**

With regard to OSHA 1020 requirements, Jim Townsend felt everything was okay at present because the LDC has no employees.

Joe Starks provided a project update to the Board:

- The Fisher section started, and the first section in January will go to the Victor High School and proceed to the OmniTech Park. Phase II laterals will begin in early January. Fiber from Hopewell to hook up with Ontario Trumansburg will be done in January. Fishers/Canandaigua/Geneva should be operational by the end of January. Route 96 laterals will begin in February/March.
- Site on Parrish Street in Canandaigua is being looked at as a possible location for storage of electronics. Contact will be made with the City of Canandaigua to discuss the site and compensation.
- Underground fiber is being negotiated for Victor and Perinton, with make ready costs of about \$15,000.
- New tower on Saltonstall Street in Canandaigua by water treatment facility will get connected in January or February.
- Service for Infotonics will be provided by a contract with Finger Lakes Technology. The whole site issue will be revisited in late 2009.

**OTHER BUSINESS**

Supervisor Houseman questioned Ed Hemminger if he was having difficulty in maintaining secretarial minute takers for the monthly meetings because they were held on Fridays. Ed advised that he has been assisted by staff from the County Administrator's Office, Economic Development, and the Clerk to the Board over the years. Wayne advised that since the LDC meets on Fridays, it can be a problem for the Board Clerks to provide assistance because the County's Board Meetings tend to be the evening before the LDC meetings. It was decided that in the event there was a problem locating a minute taker for the meetings, Geoff Astles would handle the situation.

It was decided to hold the next meeting on Friday, February 6<sup>th</sup>, at which time the draft year-end report would be presented. Doug Mossbrook advised that he would be out of town on that day.

Ed Hemminger advised that terms for David R. Smith and Dough Mossbrook would be expiring in 2009. David advised that he was interested in continuing on as a Board member, and Ed advised that members serve until replaced.

Ed Hemminger advised that annual disclosure forms would be circulated to Board members after the first of the year.

Geoff Astles thanked everyone for volunteering their time and expertise to serve on the Board.

Being no further business to come before the Board, the meeting adjourned at 12:00 noon.

Respectfully submitted,

*Margaret Cooper, Secretary to the County Administrator*

**Distribution:**

All attendees, present and absent  
Ontario County Board of Supervisors  
Darlys McDonough, Deputy County Administrator  
Kristen Thorness, Esq.  
Office of Economic Development

John Park, County Attorney  
Board of Supervisors Office  
Cathy Bentzoni, County Finance Officer  
Mary Gates, Economic Development  
Maureen Duggan, Economic Development