

**MINUTES
BOARD OF DIRECTORS
FINGER LAKES REGIONAL TELECOMMUNICATIONS
LOCAL DEVELOPMENT CORPORATION
FEBRUARY 24, 2006**

The meeting of the Finger Lakes Telecommunications Local Development Corporation (LDC) was called to order by Board Chairman Geoff Astles at 10:30 a.m. on February 24, 2006 in the County's Economic Development Conference Room.

In attendance were:

Members:

Geoffrey C. Astles, Ontario County Administrator
Dan Fessenden, Executive Director, Cornell Ag & Food Tech Park
Edward Hemminger, Chief Information Officer, Ontario County
Wayne Houseman, Vice Chairman, Ontario County Board of Supervisors
Michael Manikowski, Ontario County Economic Developer
Jack McCabe, Associate Superintendent, BOCES
Doug Mossbrook, Eagle Mountain, Inc.
David R. Smith, CEO, Infotonics

Guests:

Joe Starks, ECC Technologies
James Townsend, Esq., Remington, Gifford, Williams & Colicchio

Absent:

Representative, Constellation Brands

Approval of Minutes – January 13, 2006

A motion was made by Wayne Houseman to approve the minutes of the January 13, 2006 meeting as written, seconded by Doug Mossbrook, and carried.

Update on County Funding and Financial Support

Geoff Astles advised that money from the County's landfill lease arrangement had been secured and placed in an account for future LDC expenses. Prior to distribution of funds, a corporate account would need to be established, relationships determined, and a loan agreement in force.

Dave Smith mentioned the potential \$75 million to be received by Infotonics over a five-year period from the State, and stated that if the \$17 million were received, \$1-2 million would likely be available for the fiber optic project.

Dan Fessenden talked about implementation of the Finger Lakes Partnership under the US Department of Labor's WIRED Initiative funds being distributed in test sites in 13 select regions, and cooperative relationships being formed by the USDA, Workforce Development, and Rural Development to help in developing infrastructure. Dan stated that the State Director's Office is the access point for USDA and Rochester Works is the lead agency, and suggested that the LDC make contact to possibly gain some support.

ACTION: Dave Smith to check with Rick Jarman

ECC Technology

Joe Starks distributed a summary outline identifying the next steps:

- **Determine Funding and Bonding Requirements**
Infrastructure will be put in place for public/private sector use. The LDC would not be in competition with the private sector, but would work with the private sector to achieve the overall goal. More than 50 entities have already signed letters of support for the project. Current budget is about \$7.5-\$8 million and less county grants, banks would be approached for bonding based on expected revenues. The banks will determine or define what will be required.
- **Legal and Regulatory Filings**
A Certificate of Public Convenience and Necessity (CPCN) will be filed. The filing will open up the comment process through the Public Service Commission. Although the actual filing is free, there would be costs incurred down the road.
- **Develop and Implement a Marketing Strategy**
Banks like to see long-term agreements with clients/users.
- **Operational Development**

It was noted that Ontario County would outsource the operations of the ring to the private sector, and mention was made of the importance of competition among carriers for better pricing. The actual ownership of the project would be a mixture of public/private sector. For instance, Canandaigua City School District has already built sections of the line, and fiber around the airport is being constructed now.

In discussing the construction phase, Joe Starks advised that ECC would not be constructing the ring, but they could put the specifications together for bidding purposes. Mr. Stark mentioned that when making a final selection, it should not necessarily be the lowest responsible bidder, and local labor should be used. Ed Hemminger interjected that an RFP would be necessary for operation and maintenance.

When the time comes for selection, Dave Smith spoke of the importance of “decision criteria” so everyone is evaluated under the same standards.

ACTION: Joe Starks and Jim Townsend to prepare a timeline outlining the sequence of events to occur on a month-by-month basis.

Legal Issues

Jim Townsend handed out some items for the members to consider:

1. **Board Organization.** Adoption of bylaws; set schedule for meetings; impact of recent legislation; roles and responsibilities.
 - **ACTION:** Comments on the draft were to be sent email to Ed Hemminger so that hopefully the bylaws could be adopted at the next meeting.
2. **Relations with Ontario County.** Review and approve loan agreement; services; shared employees.
3. **Certificate of Public Convenience and Necessity.** Complete, authorize, and submit.
 - **ACTION:** Doug Mossbrook made a motion to have Ed Hemminger as Chief Executive Officer sign the authorization to file the CPCN and other necessary documents for regulatory filings, seconded by Dan Fessenden, and carried. It was noted that the authorizations would not commit any funding at the present time.
4. **Contracts for users and providers.** Forms to be developed and approved; IRU's; ROW Agreements; Intermunicipal Agreements.
5. **Seek recognition as 501 (c) (3) to reduce costs of borrowing.**
6. **Financing, bidding and construction of network**

Ed Hemminger advised that county liability issues related to county personnel serving on the LDC were discussed with John Park, and will continue to be discussed in the future.

Event – Chamber of Commerce

Ed Hemminger advised of an upcoming event by the Canandaigua, Geneva, and Victor Chamber of Commerce. Plans are currently underway for a fiber ring presentation at the Inn on the Lake on April 25 from 8:30-10:30. The purpose of the presentation would be to provide an overall view of the fiber ring and how it would be used by the general population and businesses. No sponsorship is required of the LDC.

ACTION: Dave Smith will look into a live demo that was presented in Washington last year to see if it could be presented at the Chamber meeting and other venues for promoting the project.

Ed Hemminger also advised that on March 6th he would be speaking to the combined town and village officials in Victor, and he expected to speak to Rotary clubs in the future.

It was decided to hold meetings on the 4th Friday of each month in the Economic Development Conference Room at 10:30 a.m. Future dates will be:

March 24	April 28	May 26	June 23	July 28
August 25	September 22	October 27	November 24	December 22

Agenda for March will be as follows:

1. Approval of bylaws (Ed Hemminger).
2. Board reorganization.
3. Review county funding proposal. Draft contract and scope of services.
4. 2nd cost proposal (ECC).
5. Cost proposals and time line (Joe Starks and Jim Townsend).

Being no further business to come before the committee, the meeting adjourned at 12:00 following a motion by Dave Smith, seconded by Dan Fessenden.

Respectfully submitted,

Margaret Cooper
Secretary to the County Administrator

Distribution:

All attendees, present and absent
Members, Ontario County Board of Supervisors
John Park, County Attorney
Darlys McDonough, Deputy County Administrator
Roberta Hutchinson, Asst. Economic Developer
Cathy Bentzoni, Ontario County Finance Officer
Clerk, Board of Supervisors