

MINUTES
FINGER LAKES TELECOMMUNICATIONS DEVELOPMENT CORP., d/b/a AXCESS ONTARIO
MEETING OF THE BOARD OF DIRECTORS
FEBRUARY 26, 2010

Members Present:

Geoff Astles, Ontario County Administrator
Edward Hemminger, Chief Information Officer, Ontario County
Michael Manikowski, Ontario County Economic Developer
John Sheppard, Ontario County Board Supervisor
Steve von Berg, Pervasive Solutions
David R. Smith, Ontario County Citizen

Members Absent: Doug Mossbrook, Camille Sorenson, Mike Ward

On speaker phone:

Robert Seem, Cornell Ag & Food Tech Park
Megan Connor Murphy, Dixon Schwabl

Others Present:

Terry Phillips, The Bonadio Group
Linda Wiener, representing The Bonadio Group
Raymond Jacobi, Mengel, Metzger, Barr
Jackie Lee, Mengel, Metzger, Barr
Andy Lukasiewicz, ECC Technologies
James Townsend, Esq., Remington, Gifford, Williams & Colicchio

The Meeting was called to order by Geoff Astles at 10:00 a.m. in the conference room of the Ontario County Economic Development Office.

The minutes of the January 22, 2010 Annual Meeting of the Board of Directors were presented to the members for approval. David R. Smith made a motion to approve the minutes, seconded by Mike Manikowski, and carried.

AUDIT COMMITTEE UPDATE

Jackie Lee of Mengel, Metzger, Barr reviewed and discussed the Preliminary Draft of the Audited Financial Statements and Independent Auditor's Report as of December 31, 2009 and 2008. She also reviewed and discussed the Preliminary Draft of the Required Communications Letter as of December 31, 2009 and the Preliminary Draft of the Advisory Comment Letter as of December 31, 2009.

A discussion took place regarding the required public distribution of of the Audit report to agencies such as the Public Service Commission, Comptroller and the WWW; the Board was advised that the audit is made public is several ways including the three specifically mentioned.

The Board continued its discussion with the auditors without the presence of management. The auditors were asked whether they examined the compensation paid to consultants; Mr. Jacobi answered that the audit covered only the authorization and approval process and not the value of the services. The Board next discussed the need for a response to the Auditors' comments regarding the recognition of income. The Board agreed to direct management to develop a policy as suggested and to include the commitment as a response in the Auditors' correspondence.

Management returned to the meeting.

Management was asked by the Board to provide a response to the Advisory Letter Finding. The response will be included in the letter. The auditors are still waiting for feedback from the County auditors regarding the consideration of FLRTDC as a component unit of the County. Terry Phillips will discuss this with the County auditors and follow-up with Jackie Lee on their response.

Mr. Astles recommended that the Board's consideration of the audit report be tabled to the next meeting in order to obtain the management response and results of the component unit.

LEGAL UPDATES

Property Tax Update. Mr. Hemminger reported that he has distributed the NYS Office of Real Property Tax information and submitted tax exemption applications to the town assessors and village assessors. Further discussion took place on tax exemption for the different municipalities.

DIXON SCHWABL

Megan Connor Murphy informed the committee that the press release Google Fiber for Communities Experiment was February 11, 2010. As of today, they have received over 90 hits. The majority of those hits are from outside of the region of New York State. The story was picked up by several national media outlets. We are working all different channels to make sure that Ontario County has a very high profile when Google selects the communities. Ontario County has the infrastructure that other communities do not have. Mr. Hemminger told the committee that there was an article from the University of Hartford that stated Seattle, Ontario County New York, Washington D.C., and the state of Hawaii are applying to Google to be the site. Ed Hemminger said that when we submit the application, we should do a press release and so the local citizens have the link so they can nominate our community.

Mike Manikowski made a motion to approve a resolution: Support for Application – Google Fiber for Communities Experiment. The motion was seconded by John Sheppard, and carried.

Ed Hemminger discusses and informs the committee that it will take \$16,000 to create the website plus hosting fees. Mr. Hemminger recommends approval of the website proposal.

A motioned was offered by David Smith and seconded by John Sheppard to accept the website proposal, and carried.

Ed Hemminger discussed the designing of letterhead, business cards, envelopes, PowerPoint template by Dixon Schwabl. The total cost will be \$3,500.

A motioned was offered by David Smith and seconded by Steve von Berg to accept the website proposal, and carried.

ACCOUNTING UPDATE

Linda Wiener distributed, reviewed and discussed the Balance Sheet and Profit and Loss Statement as of January 31, 2010. Ed Hemminger discussed the budget.

CEO UPDATE

Mr. Hemminger spoke to the committee regarding Yates County. They want to build a piece of fiber off of our ring in Rushville and go down through to Penn Yan and come back up to Geneva. Total cost is \$1.7 million. They are proposing that they would pay for it.

Mr. Hemminger requests about \$100 for online storage centralize location of documents to enable sharing of documents between contract support and others who need access to key documents of the corporation

A motioned was offered by Supervisor John Sheppard and seconded by Mike Manikowski to purchase on line storage, and carried.

DESIGN, ENGINEERING AND CONSTRUCTION UPDATE

Joe Starks and Andy Lukasiewicz, Ed Hemminger discussed the recommendation for IRU (Indefeasible Right of Use) with Ontario Telephone to lease fiber capacity. Mr. Hemminger would like this resolution to be contingent upon Jim Townsend's

review of the final document as well as the bank's acceptance to fund this as part of our construction. Mr. Astles recommends it contains proper wording that protects us for a performance standard.

OTHER BUSINESS

Members who have not completed their Conflict of Interest Statements were asked to do so. Ed will contact those members not present and obtain their statements.

Geoff Astles reminded the Board that the Annual Report to the Board and County needs to be submitted.

Mr. Hemminger and Mr. Lukasiewicz have been working on a Chief Operating Officer proposal. The COO would take more responsibility for day to day operations. They will report on the COO at next month's meeting.

Mr. Hemminger has requested Mr. Lukasiewicz report outages at the monthly Access Ontario meeting.

Mr Astles requested that the "AO 200+- Mile Fiber Network" be updated for the next meeting.

ADJOURNMENT

At 11:55 a.m. motion to adjourn was offered by David Smith and was seconded by Supervisor John Sheppard, and carried

Respectfully submitted,

Reliefia Kramer
Planning Staff

Distribution:

All attendees, present and absent
Ontario County Board of Supervisors
Darlys McDonough, Deputy County Administrator
Maureen Duggan, Economic Development

John Park, County Attorney
Clerk's Office, Board of Supervisor
Cathy Bentzoni, County Finance Officer
Mary Gates, Economic Development