

**MINUTES
BOARD OF DIRECTORS
FINGER LAKES REGIONAL
TELECOMMUNICATIONS DEVELOPMENT CORPORATION
MARCH 19, 2009**

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
Robert Seem, Cornell Ag & Food Tech Park
David R. Smith, Ontario County Citizen
Mike Ward, Vice President, Information Technology, Ultralife

Members Absent:

Camille Sorensen, Wayne Finger Lakes BOCES
Doug Mossbrook, Eagle Mountain, Inc.

Others Present:

Joe Starks, ECC Technologies
James Townsend, Esq., Remington, Gifford, Williams & Colicchio, LLC
Gerald Archibald, The Bonadio Group

The meeting of the Finger Lakes Regional Telecommunications Development Corporation (TDC) was called to order by Geoff Astles at 10:10 a.m. in the Economic Development Conference Room.

MINUTES OF JANUARY 28, 2009

James Fralick made a motion to approve the minutes of the January 28, 2009 meeting as written, seconded by Wayne Houseman, and carried. REVIEW AND APPROVAL OF THE 2008 FLRTDC TAX RETURN (990)

2008 TAX RETURNS

Ed Hemminger briefly reported that Mengel, Metzger & Barr have completed the 2008 Tax Return (990). Gerald Archibald reported that the matter was being brought to the board in order to inform them that the Internal Revenue Service (IRS) had substantially changed the requirements for the 990 in 2008 and one of the requirements related to the new form is they would prefer the completed 990 form was reviewed by the board before being filed (although not a regulatory requirement – very strongly recommended). Mr. Archibald recommends board review be considered as a standard reporting requirement from now on as a good governance practice. Mr. Hemminger reported the Audit Committee of the FLRTDC has also reviewed the completed form did not recommend any changes/corrections. **David Smith made a motion to accept the report prepared by Mengel, Metzger & Barr as presented, seconded by James Fralick, and carried.**

FUNDING DISCUSSIONS

Ed Hemminger advised on the following matters:

- Details of latest funding proposal – provided a clean copy of the Citizens Bank latest proposal (General Statement of Risks Associated with Swap Transactions) to the board, and a marked up draft copy from the bank

informing the board on what has been revised. Revisions reviewed: Swap rate – have negotiated the ability to recover monies to be drawn down. Until December 31, 2010, will be making draws on present funds and will only be paying interest on monies drawn. Monies will be recouped by incoming funds (i.e. Empire Pipeline) therefore will be an excess of funds at the end of the timeframe. Short financial arrangements summary provided by Terry Phillips and reviewed by Mr. Hemminger.

- Expected Timeframe – Assuming Citizens Bank provides the final version of the proposal to the Board and pending approval by the FLRTDC Board authorizing Ed Hemminger and Jim Townsend to execute the agreement, the loan closing is scheduled for Wednesday, March 25, 2009 at 11:30 a.m.
- Resolutions to proceed – Jim Townsend reviewed the Resolution to Proceed with the Financing of the Project for the installation of up to 144 strands of dark fiber, the lateral build connections, and authorizes Ed Hemminger and/or the Treasurer to execute all required loan closing agreements (loan agreement, and related documents (promissory notes in favor of the bank for the lateral build and for the main note – the Post Community Benefit Agreement, the Subordination Agreement with the County, the Interest Rate Swap Agreements, and any other agreements deemed necessary) on behalf of the FLRTDC.
- **Motion made to approve and adopt the Resolution to Proceed and with proposed amendments as drafted made by Jim Fralick, seconded by David R. Smith, and carried.**

AUDIT COMMITTEE UPDATE (JIM FRALICK) – MR. FRALICK

- Jim Fralick reviewed the audited 2008 financial statements and reported the statements are clean and there are no problems. Ed Hemminger requested the Board accept the audit report as reviewed. **Mike Ward made motion to accept the audited 2008 financial statements as presented, seconded by Wayne Houseman, and carried.**

GOVERNANCE COMMITTEE UPDATE (BOB SEEM) – NO REPORT AT THIS TIME.

CEO UPDATE – ED HEMMINGER

- 2009 Operating Budget Update – Reviewed budget – a bit over estimated cost of audit as Eldridge, Fox and Porreti charged us \$325.00 to talk to Mengel, Metzger & Barr.
- NYS Broadband Council– Money was to be handed out by end of March – is now being held now to see if the money can be applied to any matching part of any federal grants. Next Broadband Council meeting date is being set up to be held in the next few weeks. Further updates will be provided as information obtained.
- US Broadband Coalition – Implementation Working Group – Reported work continues with the drafting of US broadband coalition. Will provide additional updates as needed.

ACCOUNTING SERVICES UPDATE (GERALD ARCHIBALD FOR LINDA WIENER)

- Reviewed the 2009 CFO Pricing Proposal. **Michael Manikowski made motion to accept the reports as presented, seconded by Robert Seem, and carried.**
- Reviewed monthly financial reports for January and February 2009 - overall budget remains the same as '08 budget.
- Ed Hemminger shared that the FLRTDC needs to move monies from Canandaigua National Bank to Citizens Bank. Will update further in near future.

LEGAL UPDATE (JIM TOWNSEND) – REPORTED ON ABOVE.

DESIGN, ENGINEERING AND CONSTRUCTION UPDATE – JOE STARK

- Phase 1 has been completed.
- Phase 2 Fishers Lateral – has been completed (splicing will be accomplished when appropriate)
- Phase 2 Backbone (April 2009)
 - Design, Make Ready, Construction - is moving along smoothly and is on schedule.

- Phase 2 Verizon Wireless Laterals (April 2009)
 - Design, Make Ready, Construction - Towers should be in place by May.
- Phase 2 Co-Locations (negotiation for Canandaigua location) – should come in as budgeted
- Marcus Whitman Central School District Project – Ed Hemminger reported on the project. Project is 85% completed the RFP process and follow up completed. Cash Back letter sent.
 - Status of Build – will meet June deadline.
- Shared that Kurt Frenzel will be leaving and Andy Lukasiewicz will be taking his place. Mr. Lukasiewicz is considered the Father of Broadband” in Western NY. Assisted with the building and management of Frontiers rollout and Time Warner’s rollout. Will bring lots of experience to the FLRTDC. Phenomenal person – great acquisition by ECC.
- Ed Hemminger reviewed the Actual vs. Liabilities spreadsheet.
- Ed Hemminger reported that the FLRTDC would be leasing strands from Ontario and Trumansburg Telephone Companies/Finger Lakes Technology Group (FLTG).
- M. Manikowski questioned Mr. Hemminger as to how the relationship between FLRTDC and FLTG was at this time. Response: Very good. FLTG had presented a plan to lease fiber put in place by them instead of us building it. Working on deal with them that will allow them to use extra strands of fiber until we have our co-location point in place. Additional update will be provided as needed.

OLD BUSINESS – REVIEW OF ACTION ITEMS FROM PAST MEETINGS:

- Proposal for Locate and Mark-Out Services – Premiere Utility Services is the only company in area that provides services that will be needed. **David R. Smith made motion to move to authorize Ed Hemminger to execute agreement as presented and for an amount not to exceed \$5,000, seconded by Mark Ward, and carried.**
- Annual Report to County – Annual Report to County is being drafted. There will be numerous grant opportunities and requested board’s feelings on submitting applications as appropriate. Michael Manikowski recommended to the Board that Mr. Hemminger be allowed to pursue any grants available. Geoff Astles stated that applying for grants will assist our tax exempt status as it will show we are seeking outside funds.

NEW BUSINESS – NONE

OPEN DISCUSSION

Regional Health Network – Working on communication with the group. Further updates will be provided as needed.

NEXT MEETING: APRIL 24, 2009

Meeting scheduled for next Friday cancelled. Press has been notified and will also be placed on website.

Being no further business to come before the Board, the meeting adjourned at 11:20 a.m.

Respectfully submitted,
Linda R. Frasca, Senior Typist

Distribution:

All members, present and absent
 Ontario County Board of Supervisors
 Darlys McDonough, Deputy County Administrator
 Kristen Thorness, Esq.

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

