

**MINUTES
BOARD OF DIRECTORS
FINGER LAKES REGIONAL
TELECOMMUNICATIONS DEVELOPMENT CORPORATION
MARCH 23, 2007**

The meeting of the Finger Lakes Regional Telecommunications Development Corporation (TDC) was called to order by Edward Hemminger at 10:00 a.m. in the Economic Development Conference Room.

In attendance were:

Members:

Mike Bell
Edward Hemminger, Chief Information Officer, Ontario County
Wayne Houseman, Vice Chairman, Ontario County Board of Supervisors
Mike Manikowski, Ontario County Economic Developer
David Morrow, Consultant
Doug Mossbrook, Eagle Mountain, Inc.
Robert Seem, Acting Executive Director, Cornell Ag & Food Tech Park
David R. Smith, CEO, Infotonics

Guests:

Matthew Crider, ECC Technologies
Kurt Frenzel, ECC Technologies
James Townsend, Esq., Remington, Gifford, Williams & Colicchio

Absent:

Geoffrey Astles, Ontario County Administrator
Jack McCabe, Associate Superintendent, BOCES

APPROVAL OF MINUTES –January 26, 2007

A motion was made to approve the minutes of the January 26, 2007 meeting by Wayne Houseman, seconded by Robert Seem, and carried.

FINANCIAL UPDATE

Ed Hemminger advised that the \$2.5 million was received and deposited in the bank, \$250,000 in a checking account and \$2,250,000 in a Certificate of Deposit for 30-days which earned \$9,431.51 in interest. Ed advised that the balance in the checking account as of March 22, after making payments to James Townsend, ECC Technologies, and the insurance carrier, was \$71,059.88, and \$152 was earned in interest for one-month. Ed further advised that \$2 million was transferred to a 90-day CD and the balance was transferred to a 60-day CD.

Discussion was held on day-to-day accounting and auditing services. Ed Hemminger advised that The Bonadio Group was interested in assisting with the day-to-day operations, and Eldredge Fox & Porretti was interested in the auditing area. Jim Townsend advised that the day-to-day financial adviser had to be different from the company providing auditing services. For comparison purposes, Jim Townsend suggested obtaining a quote from each of the two companies for each required service. Ed Hemminger advised that he would obtain the information.

MARKETING/CUSTOMER CONTACTS

Kurt Frenzel distributed an updated spreadsheet showing those who had submitted letters of intent from those customers who were still pending and potential. At present, there were 5 present customers, 6 pending customers, and 21 prospective customers.

ECC PROPOSAL

The Board reviewed a proposal from ECC Technologies that would continue their marketing efforts for the fiber ring project, research and analyze grant and loan funding opportunities, and file and secure a CPCN. Total cost for the proposal was a maximum of \$59,000 for approximately 475 hours of work, which according to Kurt Frenzel would probably run to the later part of the year. Ed Hemminger interjected that ECC also acted as a mentor and consultant to him on a regular, sometimes daily basis.

The Board was advised that ECC never charged for filing the necessary paper work for the CPCN, but in the current proposal, there would be a \$10,000 charge for filing and securing the CPCN.

Matt Crider spoke of the support services, communications, and education necessary to keep all the parties connected and informed. He also spoke of the importance of getting some fiber built over the next nine months, which will be an asset to the marketing program.

A motion was made by Mike Manikowski to approve of the ECC Proposal, seconded by David Morrow, and carried.

CONFLICT OF INTEREST

The Board was advised that all conflict of interest forms had been received.

Jim Townsend provided a brief refresher with regard to “conflict of interest” as some Board members expressed concern with regard to ongoing working relationships with vendors who could possibly be submitting RFP’s. Jim stated that as Directors, members have a high standard of fiduciary duty to the corporation, and a duty of care, loyalty, and obedience, and he specifically addressed each.

- Care – Be concerned about the activities of the Corporation.
- Loyalty – Activities that transpire in a meeting stay confidential until it is in formal agreement. Do not use fiduciary position as a Board member for personal gain.
- Obedience – When acting as a member of the Board, be faithful to the position and focus on Board activities above all others. Board members are present at meetings for the goals of the corporation.

Overall, if there is an inkling or a sense that there may be an issue that could cause conflict, then follow the 3-D’s: 1) Disclose 2) Discuss 3) Distance yourself.

501(c) (3) APPLICATION UPDATE

Ed Hemminger advised that financial data for the past two years were required, and were easily retrieval since nothing was received or paid until 2007. There would be a filing fee of less than \$1,000, which Ed has authority to pay. It is anticipated that all documents will be mailed prior to April 11th.

REQUEST FOR PROPOSAL (RFP)

Extensive discussion was held on the preparation of an RFP for the detailed design phase of the construction project and Matt Crider spoke of ECC’s desire to bid on the RFP, thereby making them unable to perform detailed design work on the project. As an alternative, Matt suggested one of his competitors, Archi-Technology, headed by Thomas Rauscher, who has agreed to develop and design the RFP for detailed design services for a price of \$105 per hour, or a maximum job total of \$10,000. They will also create and assist in evaluating proposals submitted. Matt Crider advised that Tom Rauscher is a well-respected consultant who specializes in the interconnecting of interior and exterior cabling for large campuses.

Ed Hemminger advised that he would be meeting with Tom Rauscher on Monday at 9:00 a.m. and he would obtain written credentials for distribution to the Board. He would also discuss the preparation of the RFP for distribution prior to April 11th.

Matt Crider advised that ECC Technologies would distance themselves from the design phase of the project, and further contact with Archi-Technology after documents prepared by ECC were turned over to them in preparation of the public RFP. Marketing efforts and other operational components by ECC Technologies will continue.

Mike Manikowski made a motion authorizing Ed Hemminger to contract with Tom Raucher for a price not to exceed \$10,000 to develop and review an RFP for detailed design services for a 40-mile stretch of fiber. The motion was seconded by Doug Mossbrook, and carried.

CONSTRUCTION CONTRACTOR

Kurt Frenzel & Matt Crider distributed an analysis on the seven contractors who bid on the unit pricing RFP, and the criteria used by ECC Technologies (as set forth in the RFP) to evaluate each of the bids. Ed Hemminger advised that the bids were based on a typical 40-mile build, and County build costs were based on 179.4 miles. Bids ranged from \$3,539,383 to \$7,709,177.

After thorough review of all factors including unit pricing, maintenance and repair costs, and corporate stability and finances, Matt Crider recommended Syracuse Utilities Project Construction without reservation. Matt advised that the maintenance and service contract would be negotiated too, after allowing time to evaluate the contractor's performance.

Bob Seem and Mike Manikowski disclosed their relationship with the Cornell Ag & Food Tech Park and Finger Lake Technologies' contract, and Jim Townsend advised that the TCD Board was voting on only the construction element of the Fiberoptic ring.

Wayne Houseman stated that he was comfortable with the information provided and felt the cost was fair, and each RFP response was carefully analyzed according to the established criteria. Mike Manikowski spoke of the people who would be working on the project and he hoped that they would supplement their crews, if need be, with people from Ontario County. Matt Crider stated that the contractor could be encouraged to hire Ontario County residents if additional employees were needed, but most likely they would reserve the right to go elsewhere if qualified workers were not available in the County.

With regard to the timeline, the detailed designs would need to be completed before mobilization, and negotiations with the pole custodians would take between 90-180 days. For now, everything would be on hold for at least 90 days, but depended on the detailed design and whether it would be constructed in stages.

A motion was made by David Smith to move forward with hiring Syracuse Utilities as the construction contractor, seconded by David Morrow, and unanimously carried.

The Board received copies of the proposed budget to construct 179.4 miles of fiber showing that the budget was still about \$7.2 million assuming rates didn't skyrocket.

OTHER BUSINESS

Mike Manikowski made a motion authorizing ECC Technologies to evaluate all fiber swap opportunities, and other beneficial opportunities that might present itself with regard to the 40-mile fiber build.

The Board was advised that Mike Bell was no longer employed by Constellation Brands effective February 28. For the time being, Mike would remain on the Board, but if he takes employment outside of Ontario County, he would need to tender his resignation.

David Smith made a motion to have Finger Lakes Technology Group give an approximate 20-minute presentation at the next meeting with regard to options or alternatives to the first 40-mile construction of the fiber ring. ECC is endorsing the presentation, and the Board stated that they would like to have ECC present at the meeting during the presentation.

The Board was advised that Maureen Duggan would be conducting 2 to 4 hour training sessions in accordance with New York State's mandatory training for public authority members. More information on the dates and times will be distributed at a later date.

Ed Hemminger advised that he would be on vacation April 11-27, 2007.

Ed Hemminger advised that due to the loss of two key employees in his department in recent months, it was necessary to delay the presentation to the Board of Supervisors on the status of the "ring" for the time being.

Being no further business to come before the Board, the meeting adjourned at 11:45 a.m. following a motion made by David Morrow, seconded by Mike Manikowski, and carried.

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
Roberta Hutchinson, Asst. Economic Developer
Mary Gates, Economic Development Office

John Park, County Attorney
Board of Supervisors Office
Cathy Bentzoni, County Finance Officer
Kristen Thorness, Esq.