

Finger Lakes Regional Telecommunications Development Corp
Board of Directors
Minutes
May 23, 2008

In attendance were:

Members:

Geoff Astles, Ontario County Administrator
Robert Seem, President, Cornell Ag & Food Tech Park
Camille Sorenson, Wayne Finger Lakes BOCES
Wayne F. Houseman, Vice-Chairman, Ontario County Board of Supervisors
Doug Mossbrook, Eagle Mountain, Inc.
James Fralick, Ontario County Citizen
Michael Ward, Information Service Director, Ultralife Batteries
Ed Hemminger (CEO), Chief Information Officer, Ontario County

Guests:

James Townsend, Esq., Remington, Gifford, Williams & Colicchio
Terry Phillips, Bonadio & Co.
Joe Starks, ECC Technologies
Mary Gates, Economic Development Office

Absent:

Michael Manikowski, Ontario County Developer
David R. Smith, Infotonics
Linda Wiener (CFO), Bonadio & Co.

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

APPROVAL OF MINUTES – March 28, 2008

Motion was made by James Fralick, seconded by Doug Mossbrook, to approve the minutes of the March 28, 2008 meeting, and carried.

FUNDING RFP SUBMISSION REVIEW

The subcommittee consisted of James Fralick, Mike Manikowski, Joe Starks, Terry Phillips and Ed Hemminger. Mr. Hemminger went over the proposal that was submitted on time and further stated that they waited two or three weeks for the remaining two proposals to arrive. Proposals were received from Zion Bank, Prager, and Key Bank. After a review of the proposals submitted, the committee recommended the proposal of Zion Bank. Mr. Hemminger and Mr. Phillips provided background information on each proposal, beginning a discussion on the banking institutions, economics, and lack of understanding of a “revenue stream”. Mr. Fralick noted his concern with a variable interest rate, and discussion ensued.

At the request of Geoff Astles on the process from this point, Mr. Phillips stated that Zion Bank will be contacted and referenced page five of Zions' proposal noting the steps to be taken once approved by this committee.

On motion of James Fralick, seconded by Bob Seem, the committee authorized moving forward with Zions Bank for financing services. Motion carried.

Mr. Townsend inquired who would be doing the follow-up with Zions Bank, and Geoff Astles suggested that the same subcommittee contact Zions Bank and work on the paperwork, etc. to be brought back to this committee in June.

ACCOUNTING SERVICES UPDATE:

Final Audit Documents Review

Ed Hemminger stated that he received the final components from Eldredge, Fox and Porretti, for the audit report. Discussion occurred on the letter of final component, at which time Mr. Astles advised that he has spoken with Ray Wager and the county finance director on understanding the criteria for the component unit. This issue is being addressed so it is not a problem for next years audit report.

Motion was made by Wayne Houseman, seconded by Doug Mossbrook, to accept the auditors' report for year ending December 31, 2007. Motion carried.

Financial Statement Review

Ed Hemminger went over the financial statements included in the agenda and remarked on the new format. ***Motion to accept the financial statement was made by Jim Fralick, seconded by Bob Seem. Motion carried.***

990 Filing

Terry Phillips briefly reviewed the not-for-profit annual income tax return document, a copy of which was included in the agenda. This document is an informational return for the IRS, which is required to be filed by May 15th of every year, for volunteer Board of Directors. Mr. Phillips indicated that the 2008 return will be revised under a new format, and Bonadio & Co. will be working with Ed to make sure the questions are answered correctly.

Mr. Townsend commented that the checklist of key changes for future filing the 990 form is a good checklist for the corporation to work with so that all information is up to date and complete by the end of the year. Ed Hemminger indicated that the NYS filing for charitable organizations was also filed with the attorney general.

Projected 2008 Budget

Ed Hemminger reported that he and Linda Wiener put together the 2008 budget information and reviewed the projected assumptions for the budget. No additional staffing is projected. Mr. Astles inquired whether the staffing assumptions ought to be part of the footnote, and Mr. Phillips commented that the projected budget is a cash flow, and staffing issues should be part of the footnote.

Policy and Procedures Update

Ed Hemminger reported that he and Linda Wiener have begun looking at policy and procedures and will have a draft to this committee in June.

PHASE I DESIGN, ENGINEERING AND CONSTRUCTION UPDATE

Joe Starks, ECC Technologies, informed the Board of an incident involving NYSEG not allowing the FLRTDC to use their poles, and wanted the FLRTDC to replace poles. There is a current issue between NYSEG and Verizon, which escalated because Verizon is charging FLRTDC pole attachment fees. Verizon does not pay attachment fees to NYSEG. After discussions with NYSEG, they are allowing the FLRTDC to proceed with pole attachments and will deal with Verizon separately. The Public Service Commission is reviewing NYSEG and Verizon's pole attachments, and the revenue exchange between those two companies. At this time, the FLRTDC will continue to pay their agreed upon fees. In answer to Geoff Astles' inquiry on a written confirmation, Mr. Starks stated that he would be receiving an email on the agreed upon actions. Ed Hemminger went into a brief explanation of the cost if the FLRTDC were required to put in new poles in all areas at the same rate it would cost an additional \$5.4 million dollars to build out our project.

Mr. Starks referenced and reviewed the color map of the first part of the fiber build, and he explained the color codes and segments.

Lateral Builds Authorization

Ed Hemminger began discussion by stating that he had requested a quote proposal from ECC Technologies. This proposal was provided to the Executive Committee. The Executive Committee approved moving forward with the ECC proposal. The scope of work and summary of what is involved was reviewed. Mr. Starks indicated that this phase deals with the actual customers. They will be identifying the locations in the particular company's building and identifying pathway from building back to the backbone. As part of this, they identified key entrance points so that they are not cutting the cable in every block, which also provides detailed documentation for Syracuse Utilities to get the actual cost to build. The estimated lateral build costs were noted on page 5 of the proposal.

Mr. Townsend made known that one of the important messages to convey is that there is a limited number of holds with certain entrance points that can connect to the ring, and there are planning limitation involved. Mr. Starks explained the process in how they are determining the entrance points in the most popular places.

Ed Hemminger reported that he received a phone call from the State of New York Science and Technology Foundation that a company in Corning is interested in getting NYSERNET (education network), and were interest in how the fiber can help them. He pointed out that the fiber network is becoming known nationwide.

Motion was made by Doug Mossbrook, seconded by Mike Ward to approve the design portion of the contract for the lateral builds and ratify the executive committee's approval of the contract with ECC Technologies in an amount not to exceed \$24,250.00. Motion carried.

CEO UPDATE

Kickoff Event Review

Ed Hemminger went over some of the proposals from Dixon Schwabl regarding options for the "First 40 Miles" event. Included in the proposal were dates and budget figures. They are looking at a mid-September timeframe. He and Mike Manikowski will have more details at the June meeting. Mr. Astles asked if targeting September as a kick off date is enough time to work out the issues with potential customers, and Mr. Starks believed it would be as they are being very aggressive.

Ed Hemminger informed the Board that the Victor Economic Development Groups and the Town of Victor are planning a "rally around fiber day". They have 600 businesses on their target list. Mr. Hemminger suggested that the FLRTDC be there with brochures and cards to generate more leads. Victor is doing the mailings and publicity, and Mr. Hemminger was looking for approval for this group to purchase the flyers and brochures. The Board directed Ed to look into the cost of production and work with the Executive Committee.

Public Relations Event No update at this time.

Annual Report to County. No report at this time

NYS Broadband Council Update

Ed Hemminger stated that the Council meets next month and efforts are being made to have Governor Paterson attend. Dr. Melodie Mayberry-Stewart is the chairperson of NYS Broadband Council. Mr. Hemminger added that they did get most of the carriers and telecom associations to become part of the action committees, and membership went from 5 members to between 25 and 30. The Council continues to move forward with mapping, although it is difficult to obtain mapping information.

Economic Development Update

Mary Gates reported that there are a few developers who are interested in getting fiber access set up before they build, and she will send this information to Mr. Hemminger.

OLD BUSINESS

Public Relations/Communications RFP On hold

NEW BUSINESS

Robert Seem handed out a synopsis of the Public Authority Accountability Act (PAAA) training. He recently attending and reviewed the information with Board members. Mr. Seem went over some of the responsibilities of the board, the reporting requirements, as well as some actions that may need to be considered by this Board. With regard to the establishment of policies noted on the handout, Mr. Townsend pointed out the policies that are currently in place. It was further noted that as the property and inventory changes, the disposition of property policy will be updated.

There being no further business to come before the Board, motion was made by Robert Seem, seconded by Jim Fralick to adjourn. The meeting adjourned at 11:36 a.m.

Respectfully submitted,

Lisa Phillips, Deputy Clerk
Board of Supervisors