

**MINUTES
BOARD OF DIRECTORS
FINGER LAKES REGIONAL
TELECOMMUNICATIONS DEVELOPMENT CORPORATION
JULY 25, 2008**

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
David R. Smith, CEO, Infotonics
Mike Ward, Information Service Director, Ultralife Batteries

Members Absent:

Doug Mossbrook, Eagle Mountain, Inc.
Robert Seem, Cornell Ag & Food Tech Park
Camille Sorensen, Wayne Finger Lakes BOCES

Guests Present:

Joe Starks, ECC Technologies
Linda Wiener, Bonadio & Co.

The meeting of the Finger Lakes Regional Telecommunications Development Corporation (TDC) was called to order by Geoff Astles at 10:07 a.m. in the Economic Development Conference Room. The Chairman declared Mr. Mossbrook and Ms Sorensen necessarily absent.

MINUTES OF JUNE 27, 2008

Jim Fralick made a motion to approve the minutes of the June 27, 2008 meeting, seconded by Wayne Houseman, and carried.

ACCOUNTING SERVICES UPDATE

Linda Wiener reported that cash and cash equivalents was \$1,432,204.37, and accounts payable was \$66,467.50. The next report will show an insurance refund of \$6,000 due to a reassessment.

Linda advised that she would begin entering the budget into Quick Books and she would begin to prepare a vendors list for revenue receipt purposes.

Ed Hemminger provided a project summary showing that \$308,768 was committed to be paid, and \$1,072,764 (including interest) was available after payments.

Discussion was held on the 2008 financial audit, and the need to begin the selection process for an auditing firm to prepare the annual report. It was felt that a recommendation for an auditor should come from the Audit and Finance Committee to the Board in September.

FUNDING

Ed Hemminger reported that he expected a term sheet from Zion Bank later in the day. He stated that, via email, he would provide everyone with an update in a few days, including options to be considered. Ed Hemminger also reported that the letter of credit is still being considered by the bank he mentioned at the previous meeting. One question still being considered was whether the corporation would be classified as taxable or non-taxable, collateralize funds or not, and Jim Townsend will be in contact with the State Controller's Office to find out the answers. Ed reported that when the term sheet is in final format, it will need Board approval.

With regard to funding, Joe Starks stated that although \$5 million is the figure being used to complete the project, the corporation has funds in the bank, and by leasing fiber versus building fiber, the corporation will be able to save some money, which hasn't been figured into the projected costs. There is also the potential to save money in other areas such as reducing the number of fiber strands.

INVESTOR UPDATE

The Board was provided with an update on the Pennsylvania investors who visited the county last week. Joe Starks advised that the investors were considering investing funds to provide fiber to the home, and it was his opinion that the meeting was well received. David Smith suggested checking with Mike Manikowski to see if there was any incentive funding for companies that creates jobs for NYS residents.

Mention was made of developing a county franchise agreement for future use.

PHASE I UPDATE – DESIGN, ENGINEERING & CONSTRUCTION

Joe Starks reviewed the Build Status Report dated 7/25/08, which provided an update on the fiber placement. He noted that the Ontario County line on Route 96 to PreEmption Road and Routes 5 & 20 in Geneva is complete, and the plan is to bury fiber from Routes 5 & 20 to the Ag Tech Park in Geneva.

Board was advised that fiber to Canandaigua School District was completed via over lash method, which saved about \$30,000 in make-ready work. The fiber, and excess capacity, is now available for the corporation's use, and the corporation will maintain the fiber down that route.

Geoff Astles suggested that after the first 40 miles of fiber is complete and operational, probably September or October, he wanted to plan for a 20-30 minute presentation to the Ontario County Board of Supervisors to include maps, a short financial summary, and accomplishments of the project. Wayne Houseman volunteered to work with Geoff in preparing the presentation.

Board was advised that the Marcus Whitman School District is a potential customer for fiber to upgrade what they currently lease, although it still needs to be approved by the school board. It was noted that some or all the cost would be picked up by the State. It is expected to generate about \$18,000 in annual revenue from the Flint/Geneva area. The new fiber connection for the school will allow for distance learning, video programming, etc. and cost about \$300 per month. Board was also advised of a cell tower across the street from the school, which might be of interest to a cellular phone company. Ed Hemminger advised that with the school district's interest, it could allow for the communities in the surrounding areas of the three schools in the district to get access to the ring sooner. Mike Manikowski spoke of the value proposition for projects like this and the positive publicity that can be generated for the school, the community, and the corporation. Ed Hemminger advised that he expected a press conference in the near future with the school superintendent and the town supervisor.

Joe Starks advised of the \$84,000 construction contract fee, and members wanted to ensure the pricing method is fair and equitable. Geoff Astles asked for Joe Starks and Ed Hemminger to work together on the pricing model, complete with an organizational chart.

MASTER AGREEMENT UPDATE

With regard to the Master Agreements distributed at the last meeting, Ed Hemminger stated that they would be used by the vendors providing service from point A to point B sites.

POLICY AND PROCEDURES

Linda advised that her policy focus is on the Financial Policy, which for now she considered a “filler” project until September/October when she will have more time to work on it. She stated that maybe the Executive and Finance Committees might want to meet in September to look over the preliminary document and at year-end a review of the key areas of the policy can be presented. Geoff Astles stated that he wanted to have the policy completed when required by New York State.

Linda also stated that she was working on the Personnel Policy, and the Board might want to decide what they considered to be priority policies.

PUBLIC RELATIONS EVENT UPDATE

Several members spoke of the need to hire a public relations firm to write stories of the positive work being undertaken on the fiber ring project, and Mike Ward spoke of the positive publicity generating more interest in the project.

On a somewhat related note, members spoke of tracking the businesses and jobs created in Ontario County as a direct result of the fiber ring project.

NYS BROADBAND COUNCIL UPDATE

Ed Hemminger gave a short update on the Broadband Council advising that many private sector members resigned after Melodie Mayberry-Stewart required council and action team members to sign a code of conduct that they would not be involved in any grant submissions. Even with the loss of so many, the council is moving forward.

Ontario County is still in a position to pursue some of the \$10 million in grant funding through Joe Starks.

OTHER BUSINESS

Board was advised that all Conflict of Interest declarations by members must be turned into Ed Hemminger before the August meeting.

Ed Hemminger advised that he, Geoff, and Mike would be making a presentation at the Fall NYSAC Conference on the fiber ring project, and he would be speaking to Cornell management students who were going to use the fiber ring project as a case study.

Being no further business to come before the Board, Mike Manikowski made a motion to adjourn at 11:22 a.m., seconded by Jim Fralick, and carried.

Board was advised that the next meeting was August 22, and a call to Ed Hemminger would be appreciated if anyone was unable to attend.

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
Kristen Thorness, Esq.
Office of Economic Development

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