

**MINUTES
BOARD OF DIRECTORS
FINGER LAKES REGIONAL
TELECOMMUNICATIONS DEVELOPMENT CORPORATION
SEPTEMBER 28, 2007**

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

In attendance were:

Geoffrey Astles, Ontario County Administrator
Mike Bell, Consultant
Edward Hemminger, Chief Information Officer, Ontario County
Mike Manikowski, Ontario County Economic Developer
Robert Seem, Acting Executive Director, Cornell Ag & Food Tech Park
David R. Smith, CEO, Infotonics
Wayne Houseman, Board of Supervisors
James Townsend, Esq., Remington, Gifford, Williams & Colicchio
Joe Starks, ECC Technologies
Gerald Archibald, Bonadio & Company

APPROVAL OF MINUTES – July 27, 2007

Motion was made by Wayne Houseman, seconded by Mike Bell, to approve the minutes of the July 27, 2007 meeting, and carried.

ACCOUNTING SERVICES UPDATE

Review of Bank Accounts and Daily Accounting Issues: Mr. Hemminger briefly reviewed the bank accounts and daily accounting and noted the new format. He indicated that Bonadio & Company had set him up with Quickbooks and that the new system was working well. Mr. Gerry Archibald, Bonadio & Company, explained that Quickbooks will provide the appropriate accounting functions at this time. Mr. Hemminger indicated that no bills had been received for the month, and therefore, he had no report on payments. Mr. Hemminger indicated that after speaking with Mr. Archibald on the issue with collateral on the CD's, has been working with CNB on collateralizing. ***Motion was made by Mr. David Smith, seconded by Mr. Manikowski to accept the financial reports as presented. Motion carried.***

Updating the Business Plan Financial Data: Mr. Hemminger indicated that Eldredge Fox & Porretti has completed the business plan financial data, and he will be speaking with the bank on what the next steps are and the most profitable method to pursue.

Bonding: Mr. Manikowski explained that bonding is an option, but that funding has yet to be determined. If project proceeds with bonding, it would be necessary to hire bond council.

Cash and Investment Policy: Discussion began with the CFO (Chief Financial Officer) and the importance of having a separate individual perform the duties under the CFO title to alleviate some of the responsibilities that Mr. Hemminger is carrying. Mr. Archibald indicated that Linda Wiener, who works at Bonadio & Co. and has been working on FLRTDC matters, is a qualified individual for this type of work, and they would offer 8 hours a month at \$125/hour in the beginning prior to hiring someone on a permanent basis. Mr. Archibald felt it was the most cost effective way at this time before a more formal permanent CFO is hired.

Mr. Manikowski asked Counsel Jim Townsend if this board was set with the appropriate committees. Mr. Townsend indicated that the committees that are currently set up match the requirements for this board. Mr. Archibald suggested that the Audit Committee be changed to Audit and Finance.

Mr. Townsend suggested that the Board consider engaging Ms. Wiener prior to the beginning of construction which is likely to start in October. After further discussion, *motion was made by Mr. Robert Seem that the board retain Linda Wiener of Bonadio & Co. to fill the position of CFO for the corporation on a hourly basis at \$125/hour not to exceed \$1,000 per month, and that the relationship be terminable by either party with 30-days notice, without cause, and that the form of the contract be approved by the chairman and counsel. Ms. Wiener would be required to attend the monthly meetings of the Board of Directors of the FLRTDC. Motion was seconded by Mr. David Smith and carried.*

Motion was made by Mr. Houseman, seconded by Mr. Manikowski to accept the Finger Lakes Regional Telecommunications Development Corporation Cash Management and Investment Policy. Motion carried.

Mr. Manikowski inquired with regard to collateral on the CD's, and Mr. Archibald responded that if collateral is required there may be some type of charge to securitize the CD's and that would be some of the information that will be discussed with CNB.

Mr. Hemminger referred to "Schedule A" in the agenda packet and reviewed the dates of payments as a reminder. Question was raised whether all the documents from Empire Pipeline have been executed and if there was a definite commitment. Mr. Townsend indicated that the closing was held on July 8th, and National Fuel Gas has 98 days (90-days, plus 8 additional days) to obtain permission from the federal commission to enter into the transaction. Mr. Astles wanted to ensure that they have all the documents to go into the market place with an RFP and begin discussions. Mr. Manikowski asked about doing an RFP to include CNB, Mr. Townsend thought the proposal was too big for CNB. The determination whether to bond or do a direct loan is still to be determined.

LEGAL SERVICES UPDATE:

501 (c)(3) application – Mr. Townsend reported that after much scrutiny, he received a verbal commitment from the IRS that the corporation is qualified and can be recognized as a 501(c)(3) corporation. The IRS indicated they would be issuing a letter, but he has not seen it yet.

Mr. Archibald added that when the letter is received to note the "advanced ruling period", and cautioned that after five years from the date of the determination letter, the corporation ought to receive a reminder to file for a permanent ruling. "Advance Rule" is good for five years and after five years the corporation is required to go back to the IRS showing that the corporation has followed through with its intention and apply for the permanent ruling.

Contract Signing (ECC and Syracuse Utilities) – Syracuse Utilities is reviewing their contract and if there are no changes they will be sending them back soon. Mr. Hemminger will be following up on the signatures for the ECC contracts.

PHASE I DESIGN, ENGINEERING AND CONSTRUCTION UPDATE: Mr. Joe Starks, CEO, of ECC Technologies, indicated that the first segment of construction would be from Eastview Mall through Victor, through Canandaigua, and to the Ag Tech Park in Geneva. The route has been surveyed and they were able to eliminate 4 miles during that survey. He indicated that Mr. Hemminger could expect to see

construction costs in early November/December. It was mentioned that they are looking into a suitable station site for materials. Mr. Hemminger indicated that a meeting has been set up with the county administrator, public works and Mr. Starks for staking and permits for county roads. Mr. Starks indicated that there are two hurdles that need to be overcome; the first being the underpass on High Street in Victor as they are unsure who to contact as the owner; and the second being the bridge over West Street in Canandaigua. Mr. Manikowski indicated that the IDA has a right of way and that contact should be made with the Finger Lakes Railroad. Construction is scheduled to go right through the winter in 4 to 5 mile segments at a time. Mr. Starks also indicated that RGE has agreed to allow use of the high voltage line.

Mr. Hemminger commended Mr. Manikowski for his efforts in spreading the word regarding the fiber optic line as he talks to various companies, as he has been receiving referrals which he passes on to ECC.

MARKETING SERVICES UPDATE: Mr. Joe Starks went over a list of companies who have requested quotes and customers that they have commitments with letters of intent. Discussion occurred on most interested carriers and rural areas of interest.

Mr. Manikowski suggested a ceremony of sorts take place to announce the beginning of construction and he offered some recommendations for marketing and attracting interest. Mr. Hemminger added that he felt it was time to court the media regarding the project.

OLD BUSINESS:

Filing Vacant Board Position – Mr. Seem reviewed the credentials of two candidates noting that both candidates would be suitable to serve on this board. The Governance Committee recommended an invitation to Mr. Michael Ward to serve on the board. If Mr. Ward is unable to accept the invitation, then they would recommend Dr. James Fralich. ***Motion was made by Mr. Houseman, seconded by Mr. Manikowski to invite Mr. Michael Ward to serve on this Board of Directors. Motion carried.***

Public Relations/Communications RFP – No updates at this time.

Trip to Corning - Mr. Astles and Mr. Smith met with the folks at Corning was to make them aware of the fiber ring project in Ontario County, and there would be less ground work if they chose to participate in some form in the future. Mr. Hemminger added that at the minimum, they have a point of contact in Corning.

Trip to Representative Kuhl – Mr. Astles met with Congressman Kuhl to keep him up to date and informed of the project if for some reason his assistance is needed in the future.

eRate Filing – Mr. Hemminger indicated that the eRate filing is complete, which is another major milestone which allows school districts to acquire service and get reimbursement from the State.

Telecom filings with NYS PSC – Have had two filings and Mr. Hemminger gave them to ECC and they took care of them.

NEW BUSINESS:

Mike Bell Proposal – At 11:10 a.m., motion was made by Mr. Manikowski, seconded by Mr. Smith to move into Executive Session to discuss the medical, financial, credit, or employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation; motion carried.

At this time, Mr. Archibald left the meeting.

Mr. Mike Bell left Executive Session at 11:20 a.m. and recused himself from any further discussion.

Motion was made by Mr. Manikowski, seconded by Mr. Seem to move out of Executive Session. Motion carried. No action was taken in executive session and further analysis will be done.

Mr. Bell returned to the meeting at 11:26 a.m.

Mr. Hemminger indicated that Mr. Mossbrook has difficulty meeting on Fridays, and after a brief discussion amongst board members, Mr. Hemminger was requested to ask Mr. Mossbrook if this is seasonal and possibly look into conference calling.

There being no further business to come before the board, motion was made by Mr. Houseman, seconded by Mr. Manikowski that the meeting be adjourned. The meeting adjourned at 11:30 a.m.

Respectfully submitted.

Lisa Phillips, Deputy Clerk
Board of Supervisors