

MINUTES
FINGER LAKES REGIONAL TELECOMMUNICATIONS DEVELOPMENT CORPORATION
dba AXCESS ONTARIO
BOARD OF DIRECTORS MEETING
August 11, 2016

Members Present:

Don Culeton
Mary Krause
Michael Manikowski
Doug Mossbrook
Bob Seem
John Sheppard (arrived at 4:39p.m.)
Camille Sorensen
Mark Tolbert

Members Absent:

John Dorak
David Smith
Johnny Walker
Andrew (Drew) Wickham

Others Present:

Sean Barry, CEO
Andy Lukasiewicz, ECC Technologies (excused at 4:55 p.m.)
Helen Zamboni, Underberg & Kessler
Terry Phillips, The Bonadio Group

The August 11, 2016 meeting of the Board of Directors of the Finger Lakes Regional Telecommunications Development Corporation, dba Axcess Ontario, was called to order in the Ontario County Economic Development Conference Room, Mezzanine Level, County Municipal Building, 20 Ontario Street, Canandaigua, NY at 3:32 p.m. by Chairman Mark Tolbert.

APPROVAL OF THE MINUTES:

A motion to approve the minutes of the July 7, 2016 meeting was made by Bob Seem, and seconded by Camille Sorensen. Motion carried.

FINANCIAL UPDATE:

Terry Phillips indicated that AO's cash position at June 30 was good because 2/3s of the STN build has been invoiced and paid, and expenses associated with the build are not all in. In general, the financial results are trending in the right direction due to cost containment and increase in revenue.

The 990 for 2015 had been sent to the board for review in advance of the meeting, and there being no questions about it, a motion to approve it was made by Doug Mossbrook, seconded by

Don Culeton and unanimously carried. The 2015 CHAR500 will also be filed with the New York Charities Bureau following signature by Sean Barry.

CARRIER HOTEL:

Andy Lukaszewicz reported that ECC has been asked to update its estimate of the cost of a build to connect the AO network to the carrier hotel in Rochester and LightTower (formerly Fibertech) has also been asked to do the same. Contact will be made with Monroe County to see if, in light of the pending dissolution of its LDCs and retitling of assets with Monroe County, Monroe County would be willing to make any of its fiber available to AO for this purpose.

SALES & OPERATIONS UPDATE, PROPERTY TAXES and EVALUATION OF RFPs:

At 3:54 p.m., a motion was offered by Mike Manikowski, seconded by Doug Mossbrook, to go into executive session for the discussion of the proposed acquisition, sale or lease of real property or the proposed acquisition of securities, or sale of exchange of securities held by the Corporation as publicity would substantially affect the value thereof. Motion carried. At 5:23 p.m., a motion was offered by Mike Manikowski, seconded by John Sheppard, to leave executive session. Motion carried.

A motion was made by John Sheppard, seconded by Mike Manikowski, that Sean Barry contact ECC Technologies to let them know that their proposal has been accepted and that counsel will be in contact to negotiate and prepare an amendment to the current contract through December 31, 2018 on the terms contained in the proposal, with such other revisions as may be appropriate. Motion carried.

Further to the motion adopted at the July 7 meeting, Terry Phillips is to complete preparation of a request for proposals for consultants to assist the board in reviewing Axxess Ontario's strategic initiatives, with Sean Barry to send these out to the selected consultants (who should be expert in telecommunications, especially dark fiber and open access, and not engaged in business in the area). The expectation is that the RFPs will be sent out before August 19, the Executive Committee can select the finalist soon thereafter and the consultant's report can be in hand for deliberation at the next board meeting on September 22.

Counsel reported to the board that the Ontario County IDA by law may only provide incentives for new investment and therefore PILOT agreements to address AO's current taxes are not available. Further, in order to form a public benefit corporation, pursuant to Municipal Home Rule Law §40, the County Board of Supervisors would need to take a vote by 2/3s of the Board to request that the state legislature enact a special law stating the facts establishing the necessity for enactment of the bill. Mike Manikowski noted that it took two years for the IDA to obtain such a law for the creation of the foreign trade zone in Ontario County. Meanwhile, counsel, ECC and Terry Phillips will continue to review the feasibility of seeking any possible relief from real property taxation through ORPTS on the basis of impairment or obsolescence.

At 5:24 p.m., a motion was made by Mary Krause, seconded by John Sheppard, to adjourn. The motion passed.

REMINDER: NEXT BOARD MEETING IS SEPTEMBER 22 AT 3:30 P.M.

Distribution:

All Board Members, present and absent
Ontario County Board of Supervisors
Clerk's Office, Board of Supervisors
Mary Krause, County Administrator
Mary Gates, Deputy County Administrator
Gary L. Curtiss, County Attorney
Cathy Bentzoni, County Finance Officer
Michael Wojcik, Economic Development