

MINUTES
FINGER LAKES REGIONAL TELECOMMUNICATIONS DEVELOPMENT CORPORATION
DbA AXCESS ONTARIO
BOARD OF DIRECTORS MEETING
June 20, 2014

Members Present:

John Sheppard, Supervisor, Town of Seneca, Chairman of Axxess Ontario
John Garvey, County Administrator
Vice Chair Ed Hemminger, SMS
Michael Manikowski, Ontario County Economic Developer
Robert Seem, Cornell Ag & Food Tech Park
Camille Sorenson, Wayne Finger Lakes BOCES
David R. Smith, Ontario County Citizen
Geoff Astles, Retired County Administrator
Doug Mossbrook, Eagle Mountain, Inc.
Johnny Walker, SMS
Mark Tolbert, Toptica USA

Members Absent:

Sean Barry, CIO
John Dorak, Noyes Memorial Hospital IT Director

Others Present:

Terry Phillips, Bonadio & Co. – Call In

The June 20, 2014 meeting of the Board of Directors of the Finger Lakes Regional Telecommunications Development Corporation, dba Axxess Ontario was called to order in the Ontario County Economic Development Conference Room, Mezzanine Level, County Municipal Building, 20 Ontario Street, Canandaigua, NY by John Sheppard, Chairman. At 1:30 p.m.

APPROVAL OF THE MINUTES:

Previous meeting minutes were not considered. The previous meeting did not have a quorum present and no Board action was accomplished.

FINANCIAL UPDATE:

Terry Phillips called in and reported that the Financial Statements are not available for review at this time. He is investigating variances in recurring revenue and expense items. He will meet with the Andy Lukasiewicz (ECC) before finalizing the finance statements. After July 4 he suggested he meet with the Audit Committee for action steps. Board discussion followed with

a consensus of the Executive Committee scheduling a mid-cycle meeting to receive Terry Phillips' update and consider likely other timely actions. Citizens Bank will issue a check of \$190,501.00 from our line of credit to replenish our cash reserves expended for Verizon lateral construction.

GOVERNANCE COMMITTEE UPDATES:

Chairman Bob Seem recommended the following people to fill in existing slots:

Audit Committee: Ed Hemminger

Executive Committee: Mark Tolbert

Governance Committee: John Dorak

Bob Seem moved the slate of Ed Hemminger (Audit), Mark Tolbert (Executive) and John Dorak (Governance). Johnny Walker seconded the motion. The motion carried unanimously.

The Board then entered a discussion of replacing John Dorak on the Audit Committee due to his new membership on Governance. Chairman Sheppard asked for nominations then volunteers to fill the Audit Committee position vacated by John Dorak. Johnny Walker volunteered for the position, Bob Seem moved and Ed Hemminger seconded Johnny Walker's Audit Committee membership. The motion carried unanimously.

SALES AND OPERATIONS:

Mr. Joe Starks, president of ECC, offered an operational update of Axxess Ontario. He solicited Board questions and followed with a brief list of accomplishments from AO inception. In the 8 years of operation the number of carriers has increased from two to eight. The increased coverage has led to job creation and retention. The fiber network has allowed F.F. Thompson Hospital and the URMC to expand the area of coverage. Verizon's 4G LTE coverage of Ontario County and surrounding areas is the direct result of dark fiber accessibility and Axxess Ontario. New York State is opening grants to assist in the development of open access models. The priority was apparent from the Broadband Summit and Axxess Ontario should pursue these funds to facilitate current and future operations.

NY BROADBAND SUMMIT:

Ed Hemminger, Joe Starks, Andy Lukasiewicz and John Sheppard attended the second annual meeting. Ed participated as a focus group member ATT, TWC and Slic Network Solutions. S received the 1st Place Award for being a 2014 Broadband Champion recognizing outstanding achievements in the industry. Axxess Ontario, FLTG, ECC and STN all received runner-up awards and recognition. Chairman Sheppard reported that all aspiring broadband providers are struggling with the cost of installation and maintenance of the systems. NYS has a renewed emphasis on subsidizing the open access broadband model but there will be many competing projects.

SUBCOMMITTEE DISCUSSION:

Two subcommittees, one to get a contracted CEO position filled formed in December 2013 and the other organized in August 2013 to formulate a strategy for AO, propose operational milestones and timely expectations had not shown any results at the present time. John Sheppard recommended that subcommittees be disbanded and five members of the executive

committee complete the functions of those subcommittees. ***Geoff Astles moved to disband the two subcommittees and have the executive committee take over responsibility. Mark Talbert seconded. The motion passed unanimously.***

A motion was offered by Ed Hemminger and seconded by Doug Mossbrook to adjourn at 2:25 p.m. The motion passed.

Distribution:

All Board Members, present and absent

Ontario County Board of Supervisors

Clerk's Office, Board of Supervisors

John Garvey, County Administrator

Daryls McDonough, Deputy County Administrator

John Park, County Attorney

Cathy Bentzoni, County Finance Officer

Michael Wojcik, Economic Development