

MINUTES
FINGER LAKES REGIONAL TELECOMMUNICATIONS DEVELOPMENT CORPORATION
DbA AXCESS ONTARIO
BOARD OF DIRECTORS MEETING
January 23, 2015

Members Present:

John Sheppard
John Dorak
John Garvey
Michael Manikowski
Robert Seem
Camille Sorensen

Members Absent:

Doug Mossbrook
David Smith
Mark Tolbert
Johnny Walker

Others Present:

Sean Barry, CIO
Terry Phillips, Bonadio & Co.
Helen Zamboni, Underberg & Kessler
Andy Lukasiewicz and Jeff Gasper, ECC Technologies
Megan Connor Murphy, Dixon Schwabel

The January 23, 2015 meeting of the Board of Directors of the Finger Lakes Regional Telecommunications Development Corporation, dba Axxcess Ontario, was called to order in the Ontario County Economic Development Conference Room, Mezzanine Level, County Municipal Building, 20 Ontario Street, Canandaigua, NY at 1:30 p.m. The regularly scheduled meeting on January 16 was rescheduled due to weather and a lack of quorum that day. As this was the organizational meeting for 2015, the meeting was opened by Acting Chair & CEO Sean Barry.

APPROVAL OF THE MINUTES:

The minutes of the December 19 board meeting and the January 2 joint Executive and Finance Committees were approved following a motion by John Sheppard, seconded by Camille Sorensen.

GOVERNANCE COMMITTEE:

Bob Seem, chair of the Governance Committee, sought a motion to approve the proposed amended and restated bylaws that were circulated to the board by counsel on December 20, 2014. John Dorak made the motion, seconded by John Sheppard and which was unanimously passed.

Bob then informed the board that Geoff Astles had declined the opportunity to be nominated for an additional term, and that Ed Hemminger had resigned due to his intent to contract with ECC Technologies. Doug Mossbrook, David Smith and Mark Tolbert were all willing to serve again and Bob sought a motion to re-elect them. John Sheppard so moved, Mike Manikowski seconded, and the motion was unanimously approved. The Governance Committee will seek at least one additional candidate to bring the board to an uneven number, and possibly three additional candidates.

Bob then proposed as board chair the election of John Sheppard as Chair. John Dorak made the motion, and John Garvey seconded it. The motion was carried by a majority, John Sheppard abstaining. Bob then proposed the following as the other officers of the board and members of the Executive Committee: Camille Sorensen as Secretary, Doug Mossbrook as Treasurer and Mark Tolbert as member-at-large. John Dorak so moved and Mike Manikowski seconded the motion, which was carried by a majority, Camille Sorensen abstaining.

The Governance Committee will seek candidates to serve as Vice Chair.

Geoff Astles and Ed Hemminger were recognized for their many years of service. Ed's deep involvement as one of the earliest proponents of Axxess Ontario, Vice Chair and member of the Executive, Finance and Audit Committees will be especially missed.

FINANCIAL UPDATE:

Terry Phillips reviewed the financial results through November 30, and indicated that nothing has occurred to change materially the 2014 year end projection. He also reported that the expense recorded for the FF Thompson build in 2014 has now been capitalized. He will present to the Finance Committee in the next few weeks a proposed investment policy for the investment of AO's \$1M in cash reserves into fixed income investments to generate some income. Terry also noted that the "mark-to-market" loss resulting from the swap will increase by about \$400,000 for 2014 due to the low interest rates prevailing in the market. Terry is also working with RBS Citizens on renewing the loans, which are due at year end.

SALES AND OPERATIONS:

Andy Lukasiewicz was welcomed with best wishes for his continued recovery. At 2:02p.m, a motion was offered by John Dorak, seconded by Bob Seem, 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 2:38 p.m., a motion was offered by Bob Seem, seconded by John Dorak to leave executive session. Motion carried.

EXECUTIVE COMMITTEE UPDATE:

John Sheppard informed the board that the new arrangement with Dixon Schwabel was now in place and that work was continuing on the ECC contract. Terry Phillips would like to take charge of developing the specific counterproposal to ECC, so that AO can get it in place.

John also reported that he gave an update on AO to the Ontario County Board of Supervisors on January 22, and will continue to keep the Board advised of developments. He will also continue to follow developments related to the broadband initiatives as they unfold.

A motion was offered by John Garvey, seconded by Camille Sorensen to adjourn at 2:45 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