

MINUTES
FINGER LAKES REGIONAL TELECOMMUNICATIONS DEVELOPMENT CORPORATION
dba AXCESS ONTARIO
BOARD OF DIRECTORS MEETING
October 27, 2016 -- CORRECTED

Members Present:

Don Culeton
John Dorak (by phone)
Mary Krause
Michael Manikowski
Bob Seem
John Sheppard
Camille Sorensen (by phone)
Mark Tolbert
Johnny Walker

Members Absent:

Doug Mossbrook
David Smith
Andrew (Drew) Wickham

Others Present:

Sean Barry, CEO
Andy Lukasiewicz, ECC Technologies (excused at 5:00 p.m.)
Helen Zamboni, Underberg & Kessler (excused at 4:30 p.m.)
Terry Phillips, The Bonadio Group

The October 27, 2016 meeting of the Board of Directors of the Finger Lakes Regional Telecommunications Development Corporation, dba AxcCESS Ontario, was called to order in the Ontario County Economic Development Conference Room, Mezzanine Level, County Municipal Building, 20 Ontario Street, Canandaigua, NY at 3:33 p.m. by Chairman Mark Tolbert.

As a preliminary matter, the directors noted the absence of David Smith due to a health issue and wished him a speedy recovery.

APPROVAL OF THE MINUTES:

A motion to approve the minutes of the September 22, 2016 meeting was made by Don Culeton, seconded by John Sheppard. Motion carried.

FINANCIAL UPDATE:

Terry Phillips presented a proposed budget for 2017 for approval by the board so that it can be uploaded into the PARIS system by October 31. Johnny Walker asked if it would be reasonable to revise the budget to target a break even in 2017. After discussion, John Sheppard made a

motion, seconded by Johnny Walker, to approve such a budget for the PARIS system filing. Motion carried.

By motion made by John Sheppard, seconded by Mike Manikowski, and unanimously adopted, the board approved the retention of Flaherty Salmin CPAs to conduct the annual audit for 2016 at an increase of 2% in fees from those charged for the 2015 audit.

Terry then updated the board on the financials through August 31. He noted that these were corrected to reduce non-recurring revenue by \$68,000 and to amortize that figure over the life of the contracts. He expects the year end loss to be about \$100,000.

Terry then asked the board to approve an increase of 20 hours at \$175/hour for Bonadio to conduct a thorough analysis of AO's special franchise tax assessments. This was approved on a motion made by Mike Manikowski and seconded by Johnny Walker.

Finally, Terry informed the board that the amount in AO's operating account fell below \$1.25M at September 30, so AO was in non-compliance with the covenants on its loans with Citizens Bank. Terry is in the process of negotiating a reduction in this covenant to \$1.1M.

SALES & OPERATIONS UPDATE:

At 4:19 p.m., a motion was offered by John Sheppard, seconded by Don Culeton, 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 5:15 p.m., a motion was offered by Bob Seem, seconded by Johnny Walker, to leave executive session. Motion carried.

Mark Tolbert will direct counsel to make further revisions to the current draft of the contract with ECC Technologies.

Bob Seem brought to the board's attention that both he and Johnny Walker were in the Class of 2017 and their terms expired in January. Johnny is not seeking an another term on the board. Bob is willing to continue to serve if asked. Still also have one unfilled position. Need to identify two candidates and also what type of member experience are we looking to recruit? Board asked to submit potential candidates to Bob.

At 5:20 p.m., a motion was made by John Dorak, seconded by Don Culeton, to adjourn. The motion passed.

REMINDER: NEXT BOARD MEETING IS DECEMBER 15 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