

**MINUTES
BOARD OF DIRECTORS
FINGER LAKES REGIONAL
TELECOMMUNICATIONS DEVELOPMENT CORPORATION
JULY 28, 2006**

The meeting of the Finger Lakes Regional Telecommunications Development Corporation (TDC) was called to order by Geoff Astles at 10:30 a.m. in the County's Economic Development Conference Room.

In attendance were:

Members:

Geoffrey Astles, Ontario County Administrator
Dan Fessenden, Executive Director, Cornell Ag & Food Tech Park
Edward Hemminger, Chief Information Officer, Ontario County
Wayne Houseman, Vice Chairman, Ontario County Board of Supervisors
Mike Manikowski, Ontario County Economic Developer
Jack McCabe, Associate Superintendent, BOCES
Doug Mossbrook, Eagle Mountain, Inc.
David R. Smith, CEO, Infotonics

Guests:

Joe Starks. ECC Technologies
James Townsend, Esq., Remington, Gifford, Williams & Colicchio

Absent:

Mike Bell, Director of Tech Services, Canandaigua Brands

APPROVAL OF MINUTES – JUNE 23, 2006

A motion was made by Wayne Houseman to approve the minutes of the June 23, 2006 meeting, seconded by Doug Mossbrook, and carried.

UPDATE/OPEN DISCUSSION

MEMBERSHIP – Geoff Astles spoke of the open position on the Board and asked for thoughts and ideas to be forwarded to Ed Hemminger. He advised that an individual from a non-government entity is preferred.

CONTRACTS – Ed Hemminger advised that he had not received any further comments on the contracts since the last meeting, and that he and Mr. Townsend would continue to coordinate and communicate the receipt of the \$2 million. Geoff Astles advised that a resolution would be necessary prior to moving forward with the contract, and he suggested that Charlie Peters be contacted with regard to the insurance binder that will be necessary.

Wayne Houseman noted his concern over terminology on page two and requested further clarification on how critical business would be defined. Ed Hemminger spoke of the business clusters being used as a guideline, and Mike Manikowski referred to a resolution adopted in 2004 by the Board of Supervisors that adopted the Technology Led Strategy Review Plan, which could be the guide to the critical users.

David Smith made a motion to file a resolution with the Board of Supervisors to include the change addressed by Wayne Houseman. The motion was seconded by Doug Mossbrook, and carried.

ETHICS POLICY – Jim Townsend advised that he would file the updated Code of Ethics with the Controller's Office, and he presented a copy to Mr. Astles to be distributed to all Board members, and all persons working for the Board.

BANKS/FUNDING

Members were advised that a proposal was anticipated from both Citizen's Bank and M&T Bank within the next two weeks. Both banks were basing their proposals on the County's involvement with the TDC, and their expectation that the County would guarantee the approximate \$3-5 million in bonds. It was noted that if the proposals were based on the TDC alone, interest rates would probably be considerably more, and the business plan would require further review and updated financials.

Ed Hemminger spoke of private sector interest in moving forward with the ring sooner rather than later, and of one particular vendor who was expressing an interest in taking a lead role in construction if the TDC didn't move forward expeditiously. Ed Hemminger noted his concern over this approach as it could be "cherry picked" versus what the TDC envisions for serving all residents of Ontario County.

Jim Townsend advised that the County would have the right to step up and take over the fiber ring project, if the TDC was to fail financially, rather than putting it out on the open-market. Ed Hemminger spoke of his concerns with the private sector taking over the project as it would handle connectivity for public safety, Homeland Security, and other municipal activities.

In mentioning if the IDA could be involved with the bonding, Jim Townsend stated that it should be addressed with John Park.

Joe Starks spoke of the Board obtaining IRU's (indefeasible right of use) upfront from fiber-ring customers and using the payment to provide initial funding for the project, although it might not be realistic. Also mentioned was state or federal funding or guarantees. Geoff Astles advised that the issue required further exploration and Joe Starks mentioned a target date of mid September.

CPCN FILING

Joe Starks advised that the state has rewritten the fiberoptic tariff-filing submitted by the TDC, most likely because the TDC's was the first one they received. Mr. Starks and Mr. Townsend were asked to provide a summary of the difference between the State's CPCN and the one filed by the TDC. Jim Townsend advised that the state's document would require Board approval, and Mr. Starks advised that the TDC would determine the rate structure.

Ed Hemminger advised that there had been no opposition to the fiber-ring project. Upon approval, the CPCN would be effective 30 days after adoption, and the term would be indefinite.

PUBLICITY

WEB SITE – Joe Starks advised that the website should be on line by the next Board meeting. Ed Hemminger advised that a consultant was hired to lay out the website, which would temporarily become part of the County's website upon completion. Upon receiving funding, a separate website would be established, at which time it would be updated.

EXECUTIVE SESSION

Wayne Houseman made a motion to enter into Executive Session to discuss contracts and terms of conditions that might effect price. The motion was seconded by David Smith, and carried. Mike Manikowski made a motion to exit Executive Session, seconded by Dan Fessenden, and carried.

AUGUST MEETING

Geoff Astles summarized the agenda for the August meeting and items requiring follow-up:

- Ed Hemminger, Mike Manikowski, John Park, possibly Jim Townsend, and Geoff Astles would look at bonding guarantee issues and how they could be structured. They will also be looked at in the context of a County take-over.
- Joe Starks will refine provider information.
- Charlie Peters will be contacted for an insurance binder for the contracts.
- Contract resolution to be filed by Ed Hemminger.
- Joe Starks will have an updated time line for August.
- Joe Starks and Jim Townsend will provide a summary of differences on the CPCN prepared by both the State and the TDC.
- Summary budget for August meeting, including revenue projections and updated bond numbers and their effect on the business plan - Joe Starks.
- Financial Consultant – Ed Hemminger.
- Gather information on the Northern Ring for planning purposes – Joe Starks.
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It was decided to begin the August meeting at 9:00 a.m. to allow for in-depth contract discussions.

Being no further business, the meeting adjourned at 12:10 p.m. The next meeting will be held at 9:00 a.m. on August 25, 2006 in the Economic Development Conference Room.

Respectfully submitted,

Margaret Cooper

Secretary to the County Administrator

Distribution:

All attendees, present and absent
Ontario County Board of Supervisors
Darlys McDonough, Deputy County Administrator
Roberta Hutchinson, Asst. Economic Developer

John Park, County Attorney
Clerk, Board of Supervisors
Cathy Bentzoni, County Finance Officer