

**MINUTES**  
**FINGER LAKES REGIONAL TELECOMMUNICATIONS DEVELOPMENT CORPORATION**  
**DbA AXCESS ONTARIO**  
**BOARD OF DIRECTORS MEETING**  
**December 19, 2014**

Members Present:

John Sheppard, Chairman  
John Dorak  
John Garvey  
Ed Hemminger  
Michael Manikowski (by phone)  
Doug Mossbrook  
Camille Sorensen (by phone)  
David Smith  
Johnny Walker

Members Absent:

Geoff Astles  
Robert Seem  
Mark Tolbert

Others Present:

Sean Barry, CIO  
Terry Phillips, Bonadio & Co.  
Helen Zamboni, Underberg & Kessler  
Joe Starks and Jeff Gasper, ECC Technologies

The December 19, 2014 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 by John Sheppard at 1:30 p.m.

**APPROVAL OF THE MINUTES:**

The minutes of the November 21 board meeting were approved following a motion by John Garvey, seconded by Johnny Walker. The minutes of the December 2 Executive Committee meeting were approved following a motion made by Ed Hemminger, seconded by John Sheppard.

**ORPTS UPDATE:**

Counsel Zamboni reported on a meeting with Sam Papa of the Office of Real Property Tax Services and members of his staff held in Albany on Tuesday, December 16, attended by Chairman Sheppard, CFO Terry Phillips, Joe Starks of ECC Technologies and herself. The purpose of the meeting was to educate ORPTS about Axxcess Ontario and how it differs from

other carriers, and to get guidance from ORPTS on the information we would need to submit in connection with an application for obsolescence based on either or both of economic obsolescence or underutilization. The consensus of the Axxcess Ontario participants was that the meeting was quite positive.

A discussion of the importance of the GIS system then ensued. CIO Barry said that the cost for the County's IT Department to enter Axxcess Ontario's network information into the County's GIS system would be about \$20,000, based on approximately 400 hours of work at the hourly rate the County charges outside parties for such work. He added, however, that because the County staff working on this would also have higher priority work to do for the County, he didn't think the project could be completed before summer. He recommended that Axxcess Ontario accept ECC's proposal to do this work, as ECC's cost was similar. Joe said that if begun in the first week of January, ECC could be done by mid-February. He also said that the result could be loaded into the County's system. Joe assured the board that the data and work would belong to Axxcess Ontario. John Dorak made a motion, seconded by John Garvey, that the Executive Committee review the proposals by ECC and the County and decide which to accept so that the GIS system development can be implemented.

#### **FINANCIAL UPDATE:**

Terry Phillips reviewed the financial results through October 31, 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 would be capitalized, and that he will be working with Citizens Bank to move \$1M in cash reserves into fixed income investments to generate some income.

#### **GOVERNANCE COMMITTEE:**

John Dorak reported on the recent work by the Governance Committee. Geoff Astles, Doug Mossbrook and David Smith will reach the end of their third consecutive three year terms on December 31. Ms. Zamboni reported that the Not-for-Profit Corporation Law does not require term limits, and more and more corporations are removing them from their bylaws. There is nothing in the Public Authorities Law that requires term limits, either. Mr. Dorak then relayed that Mr. Astles was not interested in being elected to another term, assuming that the bylaws were amended to eliminate term limits. However, Messrs. Mossbrook and Smith were interested. Several other items in the current version of the bylaws were discussed and Ms. Zamboni was directed to prepare a set of amendments to remove the term limits provision, add a section for the Finance Committee and make other changes to take advantage of the modernization aspects of the Nonprofit Revitalization Act and circulate a notice in time to allow action at the January 16 meeting of the Board. The Governance Committee was also directed to continue to identify candidates for the board to fill up to four vacancies.

#### **SALES AND OPERATIONS:**

At 2:19p.m, a motion was offered by Ed Hemminger, 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 2:35 p.m., a motion was offered by Ed Hemminger, seconded by David Smith to leave executive session. Motion carried.

**FINANCE COMMITTEE UPDATE:**

Johnny Walker reported that the Committee is continuing to work with ECC on moving to an incentive-based arrangement. The Finance Committee was directed to make a final recommendation on this topic to the Executive Committee for action as soon as possible.

**BROADBAND INITIATIVE:**

Joe Starks and Ed Hemminger reported that the Broadband Office are working hard to develop the program for distribution of the promised \$500M to be paid by the state to implement broadband in rural and underserved areas. So far, it appears that 1:1 private/public matches will be required, focus will be on last mile projects (like fiber to the home), and that the projects will be structured to make municipalities or LDCs accountable for carrying them out.

**EXECUTIVE DIRECTOR DISCUSSION:**

Joe Starks and Jeff Gasper were then excused to allow Ed Hemminger to make a proposal that Hemminger Consulting be retained as Axxcess Ontario's Executive Director. Following his presentation, Mr. Hemminger left the room. At 2:59p.m, a motion was offered by John Dorak, seconded by John Garvey, to go into executive session for the discussion of the medical, financial, credit or employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation. Motion carried. At 3:22 p.m., a motion was offered by Mike Manikowski, seconded by John Dorak to leave executive session. Motion carried.

A motion was offered by Doug Mossbrook, seconded by Johnny Walker to adjourn at 3:23 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