

MINUTES
FINGER LAKES REGIONAL TELECOMMUNICATIONS DEVELOPMENT CORPORATION
DbA AXCESS ONTARIO
BOARD OF DIRECTORS MEETING
October 17, 2014

Members Present:

John Sheppard, Chairman
John Dorak
Ed Hemminger
Michael Manikowski
Robert Seem
Camille Sorensen
David Smith
Mark Tolbert
Johnny Walker
Sean Barry, CIO

Members Absent:

Geoff Astles
John Garvey
Doug Mossbrook

Others Present:

Terry Phillips, Bonadio & Co. (by phone)
Helen Zamboni, Underberg & Kessler
Joe Starks and Jeff Gasper, ECC Technologies
Megan Connor Murphy, Dixon Schwabel

The October 17, 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.

FINANCIAL UPDATE:

Terry Phillips reviewed the draft budget. He pointed out that he and the Finance Committee are quite confident about the 2014 year end projection. The only opportunities for change to the 2015 budget are reductions in operating expenses and improvement in investment income. Terry has been discussing options for the latter with Citizens, and it may be possible to eke out \$20,000 to \$30,000 more in investment income. As to operating expenses, Joe Starks indicated willingness to discuss performance-based compensation for ECC Technologies for sales and marketing expense. The 2015 budget has no expense or revenue for the Yates County network. On motion by Ed Hemminger, seconded by Johnny Walker, the board approved the 2015 budget as presented for filing with the Authorities Budget Office. If any improvements in

the bottom line can be made with reasonable confidence before October 31, such changes are also approved.

Terry noted that the Citizens loan will mature at the end of 2015, and Citizens will either agree to extend it on the same or other terms or it will have to be refinanced with another institution. The sense of the board is that there may be opportunities to refinance on better terms, as there is far more money available now locally than when the loan was taken in 2009.

Johnny Walker, chair of the Finance Committee, also reported on the recent work of the committee. Greater focus to be paid to growing revenue at lower cost. The committee will meet with ECC soon to review how to achieve this.

APPROVAL OF THE MINUTES:

Bob Seem asked that the draft September 19, 2014 meeting minutes be revised to have the list of issues raised by Yates County as set forth in these minutes in the same order as presented in the September 11 Executive Committee meeting minutes and with those revisions, he moved approval. Ed Hemminger seconded the motion, which passed unanimously.

SALES AND OPERATIONS:

At 2:05p.m, a motion was offered by Mike Manikowski, seconded by Mark Tolbert, to go into executive session for the proposed acquisition, sale or lease of real property or the proposed acquisition of securities, or sale of exchange of securities held by such public body but only when publicity would substantially affect the value thereof. Motion carried.

At 2:17 p.m., a motion was offered by Ed Hemminger, seconded by David Smith to leave executive session. Motion carried.

PROPOSED \$500M NEW YORK STATE BROADBAND EXPANSION:

John Sheppard charged members of the board and ECC Technologies to be prepared to take advantage of the governor's announcement to commit \$500M in broadband expansion in his next budget. Joe Starks indicated that ECC would bring a list of potential opportunities to the next board meeting (November 20).

A motion was offered by John Dorak, seconded by Johnny Walker to adjourn at 2:30 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