

**MINUTES**  
**FINGER LAKES REGIONAL TELECOMMUNICATIONS DEVELOPMENT CORPORATION**  
**DbA AXCESS ONTARIO**  
**BOARD OF DIRECTORS MEETING**  
**March 20, 2015**

Members Present:

John Dorak  
Michael Manikowski  
Doug Mossbrook  
Bob Seem  
Camille Sorensen  
David Smith  
Mark Tolbert

Members Absent:

John Garvey  
John Sheppard  
Johnny Walker

Others Present:

Sean Barry, CIO  
Joe Starks, Jeff Gasper, Ron Healey, Ed Hemminger, ECC Technologies  
Terry Phillips, Bonadio & Co. (by phone)  
Gary Edom, CPA, Flaherty Salmin LLP  
Helen Zamboni, Underberg & Kessler

The March 20, 2015 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 1:30 p.m. by Doug Mossbrook, standing in for Chairman John Sheppard.

**APPROVAL OF THE MINUTES:**

The minutes of the February 20 board meeting were approved following a motion by Mark Tolbert, seconded by David Smith.

**FINANCIAL UPDATE:**

Terry Phillips introduced Gary Edom, CPA, from Flaherty Salmin LLP, the auditors for AxcCESS Ontario. Gary reviewed the audit report, pointed out that the auditors gave AxcCESS Ontario a "clean" opinion. Because all of the notes come due at different times in 2015, the balances are shown in the current portion of long term debt on the statement of financial position (balance sheet). On the statement of activities (income statement), the reduction in 2014 of non-

recurring revenue is responsible for the overall reduction in revenues, as well as the corresponding reduction in the network operations expense. Fewer transactions in 2014 also affected the deferred revenue item on the statement of cash flows. Note 4 shows the amount of cash to be collected this year and in future years. The deferred revenue column shows these amounts for contracts on which cash has been paid in the past and the future rentals column shows the amounts called for by signed contracts on which no cash has yet been paid. The “mark-to-market” loss resulting from the swap increased by about \$400,000 for 2014 due to the low interest rates prevailing in the market, as anticipated. Following a motion by Camille Sorensen, seconded by Mike Manikowski, to accept the audit report, there was discussion about the overall process for board review of the audit. It was agreed that next year the preliminary audit report would be sent to the board in advance of its March meeting, and that if possible the March board meeting would be moved to the fourth Friday from the third (note that in 2016, March 25, the fourth Friday is Good Friday). Also, all directors will be invited to the Audit Committee meeting at which the committee reviews the report prior to its submission to the board. The question was then called, and the motion to accept the audit report passed unanimously.

#### **OBSOLESCENCE UPDATE:**

Helen Zamboni told the board that the extract from the GIS system was sent to Sam Papa at the New York State Office of Real Property Tax Services. He has asked for it to have added to it the dates of completion of each segment and original cost. Once that is done, it will be possible to reconcile the as-built network with Axxess Ontario’s prior filings with ORPTS. Location on private and public property is already noted in the extract. For the purposes of the application for reduction in assessment due to obsolescence, we will also need information on the segments that serve only one customer and where no other customer is likely ever to exist (e.g., Marcus Whitman School), segments serving only governmental customers and segments where Axxess Ontario has been overbuilt by carriers in the private sector. Terry Phillips suggested a meeting among Ron, Andy Lukasiewicz, himself and Helen before April to gather this. He will send out a meeting request.

#### **GOVERNANCE COMMITTEE:**

Bob Seem reported that the committee has interviewed two potential candidates for the board, one an executive at Hobart and William Smith Colleges and the other a business owner and entrepreneur who lives and has his business location in Victor. Both are interested but as of the meeting had not yet decided whether their other commitments will allow them to join. Bob said he hopes to hear from them soon. There are also other candidates being reviewed.

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

At 2:31p.m, a motion was offered by Mike Manikowski, seconded by John Dorak, 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 or exchange of securities held by the Corporation as publicity would substantially affect the value thereof. Motion carried. At 2:58 p.m., a motion was offered by Mark Tolbert, seconded by John Dorak, to leave executive session. Motion carried.

Jeff Gasper then reported that Southern Tier Networks, which is contracting with Yates County to build and own the fiber network for Yates County, has asked Axxess Ontario to change the terms of its proposal for the construction of a connection from Geneva to the Yates County line from the initial 25 years to a ten year term to match the term of STN's contract with Yates County. While the effect of this would be to reduce the net cash to Axxess Ontario by approximately \$6,000, the project would have a better margin. A motion was made by John Dorak, seconded by David Smith, to approve the revisions, which motion passed unanimously.

Ron Healey then gave a short demonstration of the GIS system.

At 3:20 p.m., a motion was offered by Bob Seem, seconded by John Dorak, to adjourn. 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