

MINUTES
FINGER LAKES REGIONAL TELECOMMUNICATIONS DEVELOPMENT CORPORATION
dba AXCESS ONTARIO
BOARD OF DIRECTORS MEETING
March 23, 2017

Members Present:

Don Culeton
John Dorak
Mary Krause
Bob Lowenthal
Michael Manikowski (by phone, joining at 4:31p.m.)
Bob Seem
John Sheppard (by phone)
Mark Tolbert (by phone)

Members Absent:

Camille Sorensen
Andrew (Drew) Wickham

Others Present:

Sean Barry, CEO
Terry Phillips, The Bonadio Group (by phone)
Joe Starks and Andy Lukasiewicz, ECC Technologies
Helen Zamboni, Underberg & Kessler

The March 23, 2017 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 Second Floor Conference Room, County Municipal Building, 20 Ontario Street, Canandaigua, NY at 3:33 p.m. by Vice Chairman John Dorak.

APPROVAL OF THE MINUTES:

A motion to approve the minutes of the February 23, 2017 meeting was made by Don Culeton, seconded by Bob Seem. Motion carried. A motion to approve the minutes of the March 15, 2017 special meeting was made by Mary Krause, seconded by Bob Lowenthal. Motion carried.

AUDIT PRESENTATION:

Vice Chairman John Dorak introduced Gary Edom, CPA, from Flaherty Salmin. Gary presented the results of the audit of Axxcess Ontario's 2016 financial statements. He noted that the auditors have issued a "clean" opinion, that in the process of conducting the audit no journal entries or adjustments were made to the financials, and that there were no difficulties in conducting the audit or disagreements with management. Following Gary's presentation, the board was given an opportunity to have an executive session without management. Bob Lowenthal made a motion to enter into such an executive session, seconded by Don Culeton. Motion carried. The representatives from ECC and Sean Barry then left the room and Terry

Phillips disconnected his call into the meeting. On a motion made by Bob Seem, seconded by Bob Lowenthal, the board voted to leave executive session. The ECC representatives, Sean Barry and Terry Phillips then rejoined the meeting. Bob Lowenthal then moved, and Mary Krause seconded, a motion to approve the audited 2016 financials as presented. The motion carried unanimously. The audit will now be finalized and will be ready to load into the PARIS system and posted to Access Ontario's website.

FINANCIALS AND PROPERTY TAX UPDATE:

Terry Phillips then briefly reviewed the financial statements for January 2017, noting that everything is essentially on budget. Terry and Andy Lukasiewicz will be meeting on March 24 to go through the latest analysis of the special franchise values on the ORPTS database against Access Ontario's records, with the plan being to send this informally to ORPTS (Sam Papa, assuming he has not retired) and seek advice on how to get this officially filed by the May 5 deadline.

GOVERNANCE:

Bob Seem then reviewed the report of the Governance Committee on the topic of officers and committee assignments. Don Culeton and Drew Wickham have agreed to serve as Secretary and Treasurer, respectively. As Drew is in the County Office Building fairly regularly, this should facilitate check signing and general processing of documents related to day-to-day financial activities. Bob noted that the bylaws call for each committee to have three members, and counsel pointed out that the Not-for-Profit Corporation Law requires three directors so neither this committee nor the Finance Committee can operate at this time. It is recommended that the Audit Committee consist of John Sheppard, Don Culeton and John Dorak. Mark Tolbert moved, and Mary Krause seconded, a motion to elect Don Culeton as Secretary and Drew Wickham as Treasurer and to appoint John Sheppard, Don Culeton and John Dorak as members of the Audit Committee. Motion carried.

The second recommendation was that Ed Hemminger be elected to the board to serve a one year term (term expiring at the annual meeting in 2018). After discussion, Bob Seem moved, and Mark Tolbert seconded, a motion to elect Ed Hemminger as a director to serve till the 2018 annual meeting. Motion did not carry.

After discussion about the size of the board in light of the loss of the *ex officio* position formerly held by BOCES, the resignations of Johnny Walker, David Smith and Doug Mossbrook and the desire of Mark Tolbert to step down, counsel was directed to prepare the necessary amendments to the corporate documents for consideration by the board to reduce the minimum board size to seven (from nine) directors, and such other changes as may be necessary to allow the effective operation of the board with a smaller number of directors.

This meeting would have been Camille Sorensen's last meeting. The board recognizes her thoughtful contributions and thanks her for her years of service.

SALES & OPERATIONS UPDATE:

At 4:42 p.m., a motion was offered by Don Culeton, seconded by Mary Krause, 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 4:59 p.m., a motion was offered by Mary Krause, seconded by Bob Lowenthal, to leave executive session. Motion carried.

At 5:02 p.m., a motion was made by Mary Krause, seconded by Don Culeton, to adjourn. The motion passed.

Next meeting will be April 20 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