

**MINUTES**  
**FINGER LAKES REGIONAL TELECOMMUNICATIONS DEVELOPMENT CORP.**  
**dba AXCESS ONTARIO**  
**BOARD OF DIRECTORS MEETING**  
**October 12, 2018**

Members Present:

Don Culeton  
John Dorak  
Mary Krause  
Bob Lowenthal  
Bob Seem  
John Sheppard

Members Absent:

Michael Manikowski  
Andrew (Drew) Wickham

Others Present:

Sean Barry, CEO  
Terry Phillips, The Bonadio Group  
Helen Zamboni, Underberg & Kessler

The October 12, 2018 meeting of the Board of Directors of the Finger Lakes Regional Telecommunications Development Corp., dba AxcCESS Ontario, was held by telephone conference call and was called to order at 2:00 p.m. by Chairman Bob Seem.

**APPROVAL OF MINUTES:**

A motion was made by John Dorak, seconded by Don Culeton, to approve the minutes of the board meeting on March 23, 2018. Motion carried.

**FINANCIAL REPORT AND OTHER RELATED MATTERS:**

Terry Phillips reviewed the financials for the 2018 year to date. He noted that all deferred revenue from IRUs is now being recognized as income due to the transfer of the liabilities associated with them to Empire Access. This is a one-time event for 2018.

Terry Phillips reminded the board that it must approve the selection of the auditors for 2018 and recommended that the board retain Flaherty Salmin in this role. Bob Lowenthal then moved, and Mary Krause seconded, a motion to retain Flaherty Salmin for the 2018 audit. The motion carried unanimously. As the cost of an audit is significant, counsel will research whether in future years AxcCESS Ontario is required by the Authorities Board to have audited financials (an audit will no longer be required under the Executive Law due to revenues AxcCESS Ontario is expected to earn in 2019 and thereafter during the years of the Empire Access lease) or under the Citizens loan documents and report back to Terry. If there is no statutory or regulatory requirement for audited financials, but the loan documents call for them, Terry will follow up with the bank to negotiate an amendment to change the format of financials to accountant-reviewed.

The 2017 Form 990, having been prepared and circulated prior to this meeting to the board for its review, was unanimously approved, following a motion to that effect made by John Sheppard and seconded by Bob Lowenthal.

A proposed budget for 2019 was presented by Terry Phillips. It shows revenues consisting of the Empire Access rent and expenses that were not assumed by Empire Access, the most notable being real property taxes on the network as in existence as of the lease start date. On motion made by Bob Lowenthal, seconded by John Sheppard, the 2019 budget was unanimously approved. It will be loaded into the PARIS system by October 31, 2018, the due date for same.

**STRATEGIC INITIATIVES UPDATE:**

At 2:22 p.m., a motion was offered by Mary Krause, seconded by John Sheppard, 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 2:47 p.m., a motion was offered by Mary Krause, seconded by John Sheppard, to leave executive session. Motion carried.

It was decided to hold the 2019 organizational board meeting on January 18, 2019 by conference call.

At 2:56 p.m., a motion was made by John Sheppard, seconded by Bob Lowenthal, to adjourn. Motion carried.

**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