

# SOUTHERN TIER NETWORK, INC.

Minutes

December 8, 2011

8 Denison Parkway East, Suite 310, Corning, NY

## ATTENDANCE

Board Members: Mark Alger; Michael Krusen; Judy McIntosh; Mark Rogus; Timothy O'Hearn; Marcia Weber; Jack Wheeler; Howard Zingler

CEO: Steven Manning

Excused: Dave Hopkins; Mark Middaugh; Michael Printup

Guests: Jeff Paille, The Bonadio Group; Joe Starks, ECC; James Townsend, STN Attorney; Daniel Wilhelm, STC Accountant

Call to Order: The meeting was called to order at 10:05 a.m. by Chair Marcia Weber in the conference room at the STC office.

1. Approval of Minutes – November 10, 2011 - Upon a motion duly made (Howard Zingler; Mark Alger) and carried, the minutes of the November 10, 2011 meeting were approved.
  
2. Bonadio Presentation: Annual Audit Process and Expectations: – Jeff Paille from The Bonadio Group outlined the scope of services they will provide and their responsibility; audit focus areas; current accounting/auditing considerations; and timetable for the STN audit, with an initial due date of May 2012 for the board report. The Bonadio Group is part of the management for Axxess Ontario; Jeff works with them in an advisory role only, with another Bonadio auditor providing their accounting. The board discussed the needs and expectations of STN, including the need to focus on revenue recognition issues.

The group discussed at length the International Financial Accounting Standards convergence projects and the effort to reduce inconsistencies between U.S. GAAP and International GAAP. The changes will be effective in 2014 or later, so the board does not need to take action at this point.

Joe Starks will send anticipated contracts for Jeff to review to determine which standards STN will follow. The group thanked Jeff, who then left the meeting.

3. ECC Activity Report
  - a) **Bid Report** – ECC has extended the bidding process by one week. Bids are due by December 23. ECC has received 11 bids to date.
  
  - b) **Axxess Ontario Meeting** - the CEO and board members from STN and Axxess Ontario, along with Joe Starks and Jim Townsend, met to discuss issues regarding partnership opportunities.

The board discussed the issues at length, including preferred vendor lists and wholesale agreements with customers. A motion was duly made (Tim O'Hearn/Mark Krusen) and carried to support a partnership with Axxess Ontario and proceed with developing a wholesale agreement for potential providers.

- c) **General Report** – The board discussed leasing versus building and requested financial information about leasing, which Joe will develop. Lease arrangements would be signed by Steve Manning, with board approval.

Most of the field data has been collected, and make ready requests and payments will be coming in.

ECC is using advanced technology to gather field data, which will be owned by STN, with access also for the counties. Joe will send out links on the technology to STC's GIS Specialist.

ECC is putting together a Request for Proposal due by January 6, 2012 to work with another potential provider.

4. Financial Report

- a) **M&T Bank Line of Credit** – M&T Bank has provided STN a Line of Credit for \$1 million at no monthly charge.
- b) **Monthly Financial Report** - The financial report for January 1 through December 7, 2012 was distributed.

5. CEO Report

- a) **Finance/Audit Committee and Governance Committee Creation** - The following will be on the Finance/Audit Committee: Judy McIntosh; Mike Printup; and Mark Rogus, Chair. The Governance Committee will be Howard Zingler and other members to be appointed at the next meeting. A motion was duly made (Mark Rogus/Howard Zingler) and carried to approve the Finance/Audit Committee members as stated above.
- b) **Final Reading Mission Statement** – to be discussed at the next meeting.
- c) **Official STN Logo – Trademark Process?** – as a demonstration, a t-shirt was available with the STN logo, and the board saw how letterhead, envelopes, and business cards would look. There was a discussion about the trademark process for the logo.
- d) **Web Presence** – to be discussed at the next meeting.

6. NYS Regional Economic Development Council Report – It was reported that the Southern Tier Region received over \$49 million in funding.

7. Other – there was no other business.

8. Adjourn – The meeting adjourned at 12:50 p.m.

Respectfully submitted,  
Susan M. Cratsley, Recording Secretary