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Minutes
June 13, 2013
8 Denison Parkway East, Suite 310, Corning, NY

ATTENDANCE

Board Members: David Hopkins; Michael Krusen; Judith McIntosh; Mark Middaugh; Timothy O'Hearn; Michael Printup; Marcia Weber; Jack Wheeler;

Excused: Mark Alger; Mark Rogus; Thomas Santulli

CEO: Steven Manning

Guests: Andy Lukaszewicz; Joe Starks, ECC Technologies

J.K. Hage, Amy Porter, and Dan Burgess, Hage and Hage, via conference call.

Dan Wilhelm, STC/STN 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. Introductions were made.

1. **APPROVAL OF THE MINUTES**

On a motion duly made (Mike Krusen/Mike Printup) and carried, the minutes of the May 9, 2013 meeting were approved.

2. **FINANCE/AUDIT COMMITTEE REPORT** – Mark Rogus, chair of the finance committee, was unable to attend the board meeting. Judy McIntosh, (finance committee member) presented on behalf of the committee on the following:

a) **Distribute and Review Initial Response to Internal Control Findings** – (emailed prior to the meeting) The committee submitted a formal letter to the board relative to the recommendations on the internal control deficiencies that were discussed at the last meeting and that were suggested by the independent auditor. On a motion duly made (Timothy O'Hearn/Dave Hopkins) and carried, the Internal Control recommendations were approved as written.

b) **Review and Discuss Enterprise Risks** – (emailed prior to the meeting) To be compliant with PARIS reporting, the Finance/Audit Committee identified six (6) organization risks that were presented to the board and discussed in detail.

The status of the Interoperability Grant that Schuyler and Chemung Counties received was questioned. STN is listed as the Governance Agency. The counties are awaiting receipt of the contracts. Once received H&H will review relative to STN's liability and responsibility and bring back to the board for discussion.

c) **Report on Financial Forecast** – (emailed prior to the meeting)–Judy McIntosh presented a financial template model to ensure new contracts meet established thresholds (IRR, Margin) to address long term sustainability.

The board reviewed and discussed at length the financial model and a summary template.

The finance/audit committee will further develop and enhance these templates along with recommended criteria for new contracts to be reviewed by the board. This topic will be added to the next board meeting agenda.

3. **GOVERNANCE COMMITTEE REPORT**

- a) **Report on Marketing/Public Relations Initiative** – The Satori Group submitted a proposal and will be meeting with Marcia Weber and Steve Manning to discuss their recommendations for improving the STN website.
- b) **Appalachian Regional Commission (ARC) Grant** – STN received an ARC grant to guide local economic developers in marketing a type of infrastructure that is new to them.
- c) **Attorney Report on Tax Status and Agreement Review** –JK Hage and Dan Burgess (joining the meeting at this point) discussed in detail the tax status and benefits of applying for 501(c)(3) status. Hage and Hage will continue to work on the property tax exemption and will report back to the board with their findings and recommendations.

Amy Porter pointed out inconsistencies in IRU agreements and other draft contracts and recommended that the IRUs be amended and re-submitted to the Counties for signatures. The revised IRUs will be sent to the county attorneys.

4. **PROJECT REPORT**

- a) **Project Status Report** (document emailed to board prior to meeting) – Joe Starks and Andy Lukasiewicz gave a project status report. Discussion followed.
- b) **Sales & Marketing Report** - On a motion duly made (Dave Hopkins/Mark Middaugh) and carried, the board went into **Executive Session** for the purpose of discussing contractual and client-related information.

On a motion duly made (Dave Hopkins/Mark Middaugh) and carried, the board came out of executive session with no action being taken.

5. **OTHER**

- a) **Joint Meeting, STN and Axxess Ontario Boards** – The next STN board meeting will be a joint meeting with the Axxess Ontario board on July 11, 2013. Agenda topics; networking; exploring economic development opportunities; increasing communication; and leveraging assets of STN and Axxess Ontario.
- b) **Next Meeting** - the August 8, 2013 meeting is cancelled unless the board is informed otherwise.
- c) **CEO Signing Authority** – Upon a motion duly made (Mike Krusen/Michael Printup) and carried, the board voted to grant Steve Manning, CEO, signing authority based on the recommendations of the finance committee, with review by Hage and Hage.

8. **ADJOURN** – Upon a motion duly made (Judy McIntosh/Dave Hopkins) and carried, the meeting adjourned at 12:15 p.m.

Respectfully submitted,
Susan M. Cratsley
Recording Secretary