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Advisory Board Meeting Minutes

February 11, 2003

Approved by Board 05/13/2003

Targeted Accessibility Fund of New York

Board Members Present: Bill Salvatore (Chairperson), Patricia Knapp (Vice Chairperson), Barbara Bouton (Secretary/Treasurer), John Black, and Doug Elfner.

Others Present: John Flack (TAF Administrator), Lou Piazza (TAF Manager), Jim Williams (TAF Analyst), and Bill Darcy (TAF Consultant).

- I. Bill Salvatore called the meeting to order at 10:00AM and took role call. Lou Piazza informed the Board that he had spoken to Lisa Purdy and Charles Brennan who were unable to attend and that they had no problems with the agenda items. He also explained that they had submitted their proxy votes for approval of the 11/12/03 minutes, TAF status report, TAF expense report, and the TAF 2003 proposed budget.
- II. Lou Piazza informed the Board that Ms. Lisa Ruoff Purdy, Esq. from Taconic TelCom has joined the Board representing the Small IXC segment of the industry. Lisa replaces John Friedman who resigned from the Board having left the industry.
- III. Bill Salvatore then asked the Board to review the 11/11/02 Board meeting minutes. A few changes were noted and made. A motion was made by Patricia Knapp to adopt the minutes with the noted changes. John Black seconded the motion and the Board unanimously approved the minutes.
- IV. Bill Salvatore asked Lou Piazza to present the TAF status report. Lou explained that in the month of October TAF received 303 reports from participants resulting in the issuance of 210 invoices/statements and 16 settlement summaries (4 settlements due to overpayments). In November, TAF received 303 reports from TAF participants resulting in the issuance of 211 invoices/statements and 12 settlement summaries (3 settlements due to overpayments). In December TAF received 303 reports from participants resulting in the issuance of 209 invoices/statements and 20 settlement summaries (5 settlements due to overpayments). Bill Salvatore made a motion to accept the status reports as presented; it was seconded by Doug Elfner and approved by the board (with proxy votes).
- V. Lou Piazza provided the Board with copies of trending charts of the 2000-2002 assessable revenue, TAF cost, and administrative cost, as requested by the Board. Lou explained the variances on the charts and answered several questions. Barbara Bouton requested that Lou provide the Board with a chart tracking the assessable revenue prior to any adjustments.
- VI. Lou informed the Board that he would be sending TAF's Annual Report outlining 2002 and a copy of the TAF annual cash flow report to the Public Service Commission. He said that he would copy the Board on the Annual Report.
- VII. Lou also made note that he and Jim are planning to conduct several on-site audits reviewing the years 2001-2002 through out the course of the year as prescribed in the TAF Manual. He also provided a schedule to Jim Kittleman in the event that he would like to attend any of the audits.

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- VIII. Lou Piazza provided a TAF Administrative Expense Report for the months of October 2002-December 2002. He explained that Barbara Bouton (Treasurer) reviewed a more detailed financial summary and that there were a few outstanding items he needed to follow-up on. Barbara reported that everything looked in order and that she was satisfied pending clarification of outstanding issues. Bill Salvatore made a motion to adopt and approve the TAF Administrative Expense Summary as presented. This was seconded by Barbara Bouton and unanimously approved by the Board.
- IX. Lou Piazza presented the 2002-2003 budgets. He explained the variances from the 2002 budget to the 2002 actual expenses. The actual expenses varied by a favorable \$726. Lou then presented the 2003 budget to the Board. He explained various line items and told the Board that he had reviewed the budget with Barbara Bouton. The Board had several questions pertaining to the miscellaneous category. Lou explained that this item will be an over budget item because of the TRS RFP advertising cost. The Board felt it necessary to ensure that the proper amount of advertising be purchased to assure proper notification (i.e. Wall Street Journal, Telephony Magazine). The Board asked that Bill Darcy investigate advertising in trade magazines and state association newsletters and report the findings to the Board.
- X. Bill Salvatore made a motion to approve the 2003 Budget as presented. This was seconded by Patricia Knapp and unanimously approved by the Board.
- XI. Lou presented information, requested at the last board meeting, regarding the TAF reserve investment in money market funds and the collateral used. Lou said the bank uses government securities (i.e. Fanny Mae's, Genny Mae's) as assignment to individual money market accounts as collateral and that the bank will provide a description letter of the collateral. The current money market fund rate is 1.85% on deposits of \$50K or more. The money market is very liquid and the funds can be withdrawn at any time without a penalty. The Board requested that Lou obtain a sample of the collateral letter and send it to each Board member after which a vote will be taken regarding whether a portion of the TAF reserve should be invested in a money market.
- XII. Lou informed the Board that Keith Roland, Esq. has filed the necessary paperwork and application with NYS for the incorporation of TAF (after being signed by Bill Salvatore as TAF Chairman) and that he will inform the Board when it is complete. Bill Salvatore suggested that once the incorporation is complete, a copy of the final letter/certification be sent to the PSC via Jim Kittleman. Lou said he would do that as soon as he gets the final certificate.
- XIII. Lou provided a brief status of the TRS and where it stands with TAF. Lou informed the Board that when the incorporation is implemented, the next step will be that TAF will send a letter to NYSTA and the PSC accepting the transfer of the TRS oversight responsibility.
- XIV. Lou also told the Board that the Ad Hoc Committee has completed the TRS RFP and has submitted it to Keith Roland, Esq. for his review and stamp of approval. The next step is to

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send it to the PSC for their approval. Lou is going to ask Keith to do that on TAF's behalf. The committee is planning to stay with the proposed timeline and have the RFP sent to possible bidders in June 2003.

- XV. Bill Salvatore requested that the members of the Ad Hoc Committee and the TAF Board members sign a proprietary statement not to disclose the contents of, or the make up of, the RFP. The other Board members agreed. Bill requested that Lou provide a copy of the RFP to the Board members prior to it being sent to the PSC. The stipulation being, that everyone must sign a confidential agreement before viewing it. A short period of time for the Board's review will be given in order to adhere to the TRS timeline. Also, any Board member whose company plans to bid on the RFP must recuse themselves from viewing the RFP. Lou will Keith Roland to draft a proprietary agreement and provide it to the Board upon completion.
- XVI. Lou informed the Board that the Public Interest Payphone proposal placed in the State Register on 12/4/2002 by the PSC is still not complete. Nothing definitive has yet happened and the PSC will either come out with a proposal for additional comments or approve the proposal as filed. The Staff person working on this item is Bob Soika and the PSC attorney is Maureen Farley.
- XVII. Bill Darcy informed the Board about increased attention currently being given by the FCC to its cellular E911 requirements. The FCC's rules require that all cellular companies provide satellite coordinates by 2005. Local telephone companies will need to upgrade tandems and may look to TAF for reimbursement. Cellular telephone companies currently do not participate in the funding of TAF and therefore, would not be eligible for reimbursement.
- XVIII. The next regular scheduled Board meeting will be held on Tuesday, May 13th 2003 in Albany.
- XIX. There being no further business, Bill Salvatore made a motion to adjourn the meeting. John Black seconded the motion and the meeting was adjourned.