

TO: All ComLinks Employees
FROM: ComLinks Board of Directors
DATE: December 17, 2007
SUBJECT: Board of Directors Responds to Employee Concerns

The Comlinks Board of Directors would like to assure our employees, government funding agencies, business partners and most importantly the community we serve, that our programs and services will continue seamlessly during this public attack on the leadership of the Agency. The Agency has incredible depth, resiliency and strength both in employees and volunteers dedicated exclusively to our clients.

Firstly the BOD would like to reiterate that Ms. Nancy Reich, CEO, continues to have the full confidence of the Board and will continue her duties as CEO. Secondly the Board would like to outline some of the corrective actions being implemented to help resolve employee concerns and improve the work environment.

ComLinks, under the leadership of Nancy Reich and the BOD has significantly expanded its scope and community services. Please visit our web site www.comlinkscaa.net for an overview of the Agency and the critical services we administer. Growth stresses an organization, infrastructure and processes. When presented with an unsigned letter from concerned employees, a very alarmed Board immediately set up meetings and process reviews designed to help define "root cause" issues and recommend plans for corrective action. As a Community Agency we are, on a regular basis, under the watchful eyes of government agencies that fund our programs as well as our own independent auditing firm. We have formally requested the Department of State prioritize a full review of our policies, procedures and finances. This has been scheduled for late January. Findings will be shared with employees and concerned parties.

We, the Board of Directors, would like to offer the following clarifications to some of the reported issues in the local media

- We wish to reassure employees that no one will see retaliation due to this expression of concerns. We value and are proud of our employees that perform their responsibilities with skill and determination.
- Comlinks is proud of the wonderful housing projects that we have built. As with many building projects there can be serious delays to encounter for a variety of unforeseen reasons. And we encountered delays during the construction of Peaceful Valley Townhouses. Contractor incompetence became an issue, but now a resolution is close. Market conditions also can change during the building period. The rental of this project has been difficult. Brian Cassini, our Housing Development Director, has performed admirably under very trying and challenging conditions. The Board has been kept fully apprised of all facets of the project. No money was squandered; these are the risks we accept when going into housing projects. Maybe our reach exceeded our grasp but this experience has made us stronger and smarter. Many of you were at the open house at our latest project in Malone called Windmill Estates, which is an example of our competency in this arena.
- All the funding ComLinks receives is spent on ComLinks in the form of funding programs, projects, salaries and operating costs.
- Comlinks is constantly being audited, either by our funding agencies or external financial audits. We moved our financial audit contract to a larger firm that has significantly more experience with "not for profit" organizations. We feel this is a positive move. The new audit firm has already performed a business practices review and made recommendations that we are using as a road map for "best practices". No one can put an audit "on hold"; we must have an annual audit as part of our charter.

- All Board members volunteer their time and at times professional services without regard to personal gain. A Board member, Mr. R. Ellis, owns a car dealership that has supplied a number of vehicles to Comlinks. Mr. Ellis is very aware of a potential conflict of interest and all purchases were made after a competitive bidding process. In all cases these transactions benefited Comlinks, not Mr. Ellis.
- Many of you have read or heard of the bathroom video taping of fellow employees by terminated employee Craig Lohr. Lohr was terminated and charged the day the video equipment was discovered in August. The equipment and tapes were confiscated by the police and are still in the court's possession. The legal process and investigation delayed a review with the effected employees. We have offered counseling to all those affected. We the BOD sincerely apologize for this tragedy.
- David Trudeau's resignation letter was dated December 4, 2007. The letter was not hand-delivered but was "discovered" in an inbox on December 10, just prior to a meeting a few Board members and the CEO were to have with him to discuss his personal concerns. As he had resigned, his PC was turned off, as per company policy, on December 11th. His PC was not turned off subsequent to an e-mail he sent demanding a meeting with a number of concerned employees.
- The BOD, Nancy Reich and Brian Cassini were the planners for Peaceful Valley. Yes, we did run into unforeseen problems with the building contracts, but we are in the process, with the help of the Department of Housing and Community Renewal, to rectify these matters. This will bring us to a solution to put ComLinks back on track with Peaceful Valley and we will be proud of offering affordable housing to the North Creek area.
- If the media would like to discuss the Peaceful Valley housing development, our doors are open and we would be happy to provide any information that would help illuminate the project and outline our get-well plan. This will become a project we will one day be proud of because in the end, it will provide much needed affordable quality housing. Our mission!
- ComLinks' Board is a healthy mix of older and newer members from diverse backgrounds, representing public officials, private groups and representatives of the low-income community. Our job is to provide governance, guidance, and strategy and direct the CEO. As in most organizations the Board is not empowered in day-to-day management of an organization. This would confuse and undermine the established management chain. The Board has asked for specific details supporting the complaints and to date has not heard back from staff except through the media.

In summary, within 10 days of receiving an unsigned letter from concerned employees we have:

- Requested NY Department of State to conduct a full review of our agency as soon as practical. This is scheduled for late January 2008.
- Established a confidential ombudsman office with an e-mail address open to all employees to request intervention with unresolved issues not being addressed by management in a satisfactory manner.
- Assigning a BOD member to each department of our Agency.
- Review personnel policies and ensure performance reviews and salary administration is fair and consistent and explore changing the Agency's Human Resources function.

We are operating under the presumption that the actions of our employees were well intentioned and designed to improve the benefits to our clients. We sincerely welcome your response and input.