

**Herkimer County Legislature
Ways & Means Committee Meeting
Friday, February 26, 2021
Via Teleconference
9:00 a.m.**

Persons Attending:

Patrick E. Russell (Committee Chairman)
Raymond Smith (committee member)
John P. Stephens (committee member)
Vincent J. Bono, Chairman of the Legislature
James W. Wallace, Jr., County Administrator
Brandy Serow, Secretary to Co. Administrator
Kim Enea, County Treasurer
Jennifer Casey, County Property Agent

Absent:

Kurt J. Ackerman (committee member)
Raymond Johnson (committee member)
Frederick J. Shaw, Jr. (committee member)

Mr. Russell called the meeting to order at 8:30 a.m.

Items discussed:

WAYS AND MEANS:

1. Directing restoration of parcel in the Town of Frankfort to the taxable portion of the assessment roll
2. Other

Committee Vote Record:

WAYS & MEANS:

Jim Wallace: "Do we want to have Jen or Kim give us an explanation?"

Jennifer Casey: "Sure, I can do that. The Genesis Disposables in Frankfort, I would like to put that back on the tax roll. We haven't come up with any environmental issues on it and the business is operating again."

Jim Wallace: "Can you touch on the taxes a little bit just so everybody knows? This is our projection. We are not sure, this is our projection."

Jennifer Casey: "Just for yearly taxes?"

Jim Wallace: "Yes. For property, for school and the Town and County."

Jennifer Casey: "I don't have that in front of me but the school is about \$9,000 and I think the Town and County would be about \$3,000 or \$4,000 a year."

Jim Wallace: "Okay."

Mr. Stephens: "Pat, I have a question. I know there was a previous issue with back stuff, taxes and stuff, is that anything that comes to light and gets paid or do we just move forward?"

Jennifer Casey: "They paid all of their back taxes."

Mr. Stephens: "I'm sorry, I missed that."

Jim Wallace: "John, they came in and gave us a \$100,000 check. They have been off of the roll since 2016 so there are no taxes there."

Mr. Stephens: "Okay."

Jim Wallace: "That's good to get out because that stuff is confusing. I really believe that."

Mr. Stephens: "Thank you."

Mr. Bono: "Pat, can I say a few things?"

Mr. Russell: "Yes, go ahead."

Mr. Bono: "The whole history here was they were in arrears since 2013 I believe. COVID hit and if you know their background they supply PPE. That was their main business. That business sort of tanked during those years. Wasn't really viable. As a matter of fact he came to the IDA a few times looking for grants and things and we tried to accommodate him but he never pulled the trigger on anything. Subsequently the COVID deal hit, matter of fact the guy went out and got a different job. He was doing home inspections at the time. COVID hit, resurges his business exponentially went through the roof here and now he is producing PPE. He is getting all of this press and everything. Went out and got a loan, a grant for about \$400,000 last year. They announced it was a big to do in the newspaper and the press. Ended up paying his taxes. Like Jim said, the \$100,000 made good until 2016. Still continues to operate. Just two weeks ago, they announces a second \$400,000 grant. Let me back up. After that first \$400,000 grant John Piseck was in a meeting with Mike Reese and said Mike, how can the State give to an agency who is in arrears in taxes a \$400,000 grant and he didn't know what to say, stuttered, the whole nine yards. Now we see a second \$400,000 grant and the State knows about them being in arrears. They have come to us and we have told them we can't give you anything because you are in arrears. I had a call from one of the owners as a matter of fact. You have to be up on your taxes before we can give you anything but the State went ahead and gave them \$800,000 and they are behind. So how does it look to us if they continue to operate while they squat and have unpaid taxes while we have other companies coming to us wanting grants and benefits and things and they just go ahead and operate. Now in that same article or news clip they mentioned they are looking for another facility. My guess is probably Oneida County because I think they did mention that actually. So what are they going to do? Are they going to operate here for a little bit, find somewhere, we ask for the taxes. It's only fair to the tax payers that are paying taxes but, are we going to get stuck with the property. Why we didn't take it the first time, I don't know what Rob Malone's reason was. I think I remember him saying it was contaminated. He didn't know. The history of that building was it was a meat packing...it was actually a slaughter house. It's on public water. There is no public sewer there so I don't know why Rob flagged it but it's not a bad building. I think it would go up for sale with no problem. Somebody would buy that in a heartbeat at the auction. We have looked at it, the IDA, just to get a background on. There are no

contaminants that are registered. Put it that way. EPA doesn't have it flagged. The DEC doesn't have it flagged so even if we did take it back in the In Rem in a couple of years we would probably be able to sell that at auction with no problem."

Jim Wallace: "That was a team decision by myself and Kim and John Brezinski and Rob way back to pull it because if you guys remember you asked us to contact the local Legislator to get background on it."

Mr. Bono: "But that's not the case though."

Jim Wallace: "No, I'm not contradicting you at all. And those girls checked again and there is nothing there."

Mr. Bono: "I think they are making a mockery of everything. Genesis is making a mockery, the system we have just by abusing us. You know, they are going to squat there, continue to make this stuff. Now the market could fall out tomorrow. This goes away but that is not our problem. Our problem is they need to pay taxes. If they are operating out of there what kind of message does that send to everybody else? Otherwise we have everybody, small businesses not paying taxes. I would recommend you go ahead and send them the bill. We take ownership in two years when they move out because my gut is they are going to move out. It's a sweatshop in there in reverse. They showed a picture on TV with these little ladies doing all of the sewing and they were of Vietnamese decent and they all had parkas on. You work in there like they didn't have any heat on, you know what I mean. I just have a bad feeling about it. I really do. Let them pay the taxes that are due and maybe they will make due. Maybe Lorraine can send a letter saying that this is our intention. We are going to put it back on the tax roll. They would be responsible, correct?"

Jim Wallace: "The reason we are moving so fast is Jim came to us a couple of weeks ago and Ray Johnson did as well because the ladies today with a resolution if it is passed at 9:00 a.m., would send that to the assessor so it will make the school taxes for this year. If not, they get away with the school taxes again. That's why we are moving so fast."

Mr. Bono: "And I don't know if that would jeopardize their grant. I don't want to be a stickler on it. I know they are doing the PPE and that's the sensitive part of it. You know what I mean. We are going to bump heads with a company that is making PPE but come on. You got a million dollars in grants almost and you can't pay your taxes."

Mr. Russell: "Anyone else? Jim, we have to vote on this?"

Jim Wallace: "Yes we need a motion."

Item #1 - On motion of Mr. Stephens, seconded by Mr. Bono, Item #1 was voted on, approved and moved for Resolution. Unanimous. Absent: 3.

On motion of Mr. Stephens, seconded by Mr. Russell the Ways & Means committee adjourned at 8:41 a.m.