

Regular Town Board Meeting  
March 20, 2002

Call to order at 7:30 p.m.

Present Roll Call: Councilman Ritchie  
Councilman Kaiser  
Councilman Gerlach  
Councilman Walborn  
Supervisor Zajac

**Public Hearing: Community Development Block Grant**

The Advantage Group has submitted a proposal to receive \$415,000.00. The public hearing is to be held and then we are to submit the application. It is not our responsibility to determine whether they should receive this grant or not. This proposal has been worked out with Seneca County. The Town of Romulus is simply administrating the funds. As these funds are paid to the town on a monthly basis, the Town will be at liberty to loan the funds to qualifying businesses. We will be receiving payments of approximately \$4,200.00 per month, annually approximately \$50,000.00 from the Advantage Group. As the money is paid back it can be loaned to others, which would help to bring jobs and business to Romulus and neighboring towns. Usually the money is loaned on the basis of jobs. The Advantage group is obligated to produce one job for every ten thousand dollars loaned. It is Ray's understanding that the money they are borrowing is to improve warehouses and for infrastructure. The Advantage Group has several large organizations, such as Wegmans and Aldees that want to use their facilities but the buildings must be brought up to standards.

Fred Swain asked why is this funding going to the same company that the IDA and the government has already invested in, rather than loaning to others so that we can have some diversifying. Ray explained that the choice of where this CDBG loan is proportioned is not at the Town of Romulus' discretion, but rather we will be able to help other businesses with the benefits from the payments that come back to the town. The IDA approves this particular loan with the Advantage Group. Fred asked who wrote the grant application. Ray explained that the IDA hired a consultant to assist with the application. Another resident, Chuck Nivers asked what the requirements were for them to acquire this loan. Ray explained that this was a small business loan and the Advantage Group qualifies as a small business. Another resident asked if Ray has seen the business plan. Ray explained that he has been onsite and is aware of what has been done to this point, but exactly the long term plan the Advantage Group has in mind, he doesn't know the answer to that question, but Ray assured the resident he would gladly speak with Pete Gorski from the Advantage Group to acquire this information. Fred asked if it is true that the Advantage Group sells the equipment at the depot and relinquishes 25% of the sales to the IDA and then does the IDA in turn put that money back into the Depot? Ray said yes, he believes that is how it works. The resident asked if the depot improvement money goes back to the Advantage Group as a depot improvement. Ray told him that he is not able to answer that question, but that he has already asked similar questions to the IDA and has requested more detailed information on the vouchers paid. He is still waiting for that information. Another resident asked what happens if they do not pay the loan back and what kind of guarantee is there. Mr. Gabriel, town attorney, explained that this type of loan is granted to businesses that require funding that exceeds the amount a banking institution would allow. There is some collateral with the equipment that would remain there. This type of loan would be guaranteed with Mr. Neil Sherman's personal guarantee. The resident asked what does that mean? How can we guarantee there would

be any equipment left to use as collateral. Mr. Gabriel explained that as with the Knitting Mill when the company filed bankruptcy the equipment was sold and there was not equipment to take as collateral. However, Mr. Sherman's personal guarantee is that if the Advantage Group should default the Town/County could back on him personally and all of his assets to obtain their payment. Mr. Nivers asked if the property has been transferred to the Advantage Group. Ray explained that at this time they are leasing the property from the IDA. However, it is believed that a transfer will take place in the future. The resident remarked on the fact that without the title being in the Advantage Group's name than there is no lien that can be taken on the property and asked the town attorney if this was correct. The attorney agreed that this is correct. The resident does not understand how money can be loaned to a business that does not own the property. Ray explained that this is money that is given by the Federal Government to aid businesses that can not obtain the funding they need for several reasons, one being that there isn't collateral enough for a banking institution. He explained that this funding is not designed for businesses that have the ability to use the traditional financing. Two of the residents asked why there is no representation at this meeting from the IDA or from the Advantage Group. Ray explained that it was his understanding from Bill Boudreau that Pete Gorski would be here from the Advantage Group and that he can only assume that there was some kind of miscommunication. Bill offered to attend, but Ray didn't feel we would need him to come out for this meeting. However, Ray can see that there are a lot of questions that he is not able to answer and has explained to the residents that he will contact Bill Boudreau and Pete Gorski to schedule a time that they would be able to meet with the residents to answer any questions they may have and to discuss the specifications of the loan and future plans of the Advantage Group. Ray assured them that he was sure this would not be a problem and he would get back to these residents as soon as a date and time has been scheduled. He tentatively schedules this for our April regular board meeting, which is the third Wednesday of April. He suggested a 7:00 meeting which would allow a half hour before the regular board meeting for this public information meeting.

Ray suggests that each resident write their specific questions and bring these to the next meeting so that they can address each of their concerns and questions. There are so many questions that we could spend all evening trying to answer them and perhaps it would be best if we hold further questions for the designated meeting. Ray again emphasized the fact that at this point the only affiliation the Town of Romulus has with the CDBG loan is the middleman, so to speak. We are only shuffling the paperwork and the Town does not have a say until loan payments come back to the town. Ray also feels that there will be a waiting period for the money to build up before the Town of Romulus will loan money out.

Some other questions:

- What jobs will be created? Will these jobs be onsite or will it be employees that work on computers from their homes or from other states?
  - Ray explained this information is listed in the proposal. Whether they are all onsite jobs, Ray doesn't know.
- Resident suggests partial money be loaned until guaranteed jobs have been produced before the other portion of money is disbursed again. How many local jobs will this produce?
  - Ray explained again that it is not our decision about the details of the loan, but rather the standards are set by the Federal Government

- If the jobs are not produced, does anybody have any recall or say in it?
  - Ray does not believe there is any recall and for any business there is never a guarantee that all the jobs will be produced.
- Is this Federal money or State money?
  - It is Federal money that is divided amongst many counties
- What is the goal of the Advantage Group?
  - Ray will have to speak with them and acquire more detailed information.
- What exactly is the Town of Romulus' involvement? Will the town have say in where the money goes after payments have been received?
  - The Town is strictly the administrator of funds. Ray believes it is the town's decision to distribute the money, but he is sure there must be some criteria that are set to make decisions by. We are planning to meet with Bill Boudreau once this is in motion to fine-tune our part in this program.
- Who does the hiring? What jobs will be available?
  - Ray explained that Pete Gorski is the gentleman that appears to be head of operations in Neil Sherman's absence. He will need to converse with Mr. Gorski with reference to job availability.
- Are there any risks involved with the Town being involved with this as administrator? Due to past dealings with the IDA isn't this town board concerned with the hidden agenda?
  - Ray does not feel there are any risks. He feels that we should be looking at this as money that can only aid our town and the businesses. Although, there have been some different views, Ray really feels that there is not a hidden agenda.
- If payment is not made and there is nothing to gain from Neil Sherman's assets to pay the loans than where do you go from there to obtain the payment? What happens to the funding that the Town has loaned out to other businesses from payments received?
  - Attorney explained that it is a chance you take and there are no guarantees. Ray believes it is not the Town of Romulus that goes after them for the payment but rather the county. Mr. Gabriel explained that the loans that the Town of Romulus has granted to businesses are not affected by if the Advantage Group was to default. The money that is loaned out is real money and not based on future funding that comes in from the Advantage Group, but rather money that has already been received by them. Attorney Gabriel explained that the Federal Gov't set up this program in hopes of producing jobs.
- Can a workman's lien be placed as a guarantee?
  - Mr. Gabriel explained that a bankruptcy would erase any liens. He explained that this is not the way the program is structured.
- Has a background check been made? A resident is concerned because of the large corporations that were around for years in Rochester are now going under.
  - Town attorney explained that it is up to the IDA to research eligibility requirements and credit checks.
- Is the credit history a matter of public record?
  - Ray isn't sure of this and will inquire with the IDA.

- Why is this loan being granted to the Advantage Group and not to other businesses?
  - The town attorney explained that this grant was designed for them and set up for their purpose, if they do not take this loan than he believes the money goes away.
- Do they receive all money at once or is it given on per series completed basis? As in a building construction loan.
  - Ray isn't sure of the details and really feels that these types of questions can be answered best by the Advantage Group and the IDA.

Ray again stressed that the IDA and Pete Gorski have always been more than willing to come here to speak with the residents. Ray knows that the board members have questions as well as the residents and he is sure that both parties would be more than willing to attend a meeting to answer any questions or concerns. Once the meeting has been scheduled with the Advantage Group and IDA we will advertise it as a public meeting, not a public hearing. This is strictly an informational meeting.

Motion to close the public hearing:

Motioned by: Councilman S. William Ritchie

Seconded by: Councilman David Kaiser

Carried Unanimously

**Public Hearing: Willard and Willard Ex. Water/Sewer Rate Adjustments**

Ray explained to the board members and to the public that for years we have charged the residents .25 cents per thousand less than the dollar amount we are being billed by Willard Drug Treatment Campus. Rates have not been increased in at least 20 years. The average water/sewer bill will increase by \$7.00 per month. Ray handed out a letter that will be distributed to all Willard and Willard Extension water/sewer users. This letter explains all pertinent charges. He opened the floor for any questions. No questions were asked and no comments were made.

Motion to close the public hearing:

Motioned by: Councilman Robert Gerlach

Seconded by: Councilman S. William Ritchie

Carried Unanimously

**Approval of Minutes:**

February 20, 2002 Regular Board Meeting

Motioned by: Councilman David Kaiser

Seconded by: Councilman S. William Ritchie

Carried Unanimously

March 4, 2002 Special Town Board Meeting

Motioned by: Councilman Robert Gerlach

Seconded by: Councilman Ralph Walborn, Jr.

Carried Unanimously

March 14, 2002 Special Town Board Meeting

Motioned by: Councilman S. William Ritchie

Seconded by: Councilman Ralph Walborn, Jr.

**Petitioners to the Board:**

Thomas Robinson resident of Ovid for 11 years and he resides on Route 96A with his six year old daughter. He is a graduate from Finger Lakes Community College with an Associate in Criminal Justice. He has had a New York State Dealers license for eight years. Thomas has purchased a ten acre field in the Town of Romulus off Route 96A. Although Tom did acquire the Land Use Ordinance and inquired about any zoning in effect, he was not aware that the Zoning was so close to being finalized and that a

moratorium was on record regarding junk cars. Thomas feels that he can provide a much-needed service to the town with towing junk cars for the residents of Romulus for free. He has an Itinerate Vehicle Collectors License now and will be obtaining a Dismantlers license, which will enable him to sell car parts. He is proposing to construct an 8' barrier consisting of natural earth. He is prepared to have a bulldozer skim the topsoil from the center of the site to the parameter creating an 8' high wall. This will give this property an esthetically pleasing appearance. He will seed a tall growing field grass that will provide a one or two foot screening. He feels that this will meet the requirement that has been set forth in the proposed zoning. He will be stripping the cars and shipping out the unused remains. Tom has stated that he would like to work with the Town of Romulus, he will comply with all NYS DEC laws and there will be no burying on the property.

Ray advises that anyone starting any kind of business should come before the board and explain their intentions so that we can advise them of any laws that would prevent them from reaching their goals. Tom just recently purchased the property and therefore didn't come to the board until he had obtained the property.

Councilman Kaiser expressed his concerns based on his farming that particular property and the knowledge of that being designated as wetlands. He is concerned about contaminating the environment. He feels that communication with the New York State Dept. of Environmental Conservation may be advisable before any further hauling of vehicles to the premises.

Councilman Gerlach expressed his disapproval of this type of business being established on that particular location. He is against any form of natural barrier or even a fence. He has had many residents voice their distress and disapproval of the junk car business. His personal feelings are that he is totally against any type of junkyard. Mr. Gerlach inquired about how many cars will be at this location. Mr. Robinson explained that there would be hundreds. Chuck Nivers asked how many employees would he have working with him. Mr. Robinson explained that this business would not produce jobs, but rather would be a one-man operation.

Mr. Kaiser expressed his concern about the visibility from higher elevations even with the 8' barrier. He feels that as you were on the hill you would see over the barrier. Mr. Robinson pointed out the eye soar located across the street from said property. Such as the porta-johns, which are very easily seen from the road. Mr. Zajac explained that Brewer's property is located in the Town of Ovid and therefore, we have no voice for the regulations or lack of regulations in their township. Mr. Robinson explained there would not be piled up vehicles...his plan is to have them in neat rows.

Ray let the residents know that Walt Mittermeyer is the Chairman of the Planning Board and has along with his constituents produce a zoning ordinance that has had much consideration and careful thought. Unfortunately, it has taken a lot longer to pass this zoning than initially anticipated. Ray wants the people to know that certainly this board doesn't turn their back on business. However, this type of business is questionable in the minds of the people and not accepted easily by the people the board represents. Ray wanted Tom to know that we have received a large amount of phone calls with reference to the cars that have been hauled onto this property.

Ray would like to get an opinion from the Planning Board Chairman and also from our Town Attorney. The Planning Board meeting is scheduled for the second Wednesday in April, which is the 10<sup>th</sup> of April 2003. Ray suggests that we all meet with the planning board and hear Mr. Robinson's proposal and suggestions. Ray asks that residents leave their names and a means of contacting them to advise them of scheduled meetings with regard to the junkyard proposal and the CDBG loan.

**Communications to be Filed:**

See attached

**Code Enforcement Officer's Report:**

Report provided at meeting

**Planning Board Report:**

Minutes were provided at the meeting

**Highway Superintendent's Report:**

- a. Authorization was granted for workshops
- b. Highway Report was provided at the meeting
- c. Pudge Wech approached the highway Superintendent with reference to the clean fill they will have once the smoke stack is removed at WDTC. Jim will look into the possibility of using this fill on the Cayuga Lake Road.

**Dog Control Officer's Report:**

Report provided at meeting

**Assessor's Report:**

Annual Audit Report was provided

**Water Commissioner's Report:**

We had our annual inspection with Charlie Carroll. He has been doing a lot of work on the depot.

**Bookkeeper's Report:**

Report provided at meeting

**Supervisor's Report:**

Previously discussed throughout the meeting.

**Committees Reports:**

- a. Hernon Park – Minutes provided
- b. NYS Dept. of Corrections – no meeting as of yet
- c. Route 89 Water District – Varick approved
- d. House Numbering – we will be scheduling a meeting with emergency service representatives
- e. Buildings and Grounds – nothing to report at this time

**Resolutions:**

- 24-02 Ovid VFW Post #6200 Bingo License  
Motioned by: Councilman Gerlach  
Seconded by: Councilman Kaiser  
Carried Unanimously
- 25-02 Romulus Volunteer Fire Dept. Bingo License  
Motioned by: Councilman Ritchie  
Seconded by: Councilman Walborn  
Carried Unanimously
- 26-02 Verification of Payables  
Motioned by: Councilman Ritchie  
Seconded by: Councilman Walborn  
Carried Unanimously
- 27-02 Authorize Highway Superintendent to Attend Conference  
Motioned by: Councilman Kaiser  
Seconded by: Councilman Gerlach  
Carried Unanimously
- 28-02 Authorize Supervisor to Submit Funding Application  
Motioned by: Councilman Kaiser  
Seconded by: Councilman Gerlach

Carried Unanimously

29-02 Willard and Extension Water/Sewer Rates

Motioned by: Councilman Ritchie

Seconded by: Councilman Walborn

Carried Unanimously

30-02 Budget Appropriation Transfers

Motioned by: Councilman Gerlach

Seconded by: Councilman Walborn

Carried Unanimously

**Town Clerk's Report:**

Town Clerk's Report: Motioned by: Councilman Ritchie

Seconded by: Councilman Kaiser

Carried Unanimously

**Adjourn Meeting:**

10:20 p.m. Motioned by: Councilman Ritchie  
Seconded by: Councilman Walborn  
Carried Unanimously

**March 20, 2002**

Angel J. Lawrence, Deputy Town Clerk