

**Herkimer County Legislature
Committee on County Properties and Ways & Means
Committee Meeting
Friday, May 29, 2020
Via Teleconference
Follows Highways and Ways & Means**

Persons Attending:

Raymond Johnson (Chairman, County Properties, Ways & Means committee member)
Mark Gaworecki (County Properties committee member)
William Keeler, Sr. (County Properties committee member)
Robert J. Schrader (County Properties committee member)
Ray Donley (County Properties, committee member)
Patrick E. Russell (Chairman of Ways & Means)
Kurt J. Ackerman (Ways & Means committee member)
Raymond Smith (Ways & Means committee member)
Frederick J. Shaw, Jr., (Ways & Means committee member)
John P. Stephens (Ways & Means committee member)
Vincent J. Bono, Chairman of the Legislature
James W. Wallace, Jr., County Administrator
Brandy Serow, Sec. to County Administrator
Lorraine Lewandrowski, County Attorney
Sheri Ferdula, Budget Officer
Steve Billings, Personnel Officer
Mark Nagele, Highway Superintendent
(Non Committee Members signed in)
Legislator Gregory Malta, Sr.
Legislator Bob Hollum
Legislator John L. Brezinski
Legislator Peter F. Manno
Legislator Peter Campione

Absent:

William Weakley (County Properties committee member)

Mr. Johnson called Properties to order at 10:10 a.m.

Items Discussed:

COUNTY PROPERTIES AND WAYS & MEANS:

1. Award bid for 301 North Washington street parking lot repairs and appropriate funds
2. Approve termination of our affiliation with the Land Bank
3. Other

Committee Vote Record

COUNTY PROPERTIES AND WAYS & MEANS:

Mr. Johnson stated “First on the agenda is awarding bid for 301 North Washington Street parking lot. We had the bids come in and they were quite different. I will let Sheri go from here.”

Sheri Ferdula stated “The Highway Department was very gracious and put this bid out for us as there was a lot of technical information that needed to go into it. Mark and his crew put it out for us. The bids came back and had a very wide range of pricing. Jim and I had always talked about it being around \$300,000 for this. High bid came in at \$350,000, low bid came in at \$191,000 so we were very happy with the way this came out. Low bid came from Central Paving. The base bid was \$184,475 and then we had asked for an alternate in the bid for them to be able to work maybe a little later in the day or on Saturdays because that parking lot is so congested it’s going to be very hard for us to have everybody be parking. We asked for an alternate to be able to work some off hours. Their alternate was \$6,600 so total bid was \$191,075. We currently have \$127,828 in the Building Reserve account so we would need to appropriate \$72,171 from the General fund to cover it but this is a project that we’ve kind of been pushing off for the last three or four years and it really needs to be done and it came in at such a great price that we feel it’s something we should move forward with.”

Item #1 - On motion of Mr. Schrader, seconded by Mr. Gaworecki for the County Properties Committee and on motion of Mr. Stephens, seconded by Mr. Bono for the Ways & Means Committee, Item #1 was voted on, approved and moved for Resolution. Unanimous.

Mr. Johnson stated “Number two, we are looking to approve a termination letter with the Land Bank. We have a 90 day clause that’s kind of weird. We talked a little this morning, Lorraine to put our 90 day Notice in if that’s what we should do.”

Lorraine Lewandrowski stated “The original agreement was signed October of 2016 and it said this agreement shall commence on the effective date and remain in full force for three years. So three years would have been October of 2019. I looked in Rob’s files and in the fall of 2019 a renewal agreement was sent to us but it was never signed by anybody. We are kind of in a zone where I’m wondering, we never signed the renewal and I’m thinking we should maybe speak with them and say look we never signed the renewal. We consider ourselves to be out and if they don’t feel that we could also exercise the six month notice by the way the agreement was worded it says this agreement shall commence on the effective date and remain in full force for three years so they have not followed up with us in any way to say hey, sign this new agreement. And they haven’t asked us if we are putting in a notice to get out. I’m kind of thinking to send them a letter and say we’ve never renewed and the old agreement was until the end of 2019 if that is what the Legislators would desire.”

Mr. Gaworecki asked “With the six months does that start when we notify them or at the end of that?”

Lorraine responded “Well, it’s worded kind of strange. It says any party may withdraw from this agreement on six months’ notice and I’m sorry, I originally told Ray it was 90 days but it is six months, but such withdrawals may not be in effect until end of the current three year term. They

might try and say you have to stick it out until the end of this three year term. You know, you give your 90 day notice so I think it would be better to say look you sent us this agreement to renew it in the fall of 2019 and it has never been signed and we are not going to sign it.”

Mr. Gaworecki stated “And would not signing it count as a notice of wanting to get out?”

Lorraine stated “Yes I would say, it’s never been signed I would say try that theory of law first because the agreement has a couple of different almost conflicting theories in here. The one is you have to give a notice but the other is you have to sign a renewal agreement which has never been signed and I don’t know what the Land Banks view is on counties getting out. Are there any other counties that want to get out?”

Mr. Johnson stated “I don’t know. We no longer have a person on the board.”

Mr. Bono stated “John Piseck is still on the Board. He is not submitted and I think he is on the phone. John Piseck, do you want to add any insight on this?”

John Piseck stated “Yes. My concern is two things. One, they have not met their fiduciary expectation with the grants that they have in place and the other thing is they have the wrong person steering that ship and the third thing they applied and won a grant for a zombie quarterback but it was referenced through Herkimer County. The problem will be, we will be held liable for that as well. I would look at the agreement that you need to sign as a County and reach out a say to them in my opinion, I only stayed on to get the data, to keep getting the emails, but the organization is not being run properly. They didn’t even do their ABO reporting for last year. Not this year but the prior year before that.”

Mr. Ackerman asked “How are they able to apply for a grant if they didn’t do their documentation?”

John Piseck responded “Because it’s not state money. It’s money through LISK. It’s very strange Kurt. This woman Helena which John has been involved with, John Stephens has been involved with too, she changes the playing field constantly, moves the goal post and then also he got grant money to do specific things and he actually did other things with it and we all said it wasn’t right. Remember John?”

John Stephens agreed.

John Piseck stated “It’s a great idea however it’s not being run properly in our region. If you look at the other regions that are doing it they are doing a fantastic job. We are not doing a fantastic job in our region.”

Mr. Wallace stated “If the Legislature moves to get out Lorraine, what is the status of the properties we have given to them? What is the status of the liability that we have with this grant?”

Lorraine Lewandrowski stated “We’ve already given them properties but how many properties do they still hold and how many have they actually fulfilled their mission with?”

John Piseck stated “Well none in Herkimer County and the problem is they have no money to accept the properties we gave them.”

Lorraine Lewandrowski state “They already have title to these properties. We don’t have title to them anymore.”

John Piseck stated “No but they’ve moved none of them. They have not repaired any of them. They don’t have the money to do it, correct John?”

Mr. Stephens agreed.

Mr. Bono stated “I did go to one of those meetings. It was before Bernie left, I went with Bernie and I asked the question specifically out of how many properties you have, 75 I think at the time, how many have been put on the tax roll and I got six different answers. It started at 12 and we ended at 1. They were all over the board. The one individual leading it gave me 2 or 3 different answers and it finally got down to 1 so that was a little disconcerting.”

Mr. Ackerman asked “How many jobs have they completed? Total, not just this last grant, all together.”

Mr. Bono stated “Three or four County region. I haven’t had that conversation with them. We were supposed to meet up but because of COVID we weren’t able to meet.”

John Piseck stated “Kurt, that’s a great question however you still have the same captain steering that ship. No matter what is replied to you, it will not benefit the County at all in my opinion.”

Mr. Johnson stated “We have the LDC which through that couldn’t we take over those properties?”

Mr. Bono stated “I believe so. The LDC would be able to do that for us.”

Mr. Johnson stated “It would be our own, kind of in house.”

John Piseck stated “What we could do is, through that LDC take over those properties and then put them in an LLC. This is what I heard from our attorneys, maybe Lorraine has a different spin on it, we put them in an LLC and then we would be able to what we’ve talked about doing, Ray in the past.”

Mr. Gaworecki stated “John, what’s the status on certain grants the Land Bank is looking for for projects already in their division?”

John Piseck stated “Well that’s the problem. They are in trouble especially with the mobile home park in East Herkimer.”

Mr. Gaworecki stated “Right, that’s what I was wondering. There’s a chance they won’t get the grants for that project, correct?”

John Piseck stated “That is correct especially if Herkimer does not renew then Herkimer is not a part of the Land Bank area. Oneida County was never part of the Land Bank just the City of Utica and the City of Rome. And both of them have their own programs as well. I don’t know where that will go. The Executive Director there has now gone down to about 12 or 18 hours and he applied for some of the same grant pot, not the exact same grant but the money that would come out of that pot and he won those for another group. It’s very convoluted. It’s just not being run properly.”

Mr. Bono asked “John, so where did this money go?”

John Piseck responded “That’s just it. Salaries was a part which they were able to do but it pretty much went to more properties and the rest was acquisitioned and maintenance. Even though they own a property in Herkimer the maintenance would have been they had to have the lawn mowed or snow plowed so all of those properties, he just kept buying and buying and buying. He was out of control and you never got the answers correctly. When we first got on, John and myself, there wasn’t any financial reports handed out. Once we started getting under control we told him no more buying. You have to stop. You have to figure out where you’re going to direct those funds and list got so down to the fact they wanted to know how much the nails were. It’s just not being run properly. That sums it up completely.”

Mr. Campione stated “I’ve noticed Lorraine on Craigslist some of our properties we have given them, they’ve done nothing to and they listed them for sale, can they do that legally?”

Lorraine Lewandrowski stated “Well yes. I’ve also heard they have a broker handling some of their properties as well. I mean people sell property on Craigslist and E-Bay and all that stuff all of the time.”

Mr. Campione asked “Weren’t they supposed to improve them?”

Lorraine Lewandrowski stated “Their mandate is to improve the property. That’s the whole purpose of this program. You don’t just get the property and then flip it to make money to pay your salaries. It sounds like that’s what’s going on instead of improving them.”

Mr. Schrader stated “See my problem with it Lorraine is now we just gave it to the Land Bank, they sell it to another individual that didn’t do any improvements to it. The County has to reimburse the municipality and that’s why I was sort of against the whole thing. Now we’re stuck again reimbursing the municipality for a piece of property that they did nothing to.”

Mr. Hollum stated “Over in Ilion they actually sold a piece of property to a non-profit organization. I don’t see how that benefits the County. It doesn’t put it back on the tax roll. It kind of defeats the whole purpose of the program.”

Mr. Schrader stated “With that said do you think that we are going to be ending indefinitely Lorraine if we go the six months?”

Lorraine Lewandrowski stated “With the 6 months notice the way it’s worded would allow you to withdraw at the then 3 year term. I’m thinking we haven’t even started a new 3 year term because we never renewed. The old one would have expired in October of 2019. We are already into it but we never signed a renewal agreement.”

Mr. Schrader stated “To pick up with what Mr. Piseck said the gentleman that’s running it is an incompetent person in my estimation. Is there somebody above him to address it to because I’ve met the guy, he’s incompetent.”

Lorraine Lewandrowski asked “Why don’t the other people who are on the board have any issues then? Do they say anything?”

Mr. Johnson responded “I don’t want to go into it. What does the committee want to do? This is a properties issue not Ways & Means right Lorraine?”

Lorraine Lewandrowski stated yes.

Mr. Gaworecki stated “I will make a motion we don’t renew.

Item #2 - On motion of Mr. Gaworecki, seconded by Mr. Schrader for the County Properties Committee, Item #2 was voted on, approved and moved for Resolution. Unanimous.

Mr. Bono stated “Ray and I will reach out and get a follow-up on their end.”

Mr. Ackerman asked “Should we send something to LISC on that?”

John Piseck said “Yes you should.”

Mr. Ackerman stated. “That’s what I thought.”

Lorraine Lewandrowski asked “Who would we send it to then?”

John Piseck stated “And you should send it to Enterprise. They are the other financial group involved.”

Mr. Bono stated “LISC and Enterprise Lorraine.”

Lorraine said ok.

Mr. Johnson asked “Anything under other for Properties?”

Mr. Gaworecki stated “I have something for other. I got an email and a call from a lady that would like to take over 210 North Main Street in the Village of Herkimer and fix it up. She is

hoping for some sort of reduction in the back taxes and I'm just bringing that up for discussion. She is going to contact the Village of Herkimer and I told her we cannot forgive taxes for individuals but we might with an agreement of the Legislature forgive them for the Village of Herkimer so she would have to come up with an agreement with the Village of Herkimer to take it over from them if we forgive the taxes and hand over the property to the Village. I'm sorry. We do not have possession of the property but if we forgive the taxes the current owner is willing to give over the property to her if the Village is willing to take it over first."

Mr. Johnson asked "You want her to send a letter then to the Village and the County"

Mr. Wallace responded "Yes we usually act on a Resolution from the Village."

Mr. Gaworecki stated "And that's what she plans on doing. I discussed with her that she would have to contact the Village first and she plans on doing that. I'm just bringing it to everyone's attention."

Mr. Johnson asked "If everyone is good can I have a motion to adjourn?"

On motion of Mr. Gaworecki, seconded by Mr. Schrader, the County Properties committee adjourned at 10:19 a.m.

The Ways & Means committee continued.