

**CHESHIRE ECONOMIC DEVELOPMENT COMMISSION
MINUTES OF THE REGULAR MEETING HELD ON
TUESDAY, APRIL 21, 2009 AT 7:30 A.M.
CHESHIRE TOWN HALL – 84 SOUTH MAIN STREET
ROOMS 207 / 209**

Commissioners Present:

Chairman Brian Miller, Justin Adinolfi, Bea Fiorino (arrived at 7:40 a.m.), Kathleen Gannon and Arthur Hostage

Commissioners Absent:

Lelah Campo and Richard Kaplan

Staff Present:

Jerry Sitko, Economic Development Coordinator

Others Present:

Eric Mueller, Owner of United Snack Group (departed at 8:10 a.m.)

I. CALL TO ORDER

Chairman Miller called the meeting to order at 7:30 a.m.

II. ROLL CALL

The roll was called.

III. DETERMINATION OF QUORUM

It was determined that a quorum was present.

IV. PLEDGE OF ALLEGIANCE

All present recited the Pledge of Allegiance.

V. APPROVAL OF MINUTES – March 17, 2009 Regular Meeting

MOTION by Mr. Adinolfi that the minutes from the March 17, 2009 Regular Meeting of the Economic Development Commission be accepted as presented. **SECONDED** by Ms. Gannon

VOTE: In Favor – Adinolfi, Fiorino, Gannon, Hostage and Miller
Opposed – None

The motion passed 5 – 0.

VI. COMMUNICATIONS

There were numerous news articles included in this meeting's packet for Commissioners to review.

VII. RECOGNITION OF COMMISSIONER HOSTAGE

Chairman Miller noted that this would be the last Economic Development Commission meeting for Commissioner Arthur Hostage, as he is retiring. Mr. Sitko noted that Mr. Hostage joined the Economic Development Commission on December 10th, 1991. Chairman Miller commented that Mr. Hostage was a past Chairman of this Commission for a good many years and a constant, valuable, contributing member on numerous projects throughout his time with the Commission. Commissioners all agreed that they would miss Mr. Hostage at the Economic Development Commission meetings but thanked him for his incredibly valuable knowledge and time.

Mr. Hostage commented that he was asked by Mr. Sitko to continue with the focus groups, which he appreciates and looks forward to. He added that over the years, the Economic Development Commission has been a very non-partisan group and everyone involved has wanted to do the best thing for the Town. Chairman Miller commented that there have been some excellent discussions and debates between members of the Commission, but never that he can remember has politics played a part and he feels that Mr. Hostage has had a great influence on that, adding that he believes that will carry forward even after Mr. Hostage has retired from the Commission.

VIII. BUSINESS

A) Presentation Re: United Snack Group

Chairman Miller welcomed Eric Mueller, Owner of United Snack Group to this morning's meeting of the Economic Development Commission. Mr. Sitko noted that United Snack Group moved to Cheshire from its former Wallingford location in November 2008 and is located at 1491 Highland Avenue.

Mr. Mueller started by thanking the Commission for approving his abatement for United Snack Group's property acquired in Cheshire last year.

Mr. Mueller and his brother, Ronnie, own United Snack Group. United Snack Group provides snack services to small businesses on an honor system basis. This is almost like a vending machine, but without the bells and whistles. The company caters to small businesses where the cost of an expensive machine might not be worth it to a vending operator, and he will overlook that business. United Snack Group would go into this small business and provide basic snack services. Mr. Mueller commented that

a business as small as 5 or 6 people can generate a profit for United Snack Group, if it's the right mix of people.

This is a niche business and the Muellers have owned United Snack Group since 1996. There was a prior owner since 1988 and at one time United Snack Group was a national franchise. The Franchiser, Ed Klein, was out of Minnesota in the 1980's using this exact same "snack tray". Mr. Klein sold the business in the 1990's but the individual franchises were able to purchase a perpetual license to continue to run their businesses.

The honor snack business is a tough business to turn a dollar in profits, stated Mr. Mueller. He stated that it looks rather simple but it is actually quite sophisticated.

Mr. Hostage asked approximately how many businesses like this exist across the United States? Mr. Mueller replied his best guess would be between 100 and 150 operators, which is not a whole lot. United Snack Group services Connecticut and parts of Rhode Island. Mr. Mueller explained that his company has purchased other similar companies over the years to help expand their snack business. The business has not grown, as far as the industry, but United Snack Group has grown within the industry as a result of acquisitions. Currently, United Snack Group has approximately 2700 locations that it services right now, according to Mr. Mueller, all of which is done from its Cheshire location.

Mr. Mueller explained that the honor system they use can be difficult at times and does require some psychology when dealing with situations and customers with regards to shortages on the snack trays.

All sales are done through cold calls; there is no advertising to recruit new businesses. The sales staff for United Snack Group is made up of independent contractors. Mr. Mueller noted that there are no contracts involved and a client can call up at any time and ask to have the snack trays removed. When asked how often a business is visited / re-stocked, Mr. Mueller replied that they cycle through their clients approximately every 2 weeks.

Mr. Mueller commented that United Snack Group likes to use local businesses whenever possible and estimates hundreds of thousands will be spent on vehicle maintenance, gas, etc. here in Cheshire, just because the business is in Cheshire.

Mr. Sitko asked if there has been a demand for healthier snacks? Mr. Mueller commented that everyone wants to see healthier snacks but nobody wants to eat healthier snacks. Mr. Mueller explained that their snack packs contain items that are all the same price point.

Chairman Miller asked about why United Snack Group chose its Cheshire location? Mr. Mueller stated that taxes were an influence but its largest influence is the local services that will benefit just from ordinary operating expenses of the Company, here in Cheshire.

Mr. Mueller commented that he had hoped to buy a building about 4 or 5 years into the business but were sidetracked. United Snack Group got audited by the Department of

Revenue Services and then was sent a bill for \$ 300,000 to \$ 400,000 for back sales tax on the honor boxes. Mr. Mueller stated that there was a tax exemption for vending machines but honor boxes were not specifically put into the exemption. The Company put all of its energy into taking care of this problem and changing the law, which took about 3 or 4 years and is still ongoing. Honor boxes were added to existing vending machine legislation with the help of Representative Mary Fritz and Senator Fasano but this continues to be an ongoing situation with the State of Connecticut.

Chairman Miller thanked Mr. Mueller for attending this morning's Economic Development Commission meeting.

B) Discussion Re: Proposed Capacity Fee for Connection to Sanitary Sewer System

Mr. Sitko reported that he and Chairman Miller attending a recent Water Pollution Control Authority (WPCA) meeting to talk about the proposed capacity fee for connecting to the sanitary sewer system. A copy of the letter that was submitted to the WPCA on behalf of the Economic Development Commission is included in this meeting's packet. Mr. Sitko felt that Chairman Miller's conversation at that meeting had an effect on the proposal and apparently the Public Works Department is now getting some comparative data from other towns and will be submitted at tomorrow night's WPCA meeting.

Mr. Hostage asked with the increased usage at the Cheshire Correctional Facilities, has their fee been adjusted? Mr. Sitko and Mr. Adinolfi commented that they have heard the Town Manager and Town Engineer say that they were having "talks with the State" but have never heard a final answer.

Mr. Adinolfi asked what the next step will be after the comparative information is gathered by the WPCA, are they just going to act? Mr. Sitko replied that it is hard to say, the WPCA has agreed to share the information with the Economic Development Commission, but he does not know where it will go from there. Chairman Miller noted that the WPCA did close the Public Hearing on the proposed capacity fee, which he was disappointed with because it means the this Commission can not comment further after the comparative data is released.

Mr. Adinolfi commented that he believes this is a topic that should be reviewed by the Town Council because it could have a damaging impact to the economic development of Cheshire.

Mr. Hostage suggested that a letter be drafted to the Town Council to let them know where the Economic Development Commission stands and also to ask for an update on the Connecticut Correction Facilities fees.

Mr. Sitko suggested that this Commission wait to review the comparative data before contacting the Town Council. Chairman Miller asked that the data be forwarded to the Commissioners via e-mail, once it becomes available.

C) Meetings with Cheshire companies

Commissioners talked about meeting with the new Cheshire Academy Headmaster and Jim Flood from Bovano's at a future Economic Development Commission meeting.

D) West Main Street Commercial Area Streetscape Improvements Project Update

Mr. Adinolfi reported that the West Main Street Commercial Area Streetscape Improvements Subcommittee met on April 8th and discussed with Milone and MacBroom an option to cross West Main Street using an island of refuge, which it was decided that they would go ahead to try to get approval from the State of Connecticut. There was also discussion of going out to bid this year for the first phase of this project, west of the culvert.

E) Strategic Work Plan

Mr. Sitko is working to coordinate with Sheldon Dill, who is available May 4th at 8:30 a.m., to meet with the Strategic Work Plan Committee, to develop a strategy for the focus groups.

F) Business Appreciation Day

Mr. Sitko reported that Business Appreciation Day scheduled for Wednesday, May 6th has been canceled as a result of the guest speaker for the event, Todd Kallman, President of Commercial Engines and Global Services for Pratt & Whitney no longer being able to attend.

G) Liaison Reports

Ms. Fiorino commented that the Town Beautification Committee was a great success at the Chamber of Commerce Spring Expo earlier this month.

H) Coordinator's Report

Mr. Sitko reported that Dunkin Donuts will be opening up next to Lora's Deli on West Main Street.

A copy of the legislative letter from the Town to Congressman Chris Murphy supporting Atlantic Inertial System's request for support for a Defense Appropriations Project – Gun Hardened Inertial Measurement Unit (IMU) was included in this meeting's packet.

Mr. Sitko reported that the Window Box florist has closed recently.

Mr. Sitko noted that there is information on the Town's web page regarding tax credits and exemptions that are available for businesses. This information was also shared with the Cheshire Chamber of Commerce.

I) Other

Commissioners talked about inviting Commissioner Joan McDonald, State of Connecticut Department of Community and Economic Development, to come to a Cheshire Economic Development Commission meeting for an informal discussion. It was agreed that an invitation would be extended to Commissioner MacDonald to come to Cheshire, although Chairman Miller commented that he would be willing to hold the meeting in Hartford at Commissioner MacDonald's office if it meant a guaranteed meeting with her and not a representative from her office.

VIII. ADJOURNMENT

MOTION by Mr. Hostage to adjourned the meeting at 8:55 a.m.; **SECONDED** by Ms. Fiorino.

VOTE: In Favor – Adinolfi, Fiorino, Gannon, Hostage and Miller
Opposed – None

The motion passed 5 - 0.

Respectfully submitted:

Tracey M. Kozlowski
Recording Secretary