

*SouthEastern Connecticut Enterprise Region
Annual Report
for the
Fiscal Year Ending June 30, 2008*



Annual Meeting

*SouthEastern Connecticut Enterprise Region Corporation
(SECTER)*

November 20, 2008

8:00 a.m.

*Hilton Garden Inn, Groton, Connecticut
AGENDA*

Call to Order:	John W. "Bill" Sheehan, President
Reading/Approval of 2007 Annual Meeting Minutes:	Mary Ellen Jukoski, Secretary
President's Report:	John W. "Bill" Sheehan, President
Executive Director's Report:	John Markowicz, Executive Director
Financial Report (FY 2008):	G. D. "Denny" Hicks, Treasurer
Nominating Committee Report:	John W. "Bill" Sheehan, President
Election of Directors:	John W. "Bill" Sheehan, President
By-Laws Committee Report	John W. "Bill" Sheehan, President
Other Business:	John W. "Bill" Sheehan, President
Adjournment of Annual Meeting.	

Call to Order, Board of Directors Meeting:	John W. "Bill" Sheehan, President
Review/Approval of September 2008 Board of Directors Meeting Minutes:	John W. "Bill" Sheehan, President
Nominating Committee Report:	James Butler, Chairman Nominating Committee
By-Laws Committee Report:	John W. "Bill" Sheehan, President
Corporate Resolution	
Election of Officers:	John W. "Bill" Sheehan, President
Adjournment of Board of Directors Meeting.	

*Breakfast provided by the
SouthEastern Connecticut Enterprise Region*



SouthEastern Connecticut Enterprise Region Corporation



SECTER

MISSION STATEMENT

The mission of seCTer is to stimulate and support economic development and diversification within Southeastern Connecticut and adjacent areas of Rhode Island. seCTer shall pursue this mission through a broad range of initiatives and programs, including the following:

Foster a climate favorable for economic development and diversification through educational and informational programs reaching government officials and the general public.

Support the retention and expansion of existing businesses and the start-up of new businesses.

Recruit new businesses through a marketing program that promotes the region's resources and competitiveness.

Coordinate economic development activities among the region's municipalities, with state and federal agencies, and with other organizations.

Participate in efforts to meet the infrastructure needs of a growing regional economy.

Define and update the region's economic goals and strategy through periodic analysis of the region's economic needs and opportunities.

*SouthEastern Connecticut Enterprise Region Corporation
(seCTer)*

A Letter from the President

Fiscal 2008 was another successful year for seCTer. Connecticut Senate Bill 937 passed and became part of Public Act 07-205, which established an Office of Military Affairs with a full time Executive Director. SeCTer's new Web site, www.seCTer.org, is a success. It is easy to navigate and full of important information about the cities and towns of SE CT. The Southeastern CT Council of Governments approved a revised funding schedule for the towns and cities that went into effect in FY2008 and will be fully implemented in FY2009. On the other hand, the corporation was the owner of a defaulted fishing vessel for part of the fiscal year after a loan failed. We have just recently sold this vessel.

Our guide to economic development is the Comprehensive Economic Development Strategy (CEDs). An application to the Federal Economic Development Administration (EDA) for funding of a CEDs update has been pending most of fiscal year 2008.

Our Marketing Program has continued to be capably managed by Marketing Director, Deborah Donovan, and guided by the Business Development Committee and its Chairman, Tricia Cunningham. The region continues to be aggressively promoted both internally and externally with events that effectively showcase our region's economic developers, available properties, and incentives. SeCTer also supported Pfizer Corporation in its efforts to recruit new employees from its facilities in other states. Planning for a Tour by Site Selection Consultants absorbed much of Ms. Donovan's time in the last half of FY2008. The tour was successfully completed in late September 2008 and will be a subject of next year's letter.

Working with the Loan Administration Board/Loan Review Committee and its Co-Chairs, Naomi Otterness and Wayne Fraser, Director of Loan Programs Ann Chambers continued efficiently to provide financial outreach and technical support for numerous regional economic development projects. More than 47 inquiries were processed from throughout the region. This resulted in four specific loan requests totaling nearly \$930,000 which were approved and closed.

The Procurement Technical Assistance Program (PTAP), efficiently managed by Brien Robertson, completed another successful year. More than \$137 million in federal, state, and local contracts were awarded to client companies for the period ending September 30, 2008. Over 2,754 Connecticut jobs were created or retained as result of these awards. I am pleased to report that since the inception of PTAP in 1993, this record of achievement, certified by its clients, has resulted in the award of nearly \$1.7 Billion in contracts to Connecticut companies and the creation or retention of almost 34,000 jobs statewide.

The financial health of our corporation remains strong, but is not without its challenges. The approximately \$67,205 in annual sustaining support from our regional municipalities (up from FY2007) and \$27,500 in business contributions is sincerely appreciated. We are indebted to the fiscal administrative and oversight skills of Patricia Glynn, our Office Manager, and Kathy Braue, our Financial Administrator. We have received another excellent (zero material findings) financial report from our certified public accountants. At the end of FY2008, for the second year in a row, the corporation was able set aside \$20,000 each in the Building/Incubator Fund and the Loan Recapitalization Fund.

*SouthEastern Connecticut Enterprise Region Corporation
(SECTER)*

A Letter from the President (con't)

None of these achievements would have been possible without the exceptional dedication and productivity of our staff, headed by John Markowicz. On behalf of our Board of Directors, I extend our sincere thanks to all staff members. I am also extremely grateful to you, the seCTer Board of Directors, for your efforts on behalf of the corporation's mission during this past year. An active, engaged Board of Directors is critical as we move to deal with our region's future challenges. Thank you for this opportunity to serve as your President.

Sincerely,



J. W. "Bill" Sheehan
President of Board of Directors



SouthEastern Connecticut Enterprise Region Corporation (seCTer)

Report of the Executive Director

I am pleased to report that on June 30, 2008, we completed another challenging year that included the continuation of significant projects from Fiscal Year 2007 as well as several new undertakings that will continue into Fiscal Year 2009. Most unsettling again was the long delay in the receipt of state match funding of the Procurement Technical Assistance Program (PTAP). This required a significant corporate investment in carrying the program for more than ten months and impacted the application of resources to fully implement and fund this statewide program. In addition, we experienced our first loan default in more than a decade, and this required negotiating a settlement agreement with the delinquent borrower and liquidating the collateral.

Financial responsibility and integrity continued to remain paramount in all corporate activities. Gothie, Hoyt, and Filippetti, LLP performed our Annual Audit and noted no material findings. The financial position of the corporation remains stable with Total Assets of \$7,524,960 (including Unrestricted Assets of \$662,293) and Total Liabilities of \$264,862.

It should be noted that this past year we implemented a revised voluntary contribution schedule with our Permanent Member Municipalities. This action was endorsed by the Southeastern Connecticut Council of Governments and now sets a uniform per-capita table for all municipalities. Contributions per this schedule will be solicited in fiscal year 2009, as well as similar contributions from the other Permanent Members.

MARKETING PROGRAM

Guided by the Business Development Committee, chaired by Tricia Cunningham and managed by Director Deborah Donovan, the Marketing Program continues promoting the region, internally and externally, providing research and outreach support to municipal development offices, and monitoring progress on regional Comprehensive Economic Development Strategy (CEDS) projects and initiatives.

By virtue of our membership in CERC (the Connecticut Economic Resource Center), seCTer has access to a wide range of services including Data Finder, a robust database of demographic information; SiteFinder, an informational web site listing of available buildings and land; and EDDI, or the Economic Development Data Information database, which was developed by leading site consultants for use in determining the feasibility of locations for development and business location.

The Marketing Department uses these CERC programs to support retention and expansion of existing and start up businesses in the region by:

- Answering requests for locations from Site Consultants and Developers,
- Listing available municipality owned properties on SiteFinder at no charge,
- Providing market research information from new, relocating and expanding businesses,
- Providing specific business and demographic data for local governments; for organizations such as the Southeastern CT Housing Authority (SECHA) and Eastern CT Workforce Investment Board (EWIB); and for regional businesses, and
- Assisting municipalities in populating and uploading the EDDI databases to the websites of CERC, seCTer, and each participating municipality.

SouthEastern Connecticut Enterprise Region Corporation (seCTer)

MARKETING PROGRAM (con't)

With a total of \$25,000 in funding provided by grants from AT&T and the State of Connecticut, we competitively selected Caffeine, a widely respected Connecticut internet development company to redesign our website: www.seCTer.org. The new site was launched in January of 2008 and is updated on a continual basis by the marketing department. Some features on the site include:

- Information on seCTer municipalities with links to their home pages, and EDDI page,
- Regional Demographic, Labor and Economic Information,
- Information on regional industry clusters and major employers,
- Economic Development reports from seCTer and partner organizations, including our Comprehensive Economic Development Strategy (CEDS), Regional Plan of Conservation and Development, Regional Transportation Plans etc.,
- A Calendar of Events, listing seCTer meetings and events as well as training events for businesses and municipal leaders,
- A press section with business newsletter, seCTer press, and local news from member organizations as well as links to local print media,
- A database on available sites and buildings for developers using our links to CERC's SiteFinder,
- A Regional Film Commission section with information on Filming Incentives, contacts and a database of location photos, and
- A section for entrepreneurs and start up businesses offering information on "how to" start and manage a business, with links to on-line help and contact information for local agencies offering assistance.

We continue our presence in state and regional development organizations' events and training sessions. Through our continued participation in programs offered by the Connecticut Main Street/Downtown Resource Center, the Connecticut Chapter of the International Council of Shopping Centers, the Connecticut and Northeast Economic Development Associations (NEDA and CEDAS) and CERC, we monitor and share market trends, business news and economic development research both with constituent municipalities and interested developers and businesses through frequent email notices and an occasional newsletter. This past year we became a sponsor of the Award Winning Community Builders Institute (CBI) of Northeast Utilities and served on the planning committee for these training sessions promoting best practices and excellence in various aspects of economic development.

We developed a Power Point Presentation that describes the mission, activities and funding of seCTer, including information on loans made, government contracts procured, committee responsibilities, marketing activities and budgets. This presentation has been shown to a number of organizations, town and city councils, and economic development commissions including the Mystic Chamber of Commerce, the Norwich Bulletin, the Cities of New London and Norwich, Towns of Stonington, North Stonington, East Lyme and the Ledyard Economic Development Commission. The program has been well received, and aids the viewers in understanding the role of seCTer in economic development in Southeastern CT. We have updated the presentation with current information and are available to show it when requested.

SouthEastern Connecticut Enterprise Region Corporation (seCTer)

MARKETING PROGRAM (con't)

With the seed money provided by a generous \$10,000 grant from Northeast Utilities we began planning for a September 2008 Familiarization Tour for Site Consultants. We anticipate up to one dozen consultants will visit the area and meet with major organizations and people involved in regional Economic Development over three days. Initial plans call for events at the Nautilus Museum, Mystic Seaport and at the Norwich City Hall, as well as a Motorcoach tour of the area. A video including aerial footage of the region will be produced in conjunction with this event and a "lure piece" map of the region.

LOAN PROGRAM

seCTer's Revolving Loan Programs continue to play an important role in the economic development and vitality of Southeastern Connecticut by providing funding that is not readily available through traditional Lenders. The fiscal year started with a management transition as longtime Program Director, Paul Brindamour left seCTer and Annie Chambers joined the corporation. We devoted a significant amount of time in 2008 to calling on each and every Borrower to ensure that they were familiar with their new seCTer lender while still continuing to market our programs to potential customers.

The active loans in our portfolio on June 30, 2008 represent the manufacturing, service, commercial fishing and retail industries and provided for 105 new jobs created and 140 jobs retained. This same portfolio had an outstanding seCTer balance on 6/30/2008 of \$3,591,766.65 and reflected a total investment (seCTer, other funding sources and equity) of \$12,310,651. While the economy has certainly had a significant impact on our Borrower's cost of doing business and ability to generate equity, all have managed to maintain their payments as scheduled and thus, our delinquency rate is minimal. We only incurred one loss this year as we finalized a settlement agreement with a delinquent borrower that allowed us to sell the collateral and close out a loan that has been a drain on the portfolio for a few years.

Highlights of the year include:

- We partnered with the Connecticut Community Investment Corporation (CTCIC), a Connecticut Certified Development Company, to fund the expansion of one small business in Southeastern Connecticut and had one loan in process at fiscal year end. These two companies represented the manufacturing and retail industries,
- We expanded the SBLF (Fisherman's Fund) by funding a Charter Fishing/Sport-fishing business,
- We originated and closed four new loans representing \$930,000 "new" money, and
- We responded to several requests for modifications and a couple of payoffs as we sent program "graduates" to our regional bank lenders.

The record of steady performance and growth is attributable to the continued guidance of the Loan Administration Board chaired by Naomi Otterness and the Loan Review Committee chaired by Wayne Fraser. Fiscal Year 2009 will be a challenging year as we address the impact of the national and world economy on our region. We know that commercial fishermen are struggling with ever increasing costs and reduced pricing. Connecticut manufacturers face one of the highest costs of doing business in the country and our defense industry will feel the impact of the economic tug of war that will be waged within a new administration struggling with national security concerns versus domestic issues such as taxes, education, health care and fuel. Our experience and ability to counsel businesses will be vital as will the network of referral sources that we have established over the years.

SouthEastern Connecticut Enterprise Region Corporation (seCTer)

CONNECTICUT PROCUREMENT TECHNICAL ASSISTANCE PROGRAM - CT-PTAP

The Procurement Technical Assistance Program (PTAP) completed a very successful year. The program provided government assistance in contracting throughout Connecticut through its offices in New London, New Britain, Hartford, Bridgeport and Waterbury. The PTAP team is comprised of procurement specialists coming from diverse backgrounds. The most recent hire, Bernhardt Todisco comes from a manufacturing background. He is certified as a Certified Procurement Manager (CPM), a highly respected purchasing credential. Training continues to be emphasized by Brien Robertson, PTAP Program Director. Staff participated in training events and conferences including seminars conducted by the National Contract Management Association (NCMA) and the Association of Procurement Technical Assistance Programs (APTAC).

The program conducted 24 sponsored seminars for businesses from October 1, 2007 to September 30, 2008. Three hundred and forty six (346) attendees took advantage of these training opportunities. Some of these events included:

- Government-contracting seminars at three community colleges,
- A joint PTAP and SBA workshop, which was highly successful, explaining each of the federal and state preference (set-aside) programs.,
- At the request of Congressman Courtney, another notable training event was “Contracting with the Government,” held at Norwich Free Academy, with guest speakers from the federal Government Services Administration, the Connecticut Center for Advanced Technology and the Defense Contract Management Agency, and
- CT PTAP also has scheduled a three-day “matchmaker” conference at the Omni Hotel in New Haven in October 2008 and secured Scott Denniston, Director of Small Business, Department of Veterans affairs as the guest speaker.

In the most recent year of operation the CT PTAP program reported:

- \$137.7 million in government contracts were awarded and
- 2,754 jobs were created or retained in CT.

The Program’s success is recognized by the State of CT and the Department of Defense:

- The Defense Logistics Agency (DLA) recently selected SeCTer to operate the Connecticut Procurement Technical Assistance Program in Connecticut for the next three years and increased their annual award to \$427,510 with matching funds (dollar for dollar) coming from DECD and an in-kind contribution from seCTer,
- Connecticut’s Congressional delegation strongly supported the PTAP Program in the Department of Defense’s budget, and
- The Defense Contract Audit Agency conducted an on-site evaluation of the PTAP Program and awarded a “superior rating” in all evaluation criteria.

SouthEastern Connecticut Enterprise Region Corporation (seCTer)

COMPRHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDs)

Implementation of the Southeastern Connecticut Comprehensive Economic Development Strategy (CEDs) continued with the Town of Ledyard being notified that its application for a planning grant had been approved for funding from the Economic Development Administration (EDA). In addition, Mr. Steve Grady, the Connecticut EDA Representative asked for seCTer to submit a Pre-Application for matching funds to prepare an update to the southeastern Connecticut CEDs. This application was submitted and hopefully will be approved in fiscal year 2009.

SUBASE REALIGNMENT COALITION (SRC)

The SRC Steering Committee, an ad hoc seCTer committee, met twice during this past year. Congressman Courtney and several other state officials attended both meetings. Progress continues on implementing the recommendations of the Governor's Commission for the Economic Diversification of Southeastern Connecticut, and to encourage broader participation by federal officials, the Coalition changed its name to SUBASE Coalition.

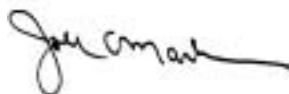
THAMES MARITIME COALITION/HARBOR SAFETY COMMITTEE

In support of our marine industry cluster, we continue to host regular meetings of the Thames Maritime Coalition/Harbor Safety Committee (TMC/HSC). This nine-year-old, U.S. Coast Guard (USCG) inspired initiative provides a forum for stakeholders along the Thames River to discuss items of mutual interest. Numerous members of the public and private sectors routinely attend. These meetings have provided various government agencies with a sounding board for public safety, harbor security, and environmental issues. This has led to involvement in the Thames River AMTRAK Railroad Bridge Replacement Project, dredging issues, and participation in the Southeastern Connecticut Security Group (as a business/industry representative), the Area Maritime Security Committee for Long Island Sound, and the Long Island Sound Harbor Safety Committee.

WORKFORCE TRAINING AND EDUCATION

Site developers/consultants have repeatedly told us that the composition, skills, and availability of a region's workforce are crucial to any business expansion or relocation decision. This places our Eastern Connecticut Workforce Investment Board (EWIB) and its programs on the forefront of future economic expansion in southeastern Connecticut. We have continued to work closely with the EWIB on training and education projects, with particular focus upon science, technology, engineering and mathematics (STEM) initiatives and grant proposals. This has contributed to the award of a significant planning grant to the EWIB to promote STEM initiatives in the region in fiscal year 2009.

In closing, I would acknowledge the hard work and dedication of our entire staff during this past year. A sincere thank you to Julia Berck, Kathy Braue, Deborah Donovan, Pat Glynn, Linda Kennedy, Seth Koos, Scott Reynolds, Brien Robertson, Laura Rowe, Debbie Smith, Joan Stanley, and Bernie Todisco. I gratefully also acknowledge the support and guidance we have received from the Business Development, Personnel, Loan, and Nomination Committees. My most sincere gratitude is also expressed for the financial support of the PTAP program provided by the Defense Logistics Agency and Connecticut DECD, and the continued sustaining financial support from the municipalities in southeastern Connecticut.



John Markowicz
Executive Director

SouthEastern Connecticut Enterprise Region Corporation

(S E C T E R)

Nominating Committee Report

BOARD OF DIRECTORS

TERMS EXPIRING DECEMBER 31, 2011

John Brooks Executive Director, New London Development Corporation	Business - at - Large
Richard Erickson Planning Consultant	Business - at - Large
Edward Haberek First Selectman, Town of Stonington	Council of Governments - CEO
Linda Hodge First Selectman, Town of Colchester	Council of Governments - CEO
Thayne Hutchins Councilor, The Mohegan Tribe	Tribal Representative
Mary Ellen Jukoski President, Mitchell College	Higher Education
Carmelina Kanzler Private Citizen	Business - at - Large
Jerry Lamb Technical Director, Naval Submarine Medical Research Laboratory	Business - at - Large
Naomi Otterness Private Citizen	Business - at -Large
Chuck Seeman Executive Director, United Child & Family Services	Community / Service Organization
Marjorie Valentin Associate Dean of Educational & Community Services Three Rivers Community College	Higher Education

TERM EXPIRING DECEMBER 31, 2010:

Thomas Wagner Director of Planning, Town of Waterford	Council of Governments – Economic Development
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OFFICERS:

PRESIDENT:	John W. “Bill” Sheehan
FIRST VICE PRESIDENT:	Robert Giffen
SECOND VICE PRESIDENT:	Mark Oefinger
SECRETARY:	Mary Ellen Jukoski
TREASURER	G.D. “Denny” Hicks

NOMINATING COMMITTEE CHAIRMAN:

James Butler

*SouthEastern Connecticut Enterprise Region Corporation
(S E C T E R)*

BOARD OF DIRECTORS – 2008

<u><i>POSITION</i></u>	<u><i>NAME</i></u>	<u><i>ORGANIZATION</i></u>
President	John W. “Bill” Sheehan	IT Consultant
1 st Vice President	Robert Giffen	Dime Savings Bank
2 nd Vice President	Keith Robbins	Town of Bozrah (1/08-3/08)
2 nd Vice President	Mark Oefinger	Town of Groton (3/08-12/08)
Secretary	Mary Ellen Jukoski	Mitchell College
Treasurer	G. D. “Denny” Hicks	Chamber of Commerce of Eastern CT
Director	John Bilda	Norwich Public Utilities
Director	Dennis Bougie	Citizen’s Bank
Director	Tucker Braddock	Greater Norwich Area Chamber of Commerce
Director	Tricia Cunningham	Greater Mystic Area Chamber of Commerce
Director	David DiBattista	Norwich Community Development Corporation
Director	Richard Erickson	Planning Consultant
Director	Wayne Fraser	Readco Holdings, Inc.
Director	Mark Hamilton	The Mohegan Tribe
Director	Ken Hiscoe	Pfizer Global Research & Development
Director	Bruce Hyde	City of New London
Director	Christopher Jennings	Mystic Coast & Country Travel Industry Association
Director	Carmelina Kanzler	Private Citizen
Director	Jerry Lamb	Naval Submarine Medical Research Laboratory
Director	Tom Marano	Northeast Utilities
Director	Nicholas Mullane	Town of North Stonington
Director	Mark Oefinger	Town of Groton
Director	Mel Olsson	AF-CIO Community Service Representative
Director	Naomi Otterness	Private Citizen
Director	Brian Palaia	Town of Ledyard
Director	Christopher Pearson	Mashantucket Pequot Tribal Nation
Director	Dennis Popp	City of Groton
Director	Charles Seeman	United Community & Family Services
Director	Donna Simpson	Connecticut East CVB
Director	Thomas Sparkman	Town of Lisbon
Director	Gabriel B. Stern	Connecticut Municipal Electric Energy Cooperative
Director	Paul Suprin	Savings Institute Bank & Trust
Director	Marjorie Valentin	Three Rivers Community College
Director	Glenn Wilson	Groton Public Utilities
Ex-Officio Director	John Beauregard	Eastern Connecticut Workforce Investment Board
Ex-Officio Director	James Butler	Southeastern Connecticut Council of Governments
Ex-Officio Director	Jenny Contois	Office of Congressman Joseph Courtney
Ex-Officio Director	John Markowicz	TECHCONN
Ex-Officio Director	Andrew Maynard	State Senator, 18th District
Ex-Officio Director	Jerry Morrison	CT Department of Economic & Community Dev.
Ex-Officio Director	Peter Pappas	Small Business Development Center
Ex-Officio Director	Andrea Stillman	State Senator, 20 th District

*SouthEastern Connecticut Enterprise Region Corporation
(S E C T E R)*

STAFF

DIRECTORATE:

Executive Director	John Markowicz
Director of Marketing	Deborah Donovan
Office Manager	Patricia Glynn
Financial Administrator	Kathryn Braue

LOAN PROGRAM:

Director	Ann Chambers
Consultant	Julia Berck

CONNECTICUT PROCUREMENT TECHNICAL ASSISTANCE PROGRAM (PTAP):

Director	Brien Robertson
Database Manager	Joan Stanley
Procurement Specialist	Debbie Smith
Procurement Specialist	Laura Rowe
Procurement Specialist	Linda Kennedy
Procurement Specialist	Scott Reynolds
Procurement Specialist	Bernie Todisco

BUSINESS INCUBATOR TENANTS

Synectechs	Xiu Chen, President
TECHCONN	John Markowicz, Chairman
York Tel	Stephen Anderson