Commissioners Present:
Chairman Brian Miller, Lelah Campo, David Pelletier, Robert Sepp and William Stanley

Commissioner Absent:
Richard Kaplan

Staff Present:
Jerry Sitko, Economic Development Coordinator

Others Present:
Arthur Hostage, former Economic Development Commissioner, John Lesky, Cheshire Chamber of Commerce Liaison; Bob DeJongh, Inland / Wetlands Commission Liaison; Peter Gioia, Vice President and Economist for Connecticut Business & Industry Association (departed at 8:15 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 – January 19, 2010 Regular Meeting
   March 16, 2010 Regular Meeting

MOTION by Mr. Pelletier that the minutes from the January 19, 2010 Regular Meeting of the Economic Development Commission be accepted as presented.  SECONDED by Ms. Campo.
VOTE: In Favor – Campo, Miller, Pelletier, Sepp and Stanley
    Opposed – None

The motion passed 5 – 0.

**MOTION** by Mr. Pelletier that the minutes from the March 16, 2010 Regular Meeting of the Economic Development Commission be accepted as presented. SECONDED by Mr. Stanley.

VOTE: In Favor – Campo, Miller, Pelletier, Sepp and Stanley
    Opposed – None

The motion passed 5 – 0.

**VI. ELECTION OF OFFICERS**

**MOTION** by William Stanley that David Pelletier be nominated to the position of Chairman of the Economic Development Commission. SECONDED by Robert Sepp.

VOTE: In Favor – Campo, Miller, Pelletier, Sepp and Stanley
    Opposed – None

The motion passed 5 – 0.

**MOTION** by David Pelletier that Lelah Campo be nominated to the position of Vice Chairman of the Economic Development Commission. SECONDED by Brian Miller.

VOTE: In Favor – Campo, Miller, Pelletier, Sepp and Stanley
    Opposed – None

The motion passed 5 – 0.

**MOTION** by David Pelletier that Brian Miller be nominated to the position of Secretary of the Economic Development Commission. SECONDED by Lelah Campo.

VOTE: In Favor – Campo, Miller, Pelletier, Sepp and Stanley
    Opposed – None

The motion passed 5 – 0.
VII. COMMUNICATIONS

There were no communications to the Economic Development Commission.

VII. BUSINESS

A) Discussion with CBIA

Chairman Miller and Mr. Sitko welcomed Peter Gioia, Vice President and Economist for Connecticut Business & Industry Association (CBIA) who was present to talk with the Cheshire Economic Development Commission this morning. Mr. Gioia commented that CBIA does a lot of original research by surveying its members throughout the year to get a pretty realistic view of the economy in Connecticut.

Mr. Gioia commented that jobs are on their way back; there have been 6,000 new jobs over the last few months. It is going to take time to recover and he believes that we are in a Recover phase; it is likely to be a self-sustaining recovery, but a slow process possibly until the end of 2014 that we are "recovered". Connecticut has lost 40,000 jobs since the downturn of this economy; in 1989 / 1992 we lost 160,000 jobs during that Recession.

So then, why has this latest Recession been felt so much deeper than previous? Since World War II, every single year, with the exception of 2009, we have had positive personal income growth, even during the Recessions in the 1980’s and 1970’s. In 2009 personal income growth was – 4.2%. A "normal" year of personal income growth in Connecticut has been between 5 and 6%. This, in turn, affects housing and consumer spending. Mr. Gioia is hopefully that Connecticut will see low 2% personal income growth by the end of 2010 and possibly 4% for 2011.

In terms of housing, we are already seeing some pretty good size recovery. We will continue to see some foreclosures as we hit some bumps in the road during this process. Connecticut can normally sustain about 11,000 housing starts per year. In 2007, the numbers started to dip and it is likely for 2010 there will be approximately 4,000 housing starts. Mr. Gioia is hopeful that housing starts will slowly pick up for 2011 and 2012 in Connecticut.

Consumer and business confidence levels have dropped dramatically to World War II levels in 2009. Compared to early 2009, we are now about halfway back to “normal” on the consumer and business confidence. CBIA’s surveys have shown that Connecticut businesses are still being innovative, because new products and services are needed to continue to attract business. Mr. Gioia commented that the Stimulus products did help the economy, mostly in the government sector.

Connecticut gets its wealth from manufacturing, financial services sold outside the State and research & development. These three areas depend on exports; their market is not Connecticut.
Some of the challenges that will affect the economy's recovery are housing, commodity pricing, business credit availability and investment insecurity.

Mr. Gioia and Commissioners talked about their concerns with the budget deficits that the State and local governments will be facing in 2011, 2012 and potentially 2013 that could lead to significant tax increases to the residents of Connecticut.

Chairman Miller asked if during the projections for the next few fiscal years for the State, has it been factored in that the economy is growing again, even if it is slowly? Mr. Gioia replied yes, we will need to grow State revenues for July 2011 at 17%, which is impossible. If it grows at 5% that would be great.

Consumer's fear of the loss of jobs has had a major impact on the economy. As the jobs do come back, their pay scales will be slightly lower than they were, which will also have an impact.

Mr. Gioia talked about some of the solutions he would suggest to help the economy. He stated that the State needs to get its own “fiscal house in order”. The State’s biggest problem budget line item is medicaid and long term care ($1.6 billion), mostly in nursing homes – how do you change this mandated care? In Vermont they have made it just as easy for an elderly person to choose home care as it is in Connecticut to choose a nursing home. In Oregon the elderly services are easily qualified and coordinated quickly – if Connecticut was doing today what Oregon already does, our State budget would be cut by $600 million and no one would lose services and a lot of people would get the services they want, where they want to get them.

Secondly is prison reform, 99% of the people in prison could get out, 14,000 prisoners are in for non-violent crimes. If half of them were taken care of differently, it costs $32 – 40,000 a year to lock somebody up. To get comprehensive monitoring with GPS monitoring, job training and education, as well as drug and alcohol treatment, is about $18,000. Other states are doing this much more than Connecticut.

Ms. Campo asked who does the better job of reforming prisoners? Mr. Gioia replied that Florida has done a great job with non-violent and some violent offenders. About 5 years ago they started character based prisons for those that were serious about reforming. The latest Department of Corrections report shows 67% of the people released in the last 3 years are back in criminal justice, 56% in prison. In Florida, after 3 years, only 7% are back in criminal justice.

Mr. Gioia talked about his third suggestion to help the economy with relates to the mentally handicapped / mentally retarded that get services in the community. To treat someone at a Non Profit facility, it costs $87,000 per year, the average cost for the same types of clients and same results by State workers costs $ 237,000 per year, per person. There is no fiscal reason to do this. The difference between a State employee and a private sector employee for wages and benefits, if the State re-balanced it, would be about $1 billion. This doesn’t take into effect how efficiently the State vs. private sector is run. Chairman Miller commented that even if Mr. Gioia is only half right, this could be an incredible savings for the State.
Chairman Miller thanked Mr. Gioia for attending this morning’s Economic Development Commission meeting.

Mr. DeJongh later commented that he heard Mr. Gioia speak about the economy about 6 months ago and after listening to him this morning, he felt like there was perhaps a brighter light at the end of the tunnel now.

B) Meetings with Cheshire companies

Mr. Sitko suggested a manufacturer from Cheshire be invited to the May 2010 Economic Development Commission meeting and Mr. Pelletier suggested a representative from MicroTech. Mr. Lesky suggested inviting a representative from Alexion Pharmaceuticals to a future meeting.

C) Pratt & Whitney

Mr. Sitko reported that Pratt & Whitney has filed an appeal of the Federal Court Order that forbids them from moving work out of its Cheshire and East Hartford facilities to out of state or overseas. The current union contracts expire at the end of 2010 at Pratt & Whitney.

D) Focus Group Meetings

Mr. Sitko stated that he would like to arrange for a Focus Group meeting for the landscapers and contractors for May and then he would like to schedule 2 Focus Group meetings in June; one with manufacturers and one with smaller services. In July, Mr. Sitko would like to finish up the Focus Group meetings with the local distributors.

E) West Main Street Commercial Area Streetscape Improvements Project Update

Mr. Sitko reported that the West Main Street Commercial Area Streetscape Subcommittee has put phase 1 out to bid and they are due back on April 29th. A pre-bid meeting was held on April 15th in the area of the first phase of the project with potential bidders. A status report on the project will be given to the Town Council at their April 27th meeting. Mr. Sitko is hopeful that construction will start by June 2010. The estimated cost of this phase of the project is $400,000.

F) EDC Representative to Town Beautification Committee

An Economic Development Commission representative to the Town Beautification Committee is still needed, anyone interested should notify Chairman Miller or Mr. Sitko. The Town Beautification Committee meets on the first Wednesday of each month at 7:30 a.m.
G) Business Appreciation Day

Mr. Sitko stated that in talking with the Town Manager he has expressed the importance of Business Appreciation Day and is hopeful that the funds will be available in the new Operating Budget. Mr. Sitko would like one or two Economic Development Commissioners to work with him to plan the event, hopefully for the Fall 2010. Sheldon Dill, of the Cheshire Chamber of Commerce, has agreed to work on this project. Mr. Pelletier has volunteered to help with Business Appreciation Day.

H) Incentive Committee

Mr. Sitko would like to form an Incentive Committee of not more than 3 Commission members to start the Incentive Policy review in preparation of the June 30, 2011 expiration of the current Incentive Policy. Mr. Pelletier has volunteered to help with the Incentive Committee.

I) Liaison Reports

Mr. DeJongh noted that the Inland / Wetland Commission has been quiet.

Mr. Lesky, Liaison from the Cheshire Chamber of Commerce, reported that the Chamber held their Business Expo at the beginning of April, which was a great event. There is a LEADS Group meeting on April 26th and on April 28th there is a Service Core of Retired Executives meeting. There is also an Economic Development Luncheon on May 11th with a special guest speaker, Jerry Sitko.

J) Coordinator’s Report

Mr. Sitko stated that Cheshire Academy is talking about building a new Field House with an all weather track and football field.

Bozzuto’s was fined by OSHA for some violations recently and is working on correcting their offenses.

Mr. Sitko stated that there was a meeting a few weeks ago with W/S Development who has said that their project for the North End of Cheshire is still active. The original master site plan approval for W/S Development expires on June 28th and Mr. Sitko believes they will be coming in to ask for a 1-year extension.

Yankee Gas’ upgrade project is getting underway; the project runs from Waterbury to Wallingford. Mr. Sitko commented that he will be meeting with representatives on Thursday to discuss the possibility of the project going through the parklet on the corner of Main Street and Highland Avenue.
Mr. Sitko distributed a copy of the Connecticut Economic Review to the Commission members for their review from CL & P.

Mr. Sitko will send out the link for the Central Connecticut Alliance for Economic Development (C.C.A.E.D) to the Economic Development Commission members.

Mr. Sitko reported that FIP’s 17,000 square foot building on Knotter Drive is for sale.

K) Other

None.

VIII. ADJOURNMENT

MOTION by Mr. Pelletier to adjourned the meeting at 9:00 a.m.; SECONDED by Mr. Sepp.

VOTE: In Favor – Campo, Miller, Pelletier, Sepp and Stanley

Opposed – None

The motion passed 5 - 0.

Respectfully submitted:

Tracey M. Kozlowski
Recording Secretary