



Board of Directors Meeting
Friday, December 5, 2008, 8:00-11:30 a.m.
KTEC 2nd Floor Conference Room, Topeka, KS

Members Present: Chair Linda Reinhardt, Vice Chair Kyle Elliott, Bruce Dallman, Rep. Doug Gatewood, Ted Haggart, Michael Helmstetter, Secretary David Kerr, Richard Lariviere, Tom Lauerman, Ron Trewyn, Rep. Kenny Wilk

Members Absent: David Brant, Sen. Nick Jordan, Dave McDonald, Bob Murdock, Secretary Adrian Polansky, Rita Polsley, Sen. Chris Steineger

Others Present: Stan Ahlerich, Rudy Beese, Keith Braman, Trish Brasted, Jennifer Bruning, Doug Byers, Kevin Carr, Taylor Clauson, Joni Cobb, Eric Ferrell, Geoff Fasel, Blake Flanders, Katie Geier, Kent Glasscock, Lanaea Heine, Mark Hrinya, Sandy Johnson, Rob Koger, Brad Kramer, Angela Kreps, Jennifer Kurtz, Julie Masilionis, Kim Mason, Matt McClorey, Teresa Merrifield, John Moore, Dave Mutert, Carey Novak, Kelly Pearl, Roger Rajewski, Steve Robb, Jesse Sanders, Tracy Taylor, Miriam Ubben, Michele Weigand, Wade Wiebe, Joel Wiggins, Ken Williams

Call to Order and Introductions

Board Chair Linda Reinhardt called the meeting to order at 8:00 a.m. The board members and the audience introduced themselves.

Review and Approval of Minutes

Reinhardt asked for additions or corrections to the September 5, 2008, board meeting minutes (Attachment A). Rep. Doug Gatewood moved that the minutes be approved as presented. Secretary David Kerr seconded the motion, and the motion was approved.

CEO Update

Tracy Taylor spoke on the news of Kansas being selected as the site for the \$451 million National Bio and Agro-Defense Facility and pointed out the value of collaboration and partnerships across the state. Taylor also referred to recent economic development indexes that have shown Kansas' progress and positive rankings.

Taylor briefly described the four areas in which KTEC proposed to strategically utilize the funds in KTEC Holdings, including leveraging of federal funding, capital formation, promoting education in software and information technology, and easing the state budget cuts for the KTEC business incubators and centers of excellence.

Presentation: Enterprise Center of Johnson County

Joel Wiggins gave a presentation on the mission of the Enterprise Center of Johnson County to stimulate business creation and employment in the region by providing value-added resources and services to early-stage, high-return growth companies. Wiggins highlighted ECJC programs, including hands-on business assistance, the Kansas Women's Business Center, Mid-America Angels network, the Women's Capital Connection, and ITKC.

Presentation: SITAKS

Miriam Ubben gave a presentation on the Software and Information Technology Association of Kansas, noting its mission to strengthen and expand the 3200 software and IT companies in Kansas by offering services that enable its member companies to succeed. Ubben also pointed out KTEC's role as the umbrella organization, providing the concept, vision, and commitment to SITAKS as well ongoing funding and in-kind support.

Presentation: KTEC PIPELINE

Joni Cobb gave a presentation on the KTEC PIPELINE program, highlighting results from the second class of innovators as well as the inaugural class. Cobb also noted the tremendous importance of the mentors in the program and previewed the upcoming 2008 Innovator of the Year competition.

Review and Approval of Financials

Kevin Carr summarized the financial reports as of November 30, 2008, presented in the board books (Attachment B). Ted Haggart moved to approve the financials as presented, subject to audit. Kyle Elliott seconded the motion, and the motion was approved.

Taylor addressed the proposed 3% funding cut for FY2009 and the recommended adjusted appropriations. Carr presented the breakdown. (Attachment C)

Taylor also stated that \$537,000 was available from KTEC Holdings and presented the recommended use of these funds (Attachment D) to provide a clean technology initiative and a federal funding initiative, to mitigate cuts to the incubators and Centers of Excellence, and to enhance information technology and software development. Discussion was held. Elliott made a motion to approve the recommended use KTEC Holdings funds for one year. Tom Lauerma seconded the motion. Discussion was held. Rep. Gatewood made a substitute motion to fund as recommended and to make funding to the incubators and Centers of Excellence the top priority for year two. Elliott seconded the motion. Reinhardt asked for a show of hands, and the motion was approved.

Reinhardt announced a short break.

Following the break, Tom Thornton reported on the unanimous decision by the selection committee for Kansas to be the site for the \$451 million National Bio and Agro-Defense Facility.

Thornton credited the success to the extraordinary partnership among various Kansas entities, including KTEC.

Executive Committee Report

Reinhardt reported that the Executive Committee met the previous day and invited Ted Haggart, chair of the Audit Committee to present at that meeting, and that Haggart reported the results of the annual audit to the Executive Committee.

Audit Committee Report

Haggart reported that Mike Rogers from Varney & Associates had presented a “very clean audit report” (Attachment E) in addition to positive things in the management letter. Michael Helmstetter moved to accept the audit committee report. Richard Lariviere seconded the motion, and the motion was approved.

University Programs Committee Report

Carr reviewed the EPSCoR/STAR Fund recommendations (Attachment F) from the committee meeting held on December 2, 2008, noting that funding would be contingent upon proper documentation of federal and/or industry matching awards.

NIH Medical Sciences, KU – “Infrastructure for Flow Chemistry.” The committee recommended \$70,000 in funding in FY 2009. Ron Trewyn moved to accept the committee’s recommendation. Haggart seconded the motion. Lariviere abstained. The motion was approved.

US Economic Development EDA, KSU – “Early-Stage Technology Development Assistance Center.” The committee recommended \$40,000 in funding in FY 2009 for year two of a three year proposal. Rep. Gatewood moved to accept the committee’s recommendation. Elliott seconded the motion. Trewyn abstained. The motion was approved.

Carr noted that both proposals requested a higher level of funding, which the committee will consider later in the fiscal year, pending the outcome of FY09 budget actions by the legislature.

Carr also gave a brief report on the Centers of Excellence highlights.

Investment Committee Report

Michele Weigand stated that the staff had reviewed 22 investment opportunities, but none were selected to present to the Investment Committee for this quarter. Weigand gave a presentation (Attachment G) on the active KTEC equity portfolio, and pointed out recent changes. Weigand also gave an update on the Angel Tax Credit Program.

Network Meeting Report

Weigand reported that the directors from the ICCs and the Centers of Excellence had met informally the previous day at her home in Lawrence for collaborative purposes.

Kansas Inc. Update

Stan Ahlerich reported that Kansas Inc. has been working on research and evaluations of the Kansas Department of Commerce, Network Kansas, and the Kansas Bioscience Authority and intends to compile these, along with the KTEC assessment, to come up with a strategic umbrella for the state. Ahlerich noted that the KTEC evaluation is underway with 73 of 100 interviews completed.

KansasBio Update

Angela Kreps spoke on the state of the biosciences industry and the competitive opportunities for Kansas. Kreps also reported on the organization's increased memberships and sponsorships that are allowing for more events and expanded programs and on a new initiative to improve drug development through cluster activation acceleration.

MAMTC Update

Sandy Johnson reported on the Mid-America Manufacturing Technology Center's year-to-date results and on the success of the annual conference held in October. Johnson also emphasized the benefits of participation in Eureka Winning Ways.

Kansas Dept. of Commerce Update

Secretary David Kerr reported on the positive long term outlook for economic development despite the current downturn in the economy. Sec. Kerr thanked KTEC and CEO Tracy Taylor for their positive collaborative efforts with the Department of Commerce and commented on the innovation that has come from KTEC in recent years. Sec. Kerr also addressed workforce development in the state, noting the importance a trained workforce to meet the needs of Kansas businesses after the recession is over.

Next Board Meeting and Adjournment

Reinhardt stated that the next board meeting would be held at the KTEC offices in Topeka on March 6, 2009. Reinhardt called for a motion to adjourn. Elliott so moved. Trewyn seconded the motion, and the motion was approved. The meeting ended at 11:30 a.m.