



**Board of Directors Meeting**  
**Friday, March 7, 2008, 8:00-11:30 a.m.**  
**KTEC 2<sup>nd</sup> Floor Conference Room, Topeka, KS**

**Members Present:** Chair Linda Reinhardt, Vice Chair Doug Brush, Dan Cain, Bruce Dallman, Kyle Elliott, Rep. Doug Gatewood, Ted Haggart, Secretary David Kerr, Richard Lariviere, Dave McDonald, Bob Murdock, Secretary Adrian Polansky, Rita Polsley, Ron Trewyn, Rep. Kenny Wilk

**Members Absent:** David Brant, Sen. Nick Jordan, Tom Lauerman, Sen. Chris Steineger

**Others Present:** Tracy Taylor, Kevin Carr, Michele Weigand, Dennis Depenbusch, Mark Hrinia, Aaron Lessig, Wade Wiebe, Kelly Pearl, Jesse Sanders, Sheila Meyer, Wendi Lucero, Katie Geier, Teresa Merrifield (KTEC); Joni Cobb, Toby Rush (KTEC PIPELINE); Sara Lawrence (RTI); Jesse Bechtold, Sandy Johnson (MAMTC); Jim Baxendale (KU); Rudy Beese, (SNR); Geoffrey Fasel (PSFS); Keith Braman (ITTC); Trish Brasted (WTC); Eric Ferrell (ATC); Chad Jackson (NISTAC); Lanaea Heine, Roger Rajewski (BIOC); Ron Hirst, Dan Ledebor (Quest); Angela Kreps, Jennifer Brandt (KansasBio); Brad Kramer (AMI); Matt McClorey (LRTC); Steve Robb (KPRC); Joel Wiggins (ECJC); Jack Brooks, Levi Bowles (LPA)

**Call to Order and Introductions**

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

**Review and Approval of Minutes**

Reinhardt asked for additions or corrections to the December 7, 2007, board meeting minutes (Attachment A). Ron Trewyn moved that the minutes be approved as presented. Dan Cain seconded the motion, and the motion was approved.

**Review and Approval of Financials**

Kevin Carr summarized the February 29, 2008, financials presented in the board books (Attachment B) and fielded questions from the board. Doug Brush moved to approve the financials as presented, subject to audit. Cain seconded the motion, and the motion was approved.

## **CEO Update**

Tracy Taylor gave an update on various areas of KTEC involvement, including the recent success of Enturia (formerly MediFlex), a technology business in which KTEC played a role in its early stages, and the positive national recognition afforded KTEC with Overland Park being chosen as host for the 2009 SSTI convention.

Taylor also discussed KTEC's budget cuts for the current fiscal year and for FY2009.

Taylor addressed the post audit request regarding economic development, noting that clarification on several issues would soon be available on the KTEC web site.

Taylor mentioned the assessment of KTEC by the Research Triangle Institute, on which further elaboration would be given later in the meeting.

Taylor recommended that, due to the decision of the Kansas Bioscience Authority's board of directors to not maintain a formal partnership with KTEC on Heartland BioVentures, KTEC would create its own program of capital formation working with non-bioscience companies.

Taylor described the Come Home to Kansas initiative, a collaborative effort among the Kansas Department of Commerce, the Kansas Bioscience Authority, KansasBio, and KTEC, that focuses on recruiting bioscience and information technology professionals and investors to Kansas. Taylor also announced the formation of an IT trade association.

Taylor introduced Jennifer Brandt, who will be working part-time with KansasBio and part-time on KTEC special projects.

## **KTEC PIPELINE Alumnus Presentation**

Joni Cobb gave an update on the PIPELINE program and introduced charter class graduate Toby Rush, President and Founder of Rush Tracking Systems, an end-to-end RFID systems integrator offering turnkey solutions. Rush told his story of returning to Kansas and starting his own technology business and how KTEC and the PIPELINE program were an integral part of his entrepreneurial success.

## **RTI Assessment**

Sara Lawrence, Senior Economic Development Analyst from the Research Triangle Institute, gave a presentation on RTI's independent evaluation of KTEC. Lawrence summarized the findings from the assessment, indicating that "KTEC operates highly effective programs that are well focused and meeting client needs. Compared to selected states, its funding levels are lower and have remained relatively flat."

## **Eureka Ranch Presentation**

Sandy Johnson gave a presentation on manufacturing in Kansas. Jesse Bechtold assisted Johnson in presenting Eureka Winning Ways, a program developed to help companies increase sales.

Brush made a motion to go into executive session for 15 minutes to discuss personnel issues. Murdock seconded the motion and the motion was approved. The board entered into executive session at 10:00. Following the executive session, Reinhardt called for a short break.

### **Executive Committee Report**

The meeting resumed at 10:50 a.m. Reinhardt stated that a confidential matter has been brought to the attention of the Audit Committee. Brush moved that the KTEC board of directors authorize the KTEC Audit Committee, pursuant to the Audit Committee Charter and using counsel of its choosing, to commence a confidential independent investigation to determine the precise nature of the issues brought to the Audit Committee, to review the propriety of KTEC's management operations as they impacted these issues, and to report as appropriate to the KTEC board regarding these matters and the adequacy and effectiveness of KTEC policies and procedures for dealing with such issues. Kyle Elliott seconded the motion, and the motion was approved.

Reinhardt gave an update from the previous day's Executive Committee meeting and announced that David Brant, while remaining on the committee, had requested to relinquish his position as chair of the Audit Committee, and that Haggart had been appointed as the new chair.

### **University Programs Committee Report**

Carr reviewed the EPSCoR / STAR Fund recommendations (Attachment C) from the committee meeting held on February 28, 2008, noting that funding would be contingent upon proper documentation of federal and/or industry matching awards.

NSF EPSCoR – “Phase V: Building Research Infrastructure to Address Grand Challenge Problems in Ecological Forecasting.” The committee recommended funding in FY08 of \$650,000 for year three of a three year project, with the remaining \$150,000 request to be considered next quarter. Brush moved to accept the committee's recommendation. Dave McDonald seconded the motion, and the motion was approved.

STAR Fund - KPRC – “Soy-based Isocyanate Prepolymers for Urethane Applications.” The committee recommended funding in FY08 of \$50,000 for the third year of the project. Sec. Adrian Polansky moved to accept the committee's recommendation. Cain seconded the motion. Elliott and Bruce Dallman abstained. The motion was approved.

Dennis Deppenbusch gave an update on the Proof of Concept grants approved in FY2008.

### **Investment Committee Report**

Michele Weigand gave a presentation (Attachment D) on the active KTEC equity portfolio and a capital update, noting that Kansas now ranks 19<sup>th</sup> in the country on venture capital dollars raised. Weigand stated that the staff had reviewed 25 investment opportunities, and three were selected to present to the Investment Committee, which met on February 25, 2008.

Madiera Therapeutics – reformulations for kids. The committee recommended funding at \$200,000. Bob Murdock moved to accept the committee’s recommendation. Rita Polsley seconded the motion, and the motion was approved.

KC BioMediX – Aids premature infants to develop normal suck pattern. The committee recommended funding at \$200,000 as a follow-on investment. Haggart moved to accept the committee’s recommendation. Murdock seconded the motion, and the motion was approved.

Professional Engineering Corp –Artificial Intelligence Traffic Signal System. The committee recommended funding at \$100,000. Elliott moved to accept the committee’s recommendation. Haggart seconded the motion, and the motion was approved.

Weigand gave an update on the Investment Funds available for the 4<sup>th</sup> quarter of FY 2008 and also on the Angel Tax Credit Program.

### **Network Meeting Report**

Weigand reported that the directors from the ICCs and the Centers of Excellence had met the previous day and were given updates from the National Institute for Strategic Technology Acquisition and Commercialization in Manhattan and the KU Center for Technology Commercialization, the Biotechnology Innovation and Optimization Center, and the Information Telecommunication and Technology Center in Lawrence. Weigand also relayed the status of the software update.

### **KansasBio Update**

Angela Kreps gave an update on KansasBio’s focus on advocacy, communication, and education and reported on the Bioscience and Information Technology Caucuses meeting biweekly at the Capitol. Kreps introduced Jennifer Brandt as the organization’s industry relations and policy director and described KansasBio’s upcoming role in San Diego at the BIO 2008 national convention in June.

### **Kansas Dept. of Commerce Update**

Secretary David Kerr spoke on the collaborative relationship with KTEC, the Kansas Bioscience Authority, and KansasBio and reported that the Kansas Department of Commerce was focused on recruitment and workforce issues. Kerr also noted that the state has a strong reputation for its workforce and that the Kansas economy is doing very well, relative to other states.

### **Kansas Inc. Update**

Stan Ahlerich spoke on the strategic plan document that had been sent out earlier to board members. Ahlerich also reported on the study commissioned by Kansas Inc. that focused on the state’s impact of economic development dollars.

**Next Board Meeting and Adjournment**

Reinhardt stated that the next board meeting would be held in Manhattan on June 6, 2008. Reinhardt called for a motion to adjourn. Haggart so moved. Murdock seconded the motion, and the motion was approved. The meeting ended at 12:15 p.m.