



Board of Directors Meeting
Friday, June 5, 2009, 8:00-11:30 a.m.
KTEC 2nd Floor Conference Room, Topeka, KS

Members Present: Chair Linda Reinhardt, Vice Chair Kyle Elliott, David Brant, Bruce Dallman, Rep. Doug Gatewood, Ted Haggart, Sen. Tom Holland, Secretary David Kerr, Richard Lariviere, David McDonald, Sen. Carolyn McGinn, Bob Murdock, Rita Polsley, Ron Trewyn, Rusty Wilson

Members Absent: Tom Lauerman, Secretary Adrian Polansky

Others Present: Stan Ahlerich, Jim Baxendale, Jesse Bechtold, Rudy Beese, Kristin Bowman-James, Keith Braman, Trish Brasted, Jennifer Bruning, Kevin Carr, Taylor Clauson, Joni Cobb, Eric Ferrell, Blake Flanders, Katie Geier, Kent Glasscock, Lanaea Heine, Sandy Johnson, Dan Ledebor, Wendi Lucero, Julie Masilionis, Kim Mason, Matt McClorey, Teresa Merrifield, Carey Novak, Kelly Pearl, Brian Pettey, Kelly Pierce, Roger Rajewski, Bob Reader, Steve Robb, Jesse Sanders, Michael Steiner, Kevin Sweeney, Tracy Taylor, Tom Thornton, Sean Tomb, John Tomblin, Jeff Tucker, Miriam Ubben, Michele Weigand, Linda Weis, Wade Wiebe, Joel Wiggins

Call to Order

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 March 6, 2009, board meeting minutes (Attachment A). Ted Haggart moved that the minutes be approved as presented. Richard Lariviere seconded the motion, and the motion carried. Reinhardt asked for additions or corrections to the May 19, 2009, board meeting minutes. Bob Murdock moved that the minutes be approved, as presented. Rita Polsley seconded the motion. Dave McDonald corrected the minutes to state that Ron Trewyn was absent for the vote. The minutes were approved as corrected. (Attachment B).

Nominating Committee Report

Nominating Committee Chair Ted Haggart reported that the committee recommended that Kyle Elliott serve as chair of the KTEC board of directors and that Haggart serve as vice chair. Lariviere moved to approve the committee's recommendation. David Brant seconded the motion, and the motion carried. Elliott assumed the role as chair for the remainder of the meeting.

Tracy Taylor provided background information on Ray Smilor, the current KTEC appointment to the Kansas Bioscience Authority Board of Directors. Haggart moved to approve the recommendation by the Nominating Committee to reappoint Smilor to the KBA board. Secretary David Kerr seconded the motion, and the motion carried.

CEO Annual Update

Tracy Taylor thanked the board for its support during his term as CEO and gave a presentation on why KTEC was created, results of KTEC's efforts, and Kansas's national rankings in the economic development arena.

Review and Approval of YTD Financials

Carr summarized the financial reports as of May 31, 2009, presented in the board books under Tab 5 (Attachment C). Discussion was held. Carr explained the need to allocate additional KTEC funds this fiscal year for PIPELINE expenditures until the federal reimbursement is received in July. Haggart moved to allocate \$70,000 for such purpose, and Reinhardt seconded the motion. The motion carried. Further discussion was held. McDonald moved to approve the financials as presented, subject to audit. Rep. Doug Gatewood seconded the motion, and the motion carried.

Board Survey and Action Plan

Carr summarized the results (Attachment D) from the survey that went out to the board of directors and solicited further input from board members. Carr also presented the action plan created in response to the Kansas, Inc. assessment. Discussion was held.

Presentation: Robotzone

Brian Pettey gave a presentation on his experiences in the field of robotics and as an entrepreneur in the third class of the PIPELINE program.

Audit Committee Report

Audit Committee Chair Haggart reported that the committee had met and approved the engagement letter for the third year of the contract for auditing services with Varney and Associates.

Executive Committee Report

Elliott provided a summary from the committee meeting held the previous day and announced the recommendation that Kevin Carr serve as KTEC's interim CEO, subject to reaching a financial agreement in terms of employment. Elliott asked for a motion to go into executive session for 90 minutes to discuss personnel issues. Sec. Kerr so moved. McDonald seconded the motion, and the motion carried. Elliott called for a 10 minute break, and the board entered executive session at 9:15 a.m. The board exited executive session at 10:45 a.m. Sec. Kerr made a motion to go into executive session for an additional 45 minutes. Murdock seconded the motion, and the motion carried. Elliott called for a 10 minute break, and the board entered executive

session at 10:55 a.m. The board exited executive session at 11:40 a.m. Haggart made a motion to go into executive session for an additional 10 minutes. Sec. Kerr seconded the motion, and the motion carried. The board entered executive session at 11:40 a.m. The board exited executive session at 11:50 a.m. and Elliott called for a short break to prepare for a working lunch.

The board meeting resumed at 12:05 p.m. Elliott announced that a separation agreement with Tracy Taylor had been reached.

Rep. Gatewood made a motion to appoint Kevin Carr as the interim CEO with the Executive Committee having the authority to negotiate his salary, subject to board approval. Senator Tom Holland seconded the motion, and the motion carried.

Review and Approval of FY 2010 Budget

Carr presented the proposed budget cuts for FY 2010. Discussion was held. Elliott announced that the board would meet again on June 29 to revisit the budget. Additional discussion was held regarding the budget cuts to the Centers of Excellence. Lariviere made a motion to establish a maximum of 24% in cuts to the Centers. Polsley seconded the motion. A show of hands indicated 10 in favor and 4 opposed, and the motion carried. David Brant was not present for the vote.

Elliott called for a 5 minute break.

University Programs Committee Report

Following the break, Carr reviewed the EPSCoR/STAR Fund recommendations (Attachment E) from the committee meeting held on May 28, 2009, noting that funding would be contingent upon proper documentation of federal and/or industry matching awards.

NSF-EPSCoR, KU - Phase VI of the state's initiative for FY 2009. The committee recommended \$400,000 in funding. Start date will be after July 1, and FY 2009 funds will be carried into FY 2010 to support the project. Bruce Dallman moved to approve the committee's recommendation. Reinhardt seconded the motion, and the motion carried.

Kansas DEPSCoR, KSU - "Kansas Defense 2010". The committee recommended \$53,252 for the second year of the project. Sec. Kerr moved to approve the committee's recommendation. Sen. Holland seconded the motion, and the motion carried.

Kansas NASA EPSCoR, WSU - "Research Infrastructure Development (RID)". The committee recommended \$127,500 for year three of the project. Haggart moved to approve the committee's recommendation. Murdock seconded the motion, and the motion carried.

DOE EPSCoR, KSU - "Excitation Energy Transfer in Natural Photosynthetic Complexes and Chlorophyll Trefoils: Hole-burning and Single Complex/Trefoil Spectroscopic Studies". The committee recommended \$12,750 for year two of a three year project. Reinhardt moved to approve the committee's recommendation. Polsley seconded the motion, and the motion carried.

STAR Fund – NIH COBRE, KU - "Protein Structure and Function ". The committee recommended \$51,000 for year two of the project. Haggart moved to approve the committee's recommendation. Sec. Kerr seconded the motion, and the motion carried.

STAR Fund – CReSIS, KU - "Center for Remote Sensing of Ice Sheets". The committee recommended \$106,250 for year five of the project. Murdock moved to approve the committee's recommendation. Reinhardt seconded the motion, and the motion carried.

STAR Fund – NSF/PFI, KSU - "Kansas Bioprocessing Science and Engineering Center (KBSEC)". The committee recommended \$34,124 for the first year of the project. Sec. Kerr moved to approve the committee's recommendation. Polsley seconded the motion, and the motion carried.

STAR Fund – GRAINS Center, KSU - " Mechanism for Enhancing Wheat Antioxidant Activity." The committee recommended \$21,250. Reinhardt moved to approve the committee's recommendation. Sec. Kerr seconded the motion, and the motion carried.

Investment Committee Report

Weigand explained the proposed changes to the Investment Committee charter, stipulating that: a) the committee will consist of a minimum of five and no more than nine members, at least three of which will be members of the Board of Directors, and b) each committee member will serve a term of four years and may serve no more than two consecutive terms. Discussion was held. It was suggested that the language be changed from "will serve" to "will be appointed to." Sec. Kerr moved to accept the proposed changes to the charter, as amended (Attachment F). Ron Trewyn seconded the motion, and the motion carried.

Next Board Meeting and Adjournment

Elliott stated that the remainder of items on the agenda would be postponed until the next board meeting, which would be held at 8:00 a.m. on Monday, June 29, 2009, at the KTEC office. Elliott called for a motion to adjourn. Lariviere so moved. Sec. Kerr seconded the motion, and the motion carried. The meeting ended at 1:15 p.m.