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BOARD OF DIRECTORS
of Connecticut Innovations, Incorporated
Minutes –Regular Meeting
Wednesday, June 22, 2016

A regular meeting of the **Board of Directors of Connecticut Innovations, Incorporated** (the “Board”) was held on June 22, 2016 at Connecticut Innovations, 865 Brook Street, Rocky Hill, CT 06067

1. Call to Order: Noting the presence of a quorum, Mr. Cantor, Chairperson of the Board, called the special meeting to order at 9:36 a.m. Participating: Christopher Bandecchi; Michael Cantor; Mun Choi; Valarie Gelb; Estela Lopez, Board of Regents of Higher Education; Richard Mulready; John Olsen (at 11:15); Paul Pescatello (at 9:55); Rafael Santiago; David Siegel; Richard Gray, State Treasurer’s Office; Catherine Smith, Commissioner of the Department of Economic and Community Development; Susan Weisselberg, Office of Policy and Management

Absent: John Pavia, Alexander Pencu,

Staff Attending: Leslie Larson, Heidi Marshall, Matt McCooe, Hil Scott, Phil Siuta, Glendowlyn Thames, and Dave Wurzer.

Other Guests: Rob Michalik, Scott Murphy and Stephen Singer.

2. Approval of Minutes:

Mr. Cantor asked the members of the Board to consider the minutes from the April 19, 2016 meeting.

Upon a motion made by Mr. Mulready, seconded by Ms. Smith the Board members voted in favor of adopting the minutes from the April 19, 2016 as presented.

3. Chairman’s Remarks:

Mr. Cantor expressed confidence in the CTNext’ s new direction developing innovation districts that will cluster early stage companies and create vibrant neighborhoods in urban centers to hopefully attract a young and well- educated work force.

4. CEO Report:

Mr. McCooe discussed Jobs Bill funds that have been reallocated to support CTNext and the decrease in Jobs Bill allocations to CI. Despite these budget adjustments, Mr. McCooe has plans to implement a 10-year investment plan to keep CI on a path of sustainability in future years. Mr. McCooe expressed enthusiasm about CTNext' s new direction and deferred to Mr. Siuta to take the Board through the related action items as a result of implementing the new legislation.

5. Action Items:

a) Establish the CTNext LLC Subsidiary (Phil Siuta)

Mr. Siuta introduced the public act number 16-3 that directed CI to create a subsidiary and limited liability company (CTNext). He presented the resolution, the articles of organization and the operating agreement. He asked Ms. Thames to explain the framework of SB1 bill no. 501. She discussed the \$4.5 million dedicated to the development of innovation places that are designed to leverage city and state dollars and connect the entire economy. It is thought that these early stage companies will eventually feed the CI pipeline. She spoke about the engagement of Higher Ed institutions in a statewide planning process for entrepreneurship and innovation. She discussed funding for the next five years and answered questions about what the CTNext Board of Directors will look and function like.

Discussion arose amongst the board members regarding the organizational timeline and clarification of responsibilities of this board after today's meeting.

Upon a motion by Mr. Gray, seconded by Ms. Weisselberg, Connecticut Innovations (CI) at a duly called meeting held on June 22, 2016, a quorum being present, unanimously voted in favor of the following resolutions:

I. Formation of CTNext LLC:

WHEREAS, Connecticut Innovations, Incorporated ("CI"), has been directed by Section 1 of Public Act No. 16-3 (the "Enabling Act"), adopted during the May 2016 Special Session of the General Assembly and signed by the Governor on June 2, 2016, to form a subsidiary pursuant to the provisions of Section 32-11e of the Connecticut General Statutes ("C.G.S. Section 32-11e"), such subsidiary to be established as a separate quasi-public agency and to be known as CTNext; and

WHEREAS, C.G.S. Section 32-11e permits CI to organize a subsidiary as a stock or nonstock corporation or a limited liability company; and

WHEREAS, the members of the Board of Directors of CI deem it to be in the best interests of CI to establish the subsidiary as a manager-managed limited liability company in accordance with the Connecticut Limited Liability Company Act (the "LLC Act"), and for CI to be the sole member (the "Member") of the limited liability company; and

WHEREAS, the Enabling Act requires the subsidiary to be overseen by a board of directors known as the CTNext board of directors or the CTNext board (the "CTNext Board"); and

WHEREAS, consistent with the Enabling Act, the members of the Board of Directors of CI deem it appropriate and advisable for the members of the CTNext Board to be the managers of the subsidiary limited liability company in accordance with the provisions of the LLC Act; and

WHEREAS, the members of the Board of Directors of CI have been presented with a form of (i) Articles of Organization for CTNext, a copy of which is attached as Exhibit A to the minutes of this meeting (the "Articles"), and (ii) an Operating Agreement to govern the business and operations of CI in accordance with the Enabling Act, a copy of which is attached as Exhibit B to the minutes of this meeting (the "Operating Agreement"); and

WHEREAS, the members of the Board of Directors of CI deem it appropriate and advisable to adopt specific resolutions relating to the formation and operation of CTNext in accordance with the Enabling Act, and with the LLC Act and C.G.S. Section 32-11e to the extent the LLC Act and C.G.S. Section 32-11e do not conflict with the Enabling Act.

NOW THEREFORE, it is hereby

RESOLVED, that CI is authorized and directed to the establish a subsidiary pursuant to the Enabling Act, the LLC Act and C.G.S. Section 32-11e, to the extent the LLC Act and C.G.S. Section 32-11e do not conflict with the Enabling Act; and further

RESOLVED, that the subsidiary shall be formed pursuant to the LLC Act as a Connecticut manager-managed limited liability company; and further

RESOLVED, that the name of the subsidiary referred to herein shall be "**CTNext LLC**;" and further

RESOLVED, that CI shall serve as the Organizer and as the sole Member of CTNext in accordance with the LLC Act; and further

RESOLVED, that the purposes of CTNext shall be as set forth in the Enabling Act; and further

RESOLVED, that the Chief Executive Officer and the Chief Financial Officer of CI, and any other officer designated by the Chief Executive Officer, be, and each of them acting individually is, authorized, directed and empowered to execute and file the Articles with the Secretary of the State in order to establish CTNext as a Connecticut limited liability company, and to prepare, execute and deliver any and all such additional documents, and to take or cause to be taken any and all such additional actions, as any such officer may deem necessary or desirable in connection with the formation of CTNext; and further

RESOLVED, that the business and operations of CI shall be governed by the Enabling Act and by the Operating Agreement; and further

RESOLVED, that members of the CTNext Board shall serve as the managers of CTNext, subject to the Enabling Act and the Operating Agreement; and further

RESOLVED, that the Chief Executive Officer and the Chief Financial Officer of CI be, and each of them acting individually is, authorized and directed, in the name and on behalf of CI as the Member, to execute the Operating Agreement; and further

RESOLVED, that the Chief Executive Officer and the Chief Financial Officer of CI, and any other officer designated by the Chief Executive Officer, be, and each of them acting individually is, authorized and directed, in the name and on behalf of CI, at any time and from time to time, to execute and deliver any and all such additional documents, agreements, instruments, certificates, or conveyances, and to take or cause to be taken any and all such further actions and to pay all fees in connection therewith, as any such officer may deem necessary or appropriate in order to carry out the intent of the foregoing resolutions.

II. Establishment of CTNext Fund:

WHEREAS, Section 4 of the Enabling Act establishes the CT Next fund (the "CTNext Fund") as a separate, non-lapsing fund to be held, administered, invested and disbursed by CI acting as its administrator (the "Administrator"); and

WHEREAS, pursuant to Section 4 of the Enabling Act, monies in or received for the CTNext Fund may be deposited with and invested by an institution designated by the Administrator in its sole discretion and paid as the Administrator shall direct, subject to the approval of expenditures by the CTNext Board as provided in subsection (f) of Section 4 of the Enabling Act.

NOW THEREFORE, it is hereby

RESOLVED, that CI, acting as administrator, shall hold, administer, invest and disburse the CTNext Fund consistent with the provisions of Section 4 of the Enabling Act, including the requisitioning of bond funds designated for deposit to the CTNext Fund in the Enabling Act and the preparation of a plan of operations and an operating and capital budget for the CTNext Fund and reports on the activities of the CTNext Fund as provided in Section 4 of the Enabling Act; and further

RESOLVED, that the Chief Executive Officer and the Chief Financial Officer of CI, and any other officer designated by the Chief Executive Officer, be, and each such officer acting individually is, authorized and directed, in the name and on behalf of CI as Administrator, to designate depository institutions for the CTNext Fund, establish depository, custodial and investment accounts for the CTNext Fund (provided that investments shall be consistent with the policies and practices of CI with respect to other statutory funds holding bond proceeds), requisition bond proceeds for deposit to the CTNext Fund, make payments from the CTNext Fund, take such other actions, and execute and deliver on behalf of CI, acting as Administrator, such instruments, certificates, contracts, agreements and other documents as any such officer deems necessary or convenient in order for CI, as Administrator, to carry out its duties and responsibilities with respect to the CTNext Fund in a manner consistent with Section 4 of the Enabling Act.

III. Administrative Support:

WHEREAS, subsection (g) of Section 4 of the Enabling Act authorizes and requires CI to provide such staff, office space, office systems and other administrative support as may be necessary for the administration of the CTNext Fund; and

WHEREAS, at least on an interim basis it will be necessary that CI provide similar administrative support and services for the operations of CTNext and in connection with preparations for its program activities, including during the period prior to the first meeting of the CTNext Board; and

WHEREAS, the provision of such administrative support and services is consistent with and in furtherance of the public purposes both of CI and of CTNext, and it is anticipated that the CTNext Board will authorize a memorandum of understanding or similar agreement with CI formalizing the arrangements for such administrative support and services and will authorize expenditures from the CTNext Fund, by way of the approval of an interim budget or otherwise, in reimbursement to CI of the reasonable and fairly allocated costs of such administrative support and services.

NOW THEREFORE, it is hereby

RESOLVED, that CI is authorized and directed to provide such administrative support and services in connection with the administration of the CTNext Fund and the operations and program activities of CTNext as the Chief Executive Officer and the Chief Financial Officer of CI determine to be reasonable and necessary and consistent with and in furtherance of the Enabling Act, and the Chief Executive Officer and the Chief Financial Officer of CI, or either of them acting individually, is authorized to negotiate and enter into a memorandum of understanding or similar agreement with CTNext, subject to the approval of the CTNext Board, formalizing the arrangements for such administrative support and services, including provision for the reimbursement from the CTNext Fund to CI of the reasonable and fairly allocated costs of such administrative support and services.

IV. Ratification:

RESOLVED, that all actions heretofore taken by any of the officers of CI in furtherance of any of the foregoing resolutions, or in executing documents and taking actions referred to therein, be, and the same hereby are, ratified, confirmed and approved in all respects.

The Board members agreed on a small break. Catherine Smith left the meeting at 11:25 a.m.

b) Operating Budget for the Fiscal Year ending June 30, 2017

Mr. Siuta presented the budget recommended by the Finance Committee for the Board to approve. If adopted, Section 32-35 (d) of the general statutes requires CI staff to receive board approval for any non-budgeted expenditure in excess of five thousand dollars. Mr. Siuta reviewed the executive budget summary and the consolidated 2017 operating budget FYE 2017. Mr. Siuta discussed the \$500,000 Entrepreneur Learners Permit program that was recently passed by the legislature. Details will appear on the CI website in early July. Discussion arose over the expenditures incurred by CI for the first three months of the CTNext subsidiary as the statutes declare CI must set up the new structure prior to the first board meeting on or before October 15, 2016. Further discussion ensued over merit raises amongst the state quasi-public agencies.

Upon a motion by Mr. Santiago, seconded by Ms. Lopez, Connecticut Innovations (CI) at a duly called meeting held on June 22, 2016, a quorum being present, voted in favor of approving the operating budget for the fiscal year ending June 30, 2017, as presented.

Ms. Weisselberg and Mr. Gray voted no because after considering the State's budget situation they could not vote in favor of a budget that included a merit increase for qualified employees. Ms. Weisselberg and Mr. Gray stated that they are otherwise very supportive of the budget in all other aspects and are very appreciative of CI staff for all their hard work.

c) Auditors for the three Fiscal Years Ending June 30, 2018

Mr. Siuta stated that all quasi-public agencies are required to change auditors every six years. CI staff issued an RFP and the Audit Committee has recommended the Board approve Whittlesey & Hadley to perform the audit for CI for the next three fiscal years ending June 30, 2016, 2017, and 2018.

Upon a motion by Mr. Mulready, seconded by Ms. Gelb , Connecticut Innovations (CI) at a duly called meeting held on June 22, 2016, a quorum being present, unanimously voted in favor of appointing Whittlesey and Hadley to perform the Audit of CT Innovations for the three fiscal years ending June 30, 2016, 2017 and 2018

d) Legal Counsel for the period from July 1, 2016 – June 30, 2019

Mr. Siuta disclosed that CI's Operating Procedures require staff to solicit proposals for legal services every three years. CI staff issued an RFP and the Audit Committee has recommended the Board approve the firms noted below.

Upon a motion by Mr. Olsen, seconded by Mr. Cantor, Connecticut Innovations (CI) at a duly called meeting held on June 22, 2016, a quorum being present, unanimously voted in favor of retaining the following firms to serve as legal counsel to CI as needed for the three year period ending June 30, 2019.

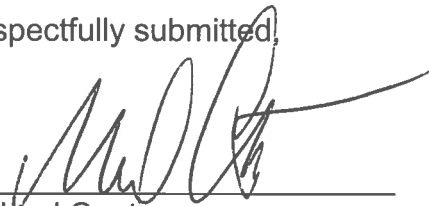
Shipman & Goodwin, Hartford
Carmody & Torrance, Waterbury
Udike, Kelly & Spellacy, Hartford
Harris Beach, New Haven
Pullman & Comley, Bridgeport
McCarter & English, Hartford
Wiggin & Dana, New Haven
Day Pitney, Stamford
Jacobs Walk Rice & Barry, Manchester
Lockelord, Boston Ma.

6. **There was no other business.**

7. **Adjournment:**

Upon a motion made by Ms. Weisselberg, seconded by Mr. Santiago, the Board voted unanimously in favor of adjourning the June 22, 2016 meeting at 11:45 a.m.

Respectfully submitted,



Michael Cantor
Chairperson of CI