

**BOARD OF DIRECTORS**  
of Connecticut Innovations, Incorporated  
Minutes – Regular Meeting  
Monday, June 23, 2014

A regular meeting of the **Board of Directors of Connecticut Innovations, Incorporated** (the "Board") was held on June 23, 2014 at the 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 regular meeting to order at 9:35 a.m. Participating: Christopher Bandecchi; Karen Buffkin, Office of Policy and Management; Michael Cantor; Mun Choi (by phone); Gail Coppage, Board of Regents of Higher Education; Alan Greene; Joseph Kaliko (by phone); Richard Mulready; John Olsen (by phone) Alex Pencu; Paul Pescatello; Jonathan Roth; Rafael Santiago; David Siegel; Catherine Smith, Commissioner of the Department of Economic and Community Development; and Christopher Swift (by phone).

Absent: Christine Shaw, State Treasurer's Designee.

Staff Attending: John Beir, Heidi Bieber, Jeremy Crisp, Lori Granato, Amy Hourigan, Suzanne Kaswan, Leslie Larson, Claire Leonardi, Jay McGuinness, Antonio Roberto, Deb Santy, Hil Scott, Phil Siuta, Glendowlyn Thames, Tracey Tribuzio, Linda Wieleba, and Dave Wurzer.

**2. Oath of Office and Introduction of New Board Member**

Attorney Santiago administered the oath of office to Mr. Jonathan Roth. Mr. Roth spoke about his background and experience, and the Board welcomed him as a member.

**3. Approval of Minutes:**

Mr. Cantor asked the members of the Board to consider the minutes from the March 24, 2014 meeting.

**Upon a motion made by Mr. Greene, seconded by Ms. Smith, the Board members voted in favor of adopting the minutes from the March 24, 2014 meeting as presented.**

**Upon a motion made by Ms. Smith and seconded by Ms. Coppage the Board members voted in favor of adopting the minutes from the March 24, 2014 retreat meeting as presented**

Chairman's Remarks:

Mr. Cantor commented that he was pleased with the direction that CI was headed and was doing a great job reinventing itself. He then asked the Board to consider his recommendations for Board committee assignments and introduced the action item.

**4. ACTION ITEM:**

**Committee Appointments**

- **Paul Pescatello - Eli Whitney Investment Committee**
- **Alan Greene - Chair of Audit, Compliance & Governance Committee**
- **Jonathan Roth - Loan Committee**
- **Chris Bandecchi - Audit, Compliance and Governance Committee**

**Upon a motion made by Mr. Mulready, and seconded by Mr. Greene, the Board voted unanimously in favor of approving all of the committee appointment recommendations made by Chairman Cantor.**

**5. CEO REPORT:**

Ms. Leonardi gave fourth quarter highlights of deal activity for SBI, Lending and Venture. She gave an update on the implementation of IT

investments and business outreach initiatives. In addition, she explained to the Board the newly created position of Director, Strategic Partnerships that Ms. Santy will move into and which the Finance Committee recently approved. She also noted she would be posting the position of Director, SBI, in the next week.

Ms. Leonardi also reviewed a few housekeeping issues and noted that there would be no Board meeting in July and she reminded the Board that we will be moving to quarterly Board meetings and reporting, in calendar year 2015, as discussed at the March retreat. Meeting dates for the 2015 calendar year will be discussed at the next board meeting in September.

### **2014 Legislative Review**

- Ms. Granato gave an overview of legislation that directly impacted CI this past session. She reported that the Regenerative Medicine Fund ("Regen") formerly known as the STEM Cell Research Fund has been brought in-house to CI in its entirety. Noteworthy changes are - the Board retains the structure of the current 17 member committee and shifts the chairperson to CI's CEO; legislation states that CI must develop performance measures and data systems and help the committee evaluate the grant-funded research's economic impact; funding is \$10 million in GO bonds each year from FY 16 through FY 19 for the fund and transfers an existing \$10 million bond authorization from DPH to CI to fund FY 15 awards; and CI can use up to 4% of the fund's FY 15 funding to pay or reimburse its administrative costs for a total of \$400,000. In addition, a one-time disbursement of \$500,000 will come from the general fund to DECD to be granted to CI for Regen or CBIF use. Legislation removed last year's statutory provision allowing for a 5% allocation from CBIF for administrative and peer review costs.

She also, noted that the Angel Tax credit program sunset date was extended from July 1, 2014 to July 1, 2016, with added reporting requirements.

Ms. Leonardi concluded by emphasizing that one of her main priorities for the next legislative session would be to recapture the administrative cost reimbursement associated with running Regen and CBIF as they are both stand-alone funds, expensive to run due to their scientific nature, and this year CI was left absorbing a good portion of the cost which will negatively impact CI's bottom line.

Ms. Leonardi also noted that committee reports would be done differently for this meeting due to the budget presentation and that the Board would be hearing from the individual business lines during the budget presentation. However, the Audit, Compliance and Governance Committee had made a recommendation requiring approval by the full Board. She introduced the action item.

**a) Audit, Compliance and Governance Committee**

**Action Item:**

**Approval of Glendowlyn Thames as CI's Ethics Compliance Officer and Ethics Liaison.**

**Upon a motion made by Ms. Buffkin, seconded by Ms. Coppage, the Board voted in favor of approval of the Audit, Compliance and Governance Committee's Recommendation of Glendowlyn Thames as CI's Ethics Compliance Officer and Ethics Liaison**

Ms. Leonardi introduced the FY 2015 Budget and Mr. Siuta, CFO, proceeded to take the Board through the FY 2015 Budget overview.

Mr. Siuta reviewed the assumptions made to prepare the FY 2015 budget, including the impact of state bonding, the continued support of Small Business Innovation/ CTNext, management of Jackson Labs, management of the Regen / CBIF initiatives, and providing administrative support to CEFIA. He noted each business line leader will give a year end snap shot, budget overview and assumptions along with investment goals for FY 2015 respectively.

Mr. Wurzer reviewed the FY2014 activity to date for CI Ventures and the FY2015 budget assumptions. A question and answer discussion followed. Ms. Wieleba reviewed the FY2014 performance against FY 2013, goals for FY 2015-17, strategic initiatives for FY 2015 including the implementation of a new product line and improved community outreach.

Mr. Roberto from the Specialty Finance team reviewed the FY2014 sales and use tax exemptions, sales tax incremental financing, the restructuring of Science Park, the restructured debt of Mystic Seaport, and transfer of the XL Center. A question and answer discussion followed. Mr. Roberto responded to questions regarding the status of the Bass Pro construction project, our existing investments in the Hartford Marriot and Hartford 21.

Ms. Santy reviewed the FY2014 activity to date for SBI/CTNext and the FY 2015 budget assumptions. A question and answer discussion ensued.

Mr. Crisp and Mr. Siuta clarified that the expenses of CBIF will be reviewed by the CBIF Advisory Committee but are subject to final approval by the members of this Board. Mr. Crisp reviewed the timeline of accomplishments since the act was signed into law in September 2013. During the next legislative session an attempt will be made to obtain more funds to cover the operating costs to CI.

Ms. Hourigan, VP of marketing and communications, explained that the FY14 budget was used primarily for rebranding and for building a marketing infrastructure (with investments in automated marketing, social media and PR distribution/monitoring platforms). She shared the FY15 budget and explained that it will be used for cementing CI's newly established brand identity and for marketing the five business lines to relevant stakeholders. Budgeted dollars will be spent primarily on research, content, events, sponsorships and website updates. In addition, marketing will develop a new website for CBIF/Regen.

Mr. Siuta reviewed the FY 2014 investments for IT and the FY 2015 IT budget assumptions.

Mr. Siuta reviewed highlights of projected cash flows for FY's 2015 through 2017. He emphasized that the FY 2015 budget and projections for subsequent years assume a draw down via state bonding coming from the initial Jobs Bill funding. He noted that we have made a \$25 million request for the next Bond hearing agenda in July. A discussion ensued on the timing of bond funding from the state.

Chairman Cantor asked if there was a desire for any further discussion of the FY 2015 budget, and hearing none asked for a motion to approve the FY 2015 budget.

**Upon a motion made by Ms. Coppage, seconded by Mr. Mulready, the Board voted unanimously in favor of adopting the FY 2015 Operating Budget as presented.**

Chairman Cantor thanked Ms. Leonardi and Mr. Siuta for their detailed review of the budget.

**Other Business:**

Ms. Leonardi introduced the following action item:

Authorization to transfer Stock Power Authority to Claire Leonardi, CEO, Philip Siuta, CFO, and David Wurzer, CIO.

**Upon a motion made by Mr. Mulready, at a duly called meeting held June 23, 2014, a quorum being present, the following resolution relating to the authority of proper officers of Connecticut**

**Innovations, Incorporated (the "Corporation") with respect to brokerage accounts established for and in the name of the Corporation for its corporate purposes was discussed by the Board :**

**RESOLVED, that the Chief Executive Officer, the Chief Financial Officer, the Chief Investment Officer and any other officer designated by the Chief Executive Officer of the Corporation are, and each of them individually is, authorized on behalf of the Corporation to:**

- (A) open and maintain one or more account(s) for and in the name of the Corporation at Deutsche Bank Securities Inc., or at such other brokerage firm at which the Corporation, at the direction and with the approval of its Chief Executive Officer, may open and maintain a brokerage account for its corporate purposes, including any successor to such brokerage firm (the "Brokerage Firm");**
- (B) deposit, deliver, and assign, , instruments and securities of any type;**
- (C) sell any securities owned by the Corporation;**
- (D) withdraw and transfer funds only to Connecticut Innovations General Depository Account; and**
- (E) execute all documents, and exercise and direct the exercise of all duties, rights, and powers, and take all actions necessary or appropriate to perform the powers enumerated above.**

**FURTHER RESOLVED, that the Chief Executive Officer, the Chief Financial Officer, the Chief Investment Officer and any other officer of the Corporation designated by the Chief Executive Officer, and any one of them individually, may certify in writing any changes in the power, office or identity of those persons authorized to perform the powers enumerated above. The Brokerage Firm may rely upon any such certificate of authority furnished by the Corporation until written certification of any change in authority shall have been received by the Brokerage Firm. Any past action in accordance with this resolution is hereby ratified and confirmed. The powers enumerated above pertain to securities of any type now or hereafter held by the Corporation in its own right or in any fiduciary capacity. Powers previously certified by the Corporation shall not be affected by the dispatch or receipt of any other form of notice nor any change in the position with the Corporation held by any person so empowered. Any officer of the Corporation is hereby authorized to certify these resolutions to whom it may concern.**

**FURTHER RESOLVED, that the Chief Executive Officer, the Chief Financial Officer, the Chief Investment Officer and any other officer of the Corporation designated by the Chief Executive Officer are, and each of them individually is, authorized and empowered on behalf of and in the name of the Corporation to execute and deliver to the Brokerage Firm a corporate account authorization and officer's certificate attesting to - 2 -**

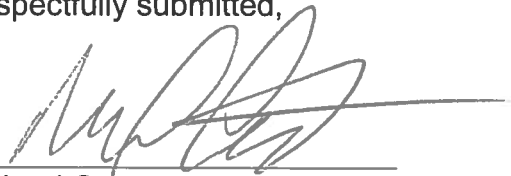
the adoption of the foregoing resolutions, and designating those officers of the corporation authorized to exercise the powers enumerated in such resolutions, including the execution and delivery on behalf of and in the name of the Corporation of all agreements, instruments and other documents as may be necessary in order to exercise such powers, and to agree on behalf of and in the name of the Corporation to the standard terms and conditions for corporate accounts at the Brokerage Firm, including as may be attached to and made part of any such corporate account authorization and officer's certificate.

Questions were raised by the Board regarding the word "powers" in the first Further Resolved section. Mr. Mulready proposed the following resolution that was subsequently approved by the Board:

Upon a motion made by Ms. Buffkin and seconded by Mr. Kaliko, at a duly called meeting held June 23, 2014, a quorum being present, the previous resolution relating to the authority of proper officers of Connecticut Innovations, Incorporated (the "Corporation") with respect to brokerage accounts established for and in the name of the Corporation for its corporate purposes were approved and duly adopted subject to acceptable clarification on the definition of the word "powers".

8. **Adjournment:** Upon a motion made by Mr. Cantor, seconded by Ms. Coppage, the Board voted unanimously in favor of adjourning the June 23, 2014 regular meeting at 12:15 p.m.

Respectfully submitted,



Michael Cantor  
Chairperson of CI