

**BOARD OF DIRECTORS**  
of Connecticut Innovations, Incorporated  
Minutes – Special Meeting  
Tuesday, October 29, 2013

A special meeting of the **Board of Directors of Connecticut Innovations, Incorporated** (the “Board”) was held on October 29, 2013 at the Office of Connecticut Innovations, Inc., 865 Brook Street, Rocky Hill, CT.

**1. Call to Order:** Noting the presence of a quorum, Mr. Cantor, Chair of the Board, called the regular meeting to order at 9:05 a.m. Participating: Karen Buffkin representing the Office of Policy and Management (by phone); Michael Cantor; Mun Choi (by phone); Gail Coppage, Board of Regents of Higher Education; Daniel Esty, Commissioner of the Department of Energy and Environmental Protection (by phone); Alan Greene; Joseph Kaliko; Richard Mulready; Alex Pencu; Rafael Santiago; David Siegel; Christine Shaw, State Treasurer’s Office (by phone); and Catherine Smith, Chairperson of CI and Commissioner of the Department of Economic and Community Development.

Absent: Stephen Nocera; John Olsen; Paul Pescatello and Christopher Swift

Staff Attending: Suzanne Kaswan, Leslie Larson, Claire Leonardi, Peter Longo, Pauline Murphy, Chris Penner, Phil Siuta and Dave Wurzer.

Others Present: Kipp Bergstrom, Department of Economic and Community Development.

**2. Innovation Ecosystem (CTNEXT) Contracts:**

Mr. Bergstrom explained the process that lead to the development of the Innovation Ecosystem. He discussed the results after a one-year review, noting that 60 high potential companies and 77 high potential entrepreneurs were identified which exceeded the original goals established. Mr. Bergstrom discussed rating of the high potential company and entrepreneur ratings. He reviewed the results of information obtained from the 49 highest potential companies about the value of the CTNEXT in Year 1. Mr. Bergstrom talked about the suggested improvements for Year 2. In response to a question, Mr. Bergstrom and Ms. Leonardi spoke about the importance and efforts to share resources and avoid overlaps between CTNEXT and the Connecticut Development Centers. (SBDC). Ms. Smith discussed the LEAN process that has taken place with DECD, CI and CDA to streamline processes.

A discussion ensued on the importance of building a community and larger network that provides support for the companies. In response to a question, Ms. Leonardi indicated that it may take between three and five years to see whether the efforts from the Innovation Ecosystem have an impact. One of the goals of the program is to create a sense of scale and connection with the process.

Ms. Leonardi discussed the CTNEXT priorities for fiscal year 2013. In response to a question, Ms. Leonardi indicated that CI can do more to facilitate relationships between companies and universities. She reviewed the results of the Request for Proposals (“RFP”) process that narrowed down 86 proposals to 28. Ms. Leonardi talked about the evaluation criteria.

Mr. Penner discussed the recommendation to authorize \$5,000,000 of funding for the CTNEXT Entrepreneur Ecosystem. The recommendation includes funding for 20 proposals with a reserve for additional projects which will be presented at a future Board meeting for individual approval. Mr. Penner discussed the administrative costs of the program. It was noted that CI will be doing a lot of things that were outsourced last year.

Mr. Penner talked about the leadership efforts for 2014. Ms. Leonardi spoke about the voucher program. He spoke about the growth advisors who provide coaching, guidance and connections to resources for high growth companies. Mr. Penner reviewed each of the recommended proposals for the entrepreneur ecosystem.

Staff will report back to the Board with several other proposals still under consideration.

**Upon a motion made by Mr. Kaliko, seconded by Mr. Cantor, the Board members voted in favor of approving funding of up to \$5,000,000 for the CTNEXT Entrepreneur Ecosystem as follows (Noting a potential conflict of interest, Mr. Choi abstained from the proposal for the UCONN School of Engineering and AMIC at UCONN):**

|                                   |           |
|-----------------------------------|-----------|
| • EIRs                            | \$186,000 |
| • Cure—Bioscience Clubhouse       | \$250,000 |
| • BCFC                            | \$110,000 |
| • NHEDC—The Grid                  | \$115,000 |
| • The Gove Studios                | \$90,800  |
| • Independent Software            | \$371,000 |
| • reSET                           | \$350,000 |
| • Grove Collaborative—Programming | \$80,000  |
| • SIC                             | \$180,000 |
| • SECT Tech                       | \$225,000 |
| • SeeClickFix                     | \$93,600  |

|  |                    |
|--|--------------------|
| • <b>iDevices</b>                          | <b>\$86,631</b>    |
| • <b>B-Hive</b>                            | <b>\$38,000</b>    |
| • <b>UCONN School of Engineering</b>       | <b>\$186,900</b>   |
| • <b>Combat2Career</b>                     | <b>\$70,000</b>    |
| • <b>Danbury Hackerspace</b>               | <b>\$124,500</b>   |
| • <b>AMIC at UCONN</b>                     | <b>\$36,000</b>    |
| • <b>Invention Convention</b>              | <b>\$17,000</b>    |
| • <b>CTC, CCIC Skills Challenge</b>        | <b>\$85,000</b>    |
| • <b>Administration, Services, Reserve</b> | <b>\$2,305,000</b> |

It was noted that the entrepreneurs will be asked to make brief updates and presentations at future Board meetings.

## **2. Revised Salary Ranges:**

Ms. Leonardi discussed the revised salary ranges. She explained that the adjustments to the salary ranges will help CI to recruit and retain excellent staff and promote parity across the organization for positions with similar level of required skills, experience and responsibility. Ms. Leonardi emphasized that existing staff will not receive raises. She reviewed the changes made since the proposal was presented to the Board in September. In response to a question, Ms. Leonardi explained the rationale for presenting the revised salary ranges without an incentive compensation plan. After discussion on the issue, Ms. Leonardi noted that issues regarding the incentive compensation plan can be discussed in executive session at the next meeting.

Ms. Leonardi and Ms. Kaswan discussed the history of merit increases and cost of living increases for CI and the former CDA for the last several years. Ms. Leonardi explained how CI is handling the different weekly working hours for several non-exempt former CDA employees, noting that new employees will be hired at 40 hours per week. Ms. Leonardi explained the rationale for some of the salaries being above the midpoint.

The Board talked about the assumptions made by the consultants, the value of CI's benefits and the relevance of the benefits to the salary ranges. In response to a question, Ms. Leonardi reviewed the existing positions that are below the proposed minimum and minimal costs associated with raising the salaries to the proposed minimum salary range. A suggestion was made to allow CI, at the Executive Director's discretion, to be able to hire employees at 5 to 10 percent below the salary ranges during the six month probationary period. This suggestion will provide flexibility to the organization to hire employees below the minimum salary range for a training/introductory period but provide a salary increase after a successful six month performance review. .

**Upon a motion made by Mr. Choi, seconded by Mr. Greene, the Board members voted unanimously in favor of accepting the revised salary ranges presented by staff and authorized management to hire employees at salaries between 5 and 10 percent below the respective salary range during the 6 month probationary period.**

The Compensation Advisory Committee will work with Ms. Leonardi to bring forward an incentive compensation plan to present to the Board within the next several meetings.

**3. Audited Financial Statements for Fiscal Year Ending June 30, 2013:**

Mr. Siuta noted that the Audit, Compliance and Governance Committee (“Audit Committee”) met yesterday, October 28, with Marcum, CI’s independent auditor, and reviewed the draft audited financial statements for the fiscal year ending June 30, 2013. He summarized that the auditors issued a clean opinion and reported that there were no deficiencies or material weaknesses. Following the recommendation of the Audit Committee, Mr. Siuta stated that language was added to clarify and explain certain issues (i.e. CI’s right to intellectual property, the reserves and forgivable debt for Jackson Laboratory, the change of CI’s business model).

**Upon a motion made by Mr. Kaliko, seconded by Mr. Siegel, the Board members voted in favor of accepting the audited financial statements of CI for fiscal year 2013 (Ms. Smith was not present for the vote).**

**4. Adjournment:** Upon a motion made by Mr. Kaliko, seconded by Mr. Siegel, the Board voted unanimously in favor of adjourning the October 29, 2013 regular meeting at 11:06 a.m.

Respectfully submitted,

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Michael Cantor  
Chairperson of CI