

FINANCE, OPERATIONS AND COMPENSATION COMMITTEE
of Connecticut Innovations, Incorporated
Minutes – Regular Meeting
Monday, February 24, 2014

A regular meeting of the **Finance, Operations and Compensation Committee of Connecticut Innovations, Incorporated** (the "Finance Committee") was held on February 24, 2014, at the office of Connecticut Innovations, Inc., 865 Brook Street, Rocky Hill, CT.

1. **Call to Order:** Christopher Swift, Chairperson of the Finance Committee, noting a presence of a quorum, called the meeting to order at 9:30 a.m. Finance Committee members present: Karen Buffkin (by phone); Joseph Kaliko (by phone); John Olsen (by phone); and Christopher Swift.

Absent: Catherine Smith, Commissioner of the Department of Economic and Community Development.

Staff present: Suzanne Kaswan, Claire Leonardi, Peter Longo, Shelly Mondo, Hil Scott, Phil Siuta, and Glendowlyn Thames.

Others: Roy Ivins, RMI Associates

2. **Approval of Minutes:**

Mr. Swift asked the Finance Committee members to consider the minutes of the June 3, 2013 and August 8, 2013 meetings.

Upon a motion made by Mr. Kaliko, seconded by Ms. Buffkin, the Finance Committee members voted unanimously in favor of adopting the minutes of the June 3, 2013 and August 8, 2013 meetings as presented.

There being no objection, the order of the agenda was changed.

3. **Review and Discussion of CI's Insurance Coverage:**

Mr. Ivins provided an overview of CI's current insurance policies and limits. He discussed the option of purchasing cyber-risk insurance. He stated that several other quasi-public agency clients have purchased cyber insurance. A suggestion was made to talk with the Office of Policy and Management and look into obtaining insurance collectively with the state and/or other quasi-public agencies in an effort to reduce premiums. After discussion, there was general agreement to move forward with purchasing cyber risk insurance while continuing to talk with the state. Staff was asked to look at the details of the policy, including the sub-

limits and exclusions. A suggestion was made to give preference to Connecticut companies for coverage. In response to a question, Mr. Ivins indicated that the designation of "not-for-profit" for the Directors' and Officers' insurance is the name of the policy form and does not limit coverage for CI.

4. CFO Report:

Mr. Siuta presented the financial statements for the six months ending December 31, 2013. He reviewed the expenses, investment activities, cash flow and balance sheet. In response to a question, Mr. Siuta explained the reason for the variance with SBI actuals versus the full-year projected budget. He mentioned that discussions will be held with the Office of Policy and Management about obtaining bond funds before the end of the fiscal year under the Jobs Bill. Ms. Leonardi stated that historically CI and the former CDA were self-sustainable. She indicated with additional investments and new granting programs, including CTNext, one of the issues being considered is how CI can again be self-sustaining.

Mr. Siuta reviewed the draft "business line" profit and loss statement and "business line" cash flow statement. Some concern was expressed with administrative expenses. Mr. Siuta stated that he will fine-tune the documents before presenting them to the Board.

Mr. Siuta provided an update on several major initiatives, including the review of CI's investment technology systems, the structure and installation of a CRM module, and the review of accounting and lending policies and procedures.

In response to a question, Ms. Leonardi discussed the process in place and discussions being held to monitor and handle patents and potential royalties. A suggestion was made to include a line item in the financial statements to show potential revenues from royalties. The Finance Committee members asked that staff at the Board retreat provide a qualitative description of the internal procedures for dealing with potential intellectual property or royalties.

5. Review and Discussion of Draft Finance Committee Charter:

Ms. Thames reviewed the draft charter developed for the Finance, Operations and Compensation Committee, noting that charters will be developed for each of the Standing Committees. Ms. Thames indicated that the draft charter was reviewed by CI's outside counsel. A suggestion was made to have staggered or limited terms on committees and to have some mechanism to report actions taken by the committees to the Board before Board meetings (i.e. press releases, posting on a Board portal, a timely statement on the iHub, etc.). Potential terms and/or rotation of committee members will be discussed at the Board retreat. There will also be further discussion of Committee Charters at the Board retreat.

with the goal of adopting all Standing Committee Charters at the May 2014 BOD meeting.

6. Updating Handbook Policies:

Ms. Kaswan reviewed proposed changes to the following Handbook policies:

- Whistleblower
- Social Media
- Information Technology
- CI's Sick Leave Bank
- Emergency Procedures
- Vacation Carryover and Maximum Accruals

In response to question, Ms. Kaswan clarified the intent and use of the sick leave bank.

Upon a motion made by Mr. Kaliko, seconded by Mr. Olsen, the Finance Committee members voted unanimously in favor of accepting the changes proposed to the following CI Handbook policies:

- Whistleblower
- Social Media
- Information Technology
- CI's Sick Leave Bank
- Emergency Procedures
- Vacation Carryover and Maximum Accruals

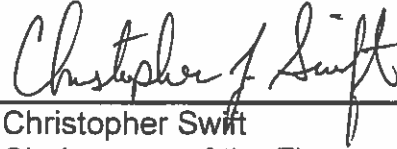
7. Job Specifications:

Ms. Kaswan discussed the proposed establishment of a new job specification for the Director of Public Relations and the revision of the existing job specification for the Executive Vice President and Chief Investment Officer. She noted that the salary ranges are consistent with the salary ranges approved by the Board in September 2013.

Upon a motion made by Mr. Kaliko, seconded by Mr. Olsen, the Finance Committee members voted in favor of approving the new job specification for the Director of Public Relations and the revision of the existing job specification for the Executive Vice President and Chief Investment Officer (Ms. Buffkin was not present for the vote).

8. **Adjournment:** Upon a motion made by Mr. Kaliko, seconded by Mr. Olsen, the Finance Committee members voted in favor of adjourning the February 26, 2014 meeting at 10:50 a.m.

Respectfully submitted,



Christopher Swift
Chairperson of the Finance,
Operations and
Compensation Committee