

MINUTES

Kansas Bioscience Authority Board of Directors

Tuesday, January 22, 2013
8:00 a.m. – 5:00 p.m.
Offices of the Kansas Bioscience Authority
Olathe, KS

Call to Order: A quorum being present, a meeting of the Board of Directors of the Kansas Bioscience Authority was called to order by Vice Chairman Dale Rodman, being duly authorized to do so in the absence of the Chairman Dan Watkins, at the offices of the KBA at 8:06 a.m. Mr. Sherry Schaub, Sec. Pat George, Mr. Ken Buchele, Mr. Earl McVicker, Mr. Bob Smith, Mr. Kenny Wilk, Mr. Jerry Boettcher, and Chancellor Bernadette Gray-Little were also in attendance. KBA staff members in attendance included Duane Cantrell, Paul Gardner, Tony Simpson, Ruth Saale, Don Colbert, Stephanie Meyer, Gary Micheel, Keith Harrington, Tom Krol, Julie Sailors, Marsh LoScalzo, and Tariq Abdullah. Members of the public in attendance included: Matt Erickson (Lawrence Journal World); Rick Niu (Starr Strategic Partners); and Dr. Steve Higgs (KSU).

Review and Approval of Minutes: Vice Chairman Rodman introduced the agenda item of approval of minutes of the October 15, 2012 Annual Meeting; and the October 15 and November 20, 2012 Board of Directors meetings.

Motion: Upon motion by Mr. Buchele and seconded by Mr. Schaub, the minutes of the October 15, 2012 Annual Meeting; and the October 15 and November 20, 2012 Board of Directors meeting were unanimously approved.

Motion to Recess into Executive Session: Mr. McVicker moved that the Board of Directors of the Kansas Bioscience Authority recess into executive session pursuant to K.S.A. 74-99b07 to discuss financial and operational information and related material of the Authority as it relates to the marketing and operational strategies of the Authority which, in the opinion of the Board, would be harmful to the competitive position of the Authority if disclosed. The executive session will begin at 8:09 a.m. and continue for 3 hours and 51 minutes. The Board will reconvene in open session at 12:00 p.m. Included in the executive session will be the members of the Board, Mr. Cantrell, Ms. LoScalzo, and whomsoever else the Vice Chair may invite. The motion was seconded by Mr. Smith and unanimously approved.

Return to Open Session: After a discussion of operational strategies of the KBA, the Board of Directors reconvened in open session at 12:00 p.m.

Recess: The Board of Directors recessed for a 10 minute break at 12:00 p.m. and returned to open session at 12:10 p.m.

Motion to Extend Executive Session: Mr. Buchele moved that the Board of Directors of the Kansas Bioscience Authority extend the previous executive session for 1 hour, beginning at 12:11 p.m. The

Board will reconvene in open session at 1:11 p.m. The motion was seconded by Mr. Smith and unanimously approved.

Return to Open Session: After a discussion of operational strategies of the KBA, the Board of Directors reconvened in open session at 1:10 p.m.

Motion to Recess into Executive Session: Mr. Schaub moved that the Board of Directors of the Kansas Bioscience Authority recess into executive session pursuant to K.S.A. 74-99b07 and K.S.A. 75-4319(b)(4) to consider a proposal or proposals for funding and to discuss operational strategies of the Authority and confidential data and proprietary information of the applicants for funding, the disclosure of which, in the opinion of the Committee, would be harmful to the competitive position of the Authority and the applicants if disclosed. The executive session will commence at 1:10 p.m. and continue for 30 minutes. The Board will reconvene in open session at 1:40 p.m. in this conference room. Included in the executive session will be the members of the Board, KBA staff, and whomsoever else the Chair may invite. The motion was seconded by Mr. McVicker and unanimously approved.

Return to Open Session: After a discussion of proposals for funding and operational strategies of the KBA, the Board of Directors reconvened in open session at 1:38 p.m.

Recess: The Board of Directors recessed for a 10 minute break at 1:38 p.m. and returned to open session at 1:46 p.m.

Investment Committee Report: Vice Chairman Rodman introduced the agenda item of the Investment Committee report and Mr. Cantrell presented the same.

Motion: Mr. McVicker moved that the Board of Directors accept the recommendation of the Investment Committee to fund the grant of up to \$1,000,000.00 under the Expansion and Attraction Program to SynTech Research Laboratory Services, LLC. The motion was seconded by Mr. Buchele and unanimously approved.

Motion: Mr. Schaub moved that the Board of Directors accept the recommendation of the Investment Committee to fund Project Gray, as discussed in executive session. The motion was seconded by Mr. Smith and unanimously approved.

Motion: Mr. McVicker moved that the Board of Directors accept the recommendation of the Investment Committee to fund the grant of up to \$400,000.00 under the Expansion and Attraction Program to PRA International. The motion was seconded by Mr. Buchele and unanimously approved.

Motion: Mr. Smith moved that the Board of Directors accept the recommendation of the Investment Committee to fund the grant of up to \$200,000.00 under the POCI Program to HylaPharm, LLC. The motion was seconded by Mr. Schaub and unanimously approved.

President's Report: The Vice Chairman introduced the agenda item of the President's report and Mr. Cantrell presented the same. Highlights included:

- Mr. Cantrell's transition into the role of CEO of the KBA has been filled with meetings in order to get to know stakeholders in the legislature, industry, and academia.
- Mr. Cantrell has put a focus on understanding KBA operations from top to bottom.
- The KBA needs to do a better job with communications and messaging. Specifically, the KBA should:
 - Set expectations.
 - Define who we are and what we do.
 - Have clear and consistent messaging.
 - Admit our shortcomings.
 - Have a single voice, who at this time should be the CEO.
 - Work on direct and indirect messaging.
- Mr. Cantrell will be traveling to different locations throughout the state and continue to meet with stakeholders.
- The Annual Operating Plan will be developed over the next few months.

Financial Report: The Vice Chairman introduced the agenda item of the financial report and Mr. Gardner presented the same. Highlights included:

- Review of the balance sheet.
- Review of cash in/out.
- Review of commitments and payments by commitment.
- Review of year-to-date revenues/expenses.
- Review of funds authorized and committed.

Other Business: The Vice Chairman introduced the agenda item of other business and Mr. Cantrell presented the same.

Mr. Cantrell announced committee assignments as decided by the Chairman.

Mr. Cantrell also announced changes to the dates of upcoming meetings.

Adjournment: Upon motion by Mr. Schaub, being seconded by Mr. McVicker, the meeting was adjourned at 2:12 p.m.