



**Tennessee Technology Development Corporation**  
**Minutes of the May 23, 2012 Executive Committee Meeting**  
**Telephonic Meeting**  
**7:30 AM – 8:30 am CDT**

**TTDC Staff Present:** Dr. Leslie Wisner-Lynch, Steve Wonsiewicz and Courtney Corlew

**TTDC Executive Committee Members:** Board Vice Chairman Tom Ballard, Bruce Doeg, Dr. Bill Evans, Ted Nelson and Jim Phillips

**Guests:** Brad Smith (TN Department of Economic & Community Development)

**Call to Order:**

- The meeting was called to order at 7:35 AM by Vice Chairman Ballard as Chairman Hagerty was unable to participate on the call. Ballard said that the first discussion item for the committee is the subject of the search for a CEO. For this update, he turned the meeting over to Brad Smith

**CEO Search:**

-Smith reported that through the strategic planning process, many names were given as potential candidates for the position of CEO. As of now, there are three individuals who have a strong interest in the position. All three of the potential candidates have similar interests and backgrounds involved with specific expertise in venture capital, investments and entrepreneurial accelerators.

-There are many factors involved with narrowing the search to one or two very serious possibilities. Timing, location and potential conflicts are current factors under consideration by all three candidates.. Smith indicated that he is hopeful that over the next 2-6 weeks 1-2 of the candidates will formally agree to be considered for the position.

-Vice Chairman Ballard asked if there were any questions from any of the Executive Committee members and there were none.

-Ballard said that since we won't have a permanent CEO starting June 1<sup>st</sup> with Dr. Wisner-Lynch's departure, we will need to elect an interim CEO. Ballard reported that Commissioner Hagerty recommended Brad Smith as interim CEO.

-Ballard then proposed that a motion be made to have Brad Smith be named as interim CEO to be compensated at the same level as Dr. Wisner-Lynch at 100% time.

-Jim Phillips made the motion and it was seconded by Dr. Bill Evans. The motion was unanimously approved by all members.

**Future Board Structure:**

-Vice Chairman Ballard then moved to the next agenda item, addressing future board structure. Ballard directed members to the diagram provided by Brad Smith in advance of the call showing a potential board structure layout.

-Smith briefly covered the potential structure utilizing an Executive Council serving as a "super council" consisting of 15-20 high-level executives that would provide strategic direction for TTDC. Under that a smaller group of Board Directors would provide governance and fiduciary responsibility for the organization. The Board would be comprised of members that would potentially have a similar level of disclosure as Commissioners within State government as would the CEO for TTDC.

-Ballard recommended that the current Executive and Governance committees review the charter and bylaws to evaluate TTDC's original board structure and assess what needs to be revised in terms of size, structure and purpose.

**Contract:**

-Vice Chairman Ballard then moved to the final agenda item to discuss related to TTDC's FY2013 (multi-year) contract/budget. He Brad discuss the draft contract that was distributed prior to the call.

-Smith explained that the initial contract will be for 3 years- 2013-2015, with the ability to add a 2 year extension to 2017. The contract will focus on 4 main areas: entrepreneurship, commercialization, capital formation, and outreach.

-The contract with ECD will provide a lump sum to TTDC up front with the ability to invoice expenses monthly. This will provide TTDC with sufficient financial resources to provide for a steady cash flow.

-Smith highlighted that the contract is designed to reflect a major goal to establish public/private partnerships through required fundraising by TTDC of private sector funds. Smith indicated that initial progress has already been made in this regard and that he expects this will not be an issue for TTDC. The minimum required funds to be raised are \$250,00 in FY 2013, \$500,000 in FY 2014 and \$1 million in FY 2015. If TTDC does not meet the minimum fundraising goals each line item for the budget for the following fiscal year will be reduced by the percentage the fundraising target was missed.

-Executive Committee member Ted Nelson asked for clarification on the private sector fundraising and the ramifications of not meeting goals and Dr. Wisner-Lynch clarified that it would be critical for TTDC to meet the goals in order to avoid reductions in funding from the State.

-Dr. Wisner-Lynch highlighted concern related to a specific contract item addressing conflict of interest related to State employees as "Grantees". Smith indicated that he had ECD counsel review the clause to establish that there would be no problem

with TTDC hiring previous State employees (that were state employees within the last 6 months) and counsel had indicated to concern with the clause.

-Dr. Wisner-Lynch informed the Executive Committee that there was still work to be completed on the contract and budget and that she would continue to work with Brad Smith to provide the Executive Committee with a final contract for her signature by May 31<sup>st</sup>. In the event that is not possible the Executive Committee would need to work with Brad Smith as interim CEO to finalize the contract for his signature.

-Executive Committee member Bruce Doeg agreed that it makes sense to build a contingency plan out. All other members agreed with this.

-Regarding expected costs for the month of June not covered by the current contract, Smith suggested that TTDC Reserve Funds could be utilized if the Executive Committee would authorize him to do so in order to hire/maintain consultants (Communications [Laura Braden] and Technology Commercialization [James Stover]). Smith projects no more than \$12,000 in expenses between the two consultants.

-Vice Chairman Ballard asked Steve Wonsiewicz, TTDC's Finance Director, where TTDC reserves were currently. Wonsiewicz answered that the reserve funds are around \$280,000.

-Wisner-Lynch encouraged Smith and the Executive Committee to have clear deliverables for the consultants to ensure the highest value.

-Wisner-Lynch asked Smith when we could expect to have the contract approved by the state if it were to be finalized and signed by May 31<sup>st</sup>. Smith replied that it would hopefully be approved by June 30<sup>th</sup> and is currently talking with the Comptroller about this date being the deadline.

-Vice Chairman Ballard summarized the last discussion in that Smith is asking to use \$12,000 of TTDC reserves to keep/bring in expertise for the month of June. He also noted that if we don't have a contract ready and signed by May 31<sup>st</sup>, the Executive Committee will meet again to discuss.

-Dr. Evans voiced his support and motioned to move forward with Ballard's recommendation. Bruce Doeg seconded the motion and all members approved.

-With all material being covered, Vice-Chair Tom Ballard asked if there was any other questions or comments. With there being none, he adjourned the meeting at 8:17 am.