

Minutes
Missouri Technology Corporation
Wednesday, April 22, 2020

The regular meeting of the Missouri Technology Corporation (the “MTC”) Board of Directors (the “Board”) was held on Wednesday, April 22, 2020, beginning at 10:00 a.m. by teleconference. The MTC office is located at the Truman Building, Room 720, 301 West High St, Jefferson City, MO 65102.

Members present or absent:

Jason Hall	Chair	Present
Dr. Jim Baker	Member	Present
Dr. Dedric Carter	Member	Absent
Dan Cobb	Member	Present
Rob Dixon	Member	Present - exit at 11:19 a.m.
Rep Travis Fitzwater	Member	Present
Sen Dan Hegeman	Member	Present – joined at 10:30 a.m.
Garry Kemp	Member	Present
Dr. Mark McIntosh	Member designee-MU	Present - joined at 10:09 a.m.
Lisa Nichols	Member	Present
Michael O’Connell	Member	Present
Donn Rubin	Member	Present - joined at 10:10 a.m.
Erv Switzer	Member	Present
Vacant	Member	
Vacant	Member	

Staff and Outside Legal Counsel present:

Jack Scatizzi	MTC Executive Director
Tori Benson	MTC staff
Amy Steinman	MTC staff
Tom Litz	Thompson Coburn LLP, MTC Legal Counsel
Greg Patterson	Thompson Coburn LLP, MTC Legal Counsel – exit at 10:30

WELCOME AND CALL TO ORDER:

Chair Hall called the meeting to order at 10:06 a.m. Quorum was established with nine members present.

APPROVAL OF MINUTES:

Chair Hall asked if there were any comments on the draft minutes of the January 22, 2020, Board meeting, which had been distributed to the Board prior to the meeting. There were no comments. On motion by Mr. Cobb, seconded by Chair Hall, the following resolution was unanimously approved by those members present:

RESOLVED, the Board hereby approves the minutes of the regular Board meeting held on January 22, 2020, as submitted.

Chair Hall opened the meeting noting that the most significant item for the Board to consider and decide at the meeting was the State’s response to the budget shortfall due to the COVID-19 pandemic which included a request by the Governor’s Office that the MTC repay the amount of its FY2020 appropriation previously received in the amount of \$2,182,500. Chair Hall suggested that the Board enter into Closed Session in order to have a privileged discussion with legal counsel to inform its policy discussion.

CLOSED SESSION:

On motion by Chair Hall, seconded by Mr. Cobb, the following resolution was approved by the following roll call vote:

RESOLVED, the Board hereby approves entering Closed Session at 10:20 a.m. pursuant to Sections 610.021 (1) and (14) RSMo.

Jason Hall	aye	Dr. Jim Baker	aye	Dan Cobb	aye
Rob Dixon	aye	Rep Travis Fitzwater	aye	Garry Kemp	aye
Dr. Mark McIntosh	aye	Lisa Nichols	aye	Michael O'Connell III	aye
Donn Rubin	aye	Erv Switzer	aye		

Senator Dan Hegeman joined the meeting at 10:30 a.m.

On motion by Chair Hall, seconded by Mr. Switzer, the following resolution was approved by the following roll call vote:

RESOLVED, the Board hereby approves exiting Closed Session at 10:36 a.m.

Jason Hall	aye	Dr. Jim Baker	aye	Dan Cobb	aye
Rob Dixon	aye	Rep Travis Fitzwater	aye	Sen Dan Hegeman	aye
Garry Kemp	aye	Dr. Mark McIntosh	aye	Lisa Nichols	aye
Michael O'Connell III	aye	Donn Rubin	aye	Erv Switzer	aye

Chair Hall reported that the Board took no action in the Closed Session after a discussion confined to the matters stated above. The Board continued its discussion in Open Session.

GOVERNOR'S REQUEST – AMENDED MTC BUDGET:

Director Scatizzi outlined a proposal for an amended MTC budget for the balance of FY2020 and the Executive Committee recommendation in the event that the Board were to agree to the Governor Office's request for repayment of the appropriated funds received by the MTC for FY 2020. The amended budget contemplates, among other changes from the FY2020 budget approved by the MTC Board, a withhold from the fourth quarter disbursements to the State's Innovation Centers.

To frame the Board's deliberations on this issue of critical important to the MTC, Chair Hall presented his thoughts regarding the decisions that the Board was being asked to make, including historical background as to how the MTC dealt with similar periods of economic stress, the dependence of the MTC on its relationship with the State to pursue the MTC's long-term mission and the potential benefits that the MTC could expect to derive from the from the State, including future financial support. Chair Hall explained the rationale used in the 2008-2009 period when the MTC prioritized programs that provide support to technology commercialization efforts while de-emphasizing research efforts to maximize near-term effects of funding. The Board members then engaged in a lengthy discussion of the advisability of agreeing to the Governor Office's request to repay funds and adopting the proposed amended budget for the balance of FY2020. Among other items, the Board members shared their views on the impact on the MTC's ability to execute its mission, budget considerations for FY2021, the advisability of possible changes to the amended budget for FY2020 and the MTC's overall strategy.

In the interest of transparency, Dr. Baker disclosed his relationship to the Springfield Innovation Center. In addition, Director Dixon noted for the record that in addition to serving on the Board, he also is Director of the Missouri Department of Economic Development and a member of Governor Parson's Cabinet. Dr. Baker and Director Dixon participated in the Board's discussion of the revised budget.

After the Board's discussion concluded, on motion by Mr. Cobb, seconded by Mr. Switzer, the following resolutions were approved by those members present:

WHEREAS, the Board has considered the letter, dated April 8, 2020, from the State Budget Director of the Missouri Office of Administration to the MTC requesting that the MTC pay to the Missouri

Department of Economic Development (the “DED”) an amount equal to \$2,182,500, which such amount equals the amount of funds disbursed to the MTC by the DED to date for FY2020; and

WHEREAS, the Board has determined that such a payment is consistent with the MTC’s purpose of contributing to the strengthening of the economy of the State of Missouri with respect to the development of science and technology and to support the advancement of science; and

WHEREAS, the Board, carefully considered the above-described request and the mission and purposes of the MTC and other considerations it deems relevant, including but not limited to, the substantial financial support provided by the State of Missouri to the MTC since its inception, and has determined that such payment is advisable and in the best interests of the MTC and its stakeholders, including the members of the technology business ecosystem in the State of Missouri; now, therefore, be it

RESOLVED, that the Board hereby approves the payment of \$2,182,500 to the DED; and

FURTHER RESOLVED, that the Board hereby adopts the amended FY2020 Budget as presented; and

FURTHER RESOLVED, that the Board hereby delegates to the MTC Executive Committee full power and authority on behalf of the MTC to modify, amend and approve the amended FY2020 Budget and any and all agreements, documents or instruments and to take such other actions as may be required or desirable in connection with, or in furtherance of such budget; and

FURTHER RESOLVED, that the Board hereby authorizes the MTC Executive Director on behalf of the MTC to transfer funds between administrative budget categories in an amount not to exceed 10% of the total administrative budget; and

FURTHER RESOLVED, that the Board hereby authorizes the MTC Executive Director on behalf of the MTC to execute and deliver all documents relating to implementation of amended FY2020 Budget; and

FURTHER RESOLVED, that the Board hereby approves the withholding of the Q4 disbursement to each Innovation Center/Manufacturing Extension Partnership program as authorized pursuant to the applicable agreement; and

FURTHER RESOLVED, that the Board hereby delegates to the MTC Executive Committee full power and authority on behalf of the MTC to negotiate, amend, and approve any and all agreements, documents or instruments and to take such other actions as may be necessary or advisable in connection with, or in furtherance of the related projects, including, without limitation, the termination of the applicable agreements; and

FURTHER RESOLVED, the Board hereby authorizes the MTC Executive Director, on behalf of the MTC, to execute and deliver all documents relating to such projects.

CLOSED SESSION:

On motion by Chair Hall, seconded by Dr. Baker, the following resolution was approved by the following roll call vote:

RESOLVED, the Board hereby approves entering Closed Session at 11:29 a.m. pursuant to Sections 610.021 (1), (12), (14) and (15) RSMo.

Jason Hall aye Dr. Jim Baker aye Dan Cobb aye

Rep Travis Fitzwater	aye	Sen Dan Hegeman	aye	Garry Kemp	aye
Dr. Mark McIntosh	aye	Lisa Nichols	aye	Michael O'Connell III	aye
Donn Rubin	aye	Erv Switzer	aye		

On motion by Chair Hall, seconded by Senator Hegeman, the following resolution was approved by the following roll call vote:

RESOLVED, the Board hereby approves exiting Closed Session at 11:42 a.m.

Jason Hall	aye	Dr. Jim Baker	aye	Dan Cobb	aye
Rep Travis Fitzwater	aye	Sen Dan Hegeman	aye	Garry Kemp	aye
Dr. Mark McIntosh	aye	Lisa Nichols	aye	Michael O'Connell III	aye
Donn Rubin	aye	Erv Switzer	aye		

Chair Hall reported that the Board took no action in the Closed Session after a discussion confined to the matters stated above. The Board continued its discussion in Open Session.

PARTNERSHIP INTERMEDIARY AGREEMENT (PIA) WITH NATIONAL GEOSPATIAL INTELLIGENCE AGENCY (“NGA”)

Director Scatizzi presented the Board with the new revised PIA with the NGA which reflected the development of the relationship between the MTC and NGA. Chair Hall updated the Board on discussions with NGA representatives and expectations for the program.

After discussion and on a motion by Mr. Cobb, seconded by Chair Hall, the following resolutions were unanimously approved:

RESOLVED, the Board hereby approves the Partnership Intermediary Agreement (the “PIA”) between the MTC and the National Geospatial-Intelligence Agency in substantially the form presented; and

FURTHER RESOLVED, the Board hereby authorizes the MTC Executive Director full power and authority on behalf of the MTC to complete any remaining due diligence and to negotiate, amend, approve, execute and deliver any and all agreements, documents or instruments and to take such other actions as may be required or desirable in connection with, or in furtherance of the PIA.

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT MEMORANDUM OF UNDERSTANDING (“MOU”) AMENDMENT:

Chair Hall noted that, following the change of direct employment of two of the MTC’s employees, it was advisable for the parties to amend the MOU with DED. The amendment to the MOU was presented to the Board.

After discussion and on a motion by Dr. Baker, seconded by Chair Hall, the following resolutions were unanimously approved:

RESOLVED, the Board hereby approves the First Amendment (the “First Amendment”) to the General Agreement between the MTC and the DED, in substantially the form presented, to allow for the alternative employment arrangements adopted by the MTC; and

FURTHER RESOLVED, the Board hereby authorizes the Chairman full power and authority on behalf of the MTC to complete any remaining due diligence and to negotiate, amend, approve, execute and deliver any and all agreements, documents or instruments and to take such other actions as may be required or desirable in connection with, or in furtherance of the First Amendment.

EXECUTIVE DIRECTOR REPORT:

Chair Hall asked Director Scatizzi to present the MTC Executive Director report. Director Scatizzi reported the following activities occurred during the third quarter:

- No new IDEA Fund investments
- Two portfolio companies raised substantial capital- CoverCress and Adarza Biosystems
- Two notable product updates from portfolio companies Benson Hill and Geneoscopy
- A consolidation that involved portfolio company Gremln Social
- The execution of 12 contracts for MOBEC grant recipients

Director Scatizzi highlighted some of MTC's stakeholders role in addressing the current global pandemic noting that MTC has played a vital role providing the capital, specifically through the MOBEC Grant program, that allows entrepreneurial support organizations the financial flexibility to shift their focus to help the state's entrepreneurs in a time of great need.

Director Scatizzi reported the third quarter tasks and activities included transitioning the MTC to a direct employment model, active portfolio management, engagement of key statewide stakeholders, and a review of SSBCI reporting data.

Director Scatizzi reported that fourth quarter tasks and activities will include but are not limited to active portfolio management, monitoring federal COVID-19 stimulus efforts for applicable programs, and developing a FY21 operating plan and budget.

EXECUTIVE COMMITTEE REPORT:

Chair Hall reported the following actions taken by the MTC Executive Committee during the second quarter:

- ❖ The Committee met seven times during the third quarter on January 29, February 12, February 21, February 27, March 9, March 20, and April 17, 2020; and
- ❖ The Committee authorized Dr. Carter to negotiate terms of employment for the permanent Executive Director position; authorized Chairman Hall to negotiate the engagement of a Professional Employer Organization (PEO); authorized the hire of the Executive Director; ratified all actions taken by Chairman Hall with respect to the engagement of Insperity as the MTC's PEO; bylaw revisions; approved Paid Time Off Policy; reviewed and approved IDEA transactions and modifications to documents; budget modification for an Innovation Center; approval of MOBEC grant agreements; approval of lease agreement for St. Louis office; approval of general liability coverage; consider and made recommendation regarding Governor's budget restrictions.

After discussion and on motion by Dr. McIntosh, seconded by Senator Hegeman, the following resolution was unanimously approved:

RESOLVED, the Board hereby approves and ratifies all of the actions taken by the Executive Committee and the Chairman, taken pursuant to the previously delegated authority, including, without limitation, those presented.

Chair Hall concluded his report by complimenting Director Scatizzi on his contributions since starting as Executive Director during very challenging circumstances.

AUDIT AND FINANCE COMMITTEE REPORT:

Chair Hall asked Dr. Baker to present the Audit and Finance Committee report.

TREASURER’S REPORT: Dr. Baker presented the 3rd Quarter FY2020 Treasurer’s Report, which had been distributed to the Board prior to the meeting. After discussion and on motion by Mr. Cobb, seconded by Chair Hall, the following resolution was unanimously approved by those members present:

RESOLVED, the Board hereby approves the 3rd Quarter FY2020 Treasurer’s Report dated April 22, 2020, as submitted.

INVESTMENT COMMITTEE REPORT:

Chair Hall called on Mr. Cobb to present the Investment Committee report. Mr. Cobb reported that 29 IDEA applications were received with eight being for TechLaunch and 21 for SEED. Twelve applications have been selected to present to the committee. Mr. Cobb informed the Board that the Investment Committee meeting that was planned has been postponed due to COVID-19. A virtual meeting is now being planned by staff.

NEW BUSINESS: Mr. Rubin raised a question on the optimal level of reserves that the MTC should seek to maintain. Chair Hall observed that this involves a high degree of judgment and shared his views as to the relevant considerations. He added that he expected that the Staff, the Audit and Finance Committee and the Board would continue to focus on the issue and adjustments could be made over time. Director Scatizzi added that the issue of appropriate reserves has also been raised by the state Budget and Planning department.

Chair Hall informed the board that Director Jim Heeter has resigned from the Board due to his relocation to Colorado.

2020 MEETING SCHEDULE

June 24, 2020 – Kansas City/remote
October 21, 2020 – St. Louis/remote

ADJOURNMENT:

Having no further business on the agenda, and on motion by Chair Hall, seconded by Mr. Cobb, the meeting adjourned at 12:31 p.m.

MEETING ADJOURNED