



Minutes
BOARD OF DIRECTORS
Research Corporation of the University of Hawai'i
Tuesday, December 4, 2018
@ Mānoa Innovation Center, 2nd Floor Conference Room
(2800 Woodlawn Drive, Honolulu, HI 96822)
9:30 am

PRESENT:

Eugene Bal, David Duffy, Kelli Goodin, Michael Maberry, Randolph Moore, Raynard Soon, and Vassilis Syrmos. Donna Ikeda was excused.

Sylvia Yuen, Brenda Kanno, Nelson Sakamoto, and Glenn Yee (RCUH Staff)
Russell Suzuki (Attorney General's Office)

CALL TO ORDER:

The meeting was called to order by Chair Eugene Bal at 9:30 am.

PROJECT PRESENTATION:

Dexter Kishida, Hawai'i DOE Food Service Program, presented an overview of the Aina Pono: Farm to School Program. The program launched in 2015 with leadership from the Lieutenant Governor's Office. Its focus is to increase local food in student meals as well as to connect children with the 'āina (land) through their food using products from the local agricultural community.

- Aina Pono = righteous meal.
- Program objectives: purchase local food, increase student participation in child nutrition programs, encourage consumption of healthy foods, and remain cost-neutral.
- Successfully piloted program at Kohala High School, which served 600 meals a day to its students as well as at the intermediate and elementary schools.
- Currently at Mililani High School which serves about 2,500 school lunches daily to its students and students at two elementary schools.
- The program is addressing the procurement, training, and supply and demand issues surrounding the purchase of local food for Hawai'i's public schools.

Using RCUH for the federal grant has been a big help because processing is faster and more efficient. Mr. Kishida is hoping that other externally-funded awards can also be serviced by RCUH.

The Board thanked Mr. Kishida for his informative presentation and the progress the Farm to School program has made in using locally sourced food.

APPROVAL OF MINUTES:

Upon motion made (Soon), seconded (Maberry), and duly carried, the minutes of the 9/4/18 meeting were approved as corrected (add the meeting location).

REPORT OF AUDIT COMMITTEE:

Audit Committee Chair Moore reported that the committee met on 10/29/18 and reviewed the annual financial audit report with Accuity, LLP and RCUH management. Overall, a clean opinion was rendered. While there were no material weaknesses in internal controls, there was one significant deficiency noted by the auditors. That dealt with incorrect data being provided on the post-retirement benefit to the actuary. Management has taken the necessary corrective action to ensure the accuracy of information provided for audit purposes. As delegated by the Board, the Audit Committee accepted the Audited Financial Statements for the Fiscal Year Ending 6/30/18.

STATUS REPORT ON UH SOEST SHIP OPERATIONS DEFICIT:

Mr. Yee reported that SOEST is on track and slightly ahead in reducing its deficit. The KOK vessel was auctioned, but the buyer has not made the required deposit so SOEST will re-auction the ship.

Director Moore inquired about the fluctuation in deficit amounts and the annual operating costs of the vessels. Mr. Yee will check with SOEST for an explanation.

FINANCIAL STATEMENTS:

The October 2018 statements were reviewed. RCUH is on track with the budget. The cash reflected is lower than a year ago due to a timing issue with reimbursements from the University. Interest and other income are up considerably from a year ago because of a more concerted effort to maximize interest returns and rebates from electronic payments.

EXECUTIVE DIRECTOR'S REPORT:

Director Yuen provided a written report. She noted:

- RCUH's new service initiatives have focused outward on our clients but we are now focusing some of that attention inward toward our core operations and staff. We have started to review how the Finance Department's internal operations and procedures can be made more efficient. A journey mapping exercise was recently completed for one facet of operations which brought to light many "pain points" and areas for improvement. If successful, the journey mapping will be conducted for all RCUH departments.
- Preliminary planning has started for the 2019 Forum which may focus on changes in DC/federal funding.
- Currently, as enhancements to RCUH IT systems are completed, they are released, but going forward, we will 'systemize' launches to occur only once or twice a year.

Chair Bal suggested it would be helpful for the Board to receive a more detailed update on RCUH's initiatives as a means to evaluate return on investments. Executive Director Yuen responded that she will prepare a summary of accomplishments based on the Strategic Plan and IT and Training Roadmaps, where significant resources have been invested.

Director Goodin inquired if RCUH's training services could be expanded to external customers, e.g., on a fee-for-service basis. Executive Director Yuen responded that RCUH's training has been focused on RCUH processes/procedures. Expanding services to others will require a thorough review as it will necessitate additional personnel and resources.

EXECUTIVE SESSION:

Upon motion made (Moore), seconded (Duffy), and duly carried, the Board voted to enter into Executive Session to discuss matters exempted by HRS §92-5(a)(4) [litigation matter]. The Executive Session convened at 10:40 am and adjourned at 11:30 am.

REPORT ON EXECUTIVE SESSION:

Chair Bal reported that the Executive Session discussion entailed a status report on a pending lawsuit.

ADJOURNMENT:

The meeting adjourned at 11:31 am.

/s/ Brenda K. Kanno

Brenda K. Kanno, Corporate Secretary

NOTE: Unless otherwise recorded in minutes, all motions were passed unanimously.