



Minutes
BOARD OF DIRECTORS
Research Corporation of the University of Hawai'i
Friday, June 7, 2019
@ UH Marine Center, 965 N. Nimitz Highway, Honolulu, HI 96817

PRESENT:

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

RCUH Staff: Sylvia Yuen, Brenda Kanno, Nelson Sakamoto, and Glenn Yee
Attorney General's Office: Russell Suzuki, Reese Nakamura

CALL TO ORDER:

The meeting was called to order by Chair Eugene Bal at 10:00 am (slight delay to meet quorum requirement).

Chair Bal recognized UHM SOEST Dean Brian Taylor and Anita Lopez, UHM SOEST Marine Center Director of Research Vessel Operations, and thanked them for hosting the Board meeting at their facility.

APPROVAL OF MINUTES

Upon motion made (Maberry), seconded (Duffy), and duly carried, the Board approved the minutes of the March 5, 2019 meeting as circulated.

STATUS REPORT ON UHM SOEST SHIP OPERATIONS DEFICIT

At the end of April, SOEST had a cash surplus of approximately \$53,000. Dean Taylor reported that the surplus is now at \$660,000. The MOA between RCUH and UH/SOEST provided that SOEST pay off the deficit no later than 12/31/19. Since the deficit has been eliminated, the MOA is retired. Dean Taylor thanked the RCUH Board for its support during the difficult financial period experienced by the ship operations program.

FINANCIAL STATEMENTS

Mr. Yee reviewed the financial statement for the month ended 4/30/2019. Overall, RCUH is in a good financial position and expenses are on track.

Chair Bal said the University expects to exceed \$400 million in extramural awards this fiscal year which is good news for RCUH as well.

EXECUTIVE DIRECTOR'S REPORT

Executive Director Yuen provided a written report, which included updates for the past quarter as well as achievements for the year using the RCUH Strategic Plan framework.

Director Goodin inquired why the federal indirect rates will be lower beginning July 1. Executive Director Yuen explained that the cost study conducted by the federal cognizant agency used 2016 as the base year. The RCUH budget/expenditures for 2016 and prior years were flat because of the conservative approach during those years. In 2017 the Board approved management's

recommendation of an increased budget which would give priority to much-needed IT upgrades and enhancements and professional development. Working with the University liaison to the federal cognizant agency, a request was made to use the 2017 data rather than the 2016 data for the review. The request was denied. VP Syrmos explained that from the cognizant agency's perspective, institutions were provided ample notice that 2016 would be the base year for the study so it was not appropriate for them to make an exception for RCUH. The new RCUH rates will be in effect until the next review is completed which will use data for the year 2022.

BUDGET FOR 2019-20

Mr. Yee reviewed the proposed FY 2020 budget. Projected revenues remain flat because of the lower indirect rates but RCUH expects about \$600k in interest and other income. The budget reflects a 4.3% increase for cost of living adjustments.

Upon motion made (Ikeda), seconded (Maberry), and duly carried, the administration budget for 2019-20 was approved as contained in the agenda book.

OTHER

- Director Duffy requested that Executive Director Yuen provide a report at the next meeting regarding how RCUH is dealing with risk management. Executive Director Yuen acknowledged that she will do so.
- Dean Taylor thanked the board for the financial support provided by RCUH to the UH Regents Excellence in Research Awardees. This year, all three recipients are from SOEST. The \$5,000 support to each of them is very much appreciated and will help them further their research endeavors.

PROJECT PRESENTATION

Anita Lopez and Brian Taylor provided an overview of the SOEST ship operations activities, which moved from Pier 45 to the present location almost three years ago. The Marine Center coordinates operations and maintenance of the Research Vessel (RV) Kilo Moana and the RV Kaimikai O Kanaloa, the latter having been recently decommissioned. The Center's responsibilities include ship scheduling; provisioning of shipboard crew and technicians; engineering support; coordination of shared equipment such as underwater vehicles, submersibles, and small boats; and vessel chartering.

The Board thanked Dean Taylor and Director Lopez for the informative and enlightening presentation and the tour of the Marine Center facilities and the RV Kilo Moana.

ADJOURNMENT

The meeting was adjourned at 12:40 pm.

/s/ Brenda Kanno

Brenda Kanno, Corporate Secretary

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