



Minutes
BOARD OF DIRECTORS
Research Corporation of the University of Hawai'i
Tuesday, March 5, 2019
@ Mānoa Innovation Center, 2nd Floor Conference Room
(2800 Woodlawn Drive, Honolulu, HI 96822)
9:00 am

PRESENT:

Eugene Bal, David Duffy, Kelli Goodin, Donna Ikeda, Michael Maberry, Randolph Moore, Raynard Soon. Vassilis Syrmos was 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 9:05 am.

PROJECT PRESENTATION:

Peter Gorham, UH Professor of Physics, provided an overview of his NASA-funded research project, Antarctic Impulsive Transient Antenna (ANITA), a stratospheric balloon payload flying over the Antarctic, designed to detect cosmic-ray air showers through radio-wave signals which bounce off the ice. His work is truly cutting edge, as his team discovered new evidence that suggests some Antarctic particles do not fit the standard model of physics. Neutrinos contain a wealth of information, from the birth of the universe to the nuclear reactions that power our cities, and Antarctica is a perfect place to study them. Future funding for the project is very promising. Dr. Gorham thanked RCUH for facilitating his project activities. RCUH processes enable faster turnaround of transactions and result in greater efficiencies, which lessens his administrative burdens so he can focus on his research. The Board thanked Dr. Gorham for his enlightening presentation.

APPROVAL OF MINUTES:

Upon motion made (Maberry), seconded (Duffy), and duly carried, the minutes of the December 4, 2018 meeting were approved as circulated.

FINANCIAL STATEMENTS:

Mr. Yee reviewed the financial statements for the month ended 1/31/2019. Volume is down slightly from a year ago but we are on track with revenues and expenses.

STATUS REPORT ON UH SOEST SHIP OPERATIONS:

SOEST remains on track in reducing the deficit and should meet the MOA requirement of eliminating the deficit by 12/31/2019.

To date, SOEST has been unsuccessful in selling the KOK and will make one last attempt to auction it this month. If a buyer does not emerge, SOEST will have to pursue disposal/other options.

The GCI lawsuit was settled in December.

EXECUTIVE SESSION:

Upon motion made (Moore), seconded (Maberry), 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 9:55 am and adjourned at 10:05 am.

REPORT ON EXECUTIVE SESSION:

Chair Bal reported that the Executive Session discussions were on lawsuits.

REPORT OF AUDIT COMMITTEE:

Audit Committee Chair Moore reported that the Committee reviewed the fee proposal from Accuity LLP for the financial statement audit for the fiscal year ending 6/30/2019 and agree with management's recommendation that the fee is reasonable. Accuity will also be changing the audit lead as recommended by the Committee. Upon motion made (Moore), seconded (Maberry), and duly carried, the Board approved Accuity LLP's fee of \$ _____ for the financial statement audit for the fiscal year ending 6/30/2019.

As to Mr. Soon's inquiry on Accuity's tenure as RCUH's external auditor, management responded it has been approximately ten years. He further inquired whether any consideration is being given on changing auditors so there are "fresh eyes". Director Moore responded that the Committee discussed this matter 2-3 years ago and reviewed the pros/cons and best practices, including research reports on the subject. After careful consideration, the Committee agreed that it is appropriate to continue with Accuity because of their familiarity with UH and RCUH and there is some benefit to UH and RCUH having the same auditor. The requirement for the continued engagement is that the lead audit partner is changed every seven years.

SALARY ADJUSTMENTS:

Mr. Sakamoto reviewed the proposed salary adjustment guidelines, which are in line with industry and UH collective bargaining pay increases. Pay adjustments are subject to availability of funds as determined by the project Principal Investigators.

Upon motion made (Moore), seconded (Duffy), and duly carried, the Board approved the salary adjustment guidelines as follows, effective 7/1/2019 or 10/1/2019:

% Adjustment	Type of Adjustment	Eligibility
2.5% to 3.0%	General Pay Award *	At least a Satisfactory rating on performance evaluation.
2.0% to 4.0%	Merit Pay Award *	Merit rating on performance evaluation.
* One-time payment or pay adjustment (increase in base pay rate)		

Director Moore asked how often does RCUH review its salary schedule with industry standards. Mr. Sakamoto responded that is done occasionally but RCUH has not done a study recently. Chair Bal recommended that RCUH undertake a study on salaries/benefits to ensure equity with industry, UH/State, etc.

EXECUTIVE DIRECTOR'S REPORT

Before reporting on new updates, Executive Director (ED) Yuen called on Mr. Suzuki to introduce Reese Nakamura, Deputy Attorney General, who replaced Diane Erickson. Diane retired in December and moved to the mainland to be with her family. The Board welcomed Mr. Nakamura.

Written copies of ED Yuen's report as well as a return on investment report requested by Chair Bal at the December meeting were disseminated to the Board prior to the meeting. Some new items since her report was distributed:

- David Duffy was recently named to the Gerrit Parmile Wilder Chair in Botany. Congratulations were extended to Dr. Duffy!
- Donna Ikeda and Mike Maberry were reappointed to the Board by the Senate President and House Speaker, respectively.
- Cybersecurity incidents are increasing. More phishing emails are circulating from spoofed email addresses of RCUH staff, UH ITS, Board members, etc. RCUH will continue to educate staff so malicious inks are not clicked on.
- There were two bills introduced in the Legislature that involved RCUH conducting studies but language in those bills were changed to the UH conducting the studies, not RCUH.

As to the return on investment report, Chair Bal was satisfied with the information provided. He asked the staff if the investments in infrastructure have made their jobs easier and resulted in efficiencies. All agreed that it has. The improvements to the IT systems has provided benefits not only to the core staff but to the project staff as well. Online training provides 24/7 access and has been very well received. Chair Bal was pleased with the progress made by RCUH over the past 2-3 years. He has seen a remarkable positive change in RCUH and which has been noticed by the public as well.

ADJOURNMENT:

The meeting adjourned at 10:40 am.

/s/ Brenda K. Kanno

Brenda K. Kanno, Corporate Secretary

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