

Minutes
BOARD OF DIRECTORS
Research Corporation of the University of Hawai'i
Tuesday, December 3, 2019
RCUH Conference Room

PRESENT:

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

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

CALL TO ORDER:

The meeting was called to order by Vice Chair Michael Maberry at 9:10 am.

[Chair Donna Ikeda arrived at 9:12 am.]

PRESENTATION ON MULTI-ETHNIC COHORT STUDY, UH CANCER CENTER

Executive Director Yuen introduced Dr. Loic Le Marchand, Principal Investigator of the Multi-Ethnic Cohort Study, UH Cancer Center, who has been conducting research on lifestyle and genetic risk factors for cancer for over 30 years.

Dr. Le Marchand provided a brief history of the study, the survey process, and the participant pool (from inception to present). Some of the results: the environment, not only genetics, determines cancer risk; obesity/body mass index presents different risks for different ethnic groups; and smoking and lung cancer risk varies by ethnicity. Dr. Le Marchand was grateful for RCUH's ability to hire personnel and procure goods/services in a timely manner. He expressed the need to conduct projections of expenses but the RCUH financial system does not allow him to do that in an efficient manner. Executive Director Yuen asked Mr. Yee to work with Dr. Le Marchand and his staff to ascertain whether adjustments can be made to the RCUH Financial Forecast tool to accommodate their needs.

The Board thanked Dr. Le Marchand for his very informative presentation and the important work he is doing.

APPROVAL OF MINUTES

Upon motion made (Maberry), seconded (Duffy), and duly carried, the Board approved the minutes of the September 3, 2019 meeting as circulated.

REPORT OF THE AUDIT COMMITTEE

Audit Committee Chair Moore reported on the committee's October 31, 2019 meeting:

1. Per the Board's delegation, the Committee accepted the financial audit conducted by Accuity LLP for the fiscal year ending June 30, 2019. There was a Significant Deficiency, but it was attributed to a UH staff. Because the timesheet data was entered into the RCUH payroll system, the auditor included the finding in RCUH's report as well. The matter involved the TRIO Cluster project at Windward Community College and RCUH is working with the Chancellor to provide training to WCC staff. Upon motion made (Maberry), seconded (Duffy), and duly carried, the Board ratified the Audit Committee's acceptance of the financial audit for the fiscal year ending June 30, 2019.

In response to Chair Ikeda's question as to who performs the actuarial reviews, Mr. Yee responded it is the company named Buck, which is well-known for its actuarial services. It is unknown why/how the errors were made by the actuary in the postemployment health care and life insurance benefits valuation.

2. Since the engagement with Accuity ended with the 6/30/19 audit, the Committee requested that management issue an RFP for a new audit engagement.
3. The Investment Guidelines, which were reviewed and revised by the Audit Committee, were presented to the Board. It was developed to provide a roadmap for RCUH investments for the corporation and financial institutions. The Committee recommends the Board's approval of the guidelines. Mr. Yee added that the guidelines reflect a conservative approach for short-term, US government-backed securities. Upon motion made (Soon), seconded (Duffy), and duly carried, the Board approved the Investment Guidelines, which are included as Attachment 1 to these minutes.

FINANCIAL STATEMENTS

Mr. Yee reviewed the balance sheet and statements. RCUH's cash position is very good and expenditures are in line with the budget.

EXECUTIVE DIRECTOR'S REPORTS

Executive Director Yuen elaborated on:

- UH Cancer Center Clinical Research Facility – The University has not yet determined whether the construction project will be service ordered to RCUH. If it is, RCUH will ensure that its interests are protected and risks are minimized (eg, roles/responsibilities clearly defined; construction manager hired and keeps RCUH informed; etc.). A memorandum of agreement between UH and RCUH would be executed prior to the service order. The Board will be kept apprised should the project be service ordered to RCUH.

Director Syrmos added that the different funding sources (federal and state GO bonds) add complications to the project. For instance, the federal funds, which are already in hand, have an aggressive schedule when certain milestones have to be met, but the state funds have not been released yet so the University is unable to utilize the state funds at the onset of the project.

Director Moore recalled that the UH Board of Regents' (BOR) policy states that if a construction project is service ordered to RCUH, the BOR must approve that action. Director Syrmos responded that is the process the University will follow should that decision made. As to what value RCUH would bring to the project vs. UH, Director Syrmos said that the expediency of procurement would be RCUH's strength. The UH will likely have difficulty meeting the federal NCI requirements because of UH's procurement process.

Should RCUH be involved in this project, Chair Ikeda reiterated the need for the University to have a plan so the problems faced by RCUH on the UHWO construction project will not be repeated.

- In follow-up to a meeting with the Governor's Chief of Staff, a presentation to the Governor's Cabinet will take place next week. Executive Director Yuen will conduct a presentation on RCUH's services and encourage the agencies to pursue more federal funding.
- Further discussions will be held with the new director of the UH Ventures Accelerator to explore how RCUH can assist UH start-up companies as they transition to successful commercial enterprises.

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)(2) [consider the hire, evaluation, dismissal, or discipline of an officer or employee] and HRS §92-5(a)(4) [consultation with the board's

attorney on questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities]. The Executive Session convened at 11:00 am and concluded at 11:20 am.

REPORT ON EXECUTIVE SESSION

Chair Ikeda reported that the Executive Session was for the purpose of discussing a personnel matter.

ADJOURNMENT

The meeting adjourned at 11:25 am.

/s/ *Brenda K. Kanno*

Brenda K. Kanno, Corporate Secretary

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