RCUH Research Corporation
of the University of Hawai‘i

DRAFT Minutes
BOARD OF DIRECTORS
Research Corporation of the University of Hawai‘i
Tuesday, March 10, 2020
MIC 2nd Floor Conference Room

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

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

CALL TO ORDER:
The meeting was called to order by Chair Donna Ikeda at 10:35 am.

APPROVAL OF MINUTES:
Upon motion made (Maberry), seconded (Moore), and duly carried, the minutes of the December 3, 2019 meeting were approved as circulated.

FINANCIAL STATEMENTS FOR MONTH ENDED 1/31/2020
RCUH remains in a good financial position. There is a slight increase in the volume of business compared to the same period last year.

In response to Director Soon's inquiry about the COVID-19 situation affecting normal operations, Executive Director Yuen responded that contingency plans are being developed for both the projects and for the core staff should the physical presence of employees be impacted.

If the economic/financial situation continues on the downward path, Director Syrmos felt that the federal government will provide stimulus opportunities that may help the University.

Chair Ikeda inquired about the item on the balance sheet related to advances for the University of Hawai‘i, which reflects about a $1m increase. Controller Brooks responded that that is due to the increase in funds advanced to RCUH for the SOEST Ship Operations activities.

REPORT OF AUDIT COMMITTEE
Audit Committee Chair Moore reported that the committee reviewed the proposals submitted by the audit firms interested in serving as RCUH's external auditor for the fiscal year 2020. Seven firms were provided with the Request for Information (RFI), but only four submitted proposals. There was a significant difference in the lowest and the highest price quotes. The committee agreed with management's recommendation to engage the services of N&K CPAs, Inc., the lowest bidder. Upon motion made (Moore), seconded (Maberry), and duly carried, the Board approved the engagement of N&K CPAs, Inc., as RCUH's external auditor for the fiscal year 2020, annually renewable for five years, with the option to renew for an additional year (6th year).

SALARY ADJUSTMENT GUIDELINES

Mr. Sakamoto presented the proposed salary adjustment guidelines for RCUH employees, which are in line with local and national market adjustments, including UH collective bargaining pay increases. All adjustments will be dependent upon the availability of funds.

Upon motion made (Moore), seconded (Maberry), and duly carried, the Board approved the pay award and adjustment guidelines effective 7/1/20 (or 10/1/20 for projects dependent on the federal fiscal year) as follows:

2.0% to 3.5%	Satisfactory General Pay Award One-time payment or pay adjustment which results in increase in base pay rate.	Eligibility: employees receiving at least a Satisfactory rating on their performance evaluation.
2.0% to 3.0%	Merit Pay Award One-time payment or pay adjustment which results in increase in base pay rate.	Eligibility: employees receiving a Merit rating on their performance evaluation.

EXECUTIVE DIRECTOR'S REPORT

Executive Director Yuen's written report was provided to the Board in advance of the meeting. Some recent developments and highlights were reported as follows:

- RCUH Forum: The annual forum scheduled for April 7, 2020 is postponed because of the COVID-19 situation. When the forum is rescheduled, the topic of *Foreign Intrusion Into Academic Research & Training* will continue to be the focus because of its importance and relevance to the research community.

- Enterprise IT Transformation: Work is progressing to transition the current financial system to a future-state platform, as well as address cross-department applications such as email, identity management, and multi-factor authentication. The goal is to improve efficiencies, avoid duplications/silos, and use technology to eliminate paper processing. The report and roadmap will be completed in May. In response to Director Bal's inquiry, Executive Director Yuen responded that UH's Kuali Financial System will be considered along with other vendors/ software during the evaluation phase of the review. Director Moore added that RCUH needs to determine what kind of system is really needed rather than just trying to duplicate the current system. The new system needs to be updated regularly and have the least amount of customization.

- Diversifying RCUH's Project Base: A number of meetings have been held with different state agency representatives to introduce them to RCUH services and to encourage them to pursue more federal funding opportunities. Feedback has been positive, so there is optimism that RCUH will be supporting more State of Hawai'i projects in the future.

- Firearms Report: Since there has not been much activity on the use of firearms, reports on the policy, which have accompanied the Director's quarterly reports, will be suspended. When there is more activity, update reports will be provided to the Board. Some of the reasons employees are unable to meet the requirements for the use of firearms are: difficulty completing mandatory training, lack of qualified individuals to inspect firearms, and the need for annual background checks. Also, projects are using air guns rather than firearms.

Chair Ikeda inquired about the salary equity adjustments for selected core staff and how we prevent future disparities. Executive Director Yuen said disparities usually occur during a tight labor market. To be competitive in attracting good candidates, we often have to offer a slightly higher salary to new

employees. This may result in inequities with long-serving employees in like positions. Mr. Sakamoto added that RCUH's policies are flexible and provide for equity and other adjustments so that we can remain competitive to retain employees.

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)(2) [consider the hire, evaluation, dismissal, or discipline of an officer or employee]. The Executive Session convened at 11:20 am and adjourned at 2:35 pm.

REPORT ON EXECUTIVE SESSION

Chair Ikeda reported that the Executive Session was for the purpose of selecting a new Executive Director. The Board authorized Chair Ikeda to offer the position to the selected individual as well as negotiate the salary and work out the other details of the appointment.

ADJOURNMENT

The meeting adjourned at 2:40 pm.

Brenda K. Kanno, Corporate Secretary

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