



**DRAFT** Minutes  
BOARD OF DIRECTORS  
The Research Corporation of the University of Hawai'i  
December 14, 2021  
Virtual Meeting

**PRESENT:**

Eugene Bal, Kelli Goodin, Ken Hayashida, David Karl, Michael Maberry, Vassilis Syrmos. Excused: Diane Paloma. Absent: Joseph Pickard

RCUH Staff: Leonard Gouveia, Nelson Sakamoto, Glenn Yee, Kaylee Hull  
Attorney General's Office: Reese Nakamura  
Strategic Planner: Peter Adler

**CALL TO ORDER:**

The meeting was called to order by Chair Bal at 9:04 a.m.

**PUBLIC COMMENT PERIOD (IF APPLICABLE)**

No written or oral testimony was received.

**APPROVAL OF MINUTES OF THE NOVEMBER 15, 2021 MEETING**

Upon motion made (Maberry), seconded (Hayashida), and duly carried, the minutes of the November 15, 2021 meeting was approved as circulated.

**FINANCIAL STATEMENT FOR NOVEMBER 2021**

Mr. Yee presented the balance sheet for November 2021, which reflected approximately \$42.1 million in assets and \$32.5 million in liabilities, which equaled \$9.6 in retained earnings. He reminded the board that this only reflects a picture in time and that RCUH is transaction-oriented so a fluctuation of cash is typical; it depends on the timing of payments and collections of receivables and advances.

Mr. Yee reviewed the income statement, which reflects five months of activity. He stated that RCUH is slightly under-budget and correspondingly, RCUH has also spent less, resulting in a positive operating income. Mr. Yee also noted that RCUH has a number of vacancies resulting in a decrease in salaries and wages, but acknowledged that staff burnout is a concern. He highlighted that RCUH's volume of business totaled \$120 million at the end of November, which averages to approx. \$24 million of expenditures being run through RCUH each month. Lastly, Mr. Yee reviewed RCUH's cash flow statement, which reflected \$22 million in cash disbursements in November 2021.

**REPORT OF AUDIT COMMITTEE**

Director Hayashida served as chair for the Audit Committee and reported that the committee met with N&K CPAs in October to review and accept the audited financial statements for FY21. He noted that the auditors provided an unmodified opinion and found no significant deficiencies. Upon motion made (Maberry), seconded (Karl), and duly carried, the Board ratified the Audit Committee's acceptance of the audited financial statements for Fiscal Year 2021.

## EXECUTIVE DIRECTOR'S REPORT

ED Gouveia explained that he wouldn't address all of the points in his written report to allow more time to discuss the strategic plan, but he would remark on a few items.

- COVID-19 Vaccination Plan: RCUH has been working closely with the University in developing its COVID-19 Vaccination Policy, which was released on Dec. 3, 2021. However, a few days later a federal district court issued a nationwide injunction against Executive Order 14042, which mandated vaccinations for federal contractors. This resulted in a postponement of RCUH's policy and Human Resources Director Nelson Sakamoto is working with RCUH's attorneys on a plan moving forward.
- 2017-2021 RCUH Strategic Plan: ED Gouveia noted that this would be the final report that addresses the 2017-2021 Strategic Plan, which was developed by former Executive Director Sylvia Yuen. He felt that most items of this plan have been completed, but the main carryover item is the replacement of the AS400 for the RCUH Financial System.
- Assistant Facility Security Officer: ED Gouveia announced that Director of Corporate Services Kaylee Hull has been named Assistant Facility Security Officer. He will remain as the Facility Security Officer until the role has been transitioned to another individual.
- East-West Center move: ED Gouveia reported that he met with East-West Center (EWC) staff last week to look at additional space at Burns Hall. It appears that RCUH will be able to lease out at least two more offices while it conducts an internal evaluation of its existing space. ED Gouveia hopes to present a plan at the next board meeting.

Chair Bal asked how many staff would have to move from the Manoa Innovation Center (MIC) to EWC. ED Gouveia explained that half of RCUH's core staff are at MIC, while the other half are at Burns Hall. He added that RCUH's employee count is currently on the lower end. ED Gouveia believes that being in a single location will be a tremendous asset for both RCUH staff and UH researchers. When asked about the cost of the move, ED Gouveia clarified that RCUH has looked into this issue and he believes that it will be the same or slightly under what RCUH is currently paying for both locations. He expressed that RCUH is trying to be as efficient as possible and do its part to save as much as it can.

Director Hayashida asked about the percentage of staff that is coming into the office and whether RCUH is looking into a hybrid workplace model. ED Gouveia disclosed that the plan is to move to a hybrid model, which is why space allocation is important. He shared that UH has been working hard on its own telework policy and that RCUH will try to be in sync with the University's policy. ED Gouveia estimated that 6-10 employees (out of 40) may be able to work remotely, but noted that number could change. He expressed that this policy is complicated and there are a lot of issues to address, but this could be an opportunity for cost savings. However, ED Gouveia emphasized that it is important to not lose focus on the services that RCUH provides to researchers.

Director Karl broached the topic of annual salary adjustments for RCUH's core staff. Given the number of open positions and potential cost savings with the new lease, he asked whether there would be any possibility of a mid-year bonus for the core staff. Director Karl noted that the quality of service could be impacted by staff morale, which must be at a low-point given the lack of salary adjustments for the past three years.

ED Gouveia shared that he was proud of RCUH's core staff for doing more with less, but acknowledged that the rest of the state is experiencing the same hardships. He is concerned about raising issues of inequality if he were to allow raises for RCUH core staff. ED Gouveia also acknowledged that there is a difference from project staff, who are funded by federal awards, and does not feel it would be appropriate to distribute raises at this time in the midst of a hiring freeze.

Director Syrmos thanked ED Gouveia for his leadership on this difficult subject and concurred with his decision. He suggested that RCUH core staff are basically paid from Research Training and Revolving Funds (through the UH management fee) and that it would be unfair if UH employees paid out of RTRF do not receive an increase, while RCUH employees did.

ED Gouveia conveyed that he understands the difficulty since there has been an increase in federal funding and more work with less people. He noted his appreciation for the core staff and declared that we are currently in the process of change, which was the professional development topic at RCUH's October core staff meeting. Chair Bal thanked Director Karl for bringing up this initiative, but he thinks this is representative of RCUH's aim in the new strategic plan, which is to become more tightly integrated with the University.

### **2022-2026 STRATEGIC PLAN REVIEW AND RATIFICATION**

Mr. Adler explained that the goal of the meeting is to bring the plan to adoption and congratulated RCUH's leadership and board for their hard work. He pointed out that this draft incorporates notes from the last board meeting, and includes some consolidations and elaborations. Mr. Adler also applauded RCUH's formatting of the strategic plan, which he uses as a model for other agencies and businesses. He praised the board for actively monitoring the progress of its strategic plan at its quarterly board meetings and noted that this is an amendable living document.

Chair Bal asked the directors whether they felt their personal review has been satisfied. ED Gouveia explained that the 2022 Annual Plan at the end of the document lists the objectives RCUH plans to focus on in the next year. He ensured the Board of Directors that RCUH will keep them informed and have open discussions on issues.

Upon motion made (Hayashida), seconded (Maberry), and duly carried, the board accepted the 2022-2026 RCUH Strategic Plan. ED Gouveia thanked the board and staff for their hard work and noted that the plan incorporates feedback and suggestions from the field so that RCUH can improve its services.

### **ADJOURNMENT**

The meeting adjourned at 9:46 p.m.

Kaylee Hull  
Executive Administrator

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