



DRAFT Minutes

BOARD OF DIRECTORS

The Research Corporation of the University of Hawai'i

Tuesday, September 6, 2022

Meeting Location: Mānoa Innovation Center, Presentation Room
2800 Woodlawn Drive, Honolulu, HI 96822

PRESENT:

Eugene Bal, Ken Hayashida, David Karl, Jaret KC Leong, Diane Paloma, Vassilis Syrmos. Excused: Joseph Pickard, Kelli Goodin.

RCUH Staff: Leonard Gouveia, Glenn Yee, Kira Higa, Kaylee Hull
Attorney General's Office: Reese Nakamura

CALL TO ORDER:

The meeting was called to order by Chair Bal at 9:05 a.m.

PUBLIC COMMENT PERIOD (IF APPLICABLE)

No written or oral testimony was received.

APPROVAL OF MINUTES OF THE JUNE 3, 2022 MEETING

Upon motion made (Hayashida), seconded (Paloma), and duly carried, the minutes of the June 3, 2022 meeting was approved.

FINANCIAL STATEMENT FOR FISCAL YEAR 2022

Mr. Yee explained that RCUH submits its audited financial statements to the University of Hawai'i by November 1st each year. He reviewed FY 2022's assets and liabilities and noted there was not much change; RCUH's ending cash balance for FY 2022 was approximately \$20.9 million compared to \$21.7 million in FY 2021. Mr. Yee stated that RCUH did see a spike in direct projects due to increased federal funding, specifically in the form of GEER funds.

When reviewing the Statement of Revenues, Expenses, and Changes in Net Assets, Mr. Yee remarked that RCUH underspent its budget, particularly in salaries & wages due to being understaffed for most of the year. The Professional/Technical Support budget category exceeded its projections due to legal expenses incurred from settled claims in the past year.

In terms of extramural awards, UH recorded a 4.3% increase in the year-to-year comparison. Director Paloma inquired whether the increase in volume of business was due to COVID-funding, and Director Syrmos explained that a large amount of expenditures were incurred due to the Higher Education Emergency Relief Fund (HEERF). He anticipates another \$40-50 million being processed by RCUH next year, but the HEERF funds will drop to zero.

ED Gouveia added that RCUH made a concerted effort to cut spending and part of the understaffing was intentional as the new HR Director Kira Higa evaluated staffing needs in her department.

FINANCIAL STATEMENT FOR JULY 2022

Mr. Yee reviewed the Financial Statements for July 2022 and highlighted the fluctuation in TCDs. He explained that RCUH has a ladder TCD program to support its operating account and fluctuating cash flow. RCUH's TCD balance typically falls between \$10-16 million, and RCUH is looking at other

alternatives for short-term investments. Mr. Yee stated that nationally he's seen some TCD rates go up to 3%, but locally the market isn't as good with rates around 2.1%.

EXECUTIVE DIRECTOR'S REPORT

ED Gouveia began his report welcoming the directors to the first in-person meeting since the pandemic and thanked the leadership team for their efforts.

- Move to Burns Hall: The RFP period has closed and a vendor has been selected for the installation of new office furniture. Based on the initial proposal, the projected installation will be scheduled in December with staff moving in January 2023.
- Revolving Funds Update: ED Gouveia recognized that there was a lot of work being done on the UH side to transition Revolving Accounts from RCUH to the UH system. Director Symros said he appreciated Glenn and Lenny working on this transition, which is anticipated for July 1, 2023.
- DCSA Inspection/FSO-Maui Visit: ED Gouveia reported that RCUH is scheduled for a security inspection on Sept. 20th related to our work as a classified facility. RCUH is working closely and coordinating with UH's Facility Security Officer (FSO) Victoria Rivera. The last in-person review by the Defense Counterintelligence Security Agency (DCSA) occurred in 2017. ED Gouveia explained that this would be the first time RCUH and UH are being scheduled one day apart, but it makes sense to conduct the inspections close together due to the tight-knit relationship between the two entities. He added that RCUH's Industrial Security Representative is being replaced with another individual for this inspection.

ED Gouveia reported that he visited Maui with FSO Rivera and Assistant FSO Kaylee Hull to meet with staff at the Pacific Disaster Center and Maui High Performance Computing Center (ARL Maui) prior to the security review.

- IT Position Search: ED Gouveia stressed that RCUH cannot afford to continue without an IT administrator and that the recruitment process is in the final interviews with two potential candidates. He anticipates that this individual will work closer with UH and will be able to assist with the process of replacing the AS400.
- Strategic Plan Updates:
 1. GOAL 1: Evaluate and Implement Recommendations from the RCUH Task Force.
 - UH/RCUH Internal Agreement: ED Gouveia restated that UH's Executive Policy 12.216 was updated in June 2022 to remove the 10% cap on RCUH's management fee. As noted at the previous board meeting, it was agreed upon by both parties that the Internal Agreement does not need to be modified now, but will continue to be evaluated in the future.
 - RCUH Reserves: Although this issue has been discussed over the years, RCUH will provide a presentation on the history and use of RCUH reserves at the December board meeting and will draft a policy for presentation to the board at the March 2023 meeting.
 2. GOAL 2: Clarify RCUH's identity with UH and the State.
 - Master Agreement with the State of Hawai'i: ED Gouveia stated that he has met with numerous people on this matter and will determine if changes are necessary. RCUH is comfortable with the current agreement and feels that it is compliant with the state statute.

3. GOAL 3: Reform RCUH's Internal Operations.
 - Evaluating current roles and positions: This benchmark primarily applies to the HR department due to the onboarding of new HR Director Kira Higa.
 - Formal remote work policy: Ms. Higa is working on a remote work policy for RCUH employees, but RCUH will be following UH's policy for consistency purposes. The HR Department is also working on implementing a tracking code in the eTimesheet system so that telework can be tracked.
 - Multi-Factor Authentication: This is overdue, but progress is being made towards implementing MFA.
 - AS/400 Replacement: Mr. Yee is working with UH on the RFP for the replacement of the AS400; it is anticipated to be posted in October/November with a targeted service date of July 2023.
4. GOAL 4: Increase engagement and outreach to clients.
 - Collaboration with UH Office: RCUH is working with UH to address the new accounting guideline for leases, known as GASB 87. RCUH was essentially entering leases as an agent of the University since many of those leases were for the benefit of UH, however it was left to the Principal Investigators to approve and sign off on those leases. By adjusting the accounting procedures for leases, this will give UH more control and oversight.
 - Outstanding Employee of the Year Awards: RCUH will be hosting an awards luncheon on Thursday, October 27, 2022 at the UH Manoa Campus Center Ballroom.
 - Direct Projects: ED Gouveia stated that RCUH has been doing a better job in evaluating Direct Project proposals, however it has caused more of a delay. In most cases, individuals are reaching out to RCUH at the last minute with highly complicated issues, but there seems to be a better understanding of RCUH's criteria for accepting direct projects. Director Karl inquired whether Direct Projects hire staff and Mr. Yee concurred that some do and that RCUH screens the position to ensure it's not a replacement of an existing state position.

Chair Bal informed the Board of Directors that the Budget & Finance Committee of the UH Board of Regents met this past week and were presented with a proposal to give Executive Management personnel a 3.72% salary increase, which is in line with the bargaining units. There were other memos to account for equity and adjustments as well. The proposal will come to the full board.

Director Leong inquired what RCUH core staff have been doing in terms of a remote work policy. ED Gouveia explained that HR staff were not allowed to work remotely (prior to Ms. Higa's employment), but other staff have been allowed to telework during the pandemic. Director Leong asked whether hazard pay was ever considered for RCUH core staff. Ms. Higa stated that this was not considered since HR staff did not need to collaborate in person and had their own offices. When she became the new HR Director she implemented a Virtual Private Network to allow staff to work remotely if needed.

Director Leong shared that this may be a potential policy for UH Administrative, Professional and Technical (APT) positions, with an increase in percentage depending on the amount of exposure while at work. Director Syrmos noted that the current UH Telework policy is not COVID-related. ED Gouveia stated that he will keep a look out for that policy.

APPOINTMENT OF AUDIT COMMITTEE & DELEGATION OF AUTHORITY TO APPROVE FY 2022 AUDITED FINANCIAL STATEMENTS

Chair Bal appointed Director Hayashida to chair the Audit Committee, which would include Director Paloma, ad hoc member Wally Chin, as well as himself. Upon motion made (Paloma), seconded (Karl), and duly carried, the Board of Directors delegated the authority to approve RCUH's FY 2022 audited financial statements.

APPOINTMENT OF PERSONNEL COMMITTEE FOR EVALUATION OF EXECUTIVE DIRECTOR

Chair Bal appointed Vice Chair Goodin, Director Karl, and Director Hayashida to the Personnel Committee, which would be responsible for the evaluation of the executive director.

ELECTION OF OFFICERS

During the nomination period Director Karl nominated Chair Bal to serve another year in his current position. Director Hayashida followed suit and nominated Vice Chair Goodin in her current position. No further nominations were received and the board unanimously voted to approve the nomination slate (two board members were excused).

ADJOURNMENT

The meeting adjourned at 10:10 a.m.

Kaylee Hull
Executive Administrator

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