



HSSA BOARD OF DIRECTORS
Minutes of the October 30th, 2013 Board Meeting

Members Present:

Nancy Isserlis, Chair; Marty Martin, Vice Chair; Jason Thackston, Finance Chair, Mike Wilson, Grants Chair, Jeff Collins, Kevin Oldenburg, Gary Pollack, Dave Vachon and Frank Velázquez.

Members Absent:

None

Staff Present:

Susan Ashe, Acting Executive Director
Jim Emacio, Legal Counsel
Gaylene Lewin, Consulting Accountant

Guests:

Brian Kasbar

1) Call to Order

Nancy Isserlis welcomed everyone and called the meeting to order at approximately 3 p.m. The meeting was conducted at the McKinstry SIERR Building, Roundhouse 1, 850 E. Spokane Falls Boulevard, Spokane, WA.

2) Approval of Minutes

Kevin Oldenburg moved to approve the minutes of the September 4, 2013 board meeting and Mike Wilson seconded the motion, which passed unanimously.

3) Board Actions

A) Kevin Oldenburg moved approval of the September 4, 2013 Board Meeting Minutes and Mike Wilson seconded the motion, which unanimously passed.

B) Kevin Oldenburg moved approval of the 2014 Budget, Gary Pollack seconded the motion, which unanimously passed.

C) The HSSA Grants Committee, chaired by Mike Wilson, reviewed several grants proposals and made the following motions to support:

1) On behalf of the Grants Committee, under the HSSA RFP #9 Access to Care Grant, Mr. Wilson moved that the HSSA Board support an award of \$150,000 to the Spokane County Medical Society's Project Access and Consistent Care Washington, and an award of \$30,000 to the Spokane Prescription Assistance Network (SPAM), for a total of \$180,000 to be awarded under RFP #9. Jason Thackston seconded the motion and the board unanimously passed the motion with one abstention from Nancy Isserlis.

2) On behalf of the Grants Committee, under HSSA RFP #6 to Fund Innovative Research to Expedite Commercialization and Spur Job Growth, Mr. Wilson moved that the HSSA Board support an award of \$499,954 to Dahl Natural LLC for its automated "Real-time electrochemical monitoring device (AECM)" and for the company to move to Spokane County from Corvallis, OR, to conduct and grow its business. Dave Vachon seconded this motion and it passed unanimously.

3) On behalf of the Grants Committee, under HSSA RFP #5 to fund human capital and infrastructure to accelerate Spokane's health sciences research capacity, Mr. Wilson moved that the HSSA Board support an award of \$1,965,000 to Washington State University College of Pharmacy. The funds will be used to fund start-up packages for three researchers to relocate to the WSU Spokane campus and to fund microscopy/imaging and pharmacogenomics core laboratory equipment. Kevin Oldenburg seconded the motion which the Board passed unanimously with one abstention from Dr. Pollack.

4) **Chair's Report** – Nancy Isserlis, Board Chair

The Chair congratulated Mike Wilson for his reappointment to the HSSA Board by Governor Jay Inslee for a four-year term beginning immediately, and thanked Mike for his willingness to continue to serve on the HSSA Board. She also reviewed with Board members other Board terms that will conclude over time in 2014.

The Chair suggested the next Board meeting be held **Wednesday, January 8, 2014**, here at McKinstry, with the understanding that if we find it necessary to do call a special meeting, will do so, to which the Board agreed.

The Chair also described a two-day trip to Seattle and Bellevue she and the Executive Director were on the prior week in which they attended the Governor's Life Sciences Summit in Bellevue on Friday morning where there were 700 attendees, and also had a series of meetings the day prior to the summit.

5) **Executive Director's Report** – Susan Ashe, Executive Director

In the interest of time, the Executive Director indicated that the Chair had adequately covered the meetings they both attended in Seattle the prior week and would refer Board members to the written report found in their Board packets for her additional comments.

6) Board Committee Reports

A) Finance Committee –Jason Thackston, Chair

Mr. Thackston presented the September 30, 2013 HSSA financials. He said he had reviewed all the documents and found the HSSA in good financial shape. Total state tax remittance for the year is \$1,171,653 plus an additional \$80,353 from Spokane County allocated earnings. HSSA's ending cash balance as of September 30th is \$13,491,648 with committed payroll, tax, grants and bond liabilities of \$10,856,664. Operating expenses for the year remain below the 10% goal at 8.2%.

Mr.Thackston made a presentation on the proposed 2014 Budget of \$142,338. The Chair asked for a motion to approve the 2014 budget. **Kevin Oldenburg moved approval of the 2014 Budget, and Gary Pollack seconded the motion, which unanimously passed.**

B) Grants Committee – Mike Wilson, Chair.

Mr. Wilson reported that the HSSA Grants Committee met on October 22, 2013 from 3 – 5:30 p.m. Committee members attending in addition to Chair Wilson were Marty Martin, Kevin Oldenburg & Dave Vachon . Gary Pollack participated by phone. The Executive Director also attended.

The Committee met and reviewed several proposals in a variety of HSSA grant categories, as follows and subsequently made decisions about recommendations to the full Board. The proposals and recommendations are as follows:

1) HSSA RFP #9 – Access to Care Grants

The Grants Committee reviewed five (5) grant proposals which totaled in requested funds between \$386,350 - \$521,350. There was some discussion. Subsequently, Mr. Wilson, on behalf of the Grants Committee, moved that the full Board approve two grants, \$150,000 to the Spokane County Medical Society Project Access & Consistent Care Washington, and the \$30,000 to the Spokane Prescription Assistance Network (SPAN), for a total HSSA RFP #9 Access to Care Grant recommendation for approval of \$180,000.

Mr. Emacio suggested a friendly amendment to the motion that provides for the Executive Director to prepare the standard Grant Award Agreement and authorize the Chair to sign on behalf of HSSA as has been the case in the past. The amendment was agreed to, and Jason Thackston seconded the amended motion, which was passed by unanimously by the Board.

2) HSSA RFP #6 – Small business matching funds grants for Innovate Research to Expedite Commercialization and Spur Job Growth

Dahl Natural LLC AECM Proposal

\$ 499,954

The Grants Committee reviewed a proposal from Dahl Natural, LLC, Corvallis, OR, for “Real-Time, Low Cost Monitoring of Pesticides in Food and Water to Ensure Safety” via its automated electrochemical monitoring device (AECM). The company is led by Anne Schwartz, President, and has met the matching grant requirement with two federal grants. The technology targets food processors (early adopters) with a low-cost sensitive and accurate method to measure trace amounts of pesticides that lead to developmental disabilities among children. The HSSA matching grant will allow Dahl to move its headquarters to Spokane from Oregon and initially employ seven (7) people. This is the first company to relocate to Spokane under our outreach initiative with GSI.

On behalf of the Grants Committee, Mike Wilson moved that the HSSA Board grant \$499,954 to Dahl Natural LLC for its Real-Time, Low Cost Monitoring of Pesticides for Food and Water Safety via its automated electrochemical monitoring (AECM) device. Dave Vachon seconded the motion, and the Board unanimously approved the grant.

3) HSSS RFP #5 –Human Capital/Infrastructure support

The Committee reviewed a proposal from Dr. Gary Pollack, WSU Dean, College of Pharmacy, to support start-up packages for three researchers for a total of \$900,000, plus core laboratory requests for Microscopy and Imaging (\$705,000) and Pharmacogenomics (\$360,000), for a total request of \$1,965,000.

On behalf of the HSSA Grants Committee, Mike Wilson moved and Kevin Oldenburg seconded a motion to approve the requested funding under HSSA RFP #5 to the WSU College of Pharmacy in the amount of \$1,965,000. This grant will fund three researchers, Drs. Zhu, Lanfear and Ahmed for \$900,000 and equipment for core laboratories in microscopy and imaging and in pharmacogenomics in the amount of \$1,065,000. The HSSA Board unanimously approved the motion.

Finally, in other Grants Committee business, Mr. Wilson said that the Grants Committee recommends the Board change some language in HSSA RFP #5 (Invest in Human Capital to Accelerate Spokane’s Health Sciences Research Capacity) that reads to “transfer up to \$1.5 million in currently active research funding to his/her new position in Spokane County” to read “transfer up to \$500,000 in currently active research funding to his/her new position in Spokane County.” Kevin Oldenburg seconded the motion which passed unanimously.

7) Executive Session

There was no Executive Session.

8) Counsel’s Report

Legal Counsel presented on the pros and cons of including a payback clause in future HSSA Grant Award Agreements. The discussion was referred to the Grants Committee to discuss before the next Board meeting. Similarly, Mr. Emacio proposed that a policy for consideration regarding the hiring of outside legal counsel should include his managing the process, with the Board Chair’s approval and in coordination with the Executive Director. The

Board also be involved in the decision. This item also was forwarded to the Grants Committee for further discussion and to develop a recommendation for the full Board.

9) **Board Member Comments and Announcements**

Dr. Gary Pollack invited Board members to the dedication of the WSU Pharmaceutical and Biomedical Sciences Building grant opening on December 6, 2013 at 1:30 p.m. Dr. Pollack also invited the Board to a smaller, internal open house for staff and students on December 4, 2013 from 4:30-6:30 p.m.

Board Chair Isserlis adjourned the meeting at approximately 5:15 p.m.

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The next Board meeting will be held **January 8, 2014 at the McKinstry SIERR Building, 850 E. Spokane Falls Building, Roundhouse Conference Rooms 1 and 2. The Board holds open the option, if necessary, to call a Special Board meeting before this next scheduled meeting.**