

**New Mexico Bioscience Authority (BSA) Board of Directors
Regular Meeting**

March 26, 2021 11:30 am – 1:00 pm

317 Commercial St. NE, Suite 311, Albuquerque, NM*

Draft Meeting Minutes

Present: Richard Larson (Chair), Ken Prokuski, Scott McLaughlin, Myrriah Tomar, Dale Dekker, Immo Hansen, Tom Kieft, Suzanne Quillen, Sheryl Arvizu; Greg Byrnes; Stuart Rose, Sheryl Arvizu, Christos Christodoulou, Jennifer Gifford

Absent: Myrriah Tomar

Staff Present: Ryan Cangioli, Sterling Nichols

#	Agenda Items	Board Actions
1.	Call to Order and Confirmation of Quorum	The Chair called the meeting to order at 11:30 am. A Quorum was confirmed, and all board members were present.
2.	Approval of Minutes <ul style="list-style-type: none"> January 22, 2021 BOD Meeting 	<p>The Chair called a motion to approve both January 22, 2021 and February 19, 2021 minutes which were motioned by Sheryl Arvizu and seconded by Scott McLaughlin.</p> <p>A Roll call vote of all board members was called with ten in the affirmative, one in opposition, none in abstention and two absent. The vote was as follows:</p> <p>Arvizu-Affirm, Byrnes-Affirm, Christodoulou-Affirm, Dekker-Affirm, Gifford-Affirm, Hansen-Affirm, Kieft-Absent, Larson-Affirm, McLaughlin-Affirm, Prokuski-Affirm, Quillen-Affirm, Rose-Oppose, Tomar-Absent</p>

	<ul style="list-style-type: none"> February 19, 2020 BOD Meeting 	<p>A Roll call vote of all board members was called with eleven in the affirmative, none in opposition, none in abstention and two absent. The vote was as follows:</p> <p>Arvizu-Affirm, Byrnes-Affirm, Christodolou-Affirm, Dekker-Affirm, Gifford-Affirm, Hansen-Affirm, Kieft-Absent, Larson-Affirm, McLaughlin-Affirm, Prokuski-Affirm, Quillen-Affirm, Rose-Affirm, Tomar-Absent</p>
3.	Announcements and Chair's Report	<p>The Chair announced that the state allocated more funding than expected to the BSA at this year's Legislative session. It was reported that the NMBSA would be receiving \$347, 400 for FY22. Chair Larson explained that he was informed that the legislature approved an appropriation of \$285,400, plus \$62,000 in other state funding from a past House Junior bill.</p> <p>(A subsequent email was sent out to the board after the board meeting explaining that the NMBSA did not get an increase, but the ability to carry forward our funding of \$62,000 from House Bill 2 last year. Our total FY22 General Fund Appropriation is \$286,900)</p> <p>Included in the announcement was a statement by the chair addressing 'concerns of corruption' that was mentioned at the state legislature to Director Greg Byrnes. It was centered around how the NMBSA might invest in the future. The chair assured that no corruption exists at the NMBSA, either by an individual or from the organizational as a whole. He explained that a concern with the NMBSA being a public private partnership and how public monies were appropriated and spent by private entities in the past involving similar funding approaches. He shared that in</p>

		<p>the past the state dealt with pay-to-play controversies.</p> <p>The Chair mentioned that in the Interim report to the STTC Committee he presented the Direct Investment Fund concept and how the legislature requested increased oversight by UNM. He also explained that there could be a concern of a member directing funding to a business entity that they might have personal interest in, so the NMBSA would develop a more robust conflict-of-interest policy requiring the declaration of financial interests. The chair referenced the conflict-of-interest policy that the State Investment Council uses, explaining that it is extensive and that the NMBSA may consider many items within it with regards to managing financial conflicts that might exist with board members. The responsibility for bringing forth a new COI policy would fall on the Executive Committee who will bring the policy to the whole board for approval.</p> <p>Due to the official at the legislature who brought up a possible audit of the NMBSA, the chair raised a possible need for an audit committee which the Executive Committee approved to be on the agenda. Chair Larson explained that the NMBSA has only spent \$300,000 over the last three years.</p>
4.	Memorandum of Agreement with UNM	<p>Ryan Cangioli and Ari Vazquez from the office of UNM Legal counsel presented the MOA to the board clarifying the relationship with UNM HSC and how it is formalized.</p> <p>Mr. Cangioli explained that MOA covers the Fiscal and Administrative functions that UNM HSC provides the NMBSA, as it is administratively attached to UNM according to the enabling legislation.</p>

	<p>He explained that the MOA was not explicitly needed, as the NMBSA is administratively attached to UNM and UNM has already been providing the services. But our past and current legal representation encouraged it as it would codify and clearly define expectations.</p> <p>The MOA details the support UNM HSC provides such as Human Resources, Information Technology, Procurement and Fiscal Services. Mr. Cangioli provided examples of how the HSC currently provides administrative support according to the MOA in the hiring of personnel as UNM employees who are given duties assigned to the NMBSA. Those positions include the Executive Director, Program Specialist and the Strategy and Policy Director.</p> <p>Ari Vazquez stated that the ‘whereas’ sections in the MOA are standard language and the MOA formalizes the relationship in that the HSC serves as the administrative arm facilitating fiscal, legal and administrative operations. She explained this is an agreement that formalizes the already existing relationship between the UNM HSC and the NMBSA. Adding to the Strategy and Policy Director’s statement in the HSC’s role in hiring employees, Vazquez clarified that the NMBSA does not have functionality to hire its own employees or run its own finance, audit or other operations that the UNM HSC was designated to and currently handles.</p> <p>Vazquez presented the MOA to the BOD via screen share to summarize the current draft.</p> <p>Ms. Vazquez summarized the financial functions that UNM HSC handles and a question was raised by Director Rose involving Sections 3a, b, e and g, which talks about</p>
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	<p>compliance with certain UNM HSC policies and programs. Director Rose expressed that we don't know what those are.</p> <p>Vazquez explained that we wouldn't restate those policies in the MOA but could attach them in an index or an exhibit. She went on to explain that the MOA is an 'Umbrella,' high level agreement and does not provide explicit detail. She suggested that clarification on specific items could be accomplished through amendments or attachments to the MOA.</p> <p>Director Rose also raised a question of the enabling legislation which gives the NMBSA certain authorities that UNM might not have and how UNM policies might interfere with legislative intent. Director Rose referenced investment and borrowing of money. He said we don't know if the UNM policies would interfere with the ability of the Authority given within the enabling legislation. He suggested adding a 'Qualifier' stating, "unless directed differently in the enabling legislation" or something similar.</p> <p>Ms. Vazquez provided a point on Director Rose's concerns:</p> <ol style="list-style-type: none"> 1. the MOA is not for UNM to have authority over the business of the NMBSA. <p>She confirmed that we could add a Qualifier to the section - to the extent, but not inconsistent with the area within the statute. "The responsibilities of the NMBSA, the NMBSA shall, to the extent not inconsistent with the legislation, etc."</p> <p>Director Prokuski brought up a concern regarding the 4.5% management fee in 3d. Director Prokuski was concerned with the possibility of other funds the NMBSA has</p>
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	<p>asked the legislature for, as it could result in a very large fee incurred by the NMBSA. Ms. Vazquez explained that the agreement could be amended by the two parties through negotiation. Vazquez confirmed that the handling of funds would comply with all federal and state regulations.</p> <p>Ms. Vazquez communicated that the need for a financial audit by the authority would occur if the authority's funding exceeded \$500,000. Copies of the audit would be shared with UNM HSC.</p> <p>Director Rose asked a question with regards to the threshold for an audit being increased from \$250,000 to \$500,000. He asked if we should put a time limit on it too, if the authority has not received funding that exceeded \$500,000 within a certain number of years that we would engage in an audit anyways.</p> <p>Chair Larson explained that the NMBSA is audited every year within the UNM audit. He explained this is why the Executive Committee is proposing an Audit Committee, so that the committee would review the audit each year.</p> <p>Vazquez confirmed that nothing in the MOA should affect the authority on its own from engaging in an independent audit.</p> <p>Ms. Vazquez shared that administrative services are coordinated through the Office of the Executive Vice Chancellor, who serves currently as the president of the Authority. Director Rose raised a question of a perceived conflict of interest when the president of the NMBSA is also the head of the Office of the Executive Vice Chancellor. He asked, if there was a disagreement, how would it be resolved? Ms. Vazquez explained that the</p>
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	<p>authority would decide on what services it needs and then would request those services from UNM. Chair Larson explained that the NMBSA could terminate a service. Ms. Vazquez confirmed that the relationship with the Authority and the Executive Vice Chancellor's office is a coordination of administrative functions with both entities, not ceding any authority to UNM HSC. Director Rose was comfortable with the arrangement.</p> <p>Vazquez reiterated that UNM HSC would furnish all HR functions and that employees would be UNM employees with all of the benefits and access to employee services. Director Rose asked for clarification of what this sentence means legally, "in this connection, nothing contained." Ms. Vazquez explained that it means that we are not joint employers of this individual, that the Authority is not employing the employee. She explained that UNM has the risk of hiring, firing or any lawsuits or claims by an employee.</p> <p>Director Prokuski asked if we should only have the clause regarding the fee charged by UNM HSC in one place and Ms. Vazquez explained that we could combine both sections. Chair Larson stated that the contingency would be to combine the two sections into one as legal felt was most legally appropriate. Director Prokuski agreed.</p> <p>Ms. Vazquez finished summarizing the MOA to which the BOD agreed to accept the document on contingency of changes.</p> <p>The Chair called a motion to approve the document which was motioned by Ken Prokuski and seconded by Dale Dekker on contingency that the following corrections are made to the MOA:</p>
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		<ul style="list-style-type: none"> - two areas where the dates need to be updated. - there is a qualifier that explicitly states that to the extent, but not inconsistent with the area within the statute in Section 3. - Fix the typo on the word “expended.” - there is a duplication in the sections regarding a fee which needs to be consolidated. <p>A Roll call vote of all board members was called with ten in the affirmative, none in opposition, one in abstention and two absent. The vote was as follows:</p> <p>Arvizu-Affirm, Byrnes-Affirm, Christodolou-Affirm, Dekker-Affirm, Gifford-Affirm, Hansen-Abstain, Kieft-Absent, Larson-Affirm, McLaughlin-Affirm, Prokuski-Affirm, Quillen-Affirm, Rose-Affirm, Tomar-Absent</p>
5.	Executive Director Job Posting for Approval	<p>Director Christos Christodolou reviewed the job posting for the Executive Director position. He highlighted key qualifications for the position, such as serving as liaison with the correct constituents, identifying appropriate funding sources, overseeing activities, performing duties as assigned and to effectively interact with a variety of stakeholders. Director Christodolou also added that experience in marketing with social media platforms would be a preferable qualification to which the chair also agreed.</p> <p>In the General Job Summary, a request by Director Quillen was made to remove the word “next.”</p>

	<p>A suggestion to change the date of the term to ensure that interested parties would apply for the position.</p> <p>The Chair and Strategy and Policy director provided information on the posting of the position explaining once the BOD approves UNM HR will start the process of posting the position could take up to 10 days including the advertisement. The Chair explained the initial posting will be on UNM Jobs, plus other job posting sites, such as LinkedIn and that the board can decide to advertise nationally depending on the applicant response. If the posting is nationally UNM will have to approve with the BOD responsible for advertising costs. Once the applicants are received, they will be scored and then selected for interviews. The NMBSA will consider the response based on the number of applicants. A definitive timetable could not be reached for exact date of hire due to the intangibles in the selection process. The expected date of the Executive Director Hire was the end of May.</p> <p>The chair commended Director Christodolou and the Executive Director Task Force for their detailed efforts on the posting.</p> <p>A motion was made to approve of the Executive Job posting by Dale Dekker with a second by Greg Byrnes.</p> <p>A Roll call vote of all board members was called with eleven in the affirmative, none in opposition, none in abstention and two absent. The vote was as follows:</p> <p>Arvizu-Affirm, Byrnes-Affirm, Christodolou-Affirm, Dekker-Affirm, Gifford-Affirm, Hansen-Affirm, Kieft-Absent, Larson-Affirm,</p>
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		McLaughlin-Affirm, Prokuski-Affirm, Quillen-Affirm, Rose-Affirm, Tomar-Absent																		
6.	Conflict of Interest Policy	Chair Larson began to present on the Conflict-of-Interest Policy when Director Ken Prokuski explained that he believed that the authority should adopt the State Investment Council’s Conflict of Interest Policy. He volunteered to edit the document to ensure it was NMBSA centric. A draft will be made and submitted to the Executive Committee before their next meeting for review. The Executive Committee will review the draft and make any edits before presenting at the April 16 th BOD meeting.																		
7.	Chair/Vice Chair nominations	<p>Vice President Christos Christodolou detailed the Chair/Vice Chair nomination results. He explained that an email was sent to each board member asking if they would like to self-nominate or to nominate another board member. After collecting responses, a follow up telephone call was made to those contacted to ask if they were interested in the position. Some members did not express interest due to other commitments.</p> <p>The results are as follows:</p> <table><tr><th colspan="2">Chair / Vice Chair Nominees</th></tr><tr><td></td><th>Chair</th></tr><tr><td>Dale Dekker</td><td>4</td></tr><tr><td>Suzanne Quillen</td><td>4</td></tr><tr><td>Greg Byrnes</td><td>1</td></tr><tr><td>Ken Prokuski</td><td>1</td></tr><tr><td></td><th>Vice Chair</th></tr><tr><td>Sheryl Arvizu</td><td>2</td></tr><tr><td>Dale Dekker</td><td>2</td></tr></table>	Chair / Vice Chair Nominees			Chair	Dale Dekker	4	Suzanne Quillen	4	Greg Byrnes	1	Ken Prokuski	1		Vice Chair	Sheryl Arvizu	2	Dale Dekker	2
Chair / Vice Chair Nominees																				
	Chair																			
Dale Dekker	4																			
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		<table><tr><td>Jennifer Gifford</td><td>2</td></tr><tr><td>Suzanne Quillen</td><td>2</td></tr></table> <p>Director Christodolou informed that the BOD will vote at the Annual board meeting in May. The chair indicated this would be the slate of candidates, unless someone removes their name from consideration.</p>	Jennifer Gifford	2	Suzanne Quillen	2
Jennifer Gifford	2					
Suzanne Quillen	2					
8.	Committee Restructuring Proposal – Annual Approval and Update	<p>Chair Larson reviewed the current committees as the proposed changes were first discussed at the February Executive Committee meeting.</p> <p><u>Executive Committee</u> – will remain as required in the Bylaws.</p> <p><u>Finance Committee</u> – will remain as required in the Bylaws.</p> <p><u>Audit Committee</u> – New addition to the BSA, not in the Bylaws.</p> <p>The chair expressed that he views the new condensed committee proposals as a means for the BOD to serve on at least one committee and would eliminate obligations to existing committees that haven’t met. He also explained that we have not had committee expectations and job duties clearly outlined. With the proposed committee changes the chair explained that BOD would vote on the committee membership. Committee membership would be for a one-year term, but members could be chosen to continue on a committee for years following.</p> <p>Director Rose stated that he liked the idea of reducing the committees and the creation of an Audit Committee. He did express concern of the overlap of the Finance and Audit Committee which could be additional with slight wording changes. He also expressed that he was concerned with the absence of a Governance Committee. He stated that he saw that duties that were under the Governance</p>				

	<p>Committee were now assigned to the Executive Committee and he felt that introduced a conflict of interest. The Chair clarified that the Governance Committee was formed to review the Bylaws and that does prevent a conflict with the Executive Committee's responsibilities since the Executive Committee, during the intervals between meetings of the Board, possesses and exercises all of the powers of the Board.</p> <p>Director Prokuski proposed that the Audit Committee be a subcommittee of the Executive Committee, because it wouldn't need to meet monthly. His second thought was that the enabling legislation has specific duties of the Authority to act upon and not having committees to address those items seems wrong or odd to him. He suggested that we should have a Program Committee. His proposed structure would include an Executive Committee, with Audit as a subcommittee, a Finance Committee and a Program Committee.</p> <p>Director McLaughlin shared that there might be two problems. First, if the Audit Committee was a subcommittee of the Executive Committee, there could be an issue with emails that could cause a quorum. Second, he agreed with Ken that we are missing a catch all committee focused accomplishing the vision on the organization.</p> <p>Director Dekker shared that he is on another board that has a Mission Advancement Committee, which is specifically tasked with promoting the mission of the organization.</p> <p>Chair Larson discussed a process where we would put together the schematics of the proposed committee structures that would be reviewed by the Executive Committee prior to</p>
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		<p>returning for discussion at the full BOD's meeting.</p> <p>Director Rose expanded on the similarities of the Finance and Audit Committees with regards to the review of the financials. Chair Larson clarified that the Audit Committee would be responsible for the oversight of the audit of the financials.</p> <p>No board member objected when asked by the chair regarding the whole board voting on the committee makeup and assignments. They were also comfortable with committee assignments being a one-year term.</p> <p>The board agreed with the process of the Executive Committee reviewing the proposed committee restructuring prior to the April 16th, 2021 BOD Meeting.</p>
9.	Adjourn	<p>The Chair called for a motion to adjourn the meeting with a motion by Ken Prokuski followed with a second by Dale Dekker.</p> <p>A Roll call vote of all board members was called with eleven in the affirmative, none in opposition, none in abstention and two absent. The vote was as follows:</p> <p>Arvizu-Affirm, Byrnes-Affirm, Christodolou-Absent, Dekker-Affirm, Gifford-Affirm, Hansen-Affirm, Kieft-Affirm, Larson-Affirm, McLaughlin-Affirm, Prokuski-Affirm, Quillen-Affirm, Rose-Affirm, Tomar-Absent</p>

Respectfully submitted by Sterling Nichols