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**ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY**

100 Main Street, Suite 450, Little Rock, Arkansas 72201 (501) 324-9006

**MINUTES OF THE 93<sup>RD</sup> MEETING OF THE  
ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY  
BOARD OF DIRECTORS  
LITTLE ROCK, ARKANSAS  
SEPTEMBER 15, 2000**

**CALL TO ORDER**

The meeting was called to order at 1:35 p.m. by Dr. Merlin Augustine, Chairman of the Board, in the Fourth Floor Conference Room of the 100 Main Building in Little Rock.

A quorum of Board members was present and included: Dr. Joel Anderson, Mr. Jonathan Davis, Mr. J. Wylie Harris, Dr. Charles Hathaway, Mr. D.W. May, Ms. Sue McGowan, Mr. Ron Roberts, Ms. Melinda Saunders and Dr. Harry Ward.

Staff members present included: Ms. Melissa Adams, Dr. John Ahlen, Mr. Bob Alvey, Ms. Michelle Bell, Mr. Kevin Carr, Ms. Namratha Hegde, Mr. Les Lane, Dr. Herb Monoson, Mr. Chuck Myers and Mr. Tony Robinson.

**APPROVAL OF MINUTES**

Dr. Augustine presented the minutes from the June 6, 2000 Board meeting. Mr. Roberts made a motion for the approval of the minutes. Mr. May seconded the motion; the Board gave its unanimous approval.

**PRESIDENT'S REPORT**

Dr. Ahlen introduced Michelle Bell, the Authority's new Research Program Manager. Ms. Bell replaced Joyce Sadler, who passed away in May.

Dr. Ahlen announced that Susan Murray, the Authority's grants coordinator, had resigned. She accepted a position as City Forester for the City of Austin.

Dr. Ahlen stated that Richard Lollis, director of the Arkansas Manufacturing Extension Network had been dismissed.

Dr. Ahlen reviewed the program portfolio. He pointed out that the two financial reports were mistakenly placed behind the investment committee report. They now belong with the program portfolio.

Dr. Ahlen presented the Authority's FY00 annual report for review. Dr. Ahlen stated that this was the first year that the report would be posted on the web. Dr. Hathaway made a motion for the release of the FY00 Annual Report. Ms. Saunders seconded the motion; the Board gave its unanimous approval.

Annual reports for the EPSCoR Advisory Committee and the Client Advisory Committee were submitted to the Legislative Council.

### **INDUSTRY COMMITTEE REPORT**

Mr. May reported that the Industry Committee met on August 29<sup>th</sup>. The Committee discussed the change in leadership. It was reported that John Ahlen and Chuck Myers would oversee the Network until a new director is hired.

Progress has been made with the field engineers, due in part to the reporting requirements put in place.

The Center Performance Review document was submitted to NIST on September 7. The staff is scheduled to meet with the NIST review panel on October 5.

Field engineers are currently involved in Six Sigma training. Six Sigma is a quality program offered through the American Society of Quality. After the field engineers complete their training, they will be able to go into companies and provide this training. This will hopefully produce revenue for the network.

Mr. Roberts stated that because of the recent change in leadership, if the staff needed Board members to help calm any fears NIST might have, he offered to do so. He stated that he stood with the Authority and its decision. Mr. Roberts stated that he did not want to see NIST try to terminate this program.

### **INVESTMENT COMMITTEE REPORT**

Les Lane reported that the Vision Technologies deal was closed. He reported that after further negotiations with the company, the investment was reduced from \$500,000 to \$200,000.

### **Draft Resolution 01-01**

Ms. Sue McGowan presented Draft Resolution 01-01, which would provide a Seed Capital Investment into MedEvolve, in an amount not to exceed \$400,000.

Les Lane gave a brief background on the company. MedEvolve is a Little Rock based company that produces a Microsoft Windows-based practice management system for physician's offices.

Mr. Lane explained that the Authority would take a debt position with the company, with two disbursements of \$200,000. The full investment amount would be \$400,000 with a usury cap rate of interest (approximately 11%). It was explained that the state has a cap on the amount of interest that can be charged. Right now, 11% is the cap.

Dr. Ward abstained from voting because he knows the family of one of the principal investors in the company.

There being no further discussion, Ms. McGowan made a motion for the approval of Draft Resolution 01-01. Mr. May seconded the motion. Eight members voted yes; one abstained. Motion carried.

## **RESEARCH COMMITTEE**

Dr. Anderson presented the Research Committee Report. Dr. Anderson stated that the Research Committee met on August 28, 2000 and voted to recommend the following items to the Board.

### **Draft Resolution 01-02**

Draft Resolution 01-02 would provide for the funding of six Arkansas Research Matching Fund proposals.

Proposal NO. 00-ARMF-24, "Phenomenology of Intermediate and High Energy Heavy-Ion Collisions," by Dr. Dr. Boa-An Li, of Arkansas State University, Jonesboro, in the amount not to exceed \$57,351. This project is funded federally by a National Science Foundations grant in the amount of \$90,002.

Proposal NO. 01-ARMF-01, "Establishment of the Arkansas-Oklahoma Center of Instrumentation and Science for Planetary Surfaces," by Dr. Derek Sears, of the University of Arkansas, Fayetteville, in the amount not to exceed \$486,329. This project is funded federally by a National Science Foundation grant in the amount of \$746,269.

Proposal NO. 01-ARMF-02, "Fluid Resuscitation in Controlled Hemorrhagic Shock," by Dr. Russell B. Melchert, of the University of Arkansas for Medical Sciences, Little Rock, in the amount not to exceed \$170,564. This project is funded federally by an Office of Naval Research DEPCoR grant in the amount of \$341,127.

Proposal NO. 01-ARMF-03, "Acquisition of a Scanning electron Microscope for Natural Sciences Research and Training," by Dr. Paul V. Hamilton, of the University of Central Arkansas, Conway, in the amount not to exceed \$58,574. This project is funded federally by a National Science Foundation grant in the amount of \$136,672.

Proposal NO. 01-ARMF-04, "Development of an Instrument for Aerosol and Bacteria Analysis by Laser Desorption FTMS," by Dr. Charles Wilkins, of the University of Arkansas, Fayetteville in the amount not to exceed \$402,340. This project is funded federally by a National Science Foundation grant in the amount of \$402,340.

Proposal NO. 01-ARMF-05, "Acquisition of a Nonlithographic Instrument for Investigations in Nanoscience," by Dr. Gregory J. Salamo, of the University of Arkansas, Fayetteville, in the amount not to exceed \$390,000. This project is funded federally by a National Science Foundation grant in the amount of \$390,000.

Dr. Anderson made a motion for the approval of Draft Resolution 01-02. Dr. Hathaway seconded the motion. Dr. Ward and Dr. Augustine stated that some of the proposals came from the institutions of their affiliation. The Board gave its unanimous approval.

#### **Draft Resolution 01-03**

Draft Resolution 01-03 would provide funding for one applied research proposal.

PROPOSAL NO. 01-A-01, "Cotton Duck Elastomeric Pad Study" by Dr. Thomas J. Parsons of Arkansas State University, Jonesboro, in the amount not to exceed \$66,896. This project is cosponsored by Garlock Rubber Technologies in the amount of \$42,356.

Dr. Anderson explained that this project was going through the applied research program guidelines, but the funds would come from the Manufacturing Extension Network's enhancement funds. This is a joint project between the Authority, ASU, the University of Washington and Garlock Rubber Technologies. There is a federal cost share: \$1 from the state, \$1 from Garlock and \$1 from NIST.

The funds will enable ASU and the University of Washington to investigate the performance of the cotton duck pads produced by Garlock Rubber Technologies. These pads are placed between a bridge pier or abutment and the steel or concrete beams, which provide the main support for the bridge.

Dr. Anderson made a motion for the approval of Draft Resolution 01-03. Dr. Hathaway seconded the motion; the Board gave its unanimous approval.

### **EPSCoR Committee Nominations**

Dr. Anderson presented the 2001 EPSCoR Committee nominations. He stated that the committee list had been expanded to include representatives from Lyon College, Hendrix College, and Henderson State University.

Dr. Anderson made a motion for the approval of the 2001 EPSCoR Committee nominations. Mr. Roberts seconded the motion; the Board gave its unanimous approval.

### **NEW BUSINESS**

#### **Draft Resolutions 01-04 and 01-05**

Dr. Augustine presented Draft Resolutions 01-04 and 01-05 for approval. The resolutions were for former Board member William Dempsey, who resigned from the Board and Authority staff member Joyce Sadler, who passed away in May of 2000.

Dr. Hathaway made a motion for the approval of Draft Resolutions 01-04 and 01-05. Mr. Roberts seconded the motion; the Board gave its unanimous approval.

#### **Special Solicitation for Applied Research Grant Program**

Dr. Ahlen stated that Authority staff members had recently met with representatives from Acxiom, which is interested in developing research projects that deal specifically with Data Engineering, Text Processing, Database Systems, Software Development and Emerging Technologies. Acxiom would like to look at different ways to keep faculty members from these specific areas in the state and increasing the number of students in these programs and keeping them in the state after graduation.

The proposals would be solicited from universities in the state. In some cases, these projects may be funded entirely by the company. The proposals would be peer reviewed and then move through the Authority's Research Committee. If a proposal is approved, the company could qualify for the R&D Tax Credit Program.

Dr. Ahlen stated that Acxiom officials expressed an interest in working on this project with the Authority because there were already rules and guidelines in place and the Authority could provide peer reviews.

Dr. Ahlen presented a draft of the revised applied research grant guidelines. He stated that this would be a special solicitation with a specific deadline for submission.

Dr. Ward asked how the Authority could protect itself from being accused of offering "favored company" status to a particular company. Could this type of approach also be used for other companies wanting specific types of research? Dr. Ahlen stated that the staff had begun, because of the Network's Center Performance Review, asking that kind of question, in terms of the Authority's market segmentation.

Mr. May suggested that the Research Committee review the draft guidelines for approval.

There being no further discussion, Mr. May moved that the draft Applied Research Guidelines be approved, contingent upon the research committee's review and approval. Mr. Roberts seconded the motion; the Board gave its unanimous approval.

**Election of Officers**

Dr. Augustine stated that the nominating committee offered for consideration the following slate of officers for the upcoming year: Dr. Joel Anderson, Chairman; Mr. D.W. May, Vice Chairman; Ms. Melinda Saunders, Secretary.

Dr. Hathaway made a motion for the acceptance of the slate of officers for the upcoming year. Mr. Roberts seconded the motion; the Board gave its unanimous approval.

**Next Meeting Date**

Dr. Augustine reminded Board members that the next meeting would be Friday, November 17, 2000.

**ADJOURNMENT**

There being no further business to conduct, the meeting was adjourned.

Respectfully submitted,

  
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Melinda Saunders  
Secretary  
Board of Directors

Approved by the Board of Directors  
on this 17<sup>th</sup> Day of November, 2000

  
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Melinda Saunders  
Secretary  
Board of Directors