



**TEMPLE HEALTH AND BIOSCIENCE
ECONOMIC DEVELOPMENT DISTRICT
BOARD OF DIRECTORS MEETING
WEDNESDAY October 28th, 2020**

***Minutes from the Board of Directors Meeting held on
Wednesday September 23, 2020***

The Temple Health and Bioscience Economic Development District Board of Directors conducted their regularly scheduled board meeting (via Zoom) Wednesday, August 26th, 2020 at 5:00 p.m.

In response to the Covid-19 Pandemic, this meeting was conducted by videoconference, per the Open Meetings Act regulation update:
<https://www.texasattorneygeneral.gov/open-government/open-meetings-act-update>

Members Present:

Mr. Thomas Baird, Chair
Mr. Brian Reinhardt, Secretary/Treasurer
Mr. Gregg Strasburger (left at 5:55 pm)
Mr. Michael Norman, Vice Chair
Dr. Robert Cortes (arrived late at 5:23 pm)

Members Absent:

Mr. John Kiella
Mr. Tyler Johnson

Guests in attendance:

Luke Lichtenwalner: Temple Bioscience Institute
Evelyn Waiwaiole: Temple College Foundation
Michelle DiGaetano: Temple Community Clinic
Sherri Woytek: Temple Community Clinic
Ashley Schlosser: Live Out Loud PR
Kayla Landeros: THBD attorney
Ryan Lund: Brilliant MD
Dr. Jason Locklin and Dr. Damir Nizamutdinov: Candidates in the November 3rd election for THBD Board of Directors



The agenda for this meeting was posted on the bulletin board of the Temple Health and Bioscience Economic Development District facility and THBD's website (www.templebioscience.org) in compliance with the Open Meetings Act.

The following is a summary of the proceedings of this meeting. It is not intended to be a verbatim translation.

I) Public Comments

Citizens who desire to address the board on any matter may sign up to do so prior to the meeting. Public comments will be received during this portion of the meeting. Please limit comments to three (3) three minutes. No discussion or final action will be taken by the board.

There were no public requests recorded or public in attendance for this meeting. Therefore, Chairman of the Board, Mr. Thomas Baird closed the Public Comments session.

II) Consent Agenda

Consider adopting a resolution approving the Consent Agenda items and the appropriate resolutions for each of the following:

Minutes

- a). Approve the minutes of the August 26th, 2020 board meeting.

Financials

- b). Approve the financial report for the eleven-month period ending August 31st, 2020.

There are Total Assets of \$6,124,145 with the bulk representing \$4,520,175 in cash and deposit accounts. THBD also has a Property Tax Receivable of \$5,628 and a \$82,001 Note Receivable. There are Fixed Assets of \$1,489,138 and Total Liabilities of \$12,859. This yields a Net Equity of \$6,111,286. On the Profit and Loss Budget versus Actual, THBD has collected \$1,057,599 in Property Tax Revenue. Including Lab and Rental Income, the Total Revenue is \$1,109,741. Total Expenses were \$1,116,482 with Ordinary Income of \$-6,742. In addition, there was Interest Income of \$42,235 yielding a Net Income of \$35,422. THBD has collected 99.51% of the Property Tax budgeted.

- c). Approve the budget line item adjustments to reconcile the 2019-2020 budget.



Budget Line Items that need additional funds					
		Current	Need	Budgeted	Notes
60210	Operations	\$13,093.00	\$3,100.00	\$10,000.00	
60630	Office Furniture	\$3,195.00	\$2,200.00	\$1,000.00	
60640	Office Equipment	\$3,270.00	\$800.00	\$2,500.00	
60820	Fees	\$2,362.00	\$400.00	\$2,000.00	
61133	Intragovernment Expense	\$12,019.00	\$300.00	\$11,800.00	
61143	IT Support	\$6,514.00	\$600.00	\$6,000.00	
61090	Custodial	\$8,525.00	\$1,000.00	\$9,000.00	Sept Bill
62101	Equipment R&M & Warranty	\$49,391.00	\$16,000.00	\$53,347.00	nanoString?
	Total Needed		\$24,400.00		
61137	Consulting Expense	\$58,311.00	\$48,400.00	\$10,000.00	
Budget Line Items that have excess funds					
		Have	Used	Available	
60310	Travel Expenses	\$25,000.00	\$11,290.00	\$11,384.00	
60450	Lab Equipment >=\$5000	\$50,000.00	\$7,858.00	\$42,142.00	
60320	Registration Fees	\$30,000.00	\$20,252.00	\$9,748.00	
60460	Equipment < \$5000	\$15,000.00	\$7,975.00	\$7,025.00	

Motion by Mr. Gregg Strasburger, second by Mr. Brian Reinhardt to consider adopting a resolution approving the Consent Agenda items and the appropriate resolutions for each of the above be approved.

Roll Call Vote was taken for clarity with Zoom:

Mr. Thomas Baird - Yes Mr. Brian Reinhardt – Yes
 Mr. Greg Strasburger – Yes Mr. Michael Norman – Yes

Motion passed unanimously.

III) Regular Agenda

(A) Ms. Sherri Woytek, Executive Director of the Temple Community Clinic, to give an update on the future of the clinic.



Ms. Woytek spoke on how the clinic has changed and evolved over the years, from clients taking numbers and waiting into the evening hours to get seen by the doctor, and from paper medical records to the Epic Electronic Record system. This clinic has expanded their services to cover specialty care, women's health, dermatology, podiatry, cardiology, mental health, vision, dental, and gastroenterology. This amount of varied professional services is highly unusual for a community clinic. In addition, the clinic now has an educational offering that is called "Living Well in Bell". This series highlights guest speakers and educators that give free lectures and information to the community. If the Clinic were not open, patients stated that they would be going to the ER or Urgent Care. Therefore, by having the clinic, it generates a savings of over \$1.2 million per year in ER visits, re-hospitalizations, and prescription coverage. Due to these savings the clinic was able to apply for much needed grants. The community is a great supporter of the clinic and 2021 will be a hard year for fundraising due to COVID-19 (the main fundraiser: "The Caring Ball" has been suspended for the 2021 year). The most recent grant request is through the Carpenter Foundation, which would fund the relocation of the Clinic. This relocation will afford better accessibility for clients and a larger clinic which would enable them to offer more services. The Carpenter Foundation approved a \$200k matching grant. The Temple Community Clinic hopes to get support from THBD for this \$200k matching grant. Mr. Michael Norman asked if they had a project proposal that they could share. Ms. Woytek stated that they are currently looking for a building which is approximately 12,000 square feet and located somewhere in the TMED district. They do not have any renderings at this time, but they are working with the City of Temple for land and information on possible buildings that could be retrofitted. Ms. Annable asked Ms. Woytek if she had a specific monetary ask? Ms. Woytek stated that they expect the project to cost in the range of \$3 Million dollars. These projected costs came from Dr. Avots and others at Baylor Scott and White. Mr. Baird asked Ms. Woytek to keep them apprised of the project and their needs and thanked them for their time and presentation.

(B) Ms. Evelyn Waiwaiole, Executive Director of the Temple College Foundation to give an update on funds needed for Temple Bioscience Institute.

Ms. Waiwaiole gave a presentation on a brief history of Temple College, including the Texas Bioscience Institute (TBI) founded in 2006. Ms. Waiwaiole discussed who the college serves and how the foundation has changed over the years. 187 scholarships were dispersed for the 2020-2021 school year for a total of \$126,160.00. Using leftover funds from THBD, \$13,450 was given to 28 students. Ms. Waiwaiole shared who the recipients were, how they were chosen and from what schools districts they came from. Ms. Waiwaiole stated that only four local ISD's support their students attending the TBI program: Killeen, Temple, Academy and Cameron. Each district gives limited and varied fund amounts. Most students pay out of pocket to attend the program and could



not do so without the support of the Foundation and the community. Dr. Cortez spoke about his son's experience with the program and Ms. Waiwaiole stated that they would love to capture his story. Mr. Baird asked what the dollar request was, to which Ms. Waiwaiole stated that TBI is requesting \$25,000 for continued support of the TBI program, \$12,000 for fall/spring scholarships, \$7,000 for summer research internships and \$6,000 for math instruction.

(C) Ms. Ashley Schlosser, CEO of Live out Loud PR, to give the 2nd quarter update for PR and Social Media services.

Ms. Schlosser began her presentation going over the Q2 analytics:

Twitter: showed a 2.5% engagement rate, which is a great rate for non-profits, normally non-profits have an engagement rate of 1.7%. WashSense was the largest spike during April with 8,378 organic impressions due to the announcement of their COVID-19 efforts. Ms. Schlosser is attributing the 2.5% rate to THBD's focus on the E-Learning series.

Facebook: also had great engagement with a post reach of 6,511 due to the E-Learning series on video marketing and 947 users with Dr. Crowley's webinar on Mental Health and Wellness during the COVID-19 crisis. The spikes in THBD's social media rates are also attributed to the paid media campaigns.

YouTube: results showed a 136% increase of video views, with the Managing Stress and Anxiety webinar having 60 total video views!

Paid Advertising Campaign: There have been 177,703 total impressions on our social media platforms, which is a 1,230% increase since Q1. More than half of the people visiting our website are from the Google Campaign ads.

THBD's election: THBD is getting requests from news stations and news media regarding the election. Ms. Schlosser asked the candidates if they would be interested in contributing to the article in the "Focus on Business" section in the Temple Telegram. This story will cover THBD history and who the candidates are, and that it is THBD's first election.

(D) Ms. Shannon Wetherbee to give an update on the vetting process as well as the pros and cons of a Virtual Incubator.

Ms. Wetherbee gave a comparison of three virtual incubators in Texas and what their offerings are to their virtual tenants:

Tech Ranch from Austin: This incubator charges a \$97-dollar monthly fee, with an online application. For the monthly fee, virtual tenants are given access to webinars and learning series as well as online connections with other virtual entrepreneurs and mentors.



The Hub of Human Innovation from El Paso: This incubator has a structured fee system which charges by revenue – Pre-revenue is \$100 per month, \$35k-\$75k is \$200 per month, \$75k-\$100k is \$250 per month and \$100k-\$150k is \$300 per month. To gain access to the incubator applicants complete an online application, an in-person interview, a background check, NDA, and orientation. For the monthly fee tenants are given access to a business office, a mailbox and meeting rooms.

ATI – Austin Technology Incubator from Austin: ATI has a \$10,000 annual fee with a 2% equity stake. The application process includes a background check, multiple process interviews and an online application. Only 8% of applicants are accepted. For this yearly fee they have access to capital funding/grants, mentors and talent, prototype lab access, UTA intern access, pitch training, connections to capital, grants, startup packages, ATI due diligence and Success committee.

Pros of Virtual Tenants for THBD: additional income, expansion of networking contacts, and virtual tenants can come from various locations, not just Temple. By becoming a virtual landlord, this will take THBD into the next realm of incubators and makes THBD competitive for future markets. It will increase THBD’s capacity for the number of tenants that can be under the THBD umbrella.

Cons of Virtual Tenants for THBD: additional leases for virtual tenants, having to monitor and aid additional tenants will use up more resources. Keeping track of our reputation/use of our logo etc. Possible brand dilution, possible overload of our contacts with emails etc. Cons for Tenants would be that virtual companies will not have access to onsite lab and equipment, virtual companies will not be able to experience the serendipity of being in the office, resources are more difficult for virtual companies to access.

THBD’s current vetting process: Online application, interview with Executive Director Tami Annable, tour of facility, orientation, and NDA.

Discussion Topics: what services should THBD offer, costs to the tenants, and background checks.

Mr. Reinhardt asked if there was any interest for virtual tenants?

Ms. Annable stated that yes, Brilliant MD is currently wanting to become a virtual tenant, and two of the tenants that moved out during COVID-19 are interested as well. Ms.

Annable stated that this is the wave of the future of incubators.

Dr. Cortes asked if it would increase THBD’s resource need?

Ms. Annable stated no, at this time it would not, but if we got a lot of virtual tenants then yes, more staff might be required.

Dr. Cortes asked to be sent the pdf, Ms. Annable stated that the pdf would be sent to the board tomorrow.

(E) Consider the renewal of the nanoString Warranty for one year at \$28,195



Ms. Annable informed the Board that she was able to get the contract back to the 2018 rate of \$19,000.

Mr. Norman asked who is using the machine?

Ms. Annable answered currently the nanoString was used twice this fiscal year. Dr. Taube stated that he would be using it three to seven times over the next 6 months and Industrial Genetics will be using the nanoString for COVID-19 testing. Ms. Annable reminded the board that this is a \$250k machine and it is important that it is kept maintained as it costs \$8k just for a technician to walk thru the door. It is important to keep the maintenance on the machine to keep the machine life going for 10 to 15 years. Ms. Annable stated that her opinion is that the maintenance agreement should be renewed.

Mr. Norman stated that he thinks that as a policy it is important to keep the machines in working order. However, if the machines are not being used, the Board could consider the possibility of selling or storing the equipment to save money.

Ms. Annable stated that since the equipment was bought on a federal grant the items would have to be sold and the funds given back to the grant.

Mr. Baird stated that as we go forward, we need to devote time to the discussion of equipment.

Mr. Reinhardt wanted to know if there was a time limit on renewing the agreement? If we skip a year, can it be renewed?

Ms. Annable stated that right now it is not under warranty. The concern right now is the preventive maintenance. If scientists are basing their results on data from this machine and we do not know whether the information generated is correct, then false hypotheses can be made. That is why it is so important that the machine is validated.

Dr. Cortes asked how old is the machine?

Ms. Annable stated it was bought in 2015.

Mr. Baird asked how many times will it be used over the next year?

Ms. Annable stated that with COVID-19 approximately 20 times over the next year. These will be full day assays, based on Dr. Taube and Dr. Sprague's usage.

Mr. Reinhardt asked is it designed to be used every day?

Ms. Annable stated that it is designed to be used every day but unless you are in a large pharmaceutical company, the VA research lab or at a facility like Baylor Scott and White, it won't be used every day.

Mr. Baird stated, "The question is do we need to do authorize this today or do we table it for next board meeting and discuss with more information". I am uncomfortable saying no, do not authorize the warranty, but I am also uncomfortable saying yes, do it without having a better understanding of its utilization and the cost benefits.

Mr. Norman asked if a preventative maintenance could be done without the warranty?



Ms. Annable stated that she does not know the answer to that, but that she will find out. Ms. Annable suggested that for the technician to come out and do a preventative maintenance it would probably be in the range of \$12k-\$13k. The other option is to keep a pool of funds available so that if the machine breaks down, the funds are available to fix it. We just will not know if the machine is in spec or not.

Mr. Reinhardt requested Ms. Annable to find out how much it would cost to find out if the machine is in spec. That will help us weigh the two options.

Mr. Norman wanted to know what THBD charges for the use of the nanoString? If Industrial Genetics uses the machine, IG is a commercial user versus a research user. Does THBD charge differently?

Ms. Annable stated that with the cost of the warranties going up THBD should reexamine the price structure. Currently the charge for the nanoString for tenants is \$100 per day, grants \$150 per day, affiliates \$200 a day, and \$250 a day for anyone else.

Mr. Baird suggested that because of the questions from the board members THBD should table the discussion for the next board meeting, with Ms. Annable coming back with more information regarding the nanoString for the board.

Dr. Cortes asked in the next month if the machine does go down will that stop the work of the researcher and Dr. Sprague? Can an adhoc decision be made in the interim?

Mr. Baird stated whatever decision is made will be a shot in the dark, THBD does not want disrupt work, but THBD wants to make a good business decision.

Dr. Cortes wanted to know if the company doing the warranty sold THBD the machine, when it was bought did it come with a warranty?

Ms. Annable stated yes, the nanoString had a 3-year warranty that came with the initial purchase. This is why the budget line item for warranties are being increased, because the initial warranties that came with the large pieces of equipment are all expiring.

Dr. Cortes asked would there be a lessor cost if THBD signed up for a 3-year warranty for example?

Ms. Annable stated that, that is a good question, and she will find out, that could be an option.

Mr. Baird stated that my sense is that the board does not want to vote on this at this time, but instead will table this for next board meeting and discuss with more information. Is that a fair statement is everyone ok with that?

Dr. Robert Cortes – Yes

Mr. Michael Norman – Yes

Mr. Brain Reinhardt – Yes

Mr. Baird stated that this item has been table until the next board meeting.



(F) Executive Summary

Operations Update:

Mr. Rod Annable gave a brief presentation on Tetrascience, a monitoring system that will inform staff if there are any irregularities with the equipment operating systems for the minus 80⁰ freezer, the two 4⁰ refrigerators, CO₂ incubator, and the minus 20⁰ freezer. This monitoring system will send notifications if any of these pieces of equipment go out of expected range of temperature or CO₂. This will help tenants apply for grants as it will supply documentation for reports and show Good Lab Practices (GLP).

Security update:

There has been an increase in vandalism at THBD. The police have been notified and they are increasing patrols. Trespassers will be given a warning and they will be arrested if they are found on the property again. An additional camera will be installed along the back of the facility to alleviate a blind spot. Unfortunately, while the police were here a homeless person was found with a knife loitering in the back of the building. In response to this event, the staff has been telling tenants, students, and interns to look at the cameras prior to going out the back door (a notice has been posted on the back door).

3D Printed Masks for Baylor Scott and White:

At this time the project has been terminated and the \$5k check has been returned to Temple Rotary. Baylor Scott and White has not tested the masks due to a filter issue misunderstanding. THBD will not be supplying filters, so the project has been terminated.

Tenant Update:

Industrial Genetics (IG): has been working with Panache and Xenex to help develop their technology. Dr. Sprague has been named Lab Director for Spartan Medical (they will be testing Veterans in Temple for COVID-19). IG is presenting TRANES's technology to highlight their capabilities.

Neurofront Technologies: Neurofront Technologies has been using THBD's 3D printer to design prototypes. The expectations are to finalize the current version of their device by December and then work on the refinement of the prototype.

Pulmonescence Diagnostics (PD): PD has hired a lab manager to work at THBD. Currently they have an SBIR Phase I grant with one employee onboard and are initiating research in collaboration with Texas A&M University. PD plans to submit a Phase II application early 2021 and plans an angel round of investment in mid to late 2021.



Sunthetics: Sunthetics has been accepted into the TechStars X Heritage Group Accelerator. They are receiving mentorship and financial support. \$20k in exchange for equity and \$100K as a convertible note. The Accelerator is helping them with the development of their prototype.

MR3 Health: MR3 is continuing to add physician groups and patients to their service – now at six groups and 200+ patients. Projecting adding 100 patients per month with these existing groups. They are currently prospecting physician groups in El Paso, Laredo, and Dallas. MR3 has added to their sales team with six full-time staff and expect to add more before year end. Mr. Marett hopes to begin selling in the Temple area soon. MR3 is continuing to raise money, the goal is for \$350K to allow for a break-even result.

E-Learning Series for September: Ms. Gail Peek PLLC – “The COVID-19 Pandemic One Lawyers Viewpoint”. This is an excellent presentation and will be beneficial to many individuals and companies. Ms. Annable strongly recommends tuning in to listen.

Election Update:

Ballot Proof: Ms. Annable showed the ballot proof as provided by the Bell County Elections. The names appear as per the name drawing that was held earlier this year.

Mail in voting: Registered voters that fall into one for the four following categories are eligible:

1. Individuals 65 years or older
2. Disabled
3. Will be out of the county on Election Day and the entire period of early voting
4. Confined to jail, but otherwise eligible to vote

Applicants for ballots by mail may submit applications to:

Bell County Elections Department

P.O. box 1629

Belton, TX 76513

Early Voting: Time to start campaigning

Early voting will be conducted in person each weekend at:

Belton – Bell County Courthouse Annex, 550 East 2nd Ave

Killeen – Killeen Community Center, 2201 E. Veterans Memorial Blvd.

Temple – Bell County Annex, 205 East Central Ave

Salado – Salado Church of Christ, 217 north Stagecoach

Harker Heights – Parks & Recreation Center, 307 Millers Crossing

Dates and Times for Early Voting:

October 13, 2020 thru October 16, 2020 (Tues – Fri) from 8:00 am to 5:00 pm



October 17, 2020 (Saturday) 7:00 am to 7:00 pm
October 18, 2020 (Sunday) Noon to 5:00 pm
October 19, 2020 thru October 23, 2020 (Mon-Fri) 8:00 am to 5:00 pm
October 24, 2020 (Saturday) 7:00 am – 7:00 pm
October 25, 2020 (Sunday) Noon – 5:00 pm
October 26, 2020 thru October 30, 2020 (Mon-Fri) 7:00 am to 7:00 pm

Fox 44 News: As part of Fox 44 News Election Coverage, the news team will be reaching out to the candidates to schedule interviews for those who are running for the Board of Directors.

According to Election Law, all candidates need to be invited to participate and all candidates will need to respond whether they will participate in the interview process. This interview will be done via Zoom and candidates will not have to go into the television station in Waco.

We are awaiting response from other local stations regarding interviews.

There being no further business, Mr. Baird adjourned the meeting at approximately 6:22 pm.

Transcribed by:
Ms. Shannon Wetherbee
Executive Assistant