



WMC Lab Services Board of Directors Meeting

September 25, 2020

Minutes

Members Participating:

Tom Zelenka David Stone
Brian O'Toole Steve Wirsching
Mark Hodges – Ex-Officio

Also present were Janice Cooper, WMC Managing Director, and Dr. Jayne Bock, WMC Technical Director.

Call to Order

The meeting was called to order at 9:00 PDT by Board Chair Tom Zelenka.

Approval of Minutes

The March 12, 2020 meeting minutes were approved on a motion by Dave Stone and second by Brian O'Toole.

Financial Report

Janice Cooper directed the board's attention to the financial report for the last fiscal year, compared to the approved budget. The first three income line items came up short of budget projections, which is mostly explained by the influence of COVID-19. Economic activity slowed and no in-person courses were held. While the lab continued functioning with almost no interruption, the focus in April and May was on "essential testing" related to vessel sampling required by export contracts.

Special project activity was robust and exceeded budget estimates, which can also be at least partially explained by the pandemic. Without the in-house technical training for USW teams, the research team pivoted to proprietary projects. Jayne Bock commented that she had been developing relationships with several companies over the past year or more. With their own research capabilities limited by the closures, WMC offered an excellent alternative.

As anticipated, increased exports to China are reflected in the TCK line item. All ships bound for China send samples to WMC for testing. We remain the only lab accredited by USDA to perform this testing.

Overall, income came in at 88% of budget. And the expense side mirrored that. The P&L comparison with the prior fiscal year tells a similar story to the budget results – lab analysis and course income are lower; special project and TCK income are higher.

Steve Wirsching moved to accept the financial report as presented. Dave Stone seconded the motion. The motion was approved.

Proposed FY 2020/21 Budget

Janice Cooper apologized for the late presentation of the new fiscal year budget, citing unusual circumstances this year. She noted that the lessons from the prior FY are carried over into the new FY budget proposal. Analytical services and TCK testing have seen a strong start in the first quarter. As Jayne will report, special projects are on track to meet or exceed the proposed budget. Other categories are similar to last year, as is the total projected income and expense.

Brian O’Toole made a motion to approve the budget as presented; seconded by Steve Wirsching. Motion approved.

Business Development Update

Jayne Bock presented an overview of the proprietary research activities currently underway. Her report is attached to the minutes. She reported that a major project is in support of a client’s patent application. A question was asked about whether the patent would reference WMC. Jayne responded that she would be given credit as one of the inventors. A request was also made to estimate the value of the equipment on loan. Jayne will follow up.

Other Business

With the high volume of exports to China out of the Gulf, the export industry is expressing interest in locating another testing lab in Houston or New Orleans. WMC’s location in Portland represents a logistical challenge for multiple samples coming from the Gulf. We are engaged in this conversation together with USW and FGIS.

Another question was asked about whether new issues would create new business opportunities for Lab Services. There are several sanitary and phytosanitary (SPS) issues being raised currently but WMC does not have that testing capability.

Adjournment

The meeting adjourned at 9:41 a.m.

Respectfully submitted,

Dave Stone, Secretary

Date