

**BOARD OF REGENTS and its  
BUSINESS, FINANCE AND FACILITIES COMMITTEE  
NEVADA SYSTEM OF HIGHER EDUCATION**

Rogers Student Center, Ballroom  
Nevada State College  
1300 Nevada State Drive #300, Henderson  
Thursday, February 28, 2019

Video Conference Connection from the Meeting Site to:

System Administration, Reno  
2601 Enterprise Road, Conference Room  
and  
Great Basin College, Elko  
1500 College Parkway, Berg Hall Conference Room

Members Present:

Mr. Trevor Hayes, Chair  
Mrs. Carol Del Carlo, Vice Chair  
Ms. Amy J. Carvalho  
Dr. Mark W. Doubrava  
Mr. Donald Sylvantee McMichael Sr.  
Mr. John T. Moran

Other Regents Present:

Mr. Kevin J. Page, Chairman  
Dr. Jason Geddes, Vice Chairman

Others Present:

Dr. Thom Reilly, Chancellor  
Mr. Zelalem Bogale, Deputy General Counsel, System Administration  
Mr. Andrew Clinger, Chief Financial Officer  
Mr. Dean J. Gould, Chief of Staff and Special Counsel to the Board  
Mr. Nate Mackinnon, Vice Chancellor, Community Colleges  
Mr. Jimmy Martines, Deputy General Counsel, Real Estate  
Mr. Joe Sunbury, Chief Internal Auditor  
Dr. Federico Zaragoza, President, CSN  
Mr. Bart J. Patterson, President, NSC  
Dr. Marta Meana, President, UNLV  
Dr. Marc A. Johnson, President, UNR

Faculty senate chairs in attendance were: Dr. Richard L. Jasoni, DRI; Mr. Mike Holmes, TMCC; Mr. Douglas Unger, UNLV; and Mr. James Strange, WNC. Student body presidents in attendance were: Mr. Christopher Roys, CSUN President, UNLV; Ms. Stephanie Molina, GPSA President, UNLV; and Ms. Hannah Jackson, ASUN President, UNR.

*For others present please see the attendance roster on file in the Board Office.*

Chair Hayes called the meeting to order at 9:03 a.m. with all members present.

1. Information Only – Public Comment – Mr. Mike Kazmierski, President and CEO, Economic Development Authority of Western Nevada, offered his support for Item 8 (Gateway Buildings – UNR). There is no question that the removal of these houses was considered and supported by the community during the process. It is imperative the University continues to move ahead with its expansion.

Mr. Gerald Smith, Vice Chair of the Gifts Acceptance Committee, UNR Foundation, stated the Foundation has worked in conjunction with the UNR Real Estate Department to assemble and acquire property in the Gateway area to use for educational purposes. The property has been transferred to NSHE. The University worked with the community in an effort to find individuals to engage in contracts to transfer ownership of the properties. That effort was futile, and the University finds itself in a position to move forward with the development of the Gateway project consistent with the master plan.

Mr. Bill Thomas, Assistant City Manager, City of Reno, read a letter into the record on behalf of Mayor Hillary Schieve in support of Item 8 (Gateway Buildings – UNR).

2. Approved – Consent Items – The Committee recommended approval of the consent items.
  - 2a. Approved – Minutes – The Committee recommended approval of the November 28, 2018, meeting minutes. *(Ref. BFF-2a on file in the Board Office.)*
  - 2b. Approved – 2018 Self-Supporting Summer School/Calendar Year Budgets, Budget to Actual Comparison – The Committee recommended approval of the 2018 Self-Supporting Summer School and Calendar Year Budgets, Budget to Actual Comparison for the NSHE. *(Refs. BFF-2b(1) & BFF-2b(2) on file in the Board Office.)*
  - 2c. Approval – 2019 Summer School/Calendar Year Budgets – The Committee recommended approval of the 2019 Self-Supporting Summer School/Calendar Year Budgets for Calendar Year 2019. *(Refs. BFF-2c(1) & BFF-2c(2) on file in the Board Office.)*
  - 2d. Approval – Legal Description Change to Nevada State College Student Housing Project – NSC – The Committee recommended approval to reduce the legal description from 9.13 acres to 7.88 acres for the student housing project at Nevada State College. *(Ref. BFF-2d on file in the Board Office.)*

Regent Carvalho disclosed her previous relationship with Mr. Cam Walker of American Public Development for the past 15 years and clarified she has no business relationship and has received no campaign funds from Mr. Walker. Regent Carvalho stated her professional judgment was not affected and, therefore, would vote on the item.

Regent Doubrava moved approval of the consent items. Vice Chair Del Carlo seconded. Motion carried.

3. Information Only – Second Quarter Fiscal Year 2018-2019 Fiscal Exceptions – The Second Quarter Fiscal Year 2018-2019 Report of Fiscal Exceptions of Self-Supporting Accounts was presented. (Ref. BFF-3 on file in the Board Office.)

Chief Financial Officer Andrew Clinger highlighted the following fiscal exceptions:

- UNR Fire Science Academy reported a cash deficit of \$8.6 million
- UNLV School of Medicine (UNLV SOM) with a negative cash balance of \$6.6 million
- CSN reported a negative cash balance of \$454,000.

Chair Hayes reported there are discussions to make changes to this report because it does not necessarily capture the original intent of the report. Chief Financial Officer Clinger stated a working group has been created to review the reports and find ways to make them more useful for the Committee.

Regent Carvalho believed it would be useful to see information for at least three quarters to provide a historical perspective going forward.

UNLV President Marta Meana stated in the report that ended in December 2018 there were 13 UNLV accounts listed with deficit cash balances. The report in September 2018 only had two. Graduate Medical Education (GME) accounts are used to manage the graduate medical education program and are typically billed in arrears. Faculty Practice Plan reimbursement accounts don't typically carry a negative cash balance. Settlement payments (reimbursements) are usually wired within the same quarter. However, in December 2018 the settlement payment was not paid in full resulting in deficit cash balances. This occurred because the Faculty Practice Plan had a cash flow shortfall due to delays in collection activities related to the implementation of EPIC, the electronic medical records and billing system. Cash flow has improved, and the issues are being worked through. January 2019 billing activity was higher and will result in improved collections.

In response to a question from Regent Doubrava, Dr. Michael Gardner, Vice Dean, Clinical Affairs, UNLV SOM, stated it is correct that the UNLV SOM is submitting the bills for services, but is at the mercy of the EPIC implementation with the University Medical Center (UMC). There are issues, such as 3000 accounts sitting in the queue since November 2018. After the reporting period, the accounts are no longer in arrears. Dr. Gardner clarified the hospitals are not bad debtors, but instead do not pay as fast as UNLV would like.

Chairman Page and Dr. Gardner believed it was a reasonable goal for the Faculty Practice Plan to be an independent EPIC site as the Plan grows.

In response to a question from Vice Chair Del Carlo, Dr. Gardner responded UNR had approximately \$3.5 million in physician service agreements. The UNLV SOM and UMC leadership are in conversation to revalue the physician service agreements. Without a change, the \$3.5 million will be a permanent cut.

3. Information Only – Second Quarter Fiscal Year 2018-2019 Fiscal Exceptions –  
(Continued)

Chair Hayes was concerned that GME payments were coming in late and asked if an adjustment could be made to account for the payments when they arrive. Dr. Gardner stated there has been an improvement, but GME will be consistently behind unless the parameters in reporting are changed.

4. Information Only – Second Quarter Fiscal Year 2018-2019 Budget Transfers, State Supported or Self-Supporting Operating Budgets – NSHE institutions indicated there were no transfers between functional areas greater than \$500,000 during the Second Quarter Fiscal Year 2019.

5. Approved – Amended and Restated Cooperative Agreement Between UNR School of Medicine and UNLV School of Medicine – The Committee recommended approval: 1) of the Second Amended Agreement, in addition to UNLV SOM and UNR Med exchanging occupancy between the Premises and Secondary Premises; and 2) that the Chancellor be granted authority to execute any additional amendments or ancillary documents deemed necessary and appropriate by the NSHE Chief General Counsel after consultation with the Business, Finance and Facilities Committee Chair to implement all terms and conditions associated with the Entire Agreement and Secondary Premises. (Ref. BFF-5 on file in the Board Office.)

Chair Hayes disclosed his ownership of commercial property in the medical district in Las Vegas and, therefore, abstained from the discussion and vote.

UNLV President Marta Meana stated that as a part of the transition there is a request to renew the lease agreement beginning on March 15, 2019, and terminate as of August 30, 2023, with an option to extend the term for an additional five-year period. Under the terms of the lease, UNLV SOM will occupy a total of 48,761 square feet of the premises with a total cost of \$1.155 million under the agreement. If the extension option is exercised, then the total cost will be \$2.833 million over the remaining lease term. UNR Med plans to relocate to 7310 Smoke Ranch Road, which is currently occupied by UNLV SOM.

Regent Doubrava moved approval: 1) of the Second Amended Agreement, in addition to UNLV SOM and UNR Med exchanging occupancy between the Premises and Secondary Premises; and 2) that the Chancellor be granted authority to execute any additional amendments or ancillary documents deemed necessary and appropriate by the NSHE Chief General Counsel after consultation with the Business, Finance and Facilities Committee Chair to implement all terms and conditions associated with the Entire Agreement and Secondary Premises. Regent Carvalho seconded.

5. Approved – Amended and Restated Cooperative Agreement Between UNR School of Medicine and UNLV School of Medicine – (Continued)

In response to a question from Chairman Page, Dr. Gardner stated there are 240 students, 330 residents and fellows, 150 clinical faculty, 10-15 faculty positions, 300 employees of the Faculty Practice Plan and all the others that work administration and support.

Ms. Joann Strobbe, Senior Vice President, Finance, UNLV SOM, added one major thing to consider is that in the first two years all the students were in Reno and now all four years will be in Las Vegas. The space will primarily be for the students.

Motion carried. Chair Hayes abstained.

6. Approved – Purchase of Real Property Located at 1125 Shadow Lane, Las Vegas, Nevada – UNLV – The Committee recommended approval: 1) to purchase the Property located at 1125 Shadow Lane, Las Vegas, Nevada and bearing Clark County Assessor Parcel Number 162-04-112-006; 2) that the Chancellor be authorized to finalize, approve, and execute a Purchase and Sale Agreement, and any other ancillary agreements required to implement the purchase of the Property, including but not limited to conveyances, easements, and right of ways; and 3) that all aforementioned agreements shall be reviewed and approved by the NSHE Chief General Counsel after consultation with the Business, Finance and Facilities Committee Chair in order to implement the terms and conditions required to finalize the purchase of the Property. (*Ref. BFF-6 on file in the Board Office.*)

Chair Hayes disclosed his ownership of commercial property in the medical district in Las Vegas and, therefore, abstained from the discussion and vote.

UNLV President Meana stated this is a request to purchase property located at 1125 Shadow Lane. UNLV was granted approval by the Chancellor to pursue the acquisition of the property. A non-binding Letter of Intent was executed between UNLV and the seller with an agreed-upon price not to exceed \$1.2 million. UNLV will incorporate the land into future campus master planning and development opportunities.

In response to a question from Regent Doubrava, Mr. David Frommer, Executive Director, Planning and Construction, UNLV, stated one of the three residential homes on the eastern border has been purchased and if UNLV finds the other two residential properties offered at an option that makes sense for acquisition, then UNLV will bring that forward to the Board.

Regent Doubrava asked for updated maps on future items.

Regent Carvalho moved approval: 1) to purchase the Property located at 1125 Shadow Lane, Las Vegas, Nevada and bearing Clark County Assessor Parcel Number 162-04-112-006; 2) that the Chancellor be authorized to finalize, approve, and execute a Purchase and Sale Agreement, and any other ancillary agreements required to implement the purchase of the Property, including but not

6. Approved – Purchase of Real Property Located at 1125 Shadow Lane, Las Vegas, Nevada – UNLV – (Continued)

limited to conveyances, easements, and right of ways; and 3) that all aforementioned agreements shall be reviewed and approved by the NSHE Chief General Counsel after consultation with the Business, Finance and Facilities Committee Chair in order to implement the terms and conditions required to finalize the purchase of the Property. Regent Doubrava seconded. Motion carried. Chair Hayes abstained.

7. Information Only – Shadow Lane Campus – UNLV and City of Las Vegas Parking Facility Collaboration – UNLV – UNLV President Meana presented for information only an update on the progress of the agreement between the City of Las Vegas and UNLV to collaborate on the development of a parking structure and ancillary facilities within the designated Las Vegas Medical District. (Ref. BFF-7 on file in the Board Office.)

Chair Hayes disclosed his ownership of commercial property in the medical district in Las Vegas and, therefore, abstained from the discussion.

President Meana reported UNLV presented an update at the November 30, 2017, Business, Finance, and Facilities Committee meeting that summarized informal discussions with the City of Las Vegas related to the potential development of a mixed-use parking structure. This is a preliminary update to how the agreement is developing. UNLV will enter into a long-term lease agreement with the City of Las Vegas for the purpose of developing the mixed-use project within the Las Vegas Medical District. In exchange for the lost parking spaces, the City of Las Vegas has agreed to provide upon completion of the project 11,550 square feet of designated office space within the development. The City of Las Vegas will also provide a 4,500 square foot laydown yard and 95 parking spaces within the parking facility at no cost to UNLV. An error in the briefing paper states that UNLV would be required to subordinate its fee interest in the site for the City's financing purposes. For purposes of the record, UNLV will not be required to subordinate its fee interest. A master development agreement will be created and brought back to this Committee for consideration.

Ms. Shani Coleman, Deputy Director of Administrative Services, City of Las Vegas, stated the City is excited about this opportunity to work together to build a structure that will bring value to UNLV SOM and the Las Vegas Medical District.

Regent Doubrava expressed his thanks to the City of Las Vegas.

Ms. Brandy Stanley, Parking Services Manager, City of Las Vegas, stated this project will add economic benefit to the entire Las Vegas Medical District.

In response to a question from Chairman Page, Ms. Stanley stated because of the office component it may take longer than 18 months but will depend on when construction begins.

8. Approved – Gateway Buildings – UNR – The Committee recommended approval for demolition of University-owned buildings in the Gateway area on Center Street and Lake Street, by June 3, 2019, that are not under contract to be relocated by December 1, 2019. *(Ref. BFF-8 on file in the Board Office.)*

UNR President Marc A. Johnson provided background information related to the Gateway Buildings as provided in BFF-8.

Regent Doubrava moved approval for demolition of University-owned buildings in the Gateway area on Center Street and Lake Street, by June 3, 2019, that are not under contract to be relocated by December 1, 2019. Vice Chair Del Carlo seconded.

Regent Carvalho appreciated the work that has gone into preserving the history of these houses. She stated while she didn't want to see the houses demolished, there has to be a set time to move forward.

Vice Chair Del Carlo understood the historical importance of the houses, but it cannot impede the progress of the University.

Motion carried.

9. Approved – Lease Amendments for Cooperative Extension in Laughlin, Nevada – UNR – The Committee recommended approval of the Lease Amendments for the Laughlin Community Center Suites 126 and 127, and 2610 Needles Highway in Laughlin, Nevada. *(Ref. BFF-9 on file in the Board Office.)*

UNR President Johnson requested an extension of the Lease Agreement between Clark County and Cooperative Extension.

Vice Chair Del Carlo moved approval of the Lease Amendments for the Laughlin Community Center Suites 126 and 127, and 2610 Needles Highway in Laughlin, Nevada. Regent Carvalho seconded.

In response to a question from Chair Hayes, Deputy General Counsel Jimmy Martines believed there is normally a statement within the lease that good and fair consideration is acknowledged.

Motion carried.

10. Information Only – New Business – None.
11. Information Only – Public Comment – None.

The meeting adjourned at 10:21 a.m.

Prepared by:

Angela R. Palmer  
Special Assistant and Coordinator  
to the Board of Regents

Submitted for approval by:

Dean J. Gould  
Chief of Staff and Special Counsel  
to the Board of Regents

***Approved by the Board of Regents at its June 6 & 7, 2019, meeting.***