

Minutes approved by the Board of Regents at the June 6 & 7, 2024, meeting.

**BOARD OF REGENTS and its
BUSINESS, FINANCE AND FACILITIES COMMITTEE**
Desert Research Institute
Frank H. Rogers Science & Technology Building, Auditorium
755 East Flamingo Road, Las Vegas

Thursday, February 29, 2024

Members Present: Dr. Jeffrey S. Downs, Chair
Mr. Joseph C. Arrascada
Mr. Byron Brooks
Ms. Stephanie Goodman
Dr. Lois Tarkanian

Members Absent: Mr. Patrick J. Boylan, Vice Chair

Other Regents Present: Mrs. Susan Brager

Others Present: Mr. James J. Martines, Vice Chancellor and Chief General Counsel
Mr. Chris Viton, Vice Chancellor, Budget and Finance and Chief
Financial Officer
Mr. Michael B. Wixom, Special Counsel to the Board of Regents
Mr. Brian Sandoval, President, UNR
Dr. J. Kyle Dalpe, President, WNC

Land Acknowledgment

Before beginning, we take a moment to recognize that here in Nevada we stand on the land of the Wa She Shu – Washoe; Numu – Northern Paiute; Nuwe – Western Shoshone; and Nuwu – Southern Paiute. We take a moment to recognize and honor their stewardship that continues into today. With this recognition, we state an intention to rightfully include their voice and respect them as the 27 sovereign tribal nations of Nevada.

Chair Downs called the meeting to order at 10:30 a.m. with all members present except Regent Boylan.

1. Information Only – Public Comment

Kent Ervin provided in-person public comment related to the Fiscal Exceptions Report. He appreciated the extra detail included in the cover letter.

2. Approved – Consent Items – The Committee recommended approval of the November 30, 2023, meeting minutes. Items 2b, 2023 Self-Supporting Summer Session/Calendar Year Budgets, Budget to Actual Comparison, and Item 2c, 2024 Self-Supporting Summer Session/Calendar Year Budgets were considered separately.

2. Approved – Consent Items – (Continued)

Chair Downs requested Item 2b, 2023 Self-Supporting Summer Session/Calendar Year Budgets, Budget to Actual Comparison, and Item 2c, 2024 Self-Supporting Summer Session/Calendar Year Budgets be considered separately.

- 2a. Approved – Minutes – The Committee recommended approval of the November 30, 2023, meeting minutes. *(Ref. BFF-2a on file in the Board Office.)*

Regent Brooks moved approval of the November 30, 2023, meeting minutes. Regent Goodman seconded. Motion carried unanimously. Vice Chair Boylan was absent.

- 2b. Approved – 2023 Self-Supporting Summer Session/Calendar Year Budgets, Budget to Actual Comparison – The Committee recommended approval of the 2023 Self-Supporting Summer Session and Calendar Year Budgets, Budget to Actual Comparison for the NSHE. *(Ref. BFF-2b on file in the Board Office.)*

Chair Downs disclosed that he is an employee of Western Nevada College and teaches summer courses. Because the independence of judgment of a reasonable person would not be materially affected, he will vote on this matter. He disclosed the relationship under NRS Chapter 281A.

Regent Brooks moved approval of the 2023 Self-Supporting Summer Session and Calendar Year Budgets, Budget to Actual Comparison for the NSHE. Regent Goodman seconded. Motion carried unanimously. Vice Chair Boylan was absent.

- 2c. Approved – 2024 Self-Supporting Summer Session/Calendar Year Budgets – The Committee recommended approval of the 2024 Self-Supporting Summer Session/Calendar Year Budgets. *(Ref. BFF-2c on file in the Board Office.)*

Chair Downs disclosed that he is an employee of Western Nevada College and teaches summer courses. Because the independence of judgment of a reasonable person would not be materially affected, he will vote on this matter. He disclosed the relationship under NRS Chapter 281A.

Regent Brooks moved approval of the 2024 Self-Supporting Summer Session/Calendar Year Budgets. Regent Goodman seconded. Motion carried unanimously. Vice Chair Boylan was absent.

3. Information Only – Second Quarter Fiscal Year 2023-2024 Fiscal Exceptions, Self-Supporting Budgets – Chief Financial Officer Chris Viton presented the Second Quarter Fiscal Year 2023-2024 Report of Fiscal Exceptions on Self-Supporting Budgets. He noted that changes were made to the report to address recent policy revisions. *(Ref. BFF-3 on file in the Board Office.)*
4. Information Only – Second Quarter Fiscal Year 2023-2024 Budget Transfers, State Supported or Self-Supporting Operating Budgets – Chief Financial Officer Viton presented the Second Quarter Fiscal Year 2023-2024 Report of Budget Transfers of State Supported or Self-Supporting Operating Budget Funds between Functions. He noted that changes were made to the report to address recent policy revisions. *(Ref. BFF-4 on file in the Board Office)*

Regent Arrascada asked UNR to expand on the transfer to modify the Lake Tahoe campus budget. UNR Vice President for Administration and Finance Andrew Clinger stated the report flags when the function of the money changes. The transaction is placing money in the account to fund the transition account.

Regent Arrascada asked for clarification on the budget reductions of the 12 percent COLAs due to student fee shortfalls. UNR Vice President Clinger stated there are several transactions related to budget reductions. When UNR planned the FY 24 budget, it placed a 10 percent budget reduction placeholder in each account. This transaction removes the 10 percent budget placeholder and provides vacancy sweeps to help balance the budget.

5. Information Only – NSHE Real Property Inventory Report Calendar Year 2023 – Chief Financial Officer Viton presented the NSHE Real Property Inventory Report Calendar Year 2023. *(Ref. BFF-5 on file in the Board Office.)*
6. Approved – 2014A Certificates of Participation Refunding – Resolution – The Committee recommended approval of a Resolution allowing NSHE, on behalf of UNR, to issue up to \$24,265,000 in fixed-rate refunding certificates of participation by NSHE, and on behalf of TMCC, to authorize the defeasance and repayment of \$3,045,000 of the 2014A Certificates of Participation. *(Ref. BFF-6 on file in the Board Office.)*

Chief Financial Officer Viton presented the Resolution to allow NSHE, on behalf of UNR, to issue up to \$24,265,000 in fixed-rate refunding certificates of participation by NSHE, and on behalf of TMCC, to authorize the defeasance and repayment of \$3,045,000 of the 2014A Certificates of Participation. NSHE's debt management guidelines generally require a minimum savings of 3 percent or more of the refunded par value for refinancing to be considered. The proposed refinancing is estimated to generate a savings of \$824,000 or 5.9 percent of the refunded par value. But today's updated numbers are higher at \$937,000.

Mr. John Peterson, Vice President, JNA Consulting Group, stated he was happy to answer questions but echoed the estimated yearly savings. Mr. Peterson noted that the TMCC prepayment increased slightly due to federal tax code requirements.

6. Approved – 2014A Certificates of Participation Refunding – Resolution – (Continued)

Special Counsel to the Board of Regents Michael B. Wixom stated one of the reasons the Board benefits from operating as a System is that it can create joint financing arrangements. By structuring in this way, the System saves substantially.

Regent Goodman moved approval of a Resolution allowing NSHE, on behalf of UNR, to issue up to \$24,265,000 in fixed-rate refunding certificates of participation by NSHE, and on behalf of TMCC, to authorize the defeasance and repayment of \$3,045,000 of the 2014A Certificates of Participation. Regent Tarkanian seconded. Motion carried unanimously. Vice Chair Boylan was absent.

7. Approved – 2014A University Revenue Bond Refunding – Resolution – The Committee recommended approval of a Resolution allowing NSHE, on behalf of UNR, to issue up to \$35,245,000 of fixed-rate revenue refunding bonds to refinance the existing 2014A bonds for interest savings. (Ref. BFF-7 on file in the Board Office.)

Chief Financial Officer Viton presented the Resolution to allow NSHE, on behalf of UNR, to issue up to \$35,245,000 of fixed-rate revenue refunding bonds to refinance the existing 2014A bonds for interest savings. Under NSHE's debt management guidelines, refinancing is estimated to generate a savings of \$3.6 million, or 10.3 percent of the refunded par value. But today's updated savings numbers are higher at \$3.8 million.

Regent Goodman moved approval of a Resolution allowing NSHE, on behalf of UNR, to issue up to \$35,245,000 of fixed-rate revenue refunding bonds to refinance the existing 2014A bonds for interest savings. Regent Arrascada seconded. Motion carried unanimously. Vice Chair Boylan was absent.

8. Approved – Authorization to Sell Approximately 3.14 Acres of Vacant Land on Wedekind Road, Sparks, Nevada – Resolution – UNR – The Committee recommended approval of a Resolution for the sale of real property located on Wedekind Road in Sparks, Nevada (APN 026-341-57); that the Chancellor be granted authority to execute the sale agreement, any non-material or corrective amendments to the sale agreement, and any other ancillary agreements, documents, or applications that may be required to implement the sale agreement; and that all such amendments and ancillary documents shall be reviewed and approved by the Chancellor, and NSHE Chief General Counsel, or, at the NSHE Chief General Counsel's request, NSHE Special Real Property Counsel, to confirm that they are necessary in order to implement the terms and conditions required to finalize the sale, as approved by the Board of Regents. (Ref. BFF-8 on file in the Board Office.)

8. Approved – Authorization to Sell Approximately 3.14 Acres of Vacant Land on Wedekind Road, Sparks, Nevada – Resolution – UNR – (Continued)

Chair Downs disclosed that he is the parent of a future student at the UNR College of Agriculture, Biotechnology, and Natural Resources (CABNR) who has applied for scholarships, some of which originated from CABNR. The proceeds from the sale of this property are intended to be used for scholarships for CABNR students. Because the independence of judgment of a reasonable person would be materially affected, he will abstain on this matter. He disclosed the relationship under NRS Chapter 281A.

University of Nevada, Reno President Brian Sandoval presented a Resolution for the sale of real property located on Wedekind Road in Sparks, Nevada.

Regent Arrascada stated that an opportunity to sell the property above the appraisal price benefits UNR and the City of Sparks.

Regent Goodman voiced her thanks to the Mary Gray Estate.

Regent Arrascada moved approval of a Resolution for the sale of real property located on Wedekind Road in Sparks, Nevada (APN 026-341-57); that the Chancellor be granted authority to execute the sale agreement, any non-material or corrective amendments to the sale agreement, and any other ancillary agreements, documents, or applications that may be required to implement the sale agreement; and that all such amendments and ancillary documents shall be reviewed and approved by the Chancellor, and NSHE Chief General Counsel, or, at the NSHE Chief General Counsel's request, NSHE Special Real Property Counsel, to confirm that they are necessary in order to implement the terms and conditions required to finalize the sale, as approved by the Board of Regents. Regent Tarkanian seconded. Motion carried. Chair Downs abstained. Vice Chair Boylan was absent.

9. Approved – U.S. Department of Health and Human Services, Health Resources and Services Administration Grant, Notice of Federal Interest – Pinon Hall, Fallon Campus – WNC – The Committee recommended approval to execute the Notice of Federal Interest which will grant the Federal Government the ability to record a lien against a portion of NSHE-owned real property, commonly known as the WNC Fallon Campus Pinon Hall, bearing Churchill County Assessor Parcel Number 001-191-20, for the purposes of HRSA grant compliance requirements; that the Chancellor be granted authority to execute the subject Notice of Federal Interest, an associated amendment to a lease with Churchill County for the WNC Fallon Campus Pinon Hall, any non-material or corrective

9. Approved – U.S. Department of Health and Human Services, Health Resources and Services Administration Grant, Notice of Federal Interest – Pinon Hall, Fallon Campus – WNC – (Continued)

amendments to the Notice of Federal Interest, and the lease amendment, and any other ancillary agreements, documents, or applications that may be required to implement the sale agreement; and that all such amendments and ancillary documents shall be reviewed and approved by the Chancellor, and NSHE Chief General Counsel, or, at the NSHE Chief General Counsel's request, NSHE Special Real Property Counsel, to confirm that they are necessary in order to implement the terms and conditions required to finalize the subject transaction, as approved by the Board of Regents. *(Ref. BFF-9 on file in the Board Office.)*

Chair Downs disclosed that he is an employee of Western Nevada College. Because the independence of judgment of a reasonable person would not be materially affected, he will vote on this matter. He disclosed the relationship under NRS Chapter 281A.

Western Nevada College President J. Kyle Dalpe presented a request to execute the Notice of Federal Interest which will grant the Federal Government the ability to record a lien against a portion of NSHE-owned real property, commonly known as the WNC Fallon Campus Pinon Hall, bearing Churchill County Assessor Parcel Number 001-191-20, for the purposes of HRSA grant compliance requirements.

Special Counsel Wixom stated that if this item is approved, it will be the third Notice of Federal Interest that will go on record against NSHE properties. NSHE has worked extensively with the Federal Government to clarify how NSHE releases the Notice of Federal Interest. NSHE is uncomfortable with the release process but is working with Federal officials.

In response to Regent Goodman's question about whether there is a risk that Churchill County will not approve this, WNC President Dalpe stated it is in Churchill County's interest to negotiate a longer-term lease.

Regent Brooks moved approval to execute the Notice of Federal Interest which will grant the Federal Government the ability to record a lien against a portion of NSHE-owned real property, commonly known as the WNC Fallon Campus Pinon Hall, bearing Churchill County Assessor Parcel Number 001-191-20, for the purposes of HRSA grant compliance requirements; that the Chancellor be granted authority to execute the subject Notice of Federal Interest, an associated amendment to a lease with Churchill County for the WNC Fallon Campus Pinon Hall, any non-material or corrective amendments to the Notice of Federal Interest, and the lease amendment, and any other ancillary

9. Approved – U.S. Department of Health and Human Services, Health Resources and Services Administration Grant, Notice of Federal Interest – Pinon Hall, Fallon Campus – WNC – (Continued)

agreements, documents, or applications that may be required to implement the sale agreement; and that all such amendments and ancillary documents shall be reviewed and approved by the Chancellor, and NSHE Chief General Counsel, or, at the NSHE Chief General Counsel's request, NSHE Special Real Property Counsel, to confirm that they are necessary in order to implement the terms and conditions required to finalize the subject transaction, as approved by the Board of Regents. Regent Arrascada seconded. Motion carried unanimously. Vice Chair Boylan was absent.

10. Information Only – New Business – None.

11. Information Only – Public Comment – None.

The meeting adjourned at 11:04 a.m.

Prepared by:

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

Submitted for approval by:

Keri D. Nikolajewski
Chief of Staff to the Board of Regents