

SPECIAL MEETING

VIDEOCONFERENCE BOARD OF REGENTS UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA

Sites: Conference Room, System Administration
2601 Enterprise Road, Reno
5550 W. Flamingo, Suite C-1, Las Vegas
Berg Hall Conference Room, Great Basin College, Elko

Friday, January 7, 2005

Members Present: Dr. Stavros Anthony, Chair *(Las Vegas site)*

Mr. Mark Alden *(Las Vegas site)*

Dr. Jill Derby *(Las Vegas site)*

Mrs. Thalia Dondero *(Las Vegas site)*

Mrs. Dorothy S. Gallagher *(Elko site)*

Mrs. Linda Howard *(Las Vegas site)*

Mr. James Dean Leavitt *(Las Vegas site)*

Mr. Howard Rosenberg *(Las Vegas site)*

Dr. Jack Lund Schofield *(Las Vegas site)*

Mr. Douglas Seastrand *(Las Vegas site)*

Mr. Steve Sisolak *(Las Vegas site)*

Mr. Bret Whipple *(Las Vegas site)*

Members Absent: Mr. Douglas Roman Hill

Others Present: Interim Chancellor Jim Rogers *(Las Vegas site)*

Assistant Chancellor Trudy Larson *(Reno site)*

Chief Counsel Dan Klaich *(Las Vegas site)*

President Richard Carpenter, CCSN *(Las Vegas site)*

Vice President, Patty Charlton, CCSN *(Las Vegas site)*

Vice President Chris Maples, DRI *(Las Vegas site)*

President Fred Maryanski, NSC *(Las Vegas site)*

Interim President Pat Miltenberger *(Las Vegas site)*

Vice President Sandy Boyle, NSC *(Las Vegas site)*

Academic Officer, Lois Becker, NSC *(Las Vegas site)*

Student Services Officer, Rene Cantu, NSC *(Las Vegas site)*

Vice President Delores Sanford, TMCC *(Reno site)*

Foundation Exec. Dir. B.J. North, TMCC *(Reno site)*

Vice President Gerry Bomotti, UNLV *(Las Vegas site)*

Vice President Juanita Fain, UNLV *(Las Vegas site)*

President John Lilley, UNR *(Reno site)*

Vice President Ron Zurek, UNR *(Reno site)*

Director, Bruce Shively, UNR *(Reno site)*

Chief Administrative Officer Suzanne Ernst *(Las Vegas site)*

Vice Chancellor Buster Neel *(Las Vegas site)*

Human Resources Director Carla Henson *(Las Vegas site)*

Also present were CCSN Faculty Senate representatives Dr. Terry Jones, Dr. Darren Divine, and Ms. Mitzi

Ware. CCSN Foundation representatives included: Ms. Diana Wilson, Mr. Al Whalen, Ms. Jenny DesVaux Oakes, Mr. Chris Publow, Mr. Jim Marsh, Ms. Jacque Mathews, and Mr. Monte Miller. Community representatives included: Ms. MaryKaye Cashman, CEO, Cashman Equipment; Ms. Yvette Moore, Director, Nevada Taxicab Authority; Ms. Lisa Dove-Swisher, Director, Business Development, Swisher & Hall, AIA Ltd.; Mr. Terry Mayfield, Executive Director, Las Vegas New Car Dealer Association; Mr. Mike McCandless, Vice President, McCandless International Trucks; and Ms. Carolyn M. Sparks, International Insurance Services.

Chair Stavros Anthony called the meeting to order at 1:03 p.m., on Friday, January 7, 2005, with all members present except Regent Hill. Chair Anthony noted that the newly elected Regents had been duly sworn in to office.

The meeting recessed at 1:05 p.m. on Friday, January 7, 2005, and the Board convened as Members of the Corporation for two UCCSN institution Foundation appointments with all members present except Regent Hill.

1. Information Only-Foundation Appointments – The Board reviewed recommendations for Foundation appointments (*TMCC and WNCC*).

The meeting reconvened at 1:10 p.m. on Friday, January 7, 2005, with all members present except Regent Hill.

2. Approved-Minutes – The Board approved the minutes from the Chancellor Search Committee meeting held December 9, 2004, the NSC Presidential Search Committee meetings held November 16, and December 15, 2004, and the Technology Task Force meeting held November 18, 2004.

Regent Whipple moved approval of the minutes from the Chancellor Search Committee meeting held December 9, 2004, and the Technology Task Force meeting held November 18, 2004. Regent Rosenberg seconded. Motion carried. Regent Hill was absent.

Regent Sisolak noted a point of order, questioning whether the NSC Presidential Search Committee minutes required approval. Chief Counsel Klaich suggested the makers of the motion amend their motion to include the minutes of all three meetings.

Regents Whipple and Rosenberg agreed to amend their previous motion and second to include the minutes from all meetings delineated. Regent Rosenberg moved approval of all of the minutes delineated. Regent Leavitt seconded. Motion carried. Regent Hill was absent.

3. Approved-Appointment, President, NSC – The Board approved Interim Chancellor James Rogers' request for the appointment of Dr. Fred J. Maryanski as President of Nevada State College, effective February 1, 2005. The proposed salary and terms of the contract were identified at the Board meeting (*Ref. A on file in the Board office*).

Regent Alden related it had been a very good search with a splendid committee and a terrific search consultant. He felt they had selected a great person in Dr. Fred Maryanski to lead the college, adding that he was proud of the committees' unanimous recommendation.

Regent Alden moved approval of the appointment of Dr. Fred J. Maryanski as President of Nevada State College with the terms as presented. Regent Derby seconded.

Regent Sisolak related that his remarks were not directed at Dr. Maryanski. He stated that he had a real problem with the salary. He said he was only made aware of the salary a few days prior. He noted that it was the second largest salary for the System's smallest institution. He was not saying that Dr. Maryanski was not worth the compensation, but he worried about the other presidents who were no where near that figure and had served for a significant period of time. He said that it seemed they would need to increase everyone's salary in order to be fair to those individuals. He felt it would be demoralizing if the other salaries were not adjusted with a new president coming in with a significantly higher salary. He observed it was the System's newest and smallest

institution. The president of a larger institution, with the greatest number of students, would be making significantly less. Unless there would be an adjustment to all of the salaries, he could not support the request. He said it was not the individual, but rather the salary.

Regent Derby spoke in favor of the motion. Salary scales are employed that reflect the range in which salaries are set for each of the different types of institutions. Another set of factors are at play when negotiating, primarily market driven. The primary job of a search committee is to find the right person for the job. She said the Board considers the matter very carefully and diligently. Another consideration is the individual's previous salary. As presidential contracts are reviewed, the amounts are increased to make them more competitive within the market structure. She applauded the search committee, adding that it had been a very good process. She said there was unanimous consent amongst the committees. She said it was the decision of the chancellor, the Board Chair and, Committee Chair to make the decision work. The figure reflects what it took to get this person here. She said she felt good about it.

Regent Howard asked why the other Regents did not receive the information. She said that information should be sent to all Regents. Ms. Ernst replied that she believed the information had been e-mailed that morning. Regent Howard said it was not and asked whether others had received it. Regent Rosenberg said he did not. Regent Schofield said

3. Approved-Appointment, President, NSC – (Cont'd.)

he had received it. Regent Howard said she wanted to ensure that she receives this type of material.

Regent Rosenberg said he had no quarrel with the search committee. He was quite sure that Dr. Maryanski was the perfect choice. He said he had a problem with the salary and how salaries are set. While he understands considerations about the market, he felt they should remember there are certain markets they cannot afford. They are in a very difficult situation with NSC, particularly with the Legislature. This kind of situation is counterproductive. He asked what other criteria (*besides market*) was used to set salary. The Board needs to know how to respond when asked by their constituents. He said the Board puts a candidate at a tremendous disadvantage. Regent Rosenberg said that Dr. Maryanski appeared to be a wonderful choice. He apologized for subjecting him to this. He said this was something the Board must face.

Interim Chancellor Rogers discussed the differences amongst all of the presidents. He has previously expressed his feeling that all of the presidents are underpaid. He said that he had tried to look across the country to see what Nevada's needs are, what other places pay, and make adjustments. For example, President Killpatrick's contract was brought back to the Board.

Regent Sisolak noted a point of order.

Chief Counsel Klaich said the Board could discuss salaries in so far as they pertain to the mental process in negotiating Dr. Maryanski's salary. He cautioned the chancellor to stay away from the processes of negotiating with Dr. Killpatrick or Dr. Ringle.

Chancellor Rogers said that Dr. Killpatrick's salary had been increased from \$132,000 to \$165,000. Dr. Ringle's salary was increased from \$155,000 to \$180,000. Not considering Dr. Harter's supplemental pay, Dr. Maryanski will be the highest paid president. President Lilley's contract will be renegotiated in the very near future.

Chancellor Rogers asked to discuss Nevada State College.

Chief Counsel Klaich reminded the chancellor that the conversation should relate to the factors that he took into consideration in setting Dr. Maryanski's salary and in response to Regent Sisolak.

Chancellor Rogers said that Nevada State College was a start-up college that had been under attack from the beginning. He estimated that this could be the System's most difficult job. He said that he was looking for someone to be his partner in fundraising for the college, noting that they were well aware of the difficulty they would continue to face from a legislature that does not fully fund the institutions. He said it would take a special

kind of person, with more than just the regular talents for running a college or university. He said it would require someone who can go out into the community and have great presence and credibility in raising money for a start-up school. He was comfortable that he and Dr. Maryanski could work together and that Dr. Maryanski would work with the

3. Approved-Appointment, President, NSC – (Cont'd.)

next chancellor to build the college, primarily with private funds. Dr. Maryanski previously earned \$219,000. Chancellor Rogers felt they should offer an amount sufficient to make Dr. Maryanski feel appreciated and compensated for the job he is expected to accomplish. He reminded the Board it was not an eight-hour/day job. Chancellor Rogers felt that this job needed to be done by an academic with great credibility and stability, who could also “sell” the college. He said it was difficult to get someone to accept such a position, noting that sales people are amongst the higher paid employees. He said he felt fortunate that Dr. Maryanski and his wife were willing to come to Nevada. If he were comparing salary on the basis of difficulty, he might make it the highest paid position in the System. He did not feel it would cause any great disparity amongst the presidents because they would continue to make adjustments moving forward. He said they had to be able to compete nationally.

Regent Sisolak apologized to Dr. Maryanski, adding that he felt a strong duty to the other presidents. He agreed that salespeople are among the highest paid. They are paid for what they produce, not the promise to produce. They are paid after they produce. He observed that Dr. Maryanski had not brought in any revenue. He acknowledged they were asking a newcomer to go into the community and make friends and fundraise, which was difficult. He observed there were presidents who had served for seven years without earning this much money. He agreed that Dr. Maryanski would be a salesperson for the college. He observed that this was taxpayer dollars. He said that he admired everything the chancellor has done. He wanted all of the presidents to feel appreciated, not just the new one. He was concerned about a demoralizing factor. He said he has a real issue with someone having to leave in order to make more money. Every time that a new president is hired, the new person earns more than the previous one was making. Every time the salary is stepped up. They are forcing themselves to increase every other salary. He felt it was important to be fair.

Regent Sisolak asked whether anyone else was included with this contract. Chancellor Rogers replied there were none of which he was aware. Regent Sisolak said he wanted to know about any subsequent or ancillary hires associated with this contract. Chief Counsel Klaich clarified that Regent Sisolak wanted to know whether there were any terms discussed (*implicit or explicit*). Chancellor Rogers replied there were not.

Regent Sisolak said he was really uncomfortable. He felt this put everyone in a bad situation when it has to be done in such a setting. He asked why they don't advertise the salary and felt the practice should be considered.

Chancellor Rogers noted the existing range for presidents, adding that the recommended salary was not near the top of that range. He said they were always adjusting salaries (*i.e., incentive plans*) and he was unsure how to look forward without benefit of a track record. NSC is a new situation. Part of this is a bit of combat pay. Some people in this community are opposed to this college. The Foundation has had difficulty raising funds. He did not think they could derive a formula for paying Dr. Maryanski on a bonus basis. He said they might consider a bonus for him after several years of successful fundraising.

3. Approved-Appointment, President, NSC – (Cont'd.)

He said they must also consider the other presidents' salaries. He felt that not paying Dr. Maryanski for fear of offending other presidents was not the right response. He felt they should consider this particular transaction. If it is later determined that they have been unfair to one of the presidents they must go back and make adjustments. He said it was a normal business function. He felt that Dr. Maryanski was the right man for the job. He said it would not have been feasible to pay him less.

Regent Gallagher observed that this occurs whenever a dean, vice president, president, or chancellor is hired. She said the market dictates the price one pays for quality. She wanted to ensure there is a plan to increase the salaries of the sitting presidents. Chair Anthony said they could not address that at this time.

Regent Leavitt felt the System's students deserve the best and finest talent that can be paid. There are many

ways for cutting costs. He felt they should not start with the chancellor or presidents. He did not want anyone to operate under the principle of the lowest common denominator. He said they had to operate from the highest common denominator. He felt there were other ways to achieve cost cutting.

Regent Sisolak noted a point of order, feeling that they had strayed from the agenda item.

Chief Counsel Klaich advised everyone that they could discuss the chancellor setting relative salaries. He cautioned against discussing future plans for adjusting salaries.

Regent Leavitt said that he was grateful for the message. He clarified that they care about higher education, adding that he would like them to cut costs in other areas.

Regent Rosenberg asked who sets the range. Ms. Ernst replied that the Regents do. Regent Rosenberg asked when it was set. Regent Derby recalled it had been reviewed a few years ago. Regent Rosenberg felt they should revisit the issue. Regent Derby said that it was a major study.

Ms. Carla Henson, Director, Human Resources-System Administration, reported that the salary schedules were updated and approved by the Board in March 2004. Regent Rosenberg requested the high, medium, and low ranges for the position. He felt the Board should determine how much power it wants to invest in the chancellor.

Chief Counsel Klaich alerted Board members that the conversation had strayed from the agenda item.

Regent Rosenberg said he had no problem with Dr. Maryanski. He hoped that Dr. Maryanski could accomplish half of what was expected.

Regent Alden observed that the Board had set a range and that the recommendation was within it. He said he was involved in the recommended amount and felt it was a fair and reasonable salary. He said it could not be compared with the other presidents' salaries. He encouraged the Board to move on.

3. Approved-Appointment, President, NSC – (Cont'd.)

Chief Counsel Klaich clarified that Regent Alden's comments regarding salary were within the context of how the chancellor negotiated the salary. Regent Alden agreed they were. Chief Counsel Klaich again cautioned members against discussing the other presidents.

Ms. Henson provided the salary ranges:

- · University, DRI, and state college presidents:
- ✓ · Minimum \$196,100.
- ✓ · Median \$265,000.
- ✓ · Maximum \$333,090.

Regent Sisolak noted a point of clarification, asking whether they were included in the same group. Ms. Henson replied that the community college presidents had a different schedule. Chief Counsel Klaich clarified that the same category included the two universities, DRI, and NSC presidents, as well as the chancellor.

Regent Howard asked about the minimum salary. Ms. Henson replied that it was \$196,100. Regent Howard asked when it would go into effect. Ms. Henson replied the ranges were already in effect. Regent Howard said that it did not make sense. She was reminded that it was not the community college scale. Regent Howard asked about the community college amounts. Ms. Henson replied:

- · Minimum \$127,304.
- · Maximum \$316,000.

Chancellor Rogers said that he consulted with Ms. Henson about the range. The recommendation is at the lower end of the range.

Upon a role call vote the motion carried. Regents Alden, Anthony, Derby, Dondero, Gallagher, Howard, Leavitt,

Schofield, Seastrand, and Whipple voted yes. Regents Rosenberg and Sisolak voted no. Regent Hill was absent.

4. Public Comment – Dr. Fred Maryanski thanked the Board, adding that he was honored to accept the position. He complimented the Board’s foresight and vision in creating Nevada State College. He said the college has a great team and they would build a great institution, which will meet the needs of Nevada’s citizens. He said he appreciated the Board’s hospitality. He felt this was a fantastic opportunity and the best job in higher education in the country. He was looking forward to working with everyone.

Chair Anthony thanked Interim President Pat Miltenberger for doing a great job on an interim basis.

5. Tabled-Contract for Chancellor Search Services – The Board tabled action on the Chancellor Search Committee’s recommendation for contracting with Greenwood & Associates, Inc., as the search firm for the Chancellor search until the Board provides direction. The proposed fee was one-third of the total chancellor’s first year’s base cash compensation plus expenses such as consultant and candidate travel, background checks, and administrative costs (*Ref. B on file in the Board office*).

Regent Alden objected to wording in the contract, which estimated a minimum base salary on which to base the consultant fees. He felt it should be one-third of the base salary.

Chief Counsel Klaich stated that this was not the best contract he had seen. If it were his work product, he would expect the Board to have some serious concerns about his performance. He reviewed other contracts for search services and found that this is not an uncommon practice. The original contract stipulated \$300,000 and discussed the compensation including base salary. He said that he estimated a figure which he felt to be the minimum amount the Board could possibly expect to pay a qualified chancellor. The contract originally stipulated one-third down payment; one-third the following month; and one-third the following month. Instead, the compensation schedule was based on the delivery of services. One-third down payment was deemed appropriate. The second installment will be paid when they close the application process. The final installment will be paid when finalist candidates are presented to the Board. The contract stipulates that the search committees or the Board may reject any and all candidates. The consultant will continue to work with the committees until the Regents’ search committee recommends a candidate to the Board.

Regent Alden said he did not want to base the compensation on an estimate. He said he wanted it based on the actual salary offered. He said he would not support the motion. He also felt the final payment should not be made until the search was successfully completed. He said he was not happy.

Chief Counsel Klaich agreed that the last thing that anyone on the Board wanted to hear was that they have no discretion over the contract. He said they would do whatever the Board directed and that the contract could be amended. He said he would return it to Greenwood & Associates with any additional directions provided by the Board. He said they would negotiate the Board’s will.

Regent Rosenberg asked whether more time was needed to fine tune the contract. Chief Counsel Klaich replied that no more time was required. He only required Board direction.

5. Tabled-Contract for Chancellor Search Services – (*Cont’d.*)

Regent Rosenberg moved to table the matter until the Board provides direction. Regent Sisolak seconded. Upon a role call vote the motion carried. Regents Alden, Anthony, Derby, Dondero, Gallagher, Howard, Leavitt, Rosenberg, and Sisolak voted yes. Regents Schofield, Seastrand, and Whipple voted no. Regent Hill was absent.

Chief Counsel Klaich observed that he had not heard Board comments regarding the amount of consideration, but rather with respect to certain terms, which the Board considered not to be normal business terms.

Regent Sisolak noted a point of order. Chief Counsel Klaich apologized for being out of order and the discussion

ended.

6. Approved-2005-2007 Biennial Budget – The Board approved Interim Chancellor James Rogers' and Vice Chancellor for Finance & Administration Buster Neel's requests to discuss and revise the 2005-2007 Capital Improvement Priority List approved by the Board of Regents at its June 2004 meeting, and to delegate to the Chancellor the authority to negotiate with the Governor and the Legislature modifications to the 2005-2007 biennial budget (*both capital and operating*) as approved by the Board at its June and August 2004 meetings (Ref. Con file in the Board office).

Interim Chancellor Rogers reported that the changes were minute. He related that he had multiple conversations with legislators and the Governor regarding their priorities and the finances that will be available to UCCSN. He said he did not want to discuss these ongoing conversations any further. He recalled that priority #5 (*Nevada State College*) had previously included a request to the state for \$9.13 million, as well as a \$1 million donation conditioned upon the state funding the \$9 million. The 2005-07 Capital Priority List has been amended to indicate \$0 from the state and \$10 million from outside sources, which includes the \$1 million donation. The remaining \$9 million will come from sources that staff is working on with the Legislature and the Governor.

Interim Chancellor Rogers then discussed priority #7 (*CCSN Automotive Tech Program*). He recalled that it was originally proposed that the Foundation or the automotive industry in the community would come forward with money (*estimated \$2 million*) to help fund the program. He related they did not have a formula for going forward on the \$20 million project. Interim Chancellor Rogers asked CCSN whether the project could be divided into four pieces (*\$5 million per year*). It was originally planned that \$5 million would come from the state and \$2 million from private industry. Interim Chancellor Rogers became concerned there were no written commitments for the \$2 million. He wanted to avoid having to report to the Legislature and Governor there was no guarantee for the \$2 million. Interim Chancellor Rogers met on numerous occasions with President Carpenter and CCSN Foundation representatives. He told them that he would remove the project from the list if he did not receive something from them. In the meantime, President

6. Approved-2005-2007 Biennial Budget – (*Cont'd.*)

Carpenter indicated it was not possible to construct the building in four phases. The project needs to be done in \$10 million increments. Simultaneously, President Carpenter had a proposal to build a classroom facility for \$10 million. The previous capital priority list included a \$25 million request for a classroom facility at CCSN. This was not discussed very much because it was perceived to be too far down on the priority listing. Once the \$10 million proposal for a classroom building at CCSN was received, President Carpenter and Interim Chancellor Rogers each had discussions with the Governor. They came to the conclusion that the classroom project was very important and should move forward. Simultaneously, CCSN indicated that they believed they would be able to provide money for the automotive tech program. Interim Chancellor Rogers asked President Carpenter which project he would prefer and President Carpenter indicated that he would first prefer the automotive tech program (*Capital Priority #7-CCSN Automotive Tech Program*) followed by the construction of classroom facilities (*Capital Priority #8-CCSN Construct Classroom Facilities*). Yesterday a discussion was held regarding how to move forward with financing the automotive tech program. There was general agreement that the jobs that will be produced will be high-paying. It was felt it would be nice if the people who would benefit from the program (*i.e., students and the automotive industry*) would put up the money for it. The 2005-07 Capital Priorities have been amended to reflect a \$10 million request from the state and \$1 million from private industry for the automotive tech program. He believed that the money was present that day. It is contemplated that a \$250/student/semester fee will be assessed, but paid for by the automotive industry. He explained that it was contemplated they would develop a continuing income stream for this project provided by private industry and not by the students. He felt this was a reasonable approach which would provide more private money to the project.

Chief Counsel Klaich noted for the record that Interim Chancellor Rogers had not met with a quorum of the Board in making any decisions to be presented that day. Interim Chancellor Rogers agreed.

Interim Chancellor Rogers reported these were the only two changes to the 2005-07 Capital Priorities. The automotive tech program was increased from \$5 million to \$10 million and construction of classroom facilities

at CCSN was inserted for \$10 million.

Ms. Jenny DesVaux Oakes, Chairman, CCSN Foundation, thanked the Board and Chancellor Rogers for retaining the automotive industry program on the priority list as was originally established by the Board. She thanked them for recognizing the value and importance of this project for the college, the students, Nevada's workforce, and the economy. She introduced the following people: Ms. MaryKaye Cashman, CEO, Cashman Equipment; Mr. Jim Marsh, Proprietor, Jim Marsh Chrysler-Jeep; Ms. Yvette Moore, Director, Nevada Taxicab Authority; Ms. Lisa Dove-Swisher, Director of Business Development, Swisher & Hall, AIA Ltd.; Mr. Terry Mayfield, Executive Director, Las Vegas New Car Dealer Association; Mr. Mike McCandless, Vice President, McCandless International Trucks; Mr. Monte Miller, President, Key State Corporate Management; Mr. Chris Publow, General Manager, Ted Wiens Tire and Auto Center; Ms. Carolyn M. Sparks, International Insurance Services; and Mr. Al Whalen, President,

6. Approved-2005-2007 Biennial Budget – (Cont'd.)

The Whalen Group, Treasurer/Finance Chairman, CCSN Foundation. Ms. DesVaux Oakes said they owed a tremendous debt of gratitude to Ms. Cashman and Mr. Marsh.

Ms. MaryKaye Cashman echoed Ms. DesVaux Oakes' comments about the value to the community and the quality of life that the program would provide to southern Nevada. She provided a letter of commitment to the development of this program including \$500,000 contingent upon the inclusion of the diesel technology program in the curriculum and classroom space.

Mr. Jim Marsh said it was a worthy endeavor, adding that it was becoming more difficult to obtain qualified technicians. He thanked the Board.

President Carpenter thanked the industry representatives for showing their support. He explained that the fee proposal would not be passed onto the students. The fee will help offset costs for the next phase of the construction project. He said it was not feasible to build the project in four sections. He related that industry would be asked to sponsor slots in the program, which will enable them to cultivate a relationship with what may be a future employee. He observed that the project was included on the capital priority list.

Chief Counsel Klaich advised members to direct their comments to the capital improvement list rather than discussing the program itself.

Regent Alden asked whether the \$1 million in private funds for capital priority #7 (*CCSN Automotive Tech Program*) would be in-hand prior to the start of construction. Mr. Al Whalen replied that the CCSN Foundation planned to use \$1 million in Foundation funds to secure the pledge and would raise additional money to replenish those funds.

Regent Sisolak thanked Chancellor Rogers and President Carpenter, adding that he was involved in numerous discussions. He also thanked the business and community members for their help. He related that thousands of students would benefit from the education, as well as the future employment.

Regent Whipple echoed Regent Sisolak's comments. He said it was wonderful to be part of a win-win situation. He thanked those present for their support.

Regent Howard echoed her colleagues' comments. She said that she appreciated that the college and the business people had gotten together and that students would benefit. She felt it was a great collaboration, which would benefit the students as well as the economy. She also thanked Chancellor Rogers for his efforts in this positive outcome. She was convinced that he has sharp business skills.

6. Approved-2005-2007 Biennial Budget – (Cont'd.)

Regent Alden moved approval to discuss and revise the 2005-2007 Capital Improvement Priority List (*approved by the Board at its June 2004 meeting*), and to delegate to the Chancellor the authority to negotiate with the Governor

and the Legislature modifications to the 2005-2007 biennial budget (*both capital and operating*) as approved by the Board at its June and August 2004 meetings. Regent Howard seconded.

Regent Schofield felt that in order to make this the finest system in the U.S., it would take the type of cooperation exhibited that day.

Regent Sisolak noted a point of clarification, adding that he had a question about the delegation portion. He said the Board had not discussed the delegation portion. He was concerned there was a lot of bloodshed over capital priority #7 initially. He asked what would occur if there was a feeling to move the project back down in the order of priority. Chancellor Rogers replied that he requires the Board's authority so that when he speaks with the Governor he does not have to constantly call Board members to provide an update for how things are moving at that particular moment. He said that he would not do anything that was inconsistent with what the Board had already adopted. If something were to suddenly occur, he did not want to have to call a special meeting. At the moment they are looking at \$120 million. If an additional \$30 million were provided it would go to the next item. Regent Sisolak clarified that they would apply the additional \$30 million to the next item on the priority list (*i.e., #12 CCSN West Charleston Learning Center/Classroom Building*). Chancellor Rogers agreed. Regent Sisolak questioned whether the chancellor did not already have that authority. General agreement was expressed that he did.

Chief Counsel Klaich reported that the Board was the only body that had the authority to adopt a budget. The chancellor has the obligation to take the Board's budget to the Legislature. The Board has set the priorities. The chancellor can move consecutively from one item to the next on the priority list. He said that the chancellor could not randomly select projects to be funded. Should the legislature approve a budget that skips a project on the list, that is beyond what the Board can approve.

Regent Dondero thanked the community members for their devotion to the automotive tech program, noting that CCSN already has the property upon which the building will stand. She related that they did not need to locate additional property.

Regent Gallagher recalled how fast things move at the end of a legislative session. She asked whether Chancellor Rogers felt it was necessary to keep the Board Chair informed. Chancellor Rogers replied that he did, adding that he consulted frequently with Board Chair Anthony and Vice Chair Derby. He said that Board members would not be surprised by anything.

6. Approved-2005-2007 Biennial Budget – (*Cont'd.*)

Chair Anthony asked whether it was implicit that a certain number of the projects would be approved. Chancellor Rogers replied it was not. An estimate has been provided between \$100 million and \$180 million.

Ms. Vickie Hafen Scott said they had worked very hard to get the front building on the budget (*Capital Priority #11 CCSN Pahrump Education Complex \$5.3 million*). She asked whether the Pahrump Education Complex was still included in the Governor's budget after adding the additional \$5 million for the automotive tech center, which displaced the Pahrump Education Complex to #11. She asked whether the additional funding would push the Pahrump project out of the realm of funding. Chancellor Rogers replied that it was still included in the Governor's budget and that the additional funding request would not have a substantive effect on the Pahrump project. Ms. Hafen Scott established there was still a commitment to getting the building built. Chancellor Rogers agreed.

Motion carried. Regent Hill was absent.

The meeting recessed at 2:20 p.m. and reconvened at 2:37 p.m. with all members present except Regent Hill.

4. Public Comment – (*Cont'd.*)

Regent Dondero observed that an article in the *Las Vegas Business Press* indicated that the hotel school was heading overseas. She thought that would require study, adding that she did not know about the liability and

projected costs, whether it would take funds from the university, and what the circumstances were. She asked that a report be brought back to the Board. Regent Sisolak clarified that they were offering a program overseas.

Regent Derby said that she had hoped to move to reconsider a previous item, but had been advised it would not be appropriate at this time because so many had left the meeting.

Chief Counsel Klaich related that, in his opinion, the meeting was not over until the meeting was over. Under every posting of any meeting, the public is appropriately on notice that the meeting will be in session until the gavel comes down. He noted that Regent Sisolak had made the point that the public would feel safe in leaving the meeting with only public comment left on the agenda, feeling that the Board would not entertain any further action. Philosophically he agreed with Regent Sisolak. However, it was his opinion that the meeting was not over until it was officially over. If the Board wished to reconsider action and/or take further action before the Chair gavelled the meeting to a close, he would rule that such a motion was in order.

5. Approved-Removing Item from Table, Contract for Chancellor Search Services – The Board approved removing the item concerning Contract for Chancellor Search Services from the table.

5. Approved-Removing Item from Table, Contract for Chancellor Search Services – (Cont'd.)
Regent Derby moved approval of reconsidering the Contract for Chancellor Search Services.

Regent Sisolak noted a point of order, observing that the Board could not reconsider an item which had been tabled.

Chief Counsel Klaich clarified there would be two appropriate motions. One might be to remove the item from the table (*non-debatable motion*). He believed that, effectively, a motion to reconsider a motion to table would, in and of itself, be a non-debatable motion to reconsider with the same impact. He suggested that Regent Derby rephrase her motion as a motion to remove the item from the table.

Regent Derby offered to alter her language.

Regent Sisolak noted a point of order, observing that Regent Derby must first withdraw her motion in order to make a subsequent motion.

Regent Derby withdrew her motion.

Regent Derby moved approval of taking the item (*Contract for Chancellor Search Services*) from the table. Chair Anthony seconded.

Chief Counsel Klaich reported that the motion was not debatable. The Board must take a vote on the motion and continue with business.

Ms. Ernst clarified that the motion was to remove the item concerning Contract for Chancellor Search Services from the table.

Regent Howard noted a point of clarification, asking whether the item would be brought back to the Board. Chief Counsel Klaich replied that the impact of taking an item from the table allowed the Board to discuss the item.

Upon a role call vote the motion carried. Regents Alden, Anthony, Derby, Dondero, Gallagher, Howard, Leavitt, Rosenberg, Schofield, Seastrand, and Whipple voted yes. Regent Sisolak voted no. Regent Hill was absent.

Regent Howard noted a point of clarification, indicating that she wanted to know how the item had been included on the agenda. It was her understanding that the purpose of the special meeting was to approve the NSC president's contract. She wondered how other items wound up on the agenda. Chair Anthony replied that it was a special meeting and that the Board could include any number of items on the agenda. This item was

included on the agenda. Regent Howard observed that there is a process and asked about the process employed for including this particular agenda item.

5. Approved-Removing Item from Table, Contract for Chancellor Search Services – (Cont'd.)

Ms. Ernst explained that it had been requested by the search committee so they could meet with the consultant before the February 4, 2005 meeting. Regent Howard established that the special meeting had not been called specifically to approve the NSC president. She thought that special meetings were called only to consider one item. Chair Anthony replied that the primary reason for the special meeting was NSC, but other items could also be included. He saw the draft request for this item and approved including it on the special meeting agenda.

Regent Howard asked who negotiated the contract with the consultant and who checked out the consultant to find out what kind of a consultant they are. Regent Whipple provided a brief history of the item. The last time that the search committees met, they reviewed three search firms in person. The advisory committee recommended a firm following the evaluation of firms. The due diligence was in the information received from the consulting company. Some of the advisory committee members knew the search firms, some firms had been used before, and that information was also used. Regent Howard asked whether some of the committee members knew the consultant. Regent Whipple replied that they did because they had been used in the past. Regent Howard asked whether committee members knew the consultants as friends. Regent Whipple replied that there were friendships as well as professional relationships. At the conclusion, the committees voted for Greenwood & Associates. Contract fees were provided during the presentations. The fees are standard with other firms. At the conclusion, the committees hired the firm and the consultant began negotiating with the System's legal advisor. As chair of the committee, Regent Whipple said that he has an obligation to move the search forward. Without a signed contract he needs to know how to proceed. Regent Howard asked why Regent Whipple was not involved in the contract process. Regent Whipple replied that he did not ask to be included. When the search firms were interviewed the committees requested the specific terms of their contracts. Regent Howard said that some Regents objected to the way that the contract reads. She again asked why he was not involved in the contract negotiations. Regent Whipple replied that he was not a System employee.

Chair Anthony summarized that the Board was considering a contract. Some Board members have issues with certain parts of the contract. He suggested they needed to determine what the issues are. He said that Regent Whipple would note the issues, and the Board could then decide whether or not to approve the contract. Chair Anthony asked Board members to be specific about their objections. Regent Whipple said that he would appreciate specificity.

Regent Rosenberg observed they have a problem because the committee cannot hire the search firm; the Board hires the search firm. The committee only provides a recommendation. He also felt the contract should be renegotiated based upon what the firm told the committee and not what was included in the contract. He felt the Board should provide direction to legal counsel to renegotiate the contract along the lines of when the first, second, and third payments are due. He felt the final payment should not be due until the search is successfully concluded. He said there needed to be a figure. He

5. Approved-Removing Item from Table, Contract for Chancellor Search Services – (Cont'd.)

did not object to the \$250,000 figure if Chief Counsel Klaich felt it was appropriate. He asked whether the Board would be bound to that figure if someone were hired at a lower rate of pay. Chief Counsel Klaich said it was a difficult situation. He suggested that he and Regent Whipple could review a transcript of the search committee minutes and bring a recommendation to the full Board for full and complete consideration at an appropriate time, fully agendized, with none of the associated controversy. He said they would do so in a fashion where the Board dictated the terms that it is willing to offer as opposed to what it is willing to accept. He said it would not require a full-blown Board meeting and suggested this might be the best course of action.

Ms. Ernst asked whether Chief Counsel Klaich was suggesting holding another special Board meeting prior to the February 4, 2005 meeting. Chief Counsel Klaich said he was not, acknowledging that February was very near.

Chair Anthony said they wanted to hear the Regents' concerns regarding the contract. He suggested that Chief Counsel Klaich and Regent Whipple could provide a recommendation for the next full Board meeting.

Regent Seastrand suggested that he could make a motion to direct counsel to approve the contract with the caveats discussed. Chief Counsel Klaich did not recommend such action. He noted that the February meeting was very near. Regent Seastrand observed that another search committee meeting had been scheduled to be held before the February 4, 2005 meeting. He thought that might require another special meeting. He suggested the Board could provide specific specificity of what the Board will allow in the contract. He felt the process could be speeded up by identifying the terms to which the Board has agreed. Chief Counsel Klaich related that such action was within the Board's authority.

Regent Sisolak noted a point of order, stating that he disagreed that the discussion was related to the way that the item had been agendized. Chief Counsel Klaich said that Regent Sisolak was correct. Regent Sisolak said that the discussion was far afoot from the way that the item had been agendized. He said the item had been agendized for approval, with no discussion mentioned. He said the entire discussion was totally out of line, not in compliance with the agenda item, and that he would not participate.

Regent Seastrand left the meeting.

Chief Counsel Klaich stated that he believed that it was very much akin to the discussion the Board entertained in October when it discussed a contract addenda. The discussion involved whether or not the item was appropriately agendized. At that time, the Board received advice from counsel that within the action of approving or disapproving it had the authority to consider considerations and/or changes within the contract. He said he would provide the same advice to the Board that day. He felt that Board action at this time may cause some concern to the search committee.

5. Approved-Removing Item from Table, Contract for Chancellor Search Services – (Cont'd.)

Chair Anthony said he would return the matter to the chair of the search committee, Regent Whipple. He was confident that an agenda item to approve a search firm could be included on the February agenda.

Regent Derby agreed with Regent Rosenberg's comments about the timing of the payments and the payment at the end of a successful search. She was also comfortable with the figure that had been presented. She said she would be happy to have the Chief Counsel and the search committee chair work this out.

Regent Alden said that he was not in favor of this contract. This contract was the most expensive of the three presented. It became more expensive as time progressed. He said he was absolutely opposed to the contract.

Dr. Terry Jones, Faculty Senate Chair-CCSN, recognized the CCSN Foundation for their hard work on the automotive tech program. He also thanked the Regents for recognizing the critical link between community college and the workforce and the public. On behalf of the CCSN faculty, he thanked the Board for their support.

Regents Alden and Derby left the meeting.

7. New Business - Regent Leavitt said that he was thrilled to be a member of the Board. He suggested that a serious study be undertaken regarding conducting an annual, mandatory, and substantial workshop/retreat. He offered to pay for it if there were financial concerns. He said he would like to see the Board collaborate and develop, noting the Board's tremendous responsibility. He said he wanted to see self accountability and ways to improve and build relationships. He felt that such an experience would benefit the Board.

Regent Dondero related that she planned to present new material from AGB, as well as new federal legislation on accountability of boards at the next workshop.

The meeting adjourned at 3:10 p.m.

Suzanne Ernst
Chief Administrative Officer to the Board