

Minutes are intended to note (a) the date, time and place of the meeting; (b) those members of the public body who were present and those who were absent; and (c) the substance of all matters proposed, discussed and/or action was taken on. Minutes are not intended to be a verbatim report of a meeting. An audiotape recording of the meeting is available for inspection by any member of the public interested in a verbatim report of the meeting. These minutes are not final until approved by the Board of Regents at the November-December 2017 meeting.

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

Fitness Center  
Great Basin College  
1500 College Parkway, Elko  
Thursday, September 7, 2017

Video Conference Connection from the Meeting Site to:

System Administration, Las Vegas  
4300 South Maryland Parkway, Board Room  
and

System Administration, Reno  
2601 Enterprise Road, Conference Room

Members Present:

Mr. Trevor Hayes, Chair  
Ms. Allison Stephens, Vice Chair  
Mrs. Carol Del Carlo  
Dr. Mark W. Doubrava  
Mrs. Cathy McAdoo  
Mr. John T. Moran

Other Regents Present:

Mr. Kevin J. Page, Chairman

Others Present:

Dr. Thom Reilly, Chancellor  
Mr. Chester Burton, Chief Financial Officer  
Mr. Fred Egenberger, Budget Director  
Mr. Dean J. Gould, Chief of Staff and Special Counsel to the Board  
Mr. Nate Mackinnon, Vice Chancellor, Community Colleges  
Mr. Nicholas Vaskov, Vice Chancellor, Legal Affairs  
Mr. Frank R. Woodbeck, Vice Chancellor, Workforce Development  
Dr. Michael D. Richards, President, CSN  
Dr. Kristen Averyt, President, DRI  
Mr. Bart J. Patterson, President, NSC  
Dr. Len Jessup, President, UNLV  
Dr. Marc A. Johnson, President, UNR  
Mr. Mark Ghan, Officer in Charge, WNC

Faculty senate chairs in attendance were Dr. Doug Lowenthal, DRI; and Mr. James Strange, WNC. Student body presidents in attendance were Ms. Elizabeth Zuniga, ASCSN President, CSN; Ms. Becky Linville, SGA President, GBC; Ms. Kimberly Tran, SGA President, TMCC; Mr. Christopher Roys, CSUN President, UNLV; Ms. Kanani Espinoza, GPSA President, UNLV; Mr. Noah Teixeira, ASUN President, UNR; Mr. Sandesh Kannan, GSA President, UNR; and Ms. Tania Covarrubias, ASWN President, WNC.

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

Chair Hayes called the meeting to order at 9:00 a.m. with all members present.

1. Information Only – Public Comment – None.
2. Approved – Consent Items – The Committee recommended approval of the consent items except for items 2l (Purchase of Real Property Located at 1703/1707 W. Charleston Blvd., Las Vegas, NV – UNLV) and 2j (*Handbook* Revision: Acceptance of Gifts of Art and Certain Endowment Gifts) which were considered separately.
  - 2a. Approved – Minutes – The Committee recommended approval of the June 8, 2017, meeting minutes. (Ref. BFF-2a on file in the Board Office.)
  - 2b. Approved – Fourth Quarter Fiscal Year 2016-2017 Budget Transfers – State Supported or Self-Supporting Operating Budgets – The Committee recommended approval and acceptance of the report of the Fourth Quarter Fiscal Year 2016-2017 Budget Transfers of State Supported or Self-Supporting Operating Budget Funds between Functions. (Ref. BFF-2b(1) & Ref. BFF-2b(2) on file in the Board Office)
  - 2c. Approved – Fiscal Year 2016-2017 Transfers of Non-State Budget Expenditures to State Budgets After May 1, 2016 – The Committee recommended approval and acceptance of the report of transfers of expenses from non-state budgets to state budgets that occurred after May 1, 2016, for Fiscal Year 2016-2017. (Ref. BFF-2c(1) & Ref. BFF-2c(2) on file in the Board Office.)
  - 2d. Approved – Summary of Board of Regents Approved Issuance of Bonds in 2017 – The Committee recommended approval and acceptance of the report summarizing the issuance of University Revenue Bonds for projects at the University of Nevada, Reno (UNR) and the University of Nevada, Las Vegas (UNLV). (Ref. BFF-2d on file in the Board Office.)
  - 2e. Approved – Report on Stead Property Sales – The Committee recommended approval of the report summarizing the Stead properties sold since the pre-approval authorization by the Board of Regents in December 2015. (Ref. BFF-2e on file in the Board Office.)
  - 2f. Approved – Radio Tower Lease Extension – UNR – The Committee recommended approval to extend the term of two concurrent land leases with Americom Las Vegas and Immaculate Heart Media, Inc. for the continued use of two radio towers and one equipment building at the UNR Main Station Field Laboratory for a period of ten (10) years, with one five (5) year option to renew. (Ref. BFF-2f on file in the Board Office.)
  - 2g. Approved – Handbook Revision: NSHE Police and Security Forces Report – The Committee recommended approval of a revision to Board policy to comply with [Assembly Bill 464 \(Chapter 192, Statutes of Nevada 2017\)](#) passed by the 2017 Nevada Legislature. Assembly Bill (AB) 464 eliminates the requirement for certain reports to be submitted to the Legislature by governmental entities, including the Board of Regents. In particular, Section 10 of AB 464 repeals NRS 396.329 requiring submission of a biennial report concerning activities of the Nevada System of Higher Education (NSHE) Police Department. The policy revision amends Title 4, Chapter 1, Section 12 of the *Handbook* to remove the

2. Approved – Consent Items – (Continued)

2g. Approved – Handbook Revision: NSHE Police and Security Forces Report – (Continued)

reference to the repealed NRS 396.329 and related reporting requirements, and adds to Board policy the requirement to provide a copy of the federal Clery Act Report (20 U.S.C. § 1092), statistics regarding crimes on campus, and an executive summary. Finally, the policy revision requires Board review of reports annually instead of biennially. (Ref. BFF-2g on file in the Board Office.)

2h. Approved – Biannual Report on Registration Fees and Non-Resident Tuition Fees – The Committee recommended approval and acceptance of the Biannual Report on Registration Fees and Non-Resident Tuition Fees. The report is required by Assembly Bill (AB) 490, Section 8 (2015 Session). The bill requires the NSHE to report registration fees and non-resident tuition fees received by NSHE institutions beyond the amounts authorized in Section 1 of AB 490, as well as the intended expenditures for any additional student fee revenue. The bill requires that this report be submitted to the Interim Finance Committee (IFC) on a semi-annual basis. (Ref. BFF-2h on file in the Board Office.)

2i. Approved – 2010A Bond Refunding – Resolution – The Committee recommended approval of a Resolution allowing NSHE, on behalf of UNR, to issue up to \$29 million of fixed-rate tax-exempt revenue refunding bonds to refinance the existing 2010A bonds for interest savings. (Ref. BFF-2i on file in the Board Office.)

2k. Approved – Fiscal Year 2018 and 2019 Cloud Seeding Program, DRI – The Committee recommended approval to seek IFC authorization for funding of the 2018-2019 and 2019-2020 Cloud Seeding program as authorized by the 2017 Legislature. (Ref. BFF-2k on file in the Board Office.)

2m. Approved – Authorization of General Improvement Fees for Learning Commons Renovation – TMCC – The Committee recommended approval to expend \$2.1 million of General Improvement Fees for the renovation of its library into a Learning Commons. (Ref. BFF-2m on file in the Board Office.)

2n. Approved – Request to Approve Lease Agreement at 303 S. Water Street, Henderson, NV – CSN – The Committee recommended approval of a five-year, 5-month lease agreement with Hannay Realty Advisors-Nevada, L.P., for property located at 303 S. Water Street, Henderson, Nevada. (Ref. BFF-2n and letter on file in the Board Office.)

2o. Approved – Request to Approve Lease Agreement at 311 S. Water Street, Henderson, NV – CSN – The Committee recommended approval of a 65-month lease agreement with OC Properties LLC., for property located at 311 S. Water Street, Henderson, Nevada. (Ref. BFF-2o and letter on file in the Board Office.)

2. Approved – Consent Items – (Continued)

Regent Doubrava moved approval of the consent items except for items 2i (Purchase of Real Property Located at 1703/1707 W. Charleston Blvd., Las Vegas, NV – UNLV) and 2j (*Handbook* Revision: Acceptance of Gifts of Art and Certain Endowment Gifts) which were considered separately. Regent Del Carlo seconded. Motion carried.

(Consent items considered separately)

Chair Hayes disclosed he owns commercial property in the immediate vicinity of the project and would abstain from the vote on consent item 2i (Purchase of Real Property Located at 1703/1707 W. Charleston Blvd., Las Vegas, NV – UNLV).

- 2i. Approved – Purchase of Real Property Located at 1703/1707 W. Charleston Blvd., Las Vegas, NV – UNLV – The Committee recommended: 1) approval to use General Improvement fee reserves to complete the purchase of real property located at 1703/1707 W. Charleston Blvd., Las Vegas, Nevada, APN #: 162-04-112-007 and 162-04-112-010 on the terms and conditions outlined in Option Agreement and Escrow Instructions (“Option”) and First Amendment to the Option Agreement and Escrow Instructions (“First Amendment”); 2) approval for the Chancellor to be authorized to finalize, approve, and execute purchase documents to the extent it is consistent with the Option and First Amendment; and 3) that the Chancellor be granted authority to execute any ancillary documents deemed necessary and appropriate by the Vice Chancellor for Legal Affairs to implement all terms and conditions associated with purchase of the property. (Ref. BFF-2i on file in the Board Office.)

Regent Doubrava moved approval of the purchase of Real Property Located at 1703/1707 W. Charleston Blvd., Las Vegas, NV – UNLV. Regent Del Carlo seconded. Motion carried. Regent Hayes abstained.

- 2j. Approved – Handbook Revision: Acceptance of Gifts of Art and Certain Endowment Gifts – The Committee recommended approval and acceptance of the proposed policy revision amending Title 4, Chapter 10, Section 9 of the Board of Regents *Handbook* in order to: 1) authorize institution presidents to accept, sell, and dispose of gifts of art valued at \$50,000 or less without Board action; and 2) authorize the Chancellor to accept cash gifts of \$100,000 or less into the System Endowment without Board action. (Ref. BFF-2j on file in the Board Office.)

Chair Hayes asked for Committee input to include a dollar amount in the policy.

Vice Chancellor for Legal Affairs Nicholas Vaskov reported this item was requested by UNR as it relates to gifts of art. The Business Officers requested authority to accept the additional money into the endowment. The Board’s gift

*(Consent items considered separately – Continued)*

2j. Approved – Handbook Revision: Acceptance of Gifts of Art and Certain Endowment Gifts – (Continued)

policy needs updating and the intention was for staff to return to the Board with a more comprehensive policy revision at a later date; however, a threshold can be added at this meeting.

UNR President Marc A. Johnson stated a threshold could be added but the Committee could also include steps that the sales would have to be approved by the Chancellor to preserve historical treasures.

Chair Hayes asked that \$50,000 and \$100,000 thresholds be added to the policy.

In response to a question from Regent Moran, President Johnson stated some of the gifts of art are appraised by art dealers for an approximate value. Regent Moran was concerned the System may be making value determinations when it is not in the appraisal business. President Johnson added when gifts are received the donor is encouraged to prepare a gift agreement with all stipulations.

Vice Chancellor Vaskov stated the current policy does contemplate a subjective measure of value, either when the gift is accepted from the donor or when the gift is disposed of or sold.

Vice Chair Stephens moved approval of the *Handbook Revision: Acceptance of Gifts of Art and Certain Endowment Gifts* with the thresholds of \$50,000 and \$100,000. Regent Doubrava seconded. Motion carried.

Chair Hayes asked for the Committee and institutional representatives to provide him with ideas to make the Committee more focused. He also stated it has been brought to his attention that agenda items and reference material may be coming in after the deadlines. He asked that all late agenda items and reference material be sent to him first for approval/disapproval prior to it being sent to staff.

3. Approved – Fiscal Year 2017-2018 NSHE State Operating Budget – The Committee recommended approval of the Fiscal Year 2017-2018 NSHE State Operating Budget. *(Ref. BFF-3a & Ref. BFF-3b on file in the Board Office.)*

Budget Director Fred Egenberger reviewed *Ref. BFF-3a* and *Ref. BFF-3b* highlighting the following:

- A general summary of legislative and Board of Regents actions impacting NSHE for the 2017-19 biennium are on pages 5-14.
- Summary schedule of budget revenues by source and appropriation area and expenditures by function and object of expenditure begin on page 17.

3. Approved – Fiscal Year 2017-2018 NSHE State Operating Budget – (Continued)

Vice Chair Stephens moved approval of the Fiscal Year 2017-2018 NSHE State Operating Budget. Regent Doubrava seconded. Motion carried.

4. Approved – Fiscal Year 2017-2018 NSHE Self-Supporting Budget – The Committee recommended approval of the Fiscal Year 2017-2018 NSHE Self-Supporting Budget. (Ref. BFF-4a, Ref. BFF-4b and Supplemental Material on file in the Board Office.)

Budget Director Egenberger reviewed Ref. BFF-4a, Ref. BFF-4b and Supplemental Material highlighting the following:

- Projected opening account balance for all NSHE self-supporting accounts reported is \$245 million.
- Revenues sources of \$605.6 million.
- Expenditures of \$645.1 million.
- Ending balance of \$205.4 million.

Regent Doubrava moved approval of the Fiscal Year 2017-2018 NSHE Self-Supporting Budget. Regent Del Carlo seconded. Motion carried.

5. Information Only – Fourth Quarter Fiscal Year 2016-2017 Fiscal Exceptions, Self-Supporting Budgets – The Fourth Quarter Fiscal Year 2016-2017 Fiscal Exception Report was presented. The report provides quarterly updates on all self-supporting budgets that experience deficits or negative cash balances. (Ref. BFF-5a & Ref. BFF-5b on file in the Board Office.)

Budget Director Egenberger reviewed Ref. BFF-5a and Ref. BFF-5b highlighting the following:

- The UNR Fire Science Academy reported a negative cash balance of \$8.6 million.
- The UNR Intercollegiate Athletics (ICA) program reported a negative cash balance of \$4.9 million.
- The University of Nevada, Reno School of Medicine (UNR Med) Practice Plan reported a negative cash balance of \$10.7 million.
- The Ackerman Center for Autism reported a negative cash balance of approximately \$219,000
- The College of Southern Nevada (CSN) Dental Faculty Practice Plan performed a staffing review resulting in more manageable staffing levels, improved staff efficiency, and a realignment of job responsibilities.

In response to a question from Vice Chair Stephens, UNLV President Len Jessup responded the new gift for the Ackerman Center is approximately \$200,000. Vice Chair Stephens clarified the negative balance of the Ackerman Center is going to be eliminated and then the Center will be absorbed. President Jessup stated the Ackerman Center is one of the clinical groups within the broader Faculty Practice Plan. Even though the Center is working at a high volume the thought is that it will not generate revenue due to low

5. Information Only – Fourth Quarter Fiscal Year 2016-2017 Fiscal Exceptions, Self-Supporting Budgets – (Continued)

reimbursements. The Faculty Practice Plan will absorb any losses from the Ackerman Center. Associate Dean Brian Brannman stated the Ackerman Center had some initial contracting that was done prior to July 1, but the intent is to move to an all-inclusive contract to maximize rates. Vice Chair Stephens noted that the UNLV School of Medicine (UNLV SOM) is a public-serving institution and she wanted to make sure that all populations are served appropriately.

In response to a question from Chairman Page, Associate Dean Brannman stated initial billings are ahead of predicted figures. President Jessup said initial projections for the Ackerman Center were correct on the volume but reimbursements have been low.

Regent Doubrava requested an update on the northern Practice Plan. UNR Med Dean Thomas Schwenk stated the operating deficit attributed to faculty salaries is better than anticipated and is attributed to: billings and operations staff working extraordinary hard; the Las Vegas faculty working hard to close accounts and charges; and productivity increases and expense decreases in the north. Regent Doubrava asked Dean Schwenk to send an update on how the northern and southern Practice Plans fared in the last quarter.

In response to a question from Chairman Page, President Johnson stated the ICA deficit was a failure in the overall control mechanisms and he takes full responsibility. Practices have been put in place to make sure it does not happen again and a plan is in progress to pay off the deficit. Regent Moran reported he is working with President Johnson and his staff to create a plan for the deficit. Regent Del Carlo stated proper controls need to be put in place so this does not happen again.

Vice Chair Stephens asked for a different report structure in the future to make sure all the information is being captured.

6. Approved – Financing Plan, Certificates of Participation Series 2017A, UNR Engineering and University Arts Center Buildings – Resolution – The Committee recommended approval of a Resolution authorizing the issuance of NSHE certificates of participation in a maximum principal amount up to \$30 million to fund construction of the Engineering Building and University Arts Center. (Ref. BFF-6 on file in the Board Office.)

Vice President Vic Redding reported UNR is requesting approval of a Resolution in the amount of \$30 million in certificate of participation financing. Originally UNR intended to use revenue bonds and received statutory authority to do so, but when UNR looked at the specific language of the revenue bonds, in conjunction with bond counsel, it was determined it was not the optimal way to proceed. UNR will now pursue certificate of participation financing, which will allow UNR to bundle the financing for both projects.

In response to a question from Chair Hayes, Vice President Redding reported a certificate of participation is generally cheaper than obtaining a bank loan.

6. Approved – Financing Plan, Certificates of Participation Series 2017A, UNR Engineering and University Arts Center Buildings – Resolution – (Continued)

Regent Del Carlo moved approval of the Financing Plan and Resolution authorizing the issuance of NSHE certificates of participation in a maximum principal amount up to \$30 million to fund construction of the Engineering Building and University Arts Center. Regent McAdoo seconded. Motion carried.

7. Approved – Sale of Violin Gifted to University of Nevada, Reno – The Committee recommended approval to sell, following review of the sale terms by the Chief Financial Officer and the Vice Chancellor for Legal Affairs, a violin gifted to the University. The proceeds of such sale will be used toward the funding of construction of the University Arts Center Building and the purchase of musical instruments. (Ref. BFF-7 on file in the Board Office.)

President Johnson reported the violin was gifted by Edwin L. Wiegand in 1974 to the Music Department with no restrictions. The Music Department came forward to sell the violin, which was appraised in 2004 for \$3 million, with \$2 million of the proceeds to go toward the construction of the University Arts Center Building and \$1 million toward purchasing high-quality musical instruments. Since the violin was in disrepair it was placed with a violin broker to have it refurbished and sold.

Vice Chair Stephens moved approval to sell, following review of the sale terms by the Chief Financial Officer and the Vice Chancellor for Legal Affairs, a violin gifted to the University. Regent Doubraava seconded.

Regent Moran asked if the University knew what the current market for the violin is, with President Johnson responding he did not know the current market, but sources have told the University it is best to sell privately.

In response to a question from Regent Del Carlo, President Johnson stated the violin will stay in the possession of the broker to allow the violin to be shown to prospective buyers.

Motion carried.

8. Approved – Bond Resolution – CSN Student Unions – The Committee recommended approval of a Resolution authorizing the issuance of revenue bond financing in an amount not to exceed \$75,000,000 to fund the construction of student unions at each of CSN's three main campuses. (Ref. BFF-8 on file in the Board Office.)

Senior Vice President Patty Charlton reported CSN is pleased to be at this point. This project is from the students, for the students. CSN requested that its debt capacity be expanded to \$81 million to facilitate the construction of three CSN student union



8. Approved – Bond Resolution – CSN Student Unions – (Continued)

buildings. There is currently an \$8 Student Union Construction fee per credit hour and then upon construction completion, there will be a \$1 fee for the operations, maintenance, and support of the student unions.

In response to a question from Regent Del Carlo, Senior Vice President Charlton stated the projects will stay within the threshold of funding that is available.

Regent Doubrava moved approval of a Resolution authorizing the issuance of revenue bond financing in an amount not to exceed \$75,000,000 to fund the construction of student unions at each of CSN's three main campuses. Regent McAdoo seconded.

Senior Vice President Charlton reported there is interest in the Southwest valley for a campus. CSN does not currently have any land in the area. CSN is still working with Vice Chancellor Vaskov as it relates to the Northwest campus. CSN will be deliberate in expanding the campus but will have to reevaluate at the appropriate time to add additional facilities.

Motion carried.

Chair Hayes disclosed he owns commercial property in the area and would abstain from the vote on Agenda Item 9 (Request to Approval Long-Term Lease Agreement for UNLV School of Medicine Faculty Practice Plan at Westbay Office Park).

9. Approved – Request to Approve Long-Term Lease Agreement for UNLV School of Medicine Faculty Practice Plan at Westbay Office Park – The Committee recommended approval of a five-year lease agreement with Omninet Westbay, LP, for property located at 3010 W. Charleston Blvd., Suites 125 and 150; 3014 W. Charleston Blvd., Suites 110 and 130; and 3016 W. Charleston Blvd., Suites 100, 110 and 2015, Las Vegas, Nevada, also known as the Westbay Office Park, and that the Chancellor be granted authority to execute any ancillary documents deemed necessary and appropriate by the Vice Chancellor for Legal Affairs to implement all terms and conditions associated with the lease. (*Ref. BFF-9 on file in the Board Office.*)

President Jessup reported this is a request for a five-year lease in the Westbay Office Park with the goal to relocate the UNLV SOM faculty and staff from the current location on W. Charleston. The UNLV SOM Faculty Practice Plan will be the primary tenant and occupy the property beginning January 1, 2018, through the end of the five-year term.

In response to Regent Doubrava, President Jessup stated the UNLV SOM Faculty Practice Plan believes the 30,000 square feet is adequate. The current plan is for this location to be an administrative complex.

Regent Del Carlo moved approval of a five-year lease agreement with Omninet Westbay, LP, for property located at 3010 W. Charleston Blvd., Suites 125 and 150; 3014 W. Charleston Blvd., Suites 110 and 130; and 3016 W. Charleston Blvd.,

9. Approved – Request to Approve Long-Term Lease Agreement for UNLV School of Medicine Faculty Practice Plan at Westbay Office Park – (Continued)

Suites 100, 110 and 2015, Las Vegas, Nevada, also known as the Westbay Office Park, and that the Chancellor be granted authority to execute any ancillary documents deemed necessary and appropriate by the Vice Chancellor for Legal Affairs to implement all terms and conditions associated with the lease. Regent Doubrava seconded. Motion carried. Chair Hayes abstained.

10. Information Only – UNLV School of Medicine – Medical Education Building (MEB) Update – University of Nevada, Las Vegas President Len Jessup presented an update related to the Medical Education Building at the UNLV School of Medicine. *(Ref. BFF-10 on file in the Board Office.)*

President Jessup reported the land from Clark County has been cleared and has been transferred to UNLV. UNLV has \$25 million from the Challenge Grant and a \$25 million anonymous gift. UNLV will begin using the money during the design planning. The anonymous donor has verbally pledged significantly more money. Further, there are an additional nine to 10 prospects that are in active cultivation for matching gifts.

Executive Director David Frommer, Planning and Construction, highlighted the following:

- Land transfer was complete as of July 3, 2017.
- Working with the State as it relates to the \$25 million in state appropriated funds.
- Expect to meet with the IFC and Board of Examiners to review processes in October 2017.
- 80 percent or more of the project is planned to be funded by donor non-state funds.
- Have identified options of different sizes and scales for the building and project plans.

Vice Chair Stephens asked how UNLV came up with such a wide range of options. Executive Director Frommer responded the range is based on a variety of factors such as cohort sizes, administrative services located on site, and other leased spaces. Vice Chair Stephens stated the cohort sizes are known so why would there be variations based on those numbers. Executive Director Frommer stated in terms of the programming process UNLV looked at things from a budget standpoint, needs, and an ideal facility standpoint. Some alternatives include reviewing existing space or moving all facilities into one space. Vice Chair Stephens clarified the lower cost would mean that it will not be adequate for the UNLV SOM and the higher cost would allow for additional room to grow. In response to a question from Vice Chair Stephens, Executive Director Frommer stated a large portion of the budget is the teaching and simulation equipment related to medical school education.

10. Information Only – UNLV School of Medicine – Medical Education Building (MEB) Update – (Continued)

Vice Chair Stephens stated the reason to build was to have everything in one location and not dispersed over several locations.

In response to a question from Regent Del Carlo, President Jessup stated the \$25 million gift is cash in the bank.

11. Approved – Budget and Planning Module Approval and Operating Pool Expenditure Authorization – The Committee recommended approval of the following: 1) authorize the Chancellor, in consultation with the Board Chair, to execute a change order with Workday for the inclusion of Workday Planning in the NSHE ERP, at an incremental cost not to exceed \$450,000 through the term of the initial license period (January 2020); 2) authorize the Chancellor, in consultation with the Board Chair, to execute a change order with SCI and other implementation vendors as necessary for the implementation costs associated with Workday Planning in the NSHE ERP, at an incremental cost not to exceed \$275,000; and 3) authorize the Chancellor to expend funds from the Operation Pool reserve, in an amount not to exceed \$275,000 for the above items, with an expenditure report quarterly the Business, Finance and Facilities Committee. *(Ref. BFF-11 on file in the Board Office.)*

Vice President Redding reported iNtegrate is set to go live in less than one month. When the original contract was negotiated, the Steering Committee opted to exclude a budget and planning module from the original scope. Reasons to exclude: each campus had different budget processes; the processes did not seem to be good candidates for standardization; and none of the budget solutions available at the time provided anything better than what the System was doing. Since then, the Budget Officers have reviewed four products and concluded there are opportunities to utilize a single unified dataset available through Workday in a budget module. Workday Planning was recommended.

Vice President Redding stated over the years there has been difficulty in the data exchange with the State of Nevada. The State feels the same way and has asked the System to revise the transfer process. The System believes this Planning Module will solve the data exchange problem and increase transparency and reliability. While this was not in the original contract it was one of the renegotiated points and Workday and Sierra Cedar have agreed to maintain the original negotiated pricing.

In response to a question from Regent Doubrava, Vice President Redding stated the original project budget was approximately \$41 million, which included a contingency. When the delay occurred, the promise made to the Board was to bring the project online within the original budget.

Regent Del Carlo asked if there are additional components for the System once fully operational. Vice President Redding pointed out the following differences between iNtegrate I and iNtegrate II:

- iNtegrate I is server based. The server must be maintained and upgraded.
- iNtegrate II is a cloud-based system that NSHE does not own, but has a license.

11. Approved – Budget and Planning Module Approval and Operating Pool Expenditure Authorization – (Continued)

- Workday will update the system two times a year and those updates come with the license.

Chief Financial Officer Chester Burton stated a cost-benefit analysis will be completed for iNtegrate I once iNtegrate II is fully functioning.

Regent Del Carlo moved approval to: 1) authorize the Chancellor, in consultation with the Board Chair, to execute a change order with Workday for the inclusion of Workday Planning in the NSHE ERP, at an incremental cost not to exceed \$450,000 through the term of the initial license period (January 2020); 2) authorize the Chancellor, in consultation with the Board Chair, to execute a change order with SCI and other implementation vendors as necessary for the implementation costs associated with Workday Planning in the NSHE ERP, at an incremental cost not to exceed \$275,000; and 3) authorize the Chancellor to expend funds from the Operation Pool reserve, in an amount not to exceed \$275,000 for the above items, with an expenditure report quarterly the Business, Finance and Facilities Committee. Vice Chair Stephens seconded. Motion carried.

12. Approved – Financing Plan, Football Complex, UNLV – Resolution – The Committee recommended approval: 1) to move forward with the UNLV Football Complex as described herein, 2) of the Project financing plan and a Resolution to authorize the issuance of a promissory note in an amount not to exceed \$15,950,000 to be repaid from donor contributions with any fundraising shortfall covered by campus investment income funds; and 3) that the Chancellor be authorized to finalize, approve, and execute any additional documents necessary to complete the transaction described herein; provided such documents are first approved as to legal form by the Vice Chancellor for Legal Affairs. (*Ref. BFF-12 and Supplemental Material on file in the Board Office.*)

President Jessup requested approval to move forward with the UNLV Football Complex, a financing plan, a Resolution to authorize the issuance of a promissory note not to exceed \$15.95 million and that authority be given to the Chancellor to finalize, approve, and execute any documents. President Jessup reported there are \$19.4 million in written pledges from more than 20 donors and \$7 million is in cash. There is a long cultivation pipeline that includes verbal commitments well beyond \$22 million. An additional \$6 million will be needed for furniture and equipment. If this is approved, the request for proposal process will begin and could take up to 60 days. There is a chance construction could begin by the end of the fall semester.

12. Approved – Financing Plan, Football Complex, UNLV – Resolution – (Continued)

Athletic Director Desiree Reed-Francois thanked the Committee for considering the proposal. Her goal and the goal of the Athletic Department is to provide an environment for the student athletes to be successful. This facility will be a key component to achieve that objective. This provides a world-class facility and support services for the current student athletes. The facility will provide a confidence and belief that the University believes in the Rebel Football program.

UNLV Football Coach Tony Sanchez reported UNLV currently has the smallest building in the conference shared between eight different programs. This impacts the student athlete experience that they may find more enticing at other institutions. The facility will show the student athletes the investment in the future of Rebel Football.

Vice Chair Stephens noted she has a high level of discomfort with UNLV returning to this Committee with creative financing plans when it has \$385 million in reserves. President Jessup clarified UNLV does not have \$385 million in reserves, but instead that is the cash position of the University. UNLV thinks this is the most appropriate use of money for this facility.

Regent Del Carlo clarified an outside firm is being brought in to evaluate the reserves. She asked if UNLV would go back and pay off some of the debt if there are funds remaining. President Jessup pointed out that because the cost of capital is low right now it is a smart use of money to use financing when possible and use reserves for other things. UNLV will wait for the audit to be complete to have a sense of the reserve amount and then decide how to utilize. The reserves should be utilized for academic and capital projects on campus.

In response to a question from Regent McAdoo, President Jessup stated there is no possibility of an additional student fee.

Regent Doubrava noted he also has financial concerns with this. He added he does want to support athletics and he is confident the University will get the donations needed.

Regent Doubrava moved approval: 1) to move forward with the UNLV Football Complex as described herein, 2) of the Project financing plan and a Resolution to authorize the issuance of a promissory note in an amount not to exceed \$15,950,000 to be repaid from donor contributions with any fundraising shortfall covered by campus investment income funds; and 3) that the Chancellor be authorized to finalize, approve, and execute any additional documents necessary to complete the transaction described herein; provided such documents are first approved as to legal form by the Vice Chancellor for Legal Affairs. Regent McAdoo seconded.

12. Approved – Financing Plan, Football Complex, UNLV – Resolution – (Continued)

Chair Hayes stated he sees the importance and need for the facility, but he also has concerns with the financing plan. He does not have confidence in the numbers from UNLV related to any financing.

President Jessup stated he considers the fundraising for Hospitality Hall to be successful. The donations will go well beyond what is needed for the project. Fundraising for large projects such as Hospitality Hall take time to cultivate. Chair Hayes stated the project is \$2 million short, 2 ½ years later. President Jessup reported the project is unfolding exactly as planned. The loan performed exactly as it was supposed to and the timeline for pledges is exactly as expected for a project of its size.

Vice Chair Stephens believed President Jessup has had a shift in narrative. She did not think this was the forum to get into a debate to make it look like the Board of Regents does not appreciate community and business partners. Historically, the Board of Regents was given a similar financing structure that did not come to fruition based on the expectations that were set in a public meeting.

Chair Hayes asked if there are mechanisms that can be put in place to support the financing. Chief Financial Officer Burton stated those decisions are left to the campus because it is fundraising. Clearly, the institution has a vast array of discretionary funding to use in case of a shortfall.

Regent Del Carlo asked if it would be appropriate to wait until the outside audit is completed. President Jessup stated even if there are reserves it is not a smart use of funds to use the reserves. There are checks and balances built into the project.

Motion carried via a roll call vote. Regents Del Carlo, Doubrava, McAdoo, and Moran voted yes. Chair Hayes and Vice Chair Stephens voted no.

13. Information Only – New Business – None.

14. Information Only – Public Comment – None.

The meeting adjourned at 11:09 a.m.

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