

**BOARD OF REGENTS* and its
INVESTMENT COMMITTEE
NEVADA SYSTEM OF HIGHER EDUCATION**

Sierra Building, Room 108
Truckee Meadows Community College
7000 Dandini Boulevard, Reno
Thursday, June 7, 2018, 3:30 p.m.

BOARD

ROLL CALL:

Mr. Kevin J. Page, Chairman	_____
Dr. Jason Geddes, Vice Chairman	_____
Dr. Andrea Anderson	_____
Dr. Patrick R. Carter	_____
Mrs. Carol Del Carlo	_____
Dr. Mark W. Doubrava	_____
Mr. Trevor Hayes	_____
Mr. Sam Lieberman	_____
Mrs. Cathy McAdoo	_____
Mr. John. T. Moran	_____
Ms. Allison Stephens	_____
Mr. Rick Trachok	_____
Mr. Anthony L. Williams	_____

COMMITTEE

ROLL CALL:

Mr. Rick Trachok, Chair	_____
Mrs. Carol Del Carlo, Vice Chair	_____
Dr. Andrea Anderson	_____
Mr. Trevor Hayes	_____
Mr. Anthony L. Williams	_____

In addition to the Investment Committee, this meeting is noticed as a meeting of the Board of Regents to allow other Regents who may wish to attend to participate.

IMPORTANT INFORMATION ABOUT THE AGENDA AND PUBLIC MEETING

NOTE: Below is an agenda of all items scheduled to be considered. Notification is hereby provided that items on the agenda may be taken out of the order presented, including moving an item to a different day if the meeting is noticed for more than one day, two or more agenda items may be combined for consideration, and an agenda item may be removed from the agenda or discussion relating to an item on the agenda may be delayed at any time.

In accordance with the Board of Regents' Bylaws, Title I, Article V, Section 20, items voted on may be the subject of a motion to reconsider at this meeting. A motion to reconsider an item may be made at any time before adjournment of this meeting. Similarly, if an item is tabled at any time during the meeting, it may, by proper motion and vote, be taken from the table and thereafter be the subject of consideration and action at any time before adjournment of this meeting.

*The Board of Regents, at its regularly scheduled meetings, meets concurrently with its Committees (the Academic, Research and Student Affairs Committee; the Audit and Compliance Committee; the Business, Finance and Facilities Committee; the Cultural Diversity and Title IX Compliance Committee; the Investment Committee; and the Health Sciences System Committee). The Board's Committee meetings take place in accordance with the agendas published for those Committees. Regents who are not members of the Committees may attend the Committee meetings and participate in the discussion of Committee agenda items. However, action items will only be voted on by the members of each Committee, unless a Regent is temporarily made a member of that Committee under Board of Regents' Bylaws, Title 1, Article VI, Section 6. The full Board of Regents will consider Committee action items in accordance with the Board of Regents' agenda published for the current or for a subsequent meeting.

In accordance with the Board of Regents' Bylaws, Title 1, Art. V, Section 13, a quorum may be gained by telephonic hookup.

Some agenda items are noted as having accompanying reference material. Reference material may be accessed on the electronic version of the agenda by clicking the reference link associated with a particular item. The agenda and associated reference material may also be accessed on the Internet by visiting the Board of Regents' website at:

<https://nshe.nevada.edu/leadership-policy/board-of-regents/meeting-agendas/>

Many public libraries have publicly accessible computer terminals. Copies of the reference material and any additional support materials that are submitted to the Board of Regents' Office and then distributed to the members of the Board of Regents after the mailing of this agenda but before the meeting, will be made available as follows: 1.

Copies of any such materials are available at the Board of Regents' Office at 2601 Enterprise Road, Reno, Nevada and the Board of Regents' Office at 4300 S. Maryland Parkway, Las Vegas, Nevada. A copy may be requested by calling Winter Lipson at (702) 889-8426; 2. Copies of any such materials will also be available at the meeting site.

Reasonable efforts will be made to assist and accommodate physically disabled persons attending the meeting. Please call the Board office at (775) 784-4958 in advance so that arrangements may be made.

1. PUBLIC COMMENT **INFORMATION ONLY**

Public comment will be taken during this agenda item. No action may be taken on a matter raised under this item until the matter is included on an agenda as an item on which action may be taken. Comments will be limited to three minutes per person. Persons making comment will be asked to begin by stating their name for the record and to spell their last name. The Committee Chair may elect to allow additional public comment on a specific agenda item when that agenda item is being considered.

In accordance with Attorney General Opinion No. 00-047, as restated in the Attorney General's Open Meeting Law Manual, the Committee Chair may prohibit comment if the content of that comment is a topic that is not relevant to, or within the authority of, the Board of Regents, or if the content is willfully disruptive of the meeting by being irrelevant, repetitious, slanderous, offensive, inflammatory, irrational or amounting to personal attacks or interfering with the rights of other speakers.

2. MINUTES **FOR POSSIBLE ACTION**

Request is made for approval of the minutes from the November 30, 2017, meeting. [\(Ref. INV-2\)](#)

ESTIMATED TIME: 5 mins.

3. OPERATING POOL PERFORMANCE **FOR POSSIBLE ACTION**
DISCUSSION AND RECOMMENDATIONS

Staff from Cambridge Associates and System Administration will present a report on asset allocation and investment returns for the Pooled Operating Fund for the quarter ended March 31, 2018. NSHE staff will also provide an update on the status of the Operating Pool Reserve. Cambridge Associates and System Administration staff may also provide specific recommendations on fund managers which may include hiring, terminating or changing managers. The Committee may take action based on the report and recommendations, including making recommendations to the Board to change asset allocation, fund managers and/or strategic ranges for the pooled fund. [\(Ref. INV-3\)](#)

ESTIMATED TIME: 5 mins.

4. ENDOWMENT POOL PERFORMANCE DISCUSSION – CAMBRIDGE ASSOCIATES **INFORMATION ONLY**

Staff from Cambridge Associates will present a report on asset allocation and investment returns for the Pooled Endowment Fund as of April 30, 2018.

ESTIMATED TIME: 10 mins.

5. ENDOWMENT POOL PERFORMANCE DISCUSSION – RUSSELL INVESTMENTS **INFORMATION ONLY**

Staff from Russell Investments will present a report on asset allocation and investment returns for the Pooled Endowment Fund as of April 30, 2018.

ESTIMATED TIME: 10 mins.

6. OPERATING POOL AND BANKING CONTRACTS **FOR POSSIBLE ACTION**

NSHE staff will provide an update on the status of current banking contracts:

- Bank of America (Cash Management)
- Touchnet (Payment Gateway Service)
- Wells Fargo (Merchant Services)
- JP Morgan Chase (Purchase Card)

Per *Board of Regents' Handbook*, Title 4, Chapter 10, Section 1, Sub-section 8 entitled "Cash Management Services", NSHE awards the Cash Management Services for a period of 5 years with a two-year option to extend. The current contracts are in the final year of their contracted period. Due to the Workday implementation, an RFP has not yet been issued in 2018. In addition, NSHE staff is reviewing the Operating Pool Structure including the banking relationships and believe it is in the best interest of the System and its banking partners to complete this analysis prior to issuing an RFP. It is requested that the Board authorize the Chancellor to extend each of the Banking contracts noted above for an additional one year beyond their current expiration. Each of NSHE's banking partners have agreed tentatively to extend for one additional year utilizing the current terms and conditions. If approved, this action would constitute a waiver of Board policy as this extension will result in some of these contracts extending beyond the seven-year period.

(Ref. INV-6)

ESTIMATED TIME: 10 mins.

7. SPECIAL DISTRIBUTION FROM OPERATING POOL RESERVE **FOR POSSIBLE ACTION**

Given the performance of the Operating Pool Reserve, the Investment Committee will consider making a special distribution from the fund. With the current balance, a special distribution of \$25 million is recommended to the Committee by NSHE staff. It is further recommended to the Committee that the funds be directed for deferred maintenance projects. Exceptions must be approved by the Board of Regents. The distribution will be allocated to institutions per their share of the pooled operating fund. If a special distribution is approved, the Committee will direct NSHE institutions and NSHE System Administration to provide the Chancellor a prioritized listing of deferred maintenance projects and will include how the amounts from the distribution would be used at their institutions. The Chancellor is requested to present a list of the initiatives at a future Board meeting for consideration by the full Board. ([Ref. INV-7](#))

***FISCAL IMPACT:** Distribution of one-time funds from the operating reserve account in an amount of \$25 million.*

***ESTIMATED TIME:** 10 mins.*

8. NEW BUSINESS **INFORMATION ONLY**

Items for consideration at future meetings may be suggested. Any discussion of an item under "New Business" is limited to description and clarification of the subject matter of the item, which may include the reasons for the request.

9. PUBLIC COMMENT

INFORMATION ONLY

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POSTED ON THE NEVADA SYSTEM OF HIGHER EDUCATION WEBSITE (<http://system.nevada.edu/>) AND ON THE NEVADA PUBLIC NOTICE WEBSITE PURSUANT TO NRS 232.2175 (<http://notice.nv.gov/>), AT THE SYSTEM ADMINISTRATION BUILDINGS AND E-MAILED FOR POSTING AT THE EIGHT NSHE INSTITUTIONS:

CSN, Building D, 1st Floor, 6375 W. Charleston Boulevard, Las Vegas, NV 89146
DRI, Maxey Building, 2215 Raggio Parkway, Reno, NV 89512
DRI, Southern Nevada Science Center, 755 E. Flamingo Road, Las Vegas, NV 89119
GBC, Berg Hall, 1500 College Parkway, Elko, NV 89801
NSC, Great Hall, 1125 Nevada State Drive, Henderson, NV 89015
TMCC, Red Mountain Building (RDMT 200), 7000 Dandini Boulevard, Reno, NV 89512
UNLV, Flora Dungan Humanities Building (FDH), 1st & 7th Floors, 4505 Maryland Pkwy, Las Vegas, NV 89154
UNR, Clark Administration, University of Nevada, Reno, Reno, NV 89557
WNC, Bristlecone Building Lobby, 2201 W. College Parkway, Carson City, NV 89703
System Administration, 4300 S. Maryland Parkway, Las Vegas, NV 89119
System Administration, 2601 Enterprise Road, Reno, NV 89512