

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 audio 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 March 2020 meeting.

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

University of Nevada, Las Vegas
Student Union, Ballrooms B & C
4505 S. Maryland Parkway, Las Vegas
Thursday, December 5, 2019

Video Conference Connection from the meeting site to:
Desert Research Institute, Reno
2215 Raggio Parkway, Stout Conference Rooms A & B
and
Great Basin College, Elko
1500 College Parkway, Berg Hall Conference Room

Members Present: Mr. Trevor Hayes, Chair
 Mrs. Carol Del Carlo, Vice Chair
 Ms. Amy J. Carvalho
 Mr. Donald Sylvantee McMichael Sr.

Members Absent: Mr. John T. Moran
 Mr. Kevin J. Page

Other Regents Present: Dr. Jason Geddes, Chairman
 Dr. Mark W. Doubrava, Vice Chairman

Others Present: Dr. Thom Reilly, Chancellor
 Mr. Andrew Clinger, Chief Financial Officer
 Mr. Dean J. Gould, Chief of Staff and Special Counsel to the Board
 Mr. Nate Mackinnon, Vice Chancellor, Community Colleges
 Mr. James J. Martines, Deputy General Counsel, Real Estate
 Mr. Joe Sunbury, Chief Internal Auditor
 Dr. Federico Zaragoza, President, CSN
 Mr. Bart J. Patterson, President, NSC
 Dr. Marta Meana, President, UNLV
 Dr. Marc A. Johnson, President, UNR
 Dr. Vincent R. Solis, President, WNC

Faculty senate chairs in attendance were: Dr. Arnold Bell, CSN; Mr. George Kleeb, GBC; Dr. Janis McKay, UNLV; and Dr. Brian Frost, UNR. Student body presidents in attendance were: Mr. Daniel Gutierrez, ASCSN President, CSN; Ms. Melanie Dodson, SGA President, GBC; Ms. Nicola Opfer, NSSA President, NSC; Ms. Alexandra Patri, SGA President, TMCC; Ms. Hannah Patenaude, CSUN President, UNLV; Mr. Anthony Martinez, ASUN President, UNR; and Ms. Tamara Guinn, GSA President, UNR.

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

Chair Hayes called the meeting to order at 9:10 a.m. with all members present except Regents Moran and Page.

1. Information Only – Public Comment – None.
2. Approved – Consent Items – The Committee recommended approval of the consent items except for items 2e (Biannual Report on Registration Fees and Non-Resident Tuition Fees) and 2f (Report on Campus Crime Statistics) which were considered separately.
 - 2a. Approved – Minutes – The Committee recommended approval of the September 5, 2019, meeting minutes. (Ref. BFF-2a on file in the Board Office.)
 - 2b. Approved – Fiscal Year 2018-2019 NSHE State Operating Budget to Actual Comparison – The Committee recommended approval and acceptance of the Fiscal Year 2018-2019 State Operating Budget to Actual Comparison for the NSHE. (Refs. BFF-2b(1) and BFF-2b(2) on file in the Board Office.)
 - 2c. Approved – Fiscal Year 2018-2019 NSHE Self-Supporting Budget to Actual Comparison – The Committee recommended approval and acceptance of the Fiscal Year 2018-2019 Self-Supporting Budget to Actual Comparison for the NSHE. (Refs. BFF-2c(1) and BFF-2c(2) on file in the Board Office.)
 - 2d. Approved – Student Association Financial Reports – The Committee recommended approval and acceptance of the NSHE Student Association financial reports for Fiscal Year 2018-2019. Title 4, Chapter 20, B, Section 2(4) of the *Board of Regents Handbook* requires each student association to annually report to the Board by December the association revenues, expenditures and ending account balances for the preceding fiscal year. (Refs. BFF-2d(1) and BFF-2d(2) on file in the Board Office.)
 - 2g. Approved – University of Nevada, Reno School of Medicine Sub-Sublease of Real Property at 6255 Sharlands Avenue, Reno, Nevada – UNR – The Committee recommended approval of the Sub-Sublease Agreement of approximately 6,374 square feet located at 6255 Sharlands Avenue, Reno, Nevada (APN 212-314-01), for a term of 60 months with an option to renew the Sub-Sublease Agreement for an additional 24 months. (Ref. BFF-2g on file in the Board Office.)
 - 2h. Approved – Authorization to Accept Real Property Consisting of an Alley that Runs from 9TH Street to Interstate 80 Located Between N. Center Street and Lake Street, Reno, Nevada – Resolution – UNR – The Committee recommended: 1) Authorization to accept real property identified as a City of Reno abandoned alley that runs from 9th Street to Interstate 80 between North Center and Lake Streets in Reno, Nevada; and 2) Approval of a Resolution authorizing the Chancellor or his designee to approve and execute, after consultation with the Business, Finance and Facilities Committee Chair and the NSHE Chief General Counsel,

2. Approved – Consent Items – (Continued)

- 2h. Approved – Authorization to Accept Real Property Consisting of an Alley that Runs from 9TH Street to Interstate 80 Located Between N. Center Street and Lake Street, Reno, Nevada – Resolution – UNR – (Continued)

documentation to accept the property, and to sign corresponding escrow and title documents associated with the acceptance and/or close of escrow. (Ref. BFF-2h on file in the Board Office.)

- 2i. Approved – Authorization to Acquire Real Property Consisting of a Portion of Lake Street that Runs from 9TH Street to Interstate 80, Reno, Nevada and to Waive the Requirement of an Appraisal – Resolution – UNR – The Committee recommended: 1) Authorization to acquire real property identified as a portion of Lake Street that runs from 9th Street to Interstate 80 in Reno, Nevada; and 2) Approval of a Resolution authorizing the Chancellor or his designee to approve and execute, after consultation with the Business, Finance and Facilities Committee Chair and the NSHE Chief General Counsel, documentation to acquire the property, and to sign the purchase and sale agreement and the corresponding escrow and title documents associated with the acquisition and/or close of escrow; and to waive the requirement that an appraisal be submitted to the Board of Regents at the time of request for approval under *Board of Regents Handbook* Title 4, Chapter 10, Table 9.1. (Ref. BFF-2i on file in the Board Office.)

- 2j. Approved – Purchase of Real Property Located at 58 E. 9TH Street, Reno, Nevada – Resolution – UNR – The Committee recommended approval to purchase 58 E. 9th Street, Reno, Nevada (APN 007-183-04) for the purchase price of \$1,350,000.00 and approval of a Resolution authorizing the Chancellor or his designee to approve and sign the escrow and title documents associated with the purchase of the real property, after consultation with the Business, Finance and Facilities Committee Chair and the NSHE Chief General Counsel. (Ref. BFF-2j on file in the Board Office.)

- 2k. Approved – Revision to the Use of Proceeds from Sale of Gifted Violin – UNR – The Committee recommended approval to direct \$300,000 of the remaining \$435,000 proceeds from the sale of the violin toward the establishment of a quasi-endowment held by the University Foundation for student scholarships for the Department of Music. The other \$135,000 would continue to be designated for the purchase of musical instruments. (Ref. BFF-2k on file in the Board Office.)

- 2l. Approved – Sale of Property Rights to the Regional Transportation Commission of Washoe County (RTC) for the Virginia Street Bus Rapid Transit Extension Project – Resolution – UNR – The Committee recommended approval to sell to the Regional Transportation Commission of Washoe County for the Virginia Street Bus Rapid Transit Extension Project portions of and easements over portions of parcels APNs 007-020-08, 007-131-23, 007-510-02 and 007-510-01 for the sale price of

2. Approved – Consent Items – (Continued)

2l. Approved – Sale of Property Rights to the Regional Transportation Commission of Washoe County (RTC) for the Virginia Street Bus Rapid Transit Extension Project – Resolution – UNR – (Continued)

\$2,401,405.00 and approval of a Resolution authorizing the Chancellor or his designee to approve and sign all the Public Highway Agreements, Deeds, Permanent Easements, Temporary Easements, and the escrow and title documents associated with the sale of the property rights, after consultation with the Business, Finance and Facilities Committee Chair and the NSHE Chief General Counsel. (Ref. BFF-2l on file in the Board Office.)

2m. Approved – Rescission of Prior Action and Approval of Amended Site Plan, Redfield Campus – Resolution – UNR – The Committee

recommended rescission of Board of Regents' approval of the June 8, 2018, Amended and Restated Development Agreement with the Nell J. Redfield Foundation and approval of a Resolution approving the Revised Amended and Restated Development Agreement with the Nell J. Redfield Foundation and authorizing the Chancellor or his designee to execute the: 1) Revised Amended and Restated Development Agreement, and 2) any other associated real property transfer documents after consultation with the Business, Finance and Facilities Committee Chair and the NSHE Chief General Counsel. (Ref. BFF-2m on file in the Board Office.)

Vice Chair Del Carlo moved approval of the consent items except for items 2e (Biannual Report on Registration Fees and Non-Resident Tuition Fees) and 2f (Report on Campus Crime Statistics). Regent Carvalho seconded. Motion carried. Regents Moran and Page were absent.

Consent items heard separately.

2e. 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 required by Senate Bill (SB) 545, Section 8 (2017 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 SB 545, 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 on a semi-annual basis. (Ref. BFF-2e on file in the Board Office.)

In response to a question from Chair Hayes, Mr. Vic Redding, Vice President, Finance and Administration, UNR, stated budget projections are made well in advance and fewer students paid registration fees than was projected. Mr. Redding noted that all students pay registration fees so

Consent items heard separately – (Continued)

- 2e. Approved – Biannual Report on Registration Fees and Non-Resident Tuition Fees – The Committee recommended approval and acceptance of

it will be a cumulative number of the in-state and out-of-state students. UNR has taken a very aggressive position to recruit out-of-state students and is seeing the results of that.

UNLV President Marta Meana stated UNLV's increased amount in registration fees is primarily due to the increase in registration fees that occurred when the budget was initially submitted and the actual Fiscal Year.

Regent Carvalho moved approval and acceptance of the Biannual Report on Registration Fees and Non-Resident Tuition Fees required by Senate Bill (SB) 545, Section 8 (2017 Session). Vice Chair Del Carlo seconded. Motion carried. Regents Moran and Page were absent.

- 2f. Approved – Report on Campus Crime Statistics – The Committee recommended approval and acceptance of the report on campus crime statistics. Pursuant to the Jeanne Clery Crime Statistics Act (20 USC 1092), the institutions must disclose annually certain information concerning campus crime. This report includes current and historical data on various crimes that have occurred on each NSHE campus. (*Refs. BFF-2f(1) and BFF-2f(2) on file in the Board Office.*)

Chair Hayes stated NSHE's community colleges seem to be the most crime-free areas in the country. He wondered if some crime statistics were not being captured. Mr. Adam Garcia, Associate Vice President and Director, Southern Command Police Services, stated there is very little crime to report, and great pride is taken in assessing crime statistics not only on campus but with regional partners.

In response to a question from Chair Hayes, Mr. Todd Renwick, Assistant Vice President and Chief of Police, University Police Services, UNR, responded when reviewing last year's statistics, UNR applied for a grant to hire an in-house victim advocate to provide additional education and resources to the campus community. The department found that a vast majority of what was reported happened off-campus but was reported to the University.

Chair Hayes stated liquor and drug violations had dramatically decreased at UNR. Mr. Renwick said the University has zero-tolerance for underage drinking. The zero-tolerance enforcement and collaboration with student services and student conduct are showing the results of the efforts. Because marijuana is legal in Nevada, the department instituted a unique

Consent items heard separately – (Continued)

2f. Approved – Report on Campus Crime Statistics – (Continued)

change that if a student is over 18 but under 21 and has a medical marijuana card, enforcement action is not taken. If a student is 21 and over and within the law, they are not cited; however, the student is being referred to student conduct for a violation.

Chair Hayes stated UNLV has increased burglaries, aggravated assaults, rapes, and drug arrests. Mr. Garcia said the safety of the students, faculty, staff, and visitors is a top priority. The department is doing much better in providing a comfort level for constituencies to come forward and report incidents. This is also a result of new Federal Government initiatives such as creating safe zones. Increases will be seen, but it does not mean more crimes are occurring. It means the institution is doing a better job of gathering the information and accurately reporting it.

In response to a question from Vice Chair Del Carlo, Mr. Garcia stated numbers are reviewed from across the country in an attempt to make a determination as to safety. Mr. Garcia said UNLV attracts one million people a year with different events, and given that information, it is a relatively safe campus.

Chair Hayes believed it was appropriate for this report to be heard by the Security Committee rather than the Business, Finance and Facilities Committee in future years.

Vice Chair Del Carlo moved approval and acceptance of the report on campus crime statistics. Regent Carvalho seconded. Motion carried. Regents Moran and Page were absent.

3. Approved – Fiscal Year 2019-2020 NSHE State Supported Operating Budget – The Committee recommended approval of the Fiscal Year 2019-2020 NSHE State Supported Operating Budget. (Refs. BFF-3a, BFF-3b, and Supplemental Material on file in the Board Office.)

Chief Financial Officer Andrew Clinger highlighted *Refs. BFF-3a and BFF-3b* to include the following:

- Roughly \$700 million in state support representing a 6.5 percent increase
- Includes \$326 million in other revenue

Chief Financial Officer Clinger stated this budget was approved by the Legislature in June, and it is just now coming before the Committee. He committed to bringing this report to the Committee sooner. The challenge lies with compiling the data, which is done manually at this time. The department is working to pull this report directly from Workday.

3. Approved – Fiscal Year 2019-2020 NSHE State Supported Operating Budget –
(Continued)

Vice Chair Del Carlo moved approval of the Fiscal Year 2019-2020 NSHE State Supported Operating Budget. Regent Carvalho seconded. Motion carried. Regents Moran and Page were absent.

4. Approved – Fiscal Year 2019-2020 NSHE Self-Supporting Budget – The Committee recommended approval of the Fiscal Year 2019-2020 NSHE Self-Supporting Budget. (Refs. BFF-4a & BFF-4b on file in the Board Office.)

Chief Financial Officer Clinger highlighted Refs. BFF-4a and BFF-4b to include the following:

- Page eight of the report has a miscategorization. TMCC's \$648,584 listed under uses should be labeled as a transfer out.

Regent Carvalho moved approval of the Fiscal Year 2019-2020 NSHE Self-Supporting Budget. Vice Chair Del Carlo seconded. Motion carried. Regents Moran and Page were absent.

5. Information Only – First Quarter Fiscal Year 2019-2020 Fiscal Exceptions – Chief Financial Officer Clinger presented the First Quarter Fiscal Year 2019-2020 Report of Fiscal Exceptions of Self-Supporting Accounts. (Refs. BFF-5a & BFF-5b on file in the Board Office.)

Chief Financial Officer Clinger highlighted Refs. BFF-5a and BFF-5b to include the following:

- The UNR Fire Science Academy reported a cash deficit total of \$8,6448,889.
- The University of Nevada, Las Vegas School of Medicine reported a negative cash balance of \$6.1 million.
- The CSN Dental Faculty Practice reported a negative cash balance of \$596,829.

Chief Financial Officer Clinger reported the department is working to improve this report.

UNLV President Meana stated Graduate Medical Education currently has three accounts in the negative because of billing in arrears. The Faculty Practice Plan is a combination of billing in arrears and the continuing cash flow problems. Business process issues have been resolved and will not occur in the future. UNLV continues to drive improvements to cash flow and expects to eliminate or have smaller negative balances by the end of the Fiscal Year.

Vice Chair Del Carlo requested an aging schedule of the bad debt.

CSN President Federico Zaragoza reported CSN had submitted a corrective action plan and is looking at a more comprehensive solution to the issue.

6. Information Only – First Quarter Fiscal Year 2019-2020 Budget Transfers, State Supported or Self-Supporting Operating Budgets – Chief Financial Officer Clinger reported there were no transfers between functional areas greater than \$500,000 during the First Quarter of Fiscal Year 2019-2020.

7. Approved – Purchase of the Ponderosa Village Graduate Student Housing Complex Located at 1775 Evans Avenue, Reno, Nevada – Resolution – UNR – The Committee recommended approval to purchase the Ponderosa Village Graduate Student Housing complex buildings located at 1775 Evans Avenue, Reno, Nevada (APN 003-180-17) for the purchase price of \$28,000,000 and approval of a Resolution authorizing the Chancellor or his designee to approve and sign a purchase and sale contract, escrow and title documents, and other associated documentation for the purchase of the property and termination of the Ground and Improvement Lease, after consultation with the Business, Finance and Facilities Committee Chair and the NSHE Chief General Counsel. *(Ref. BFF-7 on file in the Board Office.)*

Mr. Redding said this is a successful public-private partnership with Balfour Beatty, but two things have changed in the Reno environment causing UNR to ask for the acquisition of the property. Balfour Beatty has indicated their intent to divest themselves of this asset. After a long series of negotiations, UNR and Balfour Beatty have come to an agreed-upon price. The Association of Off-Campus Student Housing has identified Reno as one of the top 10 rent increase environments in the country. UNR is worried that graduate students will be priced out of affordable housing. If UNR acquires this property, it will be able to keep the rental rates as affordable as possible and still cover the debt payments.

Vice Chair Del Carlo stated this was a great partnership and, in the end, will be a good profit center for the University.

Vice Chair Del Carlo moved approval to purchase the Ponderosa Village Graduate Student Housing complex buildings located at 1775 Evans Avenue, Reno, Nevada (APN 003-180-17) for the purchase price of \$28,000,000 and approval of a Resolution authorizing the Chancellor or his designee to approve and sign a purchase and sale contract, escrow and title documents, and other associated documentation for the purchase of the property and termination of the Ground and Improvement Lease, after consultation with the Business, Finance and Facilities Committee Chair and the NSHE Chief General Counsel. Regent Carvalho seconded.

In response to a question from Board Chairman Geddes, UNR President Johnson stated it does not include a brick facade.

Motion carried. Regents Moran and Page were absent.

8. Approved – Financing Plan, Certificates of Participation Series 2020A for UNR Gateway Precinct Parking Garage and Ponderosa Village Graduate Student Housing Complex – Resolution – UNR – The Committee recommended approval of a Resolution authorizing the issuance of NSHE Certificates of Participation in a maximum principal amount up to \$56,000,000 to support the construction financing of the new Gateway Precinct Parking Garage and acquisition of the Ponderosa Village Graduate Student Housing Complex. *(Ref. BFF-8 on file in the Board Office.)*

Mr. Redding reported this is financing for two projects for efficiency. The first project is a parking garage in the Gateway District. UNR is currently in the design phase but ready to break ground. The garage is funded under the current parking permit revenue structure. The second part of the bond issuance is to fund the Ponderosa Village acquisition. UNR will cash flow the initial purchase from reserves but will move forward with this debt issuance to then repay the reserve. Ponderosa Village will be funded through rental revenues.

In response to a question from Vice Chair Del Carlo, Mr. Redding stated UNR would be saving on issuance and financing costs since interest rates are at a historic low.

Vice Chair Del Carlo moved approval of a Resolution authorizing the issuance of NSHE Certificates of Participation in a maximum principal amount up to \$56,000,000 to support the construction financing of the new Gateway Precinct Parking Garage and acquisition of the Ponderosa Village Graduate Student Housing Complex. Regent McMichael seconded. Motion carried. Regents Moran and Page were absent.

9. Approved – Lease Purchase of Simulation Equipment – NSC – The Committee recommended approval of a financing proposal to fund the lease-purchase of equipment for the nursing simulation lab at the CSN Health Sciences Center. *(Ref. BFF-9 on file in the Board Office.)*

Mr. Kevin Butler, Senior Vice President, Finance and Business Operations, NSC, reported this project was funded by the Legislature at \$5.1 million with a total need of \$7.7 million. NSC immediately entered into talks with the simulation equipment vendor to negotiate discounts and future price increases. NSC will go through the acquisition process prior to the end of the calendar year and delivery of the equipment will be prior to the completion of the building. The warranty will not start until completion, and NSC will get the latest technology.

In response to a question from Regent Carvalho, Mr. Butler said the equipment is strictly for the NSC simulation lab components at this time.

Mr. Butler stated NSC is avoiding an annual increase in pricing by completing the transaction now as well as the interest savings.

9. Approved – Lease Purchase of Simulation Equipment – NSC – (Continued)

Regent McMichael moved approval of a financing proposal to fund the lease-purchase of equipment for the nursing simulation lab at the CSN Health Sciences Center. Vice Chair Del Carlo seconded. Motion carried. Regents Moran and Page were absent.

10. Approved – Handbook Revision – Financial Policies – The Committee recommended approval of a revision to Board policy to increase the reporting threshold from \$25,000 to \$250,000 for the Self-Supporting Budget to Actual report. The policy revision amends Title 4, Chapter 9C, Section 2.11 of the *Handbook*. (Ref. BFF-10 on file in the Board Office.)

Chief Financial Officer Clinger believed this threshold increase will still capture 80 percent of the transactions.

Vice Chair Del Carlo stated this is a good change because the reports are so cumbersome.

Vice Chair Del Carlo moved approval of a revision to Board policy to increase the reporting threshold from \$25,000 to \$250,000 for the Self-Supporting Budget to Actual report. Regent McMichael seconded. Motion carried. Regents Moran and Page were absent.

11. Information Only – New Business – None.

12. Information Only – Public Comment – UNR GSA President Tamara Guinn, on behalf of the graduate students, thanked the Committee for approving Ponderosa Village.

The meeting adjourned at 10:01 a.m.

Prepared by:

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

Submitted for approval by:

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