

**SPECIAL MEETING
BOARD OF REGENTS
NEVADA SYSTEM OF HIGHER EDUCATION**

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

Friday, January 24, 2014

Video Conference Connection from the Meeting Site to:

System Administration, Reno
2601 Enterprise Road, Conference Room
and
Great Basin College, Elko
1500 College Parkway, Berg Hall Conference Room

Members Present: Mr. Kevin J. Page, Chairman
Mr. Rick Trachok, Vice Chairman
Dr. Andrea Anderson *{via telephone}*
Mr. Robert Blakely
Mr. Cedric Crear
Dr. Mark W. Doubrava
Dr. Jason Geddes *{Reno}*
Mr. Ron Knecht
Mr. James Dean Leavitt
Mr. Kevin C. Melcher
Dr. Jack Lund Schofield
Ms. Allison Stephens
Mr. Michael B. Wixom

Others Present: Mr. Daniel J. Klaich, Chancellor
Ms. Crystal Abba, Vice Chancellor, Academic and Student Affairs
Mr. Larry Eardley, Vice Chancellor, Business and Finance
Ms. Brooke Nielsen, Vice Chancellor, Legal Affairs
Mr. Vic Redding, Vice Chancellor, Administration and Finance
Dr. Marcia Turner, Vice Chancellor, Health Sciences System
Dr. Steven Zink, Vice Chancellor, Information Technology
Mr. Scott Wasserman, Chief of Staff and Special Counsel to the Board
Dr. Michael D. Richards, President, CSN
Dr. Stephen G. Wells, President, DRI
Dr. Mark A. Curtis, President, GBC
Mr. Bart Patterson, President, NSC
Dr. Maria C. Sheehan, President, TMCC
Mr. John V. White, Provost and Executive Vice President, UNLV
Dr. Marc A. Johnson, President, UNR
Mr. Chester "Chet" O. Burton, President, WNC

2. Approved - Consent Items (*Agenda Item #2*)

3. Approved -

3. Approved - Appointment, Acting or Interim President, UNLV (Agenda Item #3) – (Cont'd)

Regent Stephens was concerned a preliminary decision or preference was made for an acting versus interim president. She said she was prepared to abstain from this particular vote given the Chancellor's lengthy memo and recommendation was received less than 24 hours before the meeting.

Chairman Page said the Chancellor was complying with the Board's current policy.

Regent Leavitt said the Board's current policy allows for significant campus input. In the case of UNR President Johnson, the UNR campus had made it clear it wanted to pursue a national search. In the case of current UNLV President Smatresk, the UNLV campus had made it clear it did not want a search. He hoped there would be certainty in the process but also flexibility to listen to each campus.

Regent Blakely said he had spoken with Chancellor Klaich at length about his recommendation and would support the recommendation made. If the full Board does not support the recommendation then it could consider other options including an interim president.

Regent Wixom said his understanding of the policy is Chancellor Klaich had no other option than to make a recommendation for acting president to the Board. He personally has heard the UNLV campus community express a desire for a national search sooner rather than later, which, according to the Board's policy, leads to the recommendation for an acting president. A recommendation for an interim president would delay the campus' desire for a national search. He said it was incumbent upon the Board to support the wishes of the campus. He supported the Chancellor's recommendation which was endorsed by the Board Officers.

Chancellor Klaich said the Board deserved to understand his recommendation was consistent with Board policy but not driven by Board policy. He said UNLV should have an acting president and the person in that position should be Mr. Snyder.

Regent Melcher said he also had heard support for a national search from the UNLV campus and its community. Pursuant to the Board's policy a recommendation for acting president would allow a national search to commence sooner rather than later.

Regent Stephens said she did not believe the Chancellor had a personal preference. However, the Chancellor's recommendation leaned towards an acting president versus an interim president. Provost White would have been ineligible for consideration as a candidate for the permanent appointment as president if he had been selected as the acting president. In her experience, obtaining stakeholder input is important. However, she has never seen an executive position filled based upon the desires of individual departments. The best decisions need to be made for the institution as a whole while listening to campus input.

3. Approved - Appointment, Acting or Interim President, UNLV (Agenda Item #3) – (Cont'd)

Regent Crear asked if the Board would also address the timeframe of a search. Secondly, he asked what the term limit would be if an acting president is approved. Chairman Page said the term of the appointment would be until a permanent president is selected by the Board. The motion could be amended to include a provision to launch a national search immediately.

Regent Crear said the timing of the search would make a difference in the quality of the search committee participants and the candidates.

Mr. Wasserman noted Board policy contemplates the national search being conducted immediately. The search process needs to work in conjunction with many factors including the institution's academic calendar and the Board of Regents' calendars. Candidate campus visits will need to occur when the campus is open. He suggested the proposal of a friendly amendment to approve Mr. Snyder as the acting president and to immediately commence a national search.

Chairman Page said commencing the national search process immediately will allow him to form the Board of Regents' President Search Committee and the Institutional Advisory Committee. That would leave February through April to complete the search process while students and faculty are still on campus. Although not impossible, it would be a challenge to have a new president in place by September 1, 2014.

Regent Crear did not want to taint the search process by creating a rushed situation. Chairman Page said UNR's search was conducted in six months. However, the Board will not rush any president search process.

Vice Chairman Trachok said Provost White has exhibited tremendous leadership in his current position and would be an attractive candidate for the permanent position. He reminded the Board the reason it changed its policies on how vacancies in the office of president were handled was to eliminate any appearance the appointment of an acting president was an inside job.

Regent Knecht said the presidential search process is unsatisfying. He asked what search schedule would allow a president to be in office by September 1, 2014, and who will decide what time limits the search process can take. Chairman Page responded the committee will be responsible for the search.

Regent Knecht asked what the accountability of the Board's search committee will be to the Board. Chairman Page said the accountability will remain the same as it has in the past. The Board's President Search Committee will be comprised of six Regents as voting members with institutional advisory members assisting with the process.

Mr. Wasserman said the Board's President Search Committee will be charged with recommending a nominee or nominees to the full Board. The full Board has the option not

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Regent Knecht said those were the contingencies the Board did not want to find itself in. He asked what the search schedule would be given the current date. Chairman Page said since President Smatresk submitted his pending resignation in December 2013 there has been time to develop a Regents' committee. UNLV will be given time to develop its recommendations for the institutional advisory members.

3. Approved - Appointment, Acting or Interim President, UNLV (Agenda Item #3) – (Cont'd)

Regent Knecht moved approval to delegate authority to the Chancellor, in consultation with the Board Chairman, to finalize the contract with Mr. Snyder based on the specific terms and spirit of the contract terms as presented. Regent Stephens seconded. Motion carried.

The meeting recessed at 11:35 a.m. and reconvened at 11:53 a.m. on Friday, January 24, 2014, with all members present.

4. Approved - Employment Contract, Head Football Coach, UNLV (Agenda Item #5) – The Board approved a three-year contract extension for UNLV Head Football Coach Bobby Hauck, effective January 25, 2014, through January 24, 2017 (Ref. BOR-5 on file in the Board Office).

Regent Crear moved approval of a three-year contract extension for UNLV Head Football Coach Bobby Hauck, effective January 25, 2014, through January 24, 2017. Regent Melcher seconded.

Regent Wixom asked if the proposed contract renewal supplants the last year of Coach Hauck's existing contract. Provost White responded the contract would supplant the last year of his existing contract and extend the contract for two additional years.

Regent Wixom asked for clarification of the indicated \$150,000 lump sum payout. UNLV Athletic Director Tina Kunzer-Murphy responded Coach Hauck's previous contract was for \$500,000. However, \$150,000 of the contract was deferred each year. The new contract provides for \$750,000 but the \$150,000 from the previous contract is still owed.

Regent Wixom said Ref. BOR-5 states the salary is paid for with self-supporting accounts and asked what those self-supporting accounts were. Mr. Gerry Bomotti, Senior Vice President of Finance, UNLV, responded no state funds would be used for this contract. Approximately \$7 million of UNLV Athletics total revenue of \$30 million is received from the state.

Regent Wixom asked what the funding source was for the various bonus payments. Ms. Kunzer-Murphy responded the additional revenue generated from events such as a BCS bowl game would provide plenty of non-state funding to cover the bonuses.

4. Approved - Employment Contract, Head Football Coach, UNLV (Agenda Item #5) –
(Cont'd.)

Regent Wixom requested clarification that none of the bonuses were paid from state-supported funds. Mr. Bomotti confirmed the source of bonus payments for participation

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Vice Chairman Trachok said he liked what was happening with the UNLV football program. He would have been happy to extend Coach Hauck's contract for another three years if a reasonable proposal had been made. He did not think an annual increase of \$200,000 was a reasonable raise. He said it is incumbent upon presidents and athletic directors to negotiate the best deal possible just as if the funds were out of their own private bank accounts. He could not support the proposed contract for that reason.

Vice Chairman Trachok said he had a major issue with the standard contracts in that they were not fairly balanced. For instance, if a coach decides to leave at any point after contract approval the coach is obligated to pay the university \$250,000. However, if the university decides to terminate a coach's contract, for whatever reason, the university would have to pay the coach \$1.275 million. He said that was not a fair contract. Regardless of the outcome that day, he said the standard contract needed to be reviewed and updated to reflect an even balance for both parties. When entering into a contract for more than one year the institution should be able to pay the same amount for liquidated damages as the coach or the institution needs to be allowed the same right to terminate the contract with no further obligation.

Regent Wixom said he also was not enamored of the contract or the process. However, the Board was not in a position to renegotiate a contract in a public meeting. He agreed with Vice Chairman Trachok and recommended a task force be charged with reconsidering the standard contract template.

Regent Wixom said if the Board did not approve the contract then it would do the football program harm. He did not want to jeopardize the momentum that has been created. He would support the contract even though he did not like the form or process of the contract. He felt the process should go forward followed by the Board taking a closer look at the entire contracting process.

Regent Geddes said he supported the contract presented that day. He said Ms. Kunzer-Murphy was hired to manage the program and a contract has been negotiated fairly. He encouraged Vice Chairman Trachok to work with the athletic directors on the structure of the contracts going forward.

Regent Melcher said the large sums of money reflect the cost of doing business at a higher level. However, he agreed the standard contract needed to be reconsidered. He supported the proposed contract because it was negotiated in good faith on the forms and processes set forth. If the Board does not like the contract then it had the prerogative to vote it down but he encouraged the Board's support.

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Regent Leavitt supported the recommendation to look at best standards for athletic contracts from across the country. He hoped the message was loud and clear there needed to be communication with Board leadership. Board leadership should not dictate the negotiation process but it does have an awareness of the pulse of the Board. He agreed employment contracts need to be more balanced. He also felt private funds and contributions would help to take the program into the future.

Regent Stephens fundamentally disagreed a president's role in fiscal management was to nickel and dime the negotiation process. She said fair market value and adequate compensation were a part of fiscal management. She asked

5. Information Only -

6. Approved - IGT Applied Technology Center Renovation, TMCC (Agenda Item #6) – The Board approved TMCC’s request to proceed with development of a proposed renovation of the IGT Applied Technology Center using various financing sources that include local capital improvement fees up to \$2 million and grant funds from the US Department of Commerce Economic Development Administration (EDA); to grant authority to the Chancellor to execute the Agreement and Mortgage document (first priority lien) and the Covenant of Purpose, Use and Ownership that secures the EDA’s interest in the IGT land and building as required by the grant award; and to grant authority to the Chancellor to modify the form of the Agreement and Mortgage document (first priority lien) and the Covenant of Purpose, Use and Ownership to meet EDA requirements (*Refs. BOR-6a and BOR-6b on file in the Board Office*).

