

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

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

Others Present: Mr. Andrew Clinger, Chief Financial Officer
 Mr. Jimmy Martines, Deputy General Counsel, Real Estate
 Dr. Federico Zaragoza, President, CSN
 Mr. Bart J. Patterson, President, NSC
 Dr. Karin M. HilHinBrigette Glynn, SA; Dr. Janis McKay, UNLV; and
 Dr. Brian Frost, UNR. Student body presidents in attendance were: Ms. Nicola O
 President, NSC; and Ms. Alexandra Patri, SGA President, TMCC.

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 –

2. Approved – Consent Items – (Continued)

- 2b. Approved – Fiscal Year 2018-2019 Transfers of Non-State Budget Expenditures to State Budgets After May 1, 2019 – 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, 2019, for Fiscal Year 2018-2019. (*Refs. BFF-2b(1) and BFF-2b(2) on file in the Board Office.*)

Vice Chair Del Carlo moved approval of the consent items. Regent Page seconded. Motion carried.

3. Information Only – Fourth Quarter Fiscal Year 2018-2019 Fiscal Exceptions – The Fourth Quarter Fiscal Year 2018-2019 Report of Fiscal Exceptions of Self-Supporting Accounts was presented. (*Refs. BFF-3a & BFF-3b on file in the Board Office.*)

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

- UNR Fire Science Academy reported a cash deficit of \$8.6 million.
- UNLV School of Medicine reported a cash deficit of \$3.2 million.
- CSN Dental Faculty Practice Plan reported

6. Approved – Extension of Lease for 1125 Nevada State Drive – NSC – (Continued)

Regent Page moved approval of a lease extension with the City of Henderson for the property located at 1125 Nevada State Drive, Henderson, Nevada (APN 179-34-313-002), commonly known as the Dawson Building. Vice Chair Del Carlo seconded. Motion carried.

7. Approved – Nevada State College Campus Lands Resolution – The Committee

8. Approved – Engineering Building Financing – Resolution – UNLV – (Continued)

Regent Page moved approval of a Resolution authorizing the issuance of revenue bonds in the amount of up to \$20 million to finance the UNLV Advanced Engineering Studies Building. Regent Carvalho seconded. Motion carried.

9. Approved – Mackay Stadium Renovation Financing Approval – Resolution – UNR – The Committee recommended approval of a Resolution authorizing a promissory note in the principal amount up to \$3,200,000 to finance the costs of capital improvements at the University of Nevada, Reno Mackay Stadium. (Ref. BFF-9 on file in the Board Office.)

UNR President Marc A. Johnson reported in 2015 Mackay Stadium underwent renovations. After the first game, complaints were received from those in wheelchairs that the ADA fixes that were classified as premium were not working. The ADA seating was redesigned, and the second round of renovations was completed. The ADA considerations were again deficient which required additional repairs. In July 2019, the Board authorized UNR to pursue litigation against the architect for inappropriate and incompetent design. That litigation has started. To complete renovations in time for next year's football season, construction needs to begin immediately. UNR is seeking permission to take up to \$3.2 million in bank loans, which will include financing costs to proceed with the renovations.

In response to a question from Vice Chair Del Carlo, President Johnson stated litigation is a long process, and he could not provide an estimated timeframe. Vice Chair Del Carlo asked if the costs of this bank loan will be included, with President Johnson stating the damages sought will consist of all repair and litigation costs as a result of the bad design.

Chair Hayes asked if the original estimate was at \$3.8 million. Mr. Vic Redding, Vice President, Finance and Administration, UNR, stated the reason the request is for \$3.2 million is because that is the construction amount that is required to complete the remediation of the specific ADA issues. The litigation will include all other item amounts in the recovery.

Regent Page asked the consultants for a rationale on the bank loan. Mr. John Peterson, JNA Consultants, L.L.C., stated the reason for a bank loan for this financing is due to the desire to use any of the recovered funds to pay down the loan immediately. When bonds are sold in the public market there typically is a 10-year lock-out period in which you cannot prepay.

Vice Chair Del Carlo moved approval of a Resolution authorizing a promissory note in the

10. Information Only – Summary of Recent Stead Area Property Sales and Leases – UNR – UNR President Johnson presented the report of Stead properties sold or leased since the pre-approval authorization by the Board of Regents in 2015. Sales to date have totaled \$7.8 million. *(Ref. BFF-10 on file in the Board Office.)*

11. Approved – Purchase of Real Property Located at 1270 N. Sierra Street, Reno, NV – Resolution – UNR – The Committee recommended approval to purchase 1270 N. Sierra Street, Reno, Nevada (Parcel # 007-132-04) for the purchase price of \$327,795.00 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 review by the NSHE Chief General Counsel. *(Ref. BFF-11 on file in the Board Office.)*

President Johnson stated the property is adjacent to the western border of UNR's residence halls and parking garage. UNR will continue to purchase properties in the area in hopes of having enough capital for a future building site.

In response to a question from Vice Chair Del Carlo, Mr. Troy Miller, Director of Real Estate, UNR, stated his department takes great pride in knowing the property owners on the perimeter of the campus. He meets with them regularly.

Regent Page moved approval to purchase 1270 N.
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