

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

Thursday, December 3, 2020

Members Present

Mr. Trevor Hayes, Chair
Ms. Amy J. Carvalho, Vice Chair
Mr. Donald Sylvantee McMichael Sr.
Mr. John T. Moran
Mr. Kevin J. Page

Other Regents Present:

Mrs. Carol Del Carlo, Board Vice Chair
Dr. Patrick R. Carter
Dr. Jason Geddes
Ms. Lisa C. Levine
Mrs. Cathy McAdoo
Ms. Laura E. Perkins
Mr. Rick Trachok

Others Present:

Dr. Melody Rose, Chancellor
Mr. Andrew Clinger, Chief Financial Officer
Ms. Crystal Abba, Vice Chancellor, Academic and Student Affairs
Mr. Zelalem Bogale, Deputy General Counsel, System Administration
Mr. Nate Mackinnon, Vice Chancellor, Community Colleges
Ms. Keri Nikolajewski, Deputy Chief of Staff
Mr. Joe Reynolds, Chief General Counsel
Mr. Rhett Vertrees, Assistant Chief Financial Officer
Mr. Michael B. Wixom, Special Counsel
Dr. Federico Zaragoza, President, CSN
Dr. Kumud Acharya, President, DRI
Ms. Joyce M. Helens, President, GBC
Mr. Bart J. Patterson, President, NSC
Dr. Karin M. Hilgersom, President, TMCC
Dr. Keith E. Whitfield, President, UNLV
Mr. Brian Sandoval, President, UNR
Dr. Vincent R. Solis, President, WNC

Faculty senate chairs in attendance were: Dr. Maria Schellhase, CSN; Mr. Brian Zeiszler, GBC; Dr. Laura Naumann, NSC; Dr. Theo Meek, SA; Ms. YeVonne Allen, TMCC; Dr. Vicki Rosser, UNLV; and Dr. Amy Pason, UNR. Student body presidents in attendance were: Ms. Alyssa Fromelius, SGA President, TMCC; and Mr. Will Carrasco, GSA President, UNR. Classified council chair in attendance was Ms. Sarah Wilkey, GBC.

Chair Hayes called the meeting to order 5:09 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 2e (Report on Campus Crime Statistics); 2f (Purchase of Real Property Located at 1056 Avenue, Reno, Nevada – Resolution – UNR); 2g Purchase of Remnant Parcels Located on North Virginia Street, Reno, Nevada, from the Regional Transportation Commission of Washoe County – Resolution – UNR) which were considered separately
 - 2a. Approved – Minutes The Committee recommended approval of the September 1, 2020, meeting minutes (Ref. BFF-2a on file in the Board Office).
 - 2b. Approved – Fiscal Year 2019-2020 NSHE State Operating Budget to Actual Comparison – The Committee recommended approval of the report of Fiscal Year 2019-2020 State Operating Budget to Actual Comparison for the NSHE (Supplemental Material on file in the Board Office.)
 - 2c. Approved – Student Association Financial Reports The Committee recommended approval of the NSHE Student Association financial reports for Fiscal Year 2019-2020. 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 (Ref. BFF-2c(1) and BFF-2c(2) on file in the Board Office).
 - 2d. Approved – Biannual Report on Registration Fees and Resident Tuition Fees– The Committee recommended approval of the report required by Senate Bill (SB) 553, Section 11.2 (2019 Session). The Bill requires the NSHE to report registration fees and resident tuition fees received by NSHE institutions beyond the amounts authorized in Section 1 of SB 553, 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. BFF2d on file in the Board Office.)

Regent Page moved approval of the consent items except for Items 2e (Report on Campus Crime Statistics); 2f (Purchase of Real Property Located at 1056 Avenue, Reno, Nevada – Resolution – UNR); and 2g Purchase of Remnant Parcels Located on North Virginia Street, Reno, Nevada, from the Regional Transportation Commission of Washoe County – Resolution – UNR) which were considered separately. Vice Chair Carvalho seconded. Motion carried.

(Consent items considered separately.)

- 2f. Approved – Purchase of Real Property Located at 1056 Evans Avenue, Reno, Nevada – Resolution – UNR The Committee recommended approval to Purchase 1056 Evans Avenue, Reno Nevada (AP08207-02) for the purchase price of \$525,000 and of a resolution authorizing the Chancellor, or 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. BFF2f on file in the Board Office)

In response to Vice Chair Carvalho's question related to where the funds will come from to purchase the property, UNR President Brian Sandoval responded the University Property Acquisitions account would be the source of funds

Vice Chair Carvalho moved approval of the Purchase of Real Property Located at 1056 Evans Avenue, Reno, Nevada Resolution – UNR. Regent Page seconded. Motion carried.

- 2g. Approved – Purchase of Remnant Parcels Located on North Virginia Street, Reno, Nevada, from the Regional Transportation Commission of Washoe County – Resolution – UNR The Committee recommended approval of a Resolution to purchase real property authorized the Chancellor to execute the Purchase and Sal-4 (t) al-4 (t)i0 (cu)-4 0.2.(e an)-4 (d)0

(Consent items considered separatelyContinued)

- 2g. Approved – Purchase of Remnant Parcels Located on North Virginia Street, Reno, Nevada, from the Regional Transportation Commission of Washoe County – Resolution – UNR(Continued)

3. Approved – Fiscal Year 2020-2021 NSHE State Supported Operating Budget
(Continued)

Vice Chair Carvalho moved approval of the Fiscal Year 2020-2021 NSHE State Operating Budget. Regent Page seconded. Motion carried.

4. Approved – Fiscal Year 2019-2020 Self-Supporting Budget to Actual and Fiscal Year 2020-2021 Self-Supporting Budget The Committee recommended approval of the Fiscal Year 2019-2020 NSHE Self-Supporting Budget to Actual Report and the Fiscal Year 2020-2021 Budget Report (Supplemental Material on file in the Board Office.)

Chief Financial Officer Clinger stated this is a new version of the report and reflects the combination of two reports that the Committee received in the past.

Regent Page moved approval of the Fiscal Year 2019-2020 NSHE Self-Supporting Budget to Actual Report and the Fiscal Year 2020-2021 Budget Report. Regent McMichael seconded. Motion carried.

5. Information Only – First Quarter Fiscal Year 2020-2021 Fiscal Exceptions Chief Financial Officer Clinger presented the First Quarter Fiscal Year 2020-2021 Report of Fiscal Exceptions of Self-Supporting Accounts (Refs. BFF-5a and BFF-5b on file in the Board Office.)

In response to Chair Hayes' question about the \$2 million increase at the UNLV School of Medicine, UNLV Chief Financial Officer Jean Vock stated they are actively making plans to increase cash flow. UNLV Medicine Chief Executive Officer Dr. Michael Gardner said the Practice Plan had seen a decrease in cash flow due to COVID-19. The insurance companies, such as Medicaid, were slow to pay over the summer. As of today, the deficit is \$2.5 million, and the plan is for it to be zero by the end of the fiscal year. UNLV School of Medicine Dean Marc Kahnt stated the graduate medical education accounts are typically one to two months behind in payments. During the same time, UMC was four months behind. UNLV is continuing to work with UMC to get them out of arrears. Dr. Gardner added it was important to note that since UMC's Medicaid expansion, UMC has been in the black until this year.

Regarding the CSN Dental Faculty Practice, Chair Hayes asked why \$400,000 in accounts receivable were not timely billed and now must be written off, which could have reduced the deficit significantly. CSN Campus Vice President Dr. Sonya Pearson reminded the Committee of the corrective action plan to identify why the deficits exist and why the accounts were on the books for so long. CSN has moved forward with a plan to reduce the deficit monthly. In September, Dr. Pearson reported that CSN was trending in the right direction: overall production rates now exceed expenditures; patient base has increased; the collection rate has increased to 85 percent; aging accounts averaging 360 days; staffing issues have resolved; exploration of external partnerships; and expenses kept within reason. Dr. Pearson is confident in the plan.

5. Information Only – First Quarter Fiscal Year 2021 Fiscal Exceptions (Continued)

Regent Page asked for a summary of the UNLV partnership. Dr. Pearson stated the Dental Faculty Practice must bring in revenue but not put a lot of staffing around it. CSN is working with UNLV on how it can assist with collection activities with insurance providers.

Vice Chair Carvalho asked if there was a plan of action for the Shop's balance. UNR Vice President for Administration and Finance Vic Redding reported the Wolf Shop transitioned from a student-run organization to Barnes and Noble through a competitive bid. At the time of the transition, the Wolf Shop had accumulated a \$2.4 million deficit. When Barnes and Noble took over, the debt was \$2.48 million. Contract and inventory sale proceeds will be used to reduce the ()Tj B(s0l|TJ 0.002 104 Tc 0.004 Tw [(s) UNL(N1-2V0 Tw (\$2.4)Tj 04

8. Approved – Health Sciences and Technology Building, Winnemucca, Nevada – GBC (Agenda Item 12) (Continued)

Chair Hayes stated this project shows GBC's commitment to serving its expansive geographic footprint throughout the state.

Regent Page thanked the Pennington Foundation for providing financial support for the project. It is a good team effort.

Chair Hayes believed the Board should do something special for the Pennington Foundation to acknowledge all it does for the northern Nevada institutions.

Regent Page moved approval of 1) the amended grant construction agreement between Great Basin College Foundation and the William N. Pennington Foundation for the construction of a new Health Sciences Building at Great Basin College Winnemucca location in the amount of \$7,999,995 and 2) the capital project and construction services agreement between Great Basin College and CORE Construction. Vice Chair Carvalho seconded. Motion carried. Regent Moran was absent.

9. Approved – Amendment to the 2019A Revenue Bond Resolution to Repurpose the Revenue Bond Proceeds for the UNLV Tropicana Parking Structure Phase 2 Project – Resolution – UNLV (Agenda Item 8) The Committee recommended approval to amend the Revenue Bond Resolution 2019A and repurpose the funds for the UNLV Tropicana Parking Structure Phase 2 (Ref. BFF8 on file in the Board Office).

President Whitfield and Chief Financial Officer Vock presented the Revenue Bond Resolution 2019A amendment to repurpose the UNLV Tropicana Parking Structure Phase 2 funds. The Board previously approved the location of the Tropicana Parking Structure Phase 1 and 2 in the Master Plan. The total project budget is estimated not to exceed \$30.6 million (\$20.0 million from the repurposed 2019A bond proceeds, \$6.5 million from UNLV parking reserves, and the remainder, dependent on contractor bid submissions from investment income)

Chair Hayes clarified the fee increase would be \$5 per month for fall 2021 and \$3 for spring 2022. In response to Chair Hayes' question about whether parking passes are sold monthly, Chief Financial Officer Vock stated parking passes are sold by the semester or academic year, but monthly passes are available. The revenue translates to fee increases per month.

Regent McMichael moved approval to amend the Revenue Bond Resolution 2019A and repurpose the funds for the UNLV Tropicana Parking Structure Phase 2. Vice Chair Carvalho seconded. Motion carried. Regent Moran was absent.

10. Approved

11. Approved – Third Amendment to the Mobilitie Investments III, LLC, Master Wireless Network Agreement and Ground Lease – UNLV (Agenda Item 10) (Continued)

Business, Finance and Facilities Committee Chair approval to execute the amendments to the Site Leases if and when the 5G requirement is met (RFF10 on file in the Board Office).

President Whitfield presented the Third Amendment to the Master Agreement to revise the existing Site Lease term lengths and include an upfront renewal payment if the TMC 5G requirement is met. All other terms of the Master Agreement and First and Second Amendments remain unchanged.

Chair Hayes was concerned that Mobilitie did not have industry knowledge about how long leases usually are, which made him wonder if they are the right partner. Chief Financial Officer Vock said Mobilitie is ready to further their investment and upgrade the service, which benefits UNLV but requires an amendment.

Regent Page asked how many buildings are currently covered and how many will be added because of this agreement. Chief Financial Officer Vock stated seven buildings are presently covered and over time more will be added. This agreement generated \$875,000 in revenue for UNLV, which is used to fund telecom services.

Regent Page moved approval of the Third Amendment to the Master Agreement to revise the existing Site Lease term lengths and include an upfront renewal payment if the TMC 5G requirement is met; that the Chancellor be delegated authority to execute any additional amendments or ancillary documents deemed necessary and appropriate to implement all terms and conditions associated with the Master Agreement and all amendments, upon legal review and approval by the NSHE Chief General Counsel in consultation with the Business, Finance and Facilities Committee Chair; and approval to execute the amendments to the Site Leases if and when the 5G requirement is met. Vice Chair Carvalho seconded. Motion carried. Regent Moraw was absent.

12. Approved – Rent Abatement Letter Agreement Between UNLV and Clear Channel Outdoor – UNLV (Agenda Item 14) The Committee recommended approval of the Agreement to grant Clear Channel Outdoor a \$35,171.74 rent abatement that the digital advertising must be in addition to the value added services already part of the agreement that the Chancellor be authorized to finalize, approve, and execute the

12. Approved – Rent Abatement Letter Agreement Between UNLV and Clear Channel Outdoor – UNLV (Agenda Item 11) (Continued)

President Whitfield presented the Agreement, which will grant Clear Channel Outdoor a \$35,171.74 rent abatement and, in exchange, will provide UNLV digital advertising space valued in the amount of the abatement on its billboards in the Las Vegas market. Chief Financial Officer Vocl added the rent abatement could have been offered under the terms of the current lease, but it would have been considered a default. Clear Channel Outdoor indicated their preference for this not to be considered a default but a modification to lease terms. In respect of the relationship with Clear Channel Outdoor, UNLV agreed to pursue in this manner.

Regent Moran entered the meeting.

Vice Chair Carvalho was concerned that approval of this could cause a precedent with other vendors.

President Whitfield stated UNLV wants to be a good neighbor and keep a good working relationship with vendors that lease from UNLV and that UNLV leases from. Chief Financial Officer [redacted] (s)-1w (fro)Molk(t)-6 (f)-6 (em)-6 (U)-e.9 (h)-4 (N)-2 (L)-3 (V)-2 (l)-64 (e m

12. Approved – Rent Abatement Letter Agreement Between UNLV and Clear Channel Outdoor – UNLV (Agenda Item 11) (Continued)

Vice Chair Carvalho requested a friendly amendment that if the rent abatement is