

SPECIAL MEETING

VIDEOCONFERENCE BOARD OF REGENTS UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA

Sites: Conference Room, System Administration
2601 Enterprise Road, Reno
5550 W. Flamingo, Suite C-1, Las Vegas
Berg Hall Conference Room, Great Basin College, Elko

Friday, January 7, 2005

Members Present: Dr. Stavros Anthony, Chair (Las Vegas site)

Mr. Mark Alden (Las Vegas site)

Dr. Jill Derby (Las Vegas site)

Mrs. Thalia Dondero (Las Vegas site)

Mrs. Dorothy S. Gallagher (Elko site)

Mrs. Linda Howard (Las Vegas site)

Mr. James Dean Leavitt (Las Vegas site)

Mr. Howard Rosenberg (Las Vegas site)

Dr. Jack Lund Schofield (Las Vegas site)

Mr. Douglas Seastrand (Las Vegas site)

Mr. Steve Sisolak (Las Vegas site)

Mr. Bret Whipple (Las Vegas site)

Members Absent: Mr. Douglas Roman Hill

Others Present: Interim Chancellor Jim Rogers (Las Vegas site)

Assistant Chancellor Trudy Larson (Reno site)

Chief Counsel Dan Klaich (Las Vegas site)

President Richard Carpenter, CCSN (Las Vegas site)

Vice President, Patty Charlton, CCSN (Las Vegas site)

Vice President Chris Maples, DRI (Las Vegas site)

President Fred Maryanski, NSC (Las Vegas site)

Interim President Pat Miltenberger (Las Vegas site)

Vice President Sandy Boyle, NSC (Las Vegas site)

Academic Officer, Lois Becker, NSC (Las Vegas site)

Student Services Officer, Rene Cantu, NSC (Las Vegas site)

Vice President Delores Sanford, TMCC (Reno site)

Foundation Exec. Dir. B.J. North, TMCC (Reno site)

Vice President Gerry Bomotti, UNLV (Las Vegas site)

Vice President Juanita Fain, UNLV (Las Vegas site)

President John Lilley, UNR (Reno site)

Vice President Ron Zurek, UNR (Reno site)

Director, Bruce Shively, UNR (Reno site)

Chief Administrative Officer Suzanne Ernst

Ware. CCSN Foundation representatives included: Ms. Diana Wilson, Mr. Al Whalen, Ms. Jenny DesVaux Oakes, Mr. Chris Publow, Mr. Jim Marsh, Ms. Jacque Mathews, and Mr. Monte Miller. Community representatives included: Ms. MaryKaye Cashman, CEO, Cashman Equipment Ms. Yvette Moore, Director, Nevada Taxicab Authority Ms. Lisa Dove-Swisher, Director, Business Development, Swisher & Hall, AIA Ltd. Mr. Terry Mayfield, Executive Director, Las Vegas New Car Dealer Association Mr. Mike McCandless, Vice President, McCandless International Trucks and Ms. Carolyn M. Sparks, International Insurance Services.

Chair Stavros Anthony called the meeting to order at 1:03 p.m., on Friday, January 7, 2005, with all members present except Regent Hill. Chair Anthony noted that the newly elected Regents had been duly sworn in to office.

The meeting recessed at 1:05 p.m. on Friday, January 7, 2005, and the Board convened as Members of the Corporation for two UCCSN institution Foundation appointments with all members present except Regent Hill.

1. Information Only-Foundation Appointments – The Board reviewed recommendations for Foundation appointments (TMCC and WNCC).

The meeting reconvened at 1:10 p.m. on Friday, January 7, 2005, with all members present except Regent Hill.

2. Approved-Minutes – The Board approved the minutes from the Chancellor Search Committee meeting held December 9, 2004, the NSC Presidential Search Committee meetings held November 16, and December 15, 2004, and the Technology Task Force meeting held November 18, 2004.

Regent Whipple moved approval of the minutes from the Chancellor Search Committee meeting held December 9, 2004, and the Technology Task Force meeting held November 18, 2004. Regent Rosenberg seconded. Motion carried. Regent Hill was absent.

Regent Sisolak noted a point of order, questioning whether the NSC Presidential Search Committee minutes required approval. Chief Counsel Klaich suggested the makers of the motion amend their motion to include the minutes of all three meetings.

Regents Whipple and Rosenberg agreed to amend their previous motion and second to include the minutes from all meetings delineated. Regent Rosenberg moved approval of all of the minutes delineated. Regent Leavitt seconded. Motion carried. Regent Hill was absent.

3. Approved-Appointment, President, NSC – The Board approved Interim Chancellor James Rogers' request for the appointment of Dr. Fred J. Maryanski as President of Nevada State College, effective February 1, 2005. The proposed salary and terms of the contract were identified at the Board meeting (Ref. A on file in the Board office).

Regent Alden related it had been a very good search with a splendid committee and a terrific search consultant. He felt they had selected a great person in Dr. Fred Maryanski to lead the college, adding that he was proud of the committees' unanimous recommendation.

Regent Alden moved approval of the appointment of Dr. Fred J. Maryanski as President of Nevada State College with the terms as presented. Regent Derby seconded.

Regent Sisolak related that his remarks were not directed at Dr. Maryanski. He stated that he had a real problem with the salary. He said he was only made aware of the salary a few days prior. He noted that it was the second largest salary for the System's smallest institution. He was not saying that Dr. Maryanski was not worth the compensation, but he worried about the other presidents who were no where near that figure and had served for a significant period of time. He said that it seemed they would need to increase everyone's salary in order to be fair to those individuals. He felt it would be demoralizing if the other salaries were not adjusted with a new president coming in with a significantly higher salary. He observed it was the System's newest and smallest

institution. The president of a larger institution, with the greatest number of students, would be making significantly less. Unless there would be an adjustment to all of the salaries, he could not support the request. He said it was not the individual, but rather the salary.

Regent Derby spoke in favor of the motion. Salary scales are employed that reflect the range in which salaries are set for each of the different types of institutions. Another set of factors are at play when negotiating, primarily market driven. The primary job of a search committee is to find the right person for the job. She said the Board considers the matter very carefully and diligently. Another consideration is the individual's previous salary. As presidential contracts are reviewed, the amounts are increased to make them more competitive within the market structure. She applauded the search committee, adding that it had been a very good process. She said there was unanimous consent amongst the committees. She said it was the decision of the chancellor, the Board Chair and, Committee Chair to make the decision work. The figure reflects what it took to get this person here. She said she felt good about it.

Regent Howard asked why the other Regents did not receive the information. She said that information should be sent to all Regents. Ms. Ernst replied that she believed the information had been e-mailed that morning. Regent Howard said it was not and asked whether others had received it. Regent Rosenberg said he did not. Regent Schofield said

3. Approved-Appointment, President, NSC – (Cont'd.)

he had received it. Regent Howard said she wanted to ensure that she receives this type of material.

Regent Rosenberg said he had no quarrel with the search committee. He was quite sure that Dr. Maryanski was the perfect choice. He said he had a problem with the salary and how salaries are set. While he understands

kind of person, with more than just the regular talents for running a college or university. He said it would require someone who can go out into the community and have great presence and credibility in raising money for a start-up school. He was comfortable that he and Dr. Maryanski could work together and that Dr. Maryanski would work with the

3. Approved-Appointment, President, NSC – (Cont'd.)

next chancellor to build the college, primarily with private funds. Dr. Maryanski previously earned \$219,000. Chancellor Rogers felt they should offer an amount sufficient to make Dr. Maryanski feel appreciated and

ways for cutting costs. He felt they should not start with the chancellor or presidents. He did not want anyone to operate under the principle of the lowest common denominator. He said they had to operate from the highest common denominator. He felt there were other ways to achieve cost cutting.

Regent Sisolak noted a point of order, feeling that they had strayed from the agenda item.

Chief Counsel Klaich advised everyone that they could discuss the chancellor setting relative salaries. He cautioned against discussing future plans for adjusting salaries.

Schofield, Seastrand, and Whipple voted yes. Regents Rosenberg and Sisolak voted no. Regent Hill was absent.

4. Public Comment – Dr. Fred Maryanski thanked the Board, adding that he was honored to accept the position. He complimented the Board’s foresight and vision in creating Nevada State College. He said the college has a great team and they would build a great institution, which will meet the needs of Nevada’s citizens. He said he appreciated the Board’s hospitality. He felt this was a fantastic opportunity and the best job in higher education in the country. He was looking forward to working with everyone.

Chair Anthony thanked Interim President Pat Miltenberger for doing a great job on an interim basis.

5. Tabled-Contract for Chancellor Search Services – The Board tabled action on the Chancellor Search Committee’s recommendation for contracting with Greenwood & Associates, Inc., as the search firm for the Chancellor search until the Board provides direction. The proposed fee was one-third of the total chancellor’s first year’s base cash compensation plus expenses such as consultant and candidate travel, background checks, and administrative costs (Ref. B on file in the Board office).

Regent Alden objected to wording in the contract, which estimated a minimum base salary on which to base the consultant fees. He felt it should be one-third of the base salary.

Chief Counsel Klaich stated that this was not the best contract he had seen. If it were his work product, he would expect the Board to have some serious concerns about his performance. He reviewed other contracts for search services and found that this is not an uncommon practice. The original contract stipulated \$300,000 and discussed the compensation including base salary. He said that he estimated a figure which he felt to be the minimum amount the Board could possibly expect to pay a qualified chancellor. The contract originally stipulated one-third down payment one-third the following month and one-third the following month. Instead, the compensation schedule was based on the delivery of services. One-third down payment was deemed appropriate. The second installment will be paid when they close the application process. The final installment will be paid when finalist candidates are presented to the Board. The contract stipulates that the search committees or the Board may reject any and all candidates. The consultant will continue to work with the committees until the Regents’ search committee recommends a candidate to the Board.

Regent Alden said he did not want to base the compensation on an estimate. He said he wanted it based on the actual salary offered. He said he would not support the motion. He also felt the final payment should not be made until the search was successfully completed. He said he was not happy.

Chief Counsel Klaich agreed that the last thing that anyone on the Board wanted to hear was that they have no discretion over the contract. He said they would do whatever the Board directed and that the contract could be amended. He said he would return it to Greenwood & Associates with any additional directions provided by the Board. He said they would negotiate the Board’s will.

Regent Rosenberg asked whether more time was needed to fine tune the contract. Chief Counsel Klaich replied that no more time was required. He only required Board direction.

5. Tabled-Contract for Chancellor Search Services – (Cont’d.)

Regent Rosenberg moved to table the matter until the Board provides direction. Regent Sisolak seconded. Upon a role call vote the motion carried. Regents Alden, Anthony, Derby, Dondero, Gallagher, Howard, Leavitt, Rosenberg, and Sisolak voted yes. Regents Schofield, Seastrand, and Whipple voted no. Regent Hill was absent.

Chief Counsel Klaich observed that he had not heard Board comments regarding the amount of consideration, but rather with respect to certain terms, which the Board considered not to be normal business terms.

Regent Sisolak noted a point of order. Chief Counsel Klaich apologized for being out of order and the discussion

ended.

6. Approved-2005-2007 Biennial Budget – The Board approved Interim Chancellor James Rogers' and Vice Chancellor for Finance & Administration Buster Neel's requests to discuss and revise the 2005-2007 Capital Improvement Priority List approved by the Board of Regents at its June 2004 meeting, and to delegate to the Chancellor the authority to negotiate with the Governor and the Legislature modifications to the 2005-2007 biennial budget (both capital and operating) as approved by the Board at its June and August 2004 meetings (Ref. Con file in the Board office).

Interim Chancellor Rogers reported that the changes were minute. He related that he had multiple conversations with legislators and the Governor regarding their priorities and the finances that will be available to UCCSN. He said he did not want to discuss these ongoing conversations any further. He recalled that priority #5 (Nevada State College) had previously included a request to the state for \$9.13 million, as well as a \$1 million donation conditioned upon the state funding the \$9 million. The 2005-07 Capital Priority List has been amended to indicate \$0 from the state and \$10 million from outside sources, which includes the \$1 million donation. The remaining \$9 million will come from sources that staff is working on with the Legislature and the Governor.

Interim Chancellor Rogers then discussed priority #7 (CCSN Automotive Tech Program). He recalled that it was originally proposed that the Foundation or the automotive industry in the community would come forward with money (estimated \$2 million) to help fund the program. He related they did not have a formula for going forward on the \$20 million project. Interim Chancellor Rogers asked CCSN whether the project could be divided into four pieces (\$5 million per year). It was originally planned that \$5 million would come from the state and \$2 million from private industry. Interim Chancellor Rogers became concerned there were no written commitments for the \$2 million. He wanted to avoid having to report to the Legislature and Governor there was no guarantee for the \$2 million. Interim Chancellor Rogers met on numerous occasions with President Carpenter and CCSN Foundation representatives. He told them that he would remove the project from the list if he did not receive something from them. In the meantime, President

6. Approved-2005-2007 Biennial Budget – (Cont'd.)

Carpenter indicated it was not possible to construct the building in four phases. The project needs to be done in \$10 million increments. Simultaneously, President Carpenter had a proposal to build a classroom facility for \$10 million. The previous capital priority list included a \$25 million request for a classroom facility at CCSN. This was not discussed very much because it was perceived to be too far down on the priority listing. Once the \$10 million proposal for a classroom building at CCSN was received, President Carpenter and Interim Chancellor Rogers each had discussions with the Governor. They came to the conclusion that the classroom project was very important and should move forward. Simultaneously, CCSN indicated that they believed they would be able to provide money for the automotive tech program. Interim Chancellor Rogers asked President Carpenter which project he would prefer and President Carpenter indicated that he would first prefer the automotive tech program (Capital Priority #7-CCSN Automotive Tech Program) followed by the construction of classroom facilities (Capital Priority #8-CCSN Construct Classroom Facilities). Yesterday a discussion was held regarding how to move forward with financing the automotive tech program. There was general agreement that the jobs that will be produced will be high-paying. It was felt it would be nice if the people who would benefit from the program (i.e., students and the automotive industry) would put up the money for it. The 2005-07 Capital Priorities have been amended to reflect a \$10 million request from the state and \$1 million from private industry for the automotive tech program. He believed that the money was present that day. It is contemplated that a \$250/student/semester fee will be assessed, but paid for by the automotive industry. He explained that it was contemplated they would develop a continuing income stream for this project provided by private industry and not by the students. He felt this was a reasonable approach which would provide more private money to the project.

Chief Counsel Klaich noted for the record that Interim Chancellor Rogers had not met with a quorum of the Board in making any decisions to be presented that day. Interim Chancellor Rogers agreed.

Interim Chancellor Rogers reported these were the only two changes to the 2005-07 Capital Priorities. The automotive tech program was increased from \$5 million to \$10 million and construction of classroom facilities

at CCSN was inserted for \$10 million.

Ms. Jenny DesVaux Oakes, Chairman, CCSN Foundation, thanked the Board and Chancellor Rogers for retaining the automotive indn5ret\$

and the Legislature modifications to the 2005-2007 biennial budget (both capital and operating) as approved by the Board at its June and August 2004 meetings. Regent Howard seconded.

Regent Schofield felt that in order to make this the finest system in the U.S., it would take the type of cooperation exhibited that day.

Regent Sisolak noted a point of clarification, adding that he had a question about the delegation portion. He said

projected costs, whether it would take funds from the university, and what the circumstances were. She asked that a report be brought back to the Board. Regent Sisolak clarified that they were offering a program overseas.

Regent Derby said that she had hoped to move to reconsider a previous item, but had been advised it would not be appropriate at this time because so many had left the meeting.

Chief Counsel Klaich related that, in his opinion, the meeting was not over until the meeting was over. Under every posting of any meeting, the public is appropriately on notice that the meeting will be in session until the gavel comes down. He noted that Regent Sisolak had made the point that the public would feel safe in leaving the meeting with only public comment left on the agenda, feeling that the Board would not entertain any further action. Philosophically he agreed with Regent Sisolak. However, it was his opinion that the meeting was not over until it was officially over. If the Board wished to reconsider action and/or take further action before the Chair gavelled the meeting to a close, he would rule that such a motion was in order.

5. Approved-Removing Item from Table, Contract for Chancellor Search Services – The Board approved removing the item concerning Contract for Chancellor Search Services from the table.

5. Approved-Removing Item from Table, Contract for Chancellor Search Services – (Cont'd.)
Regent Derby moved approval of reconsidering the Contract for Chancellor Search Services.

Regent Sisolak noted a point of order, observing that the Board could not reconsider an item which had been tabled.

Chief Counsel Klaich clarified there would be two appropriate motions. One might be to remove the item from the table (non-debatable motion). He believed that, effectively, a motion to reconsider a motion to table would, in and of itself, be a non-debatable motion to reconsider with the same impact. He suggested that Regent Derby rephrase her motion as a motion to remove the item from the table.

Regent Derby offered to alter her language.

Regent Sisolak noted a point of order, observing that Regent Derby must first withdraw her motion in order to make a subsequent motion.

Regent Derby withdrew her motion.

Regent Derby moved approval of taking the item (Contract for Chancellor Search Services) from the table. Chair Anthony seconded.

Chief Counsel Klaich reported that the motion was not debatable. The Board must take a vote on the motion and continue with business.

Ms. Ernst clarified that the motion was to remove the item concerning Contract for Chancellor Search Services from the table.

Regent Howard noted a point of clarification, asking whether the item would be brought back to the Board. Chief Counsel Klaich replied that the impact of taking an item from the table allowed the Board to discuss the item.

Upon a role call vote the motion carried. Regents Alden, Anthony, Derby, Dondero, Gallagher, Howard, Leavitt, Rosenberg, Schofield, Seastrand, and Whipple voted yes. Regent Sisolak voted no. Regent Hill was absent.

Regent Howard noted a point of clarification, indicating that she wanted to know how the item had been included on the agenda. It was her understanding that the purpose of the special meeting was to approve the NSC president's contract. She wondered how other items wound up on the agenda. Chair Anthony replied that it was a special meeting and that the Board could include any number of items on the agenda. This item was

Chair Anthony said they wanted to hear the Regents' concerns regarding the contract. He suggested that Chief

The meeting adjourned at 3:10 p.m.

Suzanne Ernst
Chief Administrative Officer to the Board