

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA

Members Present: Dr. Stavros S. Anthony, Chair

Mr. Mark Alden

Dr. Jill Derby

Mrs. Thalia M. Dondero

Mrs. Dorothy S. Gallagher

Mr. Douglas Roman Hill

Mrs. Linda C. Howard

Mr. James Dean Leavitt

Mr. Howard Rosenberg

Dr. Jack Lund Schofield

Mr. Douglas R. Seastrand

Mr. Steve Sisolak

Mr. Bret Whipple

Others Present: Interim Chancellor James E. Rogers

Assistant Chancellor Trudy Larson

Vice Chancellor, Finance & Administration Buster Neel

Interim Vice Chancellor, Academic & Student Affairs Chris Chairsell

Interim Vice Chancellor, Technology Becky Seibert

Vice Chancellor, Legal Affairs Dan Klaich

Assistant Chief Counsel Brooke Nielsen

President Richard Carpenter, CCSN

President Stephen Wells, DRI

President Paul Killpatrick, GBC

President Fred Maryanski, NSC

President Philip Ringle, TMCC

President Carol Harter, UNLV

President John Lilley, UNR

President Carol Lucey, WNCC

Chief Administrative Officer Suzanne Ernst

Also present were faculty senate chairs Dr. Darren Divine, CCSN Dr. Vic Etyemezian, DRI Ms. Kathy Schwandt, GBC Dr. Francine Mayfield, NSC Ms. Bridgett Boulton, TMCC Dr. Jane McCarthy, UNLV Dr. Leah Wilds, UNR Mr. Richard Kloes, WNCC and Ms. Sara Velez Mallea, System Administration. Student government leaders present included Ms. Michelle Hammond Urain, GBC Ms. Nichole Shaffer, NSC Ms. Alanna Stewart-Bell, TMCC Mr. Henry Schuck, UNLV Mr. George Ambriz, UNLV-GPSA Mr. Jeff Champagne, UNR Ms. Jessica Muehlberg, UNR-GSA and Ms. Jenny Gentine and Ms. Elizabeth Contreras, WNCC.

Board Chair Stavros Anthony called the meeting to order at 1:00 p.m. on Thursday, April 14, 2005, with all members present except Regent Whipple.

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1. Introductions – President Lucey introduced WNCC’s newly elected Student Body President, Ms. Elizabeth Contreras, and thanked outgoing Student Body President, Ms. Jenny Gentine, for her service. Ms. Gentine invited attendees to attend a reception in WNCC’s new library and student center following the meeting.

President Harter introduced UNLV’s newly elected Student Body President, Mr. Peter Goatz, and incoming Faculty Senate Chair, Dr. Clint Richards. She thanked outgoing representatives, Mr. Henry Schuck and Dr. Jane McCarthy for their service.

5. Approved-Resolution #05-04, UNLV Women's Basketball Team - The Board approved a resolution honoring the UNLV Women's Basketball team for their exemplary performance during the 2004-05 season. The team finished the season 16-15 and played in the National Invitation Tournament for the fifth consecutive season (Ref. C on file in the Board office).

President Harter accepted the award.

Regent Alden moved approval of Resolution #05-04 honoring the UNLV women's basketball team. Regent Rosenberg seconded. Motion carried. Regent Whipple was absent.

Chair Anthony praised the latest edition of the Regents' Review and thanked President Lucey for the WNCC polo shirts and coffee cups.

6. Information Only-Chancellor's Report - Interim Chancellor James E. Rogers reported that the Board's legislative team (Mr. Dan Miles, Vice Chancellor Dan Klaich, and Assistant Chancellor Trudy Larson) was one of the finest in recent history. They were attempting to move various bills through the legislative process that are of great importance to the UCCSN. Several meetings have been held with Clark County regarding the System's belief that Nevada's counties should be contributing funds to support the

6. Information Only-Chancellor's Report – (Cont'd.)

local universities and community colleges. A recent discussion with the Clark County Commission chairman revealed there could be land available for System use. There is a continued effort on everyone's part to develop public/private partnerships. A formalized agreement is expected with the Nevada Cancer Institute. Mr. Larry Ruvo is assisting with the development of a \$35-\$40 million Alzheimer's facility. Aggressive discussions have been held with legislators. The Governor's initial recommendation totaled approximately \$96 million for the UCCSN. A new Capital Improvement Project (CIP) list has been developed, which includes an additional \$10 million (UNR School of Medicine to be jointly used by Mr. Whittemore's proposed plan for the Nevada Cancer Inr

being constructed by the Clark County School District. Due to the tremendous volume, CCSN has developed its own building department. After testimony revealed that significant money could be saved, Vice Chancellor Klaich requested that UCCSN be included. A proposed

7. Information Only-2005 Legislation Affecting the UCCSN/Board of Regents –(Cont'd.)

amendment would give UCCSN until December 31, 2006 to propose to Interim Finance a plan displaying a coherent, System-wide building department that could act independently on behalf of the Board. Work will continue with the institution business officers if the permissive language is passed to see whether this can be accomplished and whether efficiencies can be realized.

Dr. Larson provided a synopsis of UCCSN's five bills:

AB 62 – The request for international students, faculty, and their dependents' driver's licenses is still in committee.

SB 410 – The exemption from using the State purchasing department for pharmaceutical and medical supplies received a "due pass" from committee and is now headed to the floor for movement to the other house. The bill addresses efficiency and cost effectiveness that the School of Medicine feels it can accomplish better than the State purchasing department.

AB 527 – The UCCSN name change (Nevada System of Higher Education) was approved unanimously. The bill, currently being heard on the floor, should pass to the other house, and would become effective upon passage. As supplies are depleted they can be re-ordered with the correct name. A \$1,000 total fiscal impact was approved by the Board in connection with the name change.

SB 32 – Changes the residency requirement for in-state fees to twelve months. The bill passed out of Education and has been referred to Finance.

³/₄ , AB534 – A request for bonding authority for CCSN and WNCC, as well as increased bonding authority for UNR and UNLV. The bill has been heard in committee once and is exempt from the bill deadline.

Vice Chancellor Klaich praised the efforts of the campus liaisons for their magnificent cooperation. They have tracked the appearances of campus representatives and provided requested information in a timely manner. Thus far, these efforts have worked incredibly well and the legislative team could not have operated without their assistance.

Interim Vice Chancellor Chris Chairsell reported on bills affecting the Millennium Scholarship:

AB 153 – Revises provisions of the Millennium Scholarship program, implementing a flat

perform well when transferring into junior status at one of the universities or the state college. Bachelor of Science degrees are being created at Nevada State College and Great Basin College to facilitate the transfer of students wishing to obtain a baccalaureate degree. The bill also addresses access to libraries. Access to the databases must be monitored due to licensing cost concerns. It was felt that undergraduate students do not

Board members that an assemblywoman was working diligently to eliminate the people's choice by making the Board an appointed one. Regent Howard said she was working hard to ensure this does not occur. She requested that her letter to the Senate be included as part of the record.

Assistant Chief Counsel Nielsen related that it could be made part of the record if the letter related to that particular matter before the Legislature.

Regent Howard wanted to make her position on this issue clear. She said she was disappointed with the Board's representation in the Legislature on this matter. She did not feel the Board's message had been clearly conveyed. She noted that Board members do not receive free cell phones or \$5,000 host accounts. She said she was disappointed

7. Information Only-2005 Legislation Affecting the UCCSN/Board of Regents –(Cont'd.)

with the manner in which the Board's message was conveyed, adding that the Board did not wish to become an appointed board because it was not best for Nevada.

Regent Howard asked about the reduction in term lengths for Board members. Vice Chancellor Klaich clarified that AB 280 addressed that issue. He felt it was unconstitutional and clearly encroached upon the powers reserved for the Board of Regents by the Constitution. One provision would reduce Board member terms from six years to four. A 2004 survey revealed that a term of four years or less is out of the ordinary and that six-year (or longer) terms are the norm. She felt the people should make decisions relative to education and that a stronger defense was required in Carson City. Vice Chancellor Klaich agreed to do so. She also recommended that Regents Dondero's and Schofield's letters also be entered into the record.

Regent Leavitt commended Regents Howard, Schofield, Derby, and Dondero for preparing strong letters of support for maintaining an elected board. He asked whether a strategy existed for a proactive response to AJR 11 that at least conveyed the Board's position on this matter. Vice Chancellor Klaich replied there was not. He related that AJR was out of the Assembly and that nothing could be done until the following Monday. The UCCSN legislative team will target those senators believed to be the most likely to support the Board's position. Regent Leavitt suggested the Board receive a commitment from the chancellor and the lobbyists to discuss this matter with each senator. He said that Board members had deferred to the legislative team in the interest of efficiency, noting that this issue was the Board's highest priority. Vice Chancellor Klaich assured Board members that he would speak with every senate member and that he would encourage the chancellor to do the same. Regent Leavitt commended Vice Chancellor Klaich for his efforts.

Regent Dondero asked whether the bill related to the private meetings of public boards also applied to the Legislature. Vice Chancellor Klaich replied the Legislature was exempt. The Nevada Supreme Court's interpretation of Nevada Revised Statutes finds that the Legislature may enact statutes on matters of general application to all state bodies and not overstep the Board of Regents' constitutional authority, which has occurred in this case. The Legislature has the authority to enact a general statute pertaining to general welfare applicable to all state bodies, including the Board of Regents. It has taken the liberty of exempting itself from those provisions.

Regent Gallagher clarified that she had not appeared in representation of the Board of Regents concerning the Georgia plan, though it would be of great value to the Board itc²

Ms. Helga Watkins Dr. Janet White Dr. Matthew Wright
Dr. Cheri Young Dr. Zhongbo Yu Ms. Xiaoyin Zhang

UNR –Ms.!

P.E., P.M. 3056, located on the Nell J. Redfield Campus, to the Nevada Department of Transportation (Ref. C-9 on file in the Board office).

Regent Leavitt moved approval of the Consent Agenda with the exception of items #7 (Permission to Negotiate Property, TMCC), #10 (Permission to Negotiate Sale or Lease of Real Property, 5305 Mill Street, Reno, UNR), and #11 (Permission to Negotiate Sale or Other Disposition of Real Property, UNR), which were approved separately. Regent Seastrand seconded. Motion carried. Regent Whipple was absent. Regents Alden and Rosenberg abstained.

(7) Approved-Permission to Negotiate Property, TMCC – The Board approved President Philip M. Ringle's request for authority to negotiate an agreement, contingent upon the approval of the Board of Regents, with the Washoe County School District for the sale of the 2.112⁺ -acre parcel of property located on the east side of Edison way, approximately 200 feet south of Joule Street, Reno, Nevada. During the February 10-11, 2000 Board meeting, the Board approved the purchase of this parcel of property for the purpose of constructing a technology center to be jointly used by TMCC and the Washoe County School District. As a technology center is no longer going to be built at this site, WCSD desires to repurchase the property (Ref. C-7 on file in the Board office).

Regent Sisolak requested a synopsis. President Ringle explained that TMCC and the school board developed an agreement prior to his arrival. TMCC agreed to purchase a parcel of land in between the Edison Way facility and a vocational high school in the district. The district sold the land to TMCC at a price significantly less than the appraised value with an understanding that TMCC would build a vocational training center to be shared with the school district. The proposed facility was moved to the Redfield Campus with the advanced technology center leaving that piece of land vacant. The school district has since ask#gesires to ruild ahe

school district. Regent Sisolak observed the state would be subsidizing the county.

Regent Hill moved approval of permission to negotiate the sale or lease of real property, 5305 Mill Street, Reno for UNR. Regent Gallagher seconded. Motion carried. Regent Rosenberg abstained. Regent Whipple was absent.

(11) ~~Approved-Permission to Negotiate Sale or Other Disposition of Real Property, UNR~~ ^{can.} – The Board approved President John M. Lilley's request for authority to negotiate the sale or other disposition of real property (vacant lan ~~th~~

Regent Sisolak asked which committee was currently addressing those issues. Regent Howard replied that they were not being addressed and hadn't been addressed for the past two years.

Regent Derby recalled that, in the early 1990's, the Board realized it was behind the curve in creating a level playing field for women and minorities and the Status of Women Committee was established. In conjunction with the Minority Affairs Committee, the two committees addressed these issues with System-wide initiatives. Around 1996-97, the two committees were combined into the Campus Environment Committee. In 2002, when Regent Seastrand was Board Chair, a sense was expressed that this focus could be subsumed by the ARSA Committee. Regent Derby felt that arrangement had not worked very well because the ARSA Committee has so much of its own business to address that these issues receive less attention. She suggested the Board explore the best way to provide the necessary focus and attention to those issues.

Regent Howard felt that the Campus Environment Committee was working rather well. She did not know why the Committee had been eliminated. She felt the campus representatives had provided valuable input to the Board.

Chair Anthony asked whether Board passage of this item would recreate the Campus Environment Committee. Assistant Chief Counsel Nielsen replied that it would.

Regent Alden felt it made sense to allow a period of time to review the committee structure if the motion passed. He said he would support the motion, but felt that time should be permitted to ensure the Board did it right.

Regent Leavitt felt that if the focus were narrowed they would devote the most attention to the issues that matter most. He welcomed Board input regarding which issues were the most important to be addressed.

Chair Anthony said that, if the motion passed, they would take a period of time to determine the mission, what the Board will do, and what will be taken from other standing committees. He said he would ask Regent Howard to chair the Committee if the motion passed.

Motion carried. Regent Seastrand voted no. Regent Whipple was absent.

11. Approved-Notice of Intent to Repeal or Rescind Prior Board Action, Discussion of Campus Environment Committee – (Cont'd.)

Chair Anthony stated that Regent Howard would be the chair of the Campus Environment Committee. He suggested she consider what issues the Committee would address and whether or not the name needed to be changed.

12. Approved-Summer Session Compensation Rates and Policies, CCSN – The Board approved President Richard Carpenter's request for the 2005 summer session policies as detailed in the briefing paper (Ref. G on file in the Board office) .

Regent Alden moved approval of the summer session compensation rates and policies for CCSN as presented. Regent Gallagher seconded. Motion carried. Regent Whipple was absent.

13. Information Only-Handbook Revision, Personnel Policy for Faculty, DRI – President Stephen G. Wells recommended a proposed amendment to the UCCSN Code (Title 2, Chapter 5, Sections 5.5 (6) and 5.8 (5.8.1-5.8.5) regarding DRI salaries and continuation and termination of faculty appointments at DRI to modify wording on salaries and provide a new method of continuation funding for faculty. This was the first reading for this request with final action to be taken at the Board's June 2005 meeting (Ref. H on file in the Board office) .

President Wells explained that DRI was proposing changes to bring the Code and DRI Bylaws up-to-date and consistent with current DRI policies, practices, and organizational structure. The last update was presented in 1992. The Code changes are linked to major provisions in DRI's Bylaws. Significant advances in DRI's structure and activities, including the formation of integrated science centers, new division structure, and substantial growth, necessitate the need for these changes to provide DRI with the flexibility to increase competitiveness and retain outstanding faculty. The proposed changes are the result of a five-year process undertaken by the faculty senate, Faculty Senate Bylaws Committee, a bridge funding committee and DRI administration. He thanked all participants, and particularly, Dr. Vic Etyemezian. One of the highlights of the proposed changes is the introduction of the new concept of bridge funding, which will be vital to a soft money environment. This will help significantly with faculty retention. The current practice is placing faculty experiencing a decline in their funding on termination, which is not conducive to retaining faculty. The proposed changes bring the Code up-to-date with DRI's current policy and organization, introduce a new form of support to help DRI retain soft money faculty, and has the strongest backing of the DRI faculty and executive staff.

Chair Anthony left the meeting.

14. Information Only-Handbook Revision, Procedure for Approval of Institutional Bylaws - Interim Chancellor James E. Rogers requested an amendment to the Board of Regents Code (Title 2, Chapter 1, Section 1.3.4) to provide for approval of institution Bylaws by the chancellor. This is the first reading for this request with final action to be taken at the Board's June 2005 meeting (Ref. I on file in the Board office) .

14. Information Only-Handbook Revision, Procedure for Approval of Institutional Bylaws – (Cont'd.)

Interim Chancellor Rogers explained that this change would allow the chancellor and counsel to ensure that all of the Bylaws that are adopted by the institution are consistent with the overall System Bylaws.

15. Approved-Handbook Revision, Bylaw Amendment or Direction to Chair – Allow Chair to Request Regent to Act as Liaison to School Board, Government Entity or Other System Constituencies – The Board approved Interim Chancellor James E. Rogers' request to amend the Board of Regents' Bylaws (Title 1, Article IV, Section 4) to expand the Chair's authority to request Regents to serve as Board liaisons to school boards, government entities, and other System constituencies (or the Board may give such authority and direction to the Chair without a Bylaw amendment) (Ref. J on file in the Board office).

Interim Chancellor Rogers reported that he attended several meetings with Clark County School District Superintendent Carlos Garcia and noted that the two of them had never had any discussions.

Chair Anthony entered the meeting.

Interim Chancellor Rogers felt there should be some communication between Nevada's boards of education to coordinate efforts. He suggested that Chair Anthony appoint someone to follow through with this in each part of the state.

Regent Sisolak moved approval of the Handbook revision allowing the Board Chair to request a Regent to act as a liaison to a school board, government entity or other System constituencies. Regent Rosenberg seconded.

Regent Dondero felt it was a great idea. Regent Rosenberg agreed.

Chair Anthony said he would ask Board members to act as liaisons to the State Board of Education, various county boards of education, and any other pertinent boards to facilitate increased communication.

Regent Gallagher felt it was a good idea that should be expanded to include things other than schools, adding that she was constantly approached with questions that are not always answered in the newspaper.

Regent Rosenberg felt this was a very good idea.

Motion carried. Regent Whipple was absent.

Chair Anthony asked Board members to notify him about their interests to act as liaisons.

16. Approved-Handbook Revision, Cash Management Services Policy – The Board approved Director of Banking and Investments, Ms. Kathleen Payne's, request for revisions to the Handbook (Title 4, Chapter 10, Section 1.8) to change the responsibility for new cash management services to the Director of Banking and Investments with input from institutional representatives (Ref. K on file in the Board office).

Regent Alden moved approval of the Handbook revision changing the responsibility for new cash management services to the Director of Banking and Investments. Regent Rosenberg seconded. Motion carried. Regent Whipple was absent.

17. Approved-Handbook Revision, Procedure for Ratification of Appointment of Foundation Trustees – The Board approved Interim Chancellor James E. Rogers' request for a Handbook amendment (Title 4, Chapter 10, Section 9) to provide for Board ratification of Foundation trustees (Ref. L on file in the Board office).

Regent Sisolak moved approval of the Handbook revision providing Board ratification of Foundation trustees. Regent Howard seconded.

Regent Gallagher requested clarification of the request. Interim Chancellor Rogers explained that it was a question of timing. These individuals are selected and must wait for Board approval in order to participate in Foundation activities. This would speed up that process.

Vice Chancellor Klaich explained there were also issues regarding the Open Meeting Law that prompted this suggestion because appointees must be properly notified and served with waivers, which can delay approval of their appointments and create the need for additional Foundation meetings.

Regent Gallagher observed that she had never witnessed the Board declining a Foundation appointment.

Chair Anthony left the meeting.

Motion carried. Regent Whipple was absent.

McDonald has worked and whether he was comfortable with the restructure. Dean McDonald replied that he was, given the context of the environment, the history, and the independent nature of the various departments. He said it must be adapted according to the circumstances they face. The one difference between UCCSN and all other systems in which he has participated is that the School of Medicine does not control a hospital. To a large degree, the hospitals control the School. It makes it very difficult for the practice plan to meet the bottom line. One of the strategic initiatives is to grow sub-specialty medicine to broaden the portfolio of the services and to expose students to this broad spectrum of medicine. He felt it was basically good and working thus far.

Regent Seastrand asked for Dean McDonald's sense of the idea of an academic medical center and how it would benefit the program. Dean McDonald replied that discussions with the University of Pittsburg Medical Center have been positive. It would offer a tremendous advantage to jumpstart the School of Medicine into a new era. He felt it would be very positive for the health and education of the State of Nevada and that it was desperately needed to build outstanding, self sustaining programs.

President Lilley related it was dependent upon raising substantial dollars. The School is currently occupying leased space in Las Vegas. He said the chancellor was fully engaged in this process. The state cannot provide the necessary funds. The Lou Ruvo Center would be the first piece of it, with other to follow. He thanked the chancellor for his involvement.

Regent Sisolak related that the opening of the Lou Ruvo Alzheimer's Center was incredible. He felt it would be a significant addition to the System. Dean McDonald agreed. The Governor has recommended salaries and

assigns, Department of the Interior, acting by and through its agency, the Bureau of Land Management, in accordance with the Conditional Agreement for the Purchase of Land. The purchase agreement, appraisal, environmental assessments, federal acquisition criteria and other details were addressed in the briefing paper (Ref. U on file in the Board office).

President Harter reported that UNLV received a gift of 532 acres of land in the Sunrise Mountain area (now called Rainbow Gardens) in 1982. The University accepted the land without the level of concern about environmental issues that has developed since that time. It held the land for some period of time hoping to make a good sale. During that time, environmental issues and federal restrictions developed regarding how the land could be used. UNLV is now in an awkward position. The land is not accessible for commercial development. Restrictions have been employed to protect bear poppies and other protected species growing there. There are considerable environmental issues.

20. Approved-Sunrise Mountain/Rainbow Gardens Property Sale, UNLV –(Cont'd.)

The EPA is now demanding remediation of the land and the only buyer is the BLM, who has twice extended the period during which they will buy the land from UNLV. UNLV is in the process of getting estimates for a full cleanup. The BLM is only required to obtain one appraisal and UNLV does not have the ability to challenge it. The appraisal was conducted in October 2004. She requested Board approval of the sale of the land for \$1,550,000. UNLV will cleanup the property using \$1 million of the sale proceeds. She expressed an urgency for cleaning and selling the property in order to reduce the future liability of UNLV and UCCSN.

Regent Alden asked whether the gift included any restrictions regarding how the land would be used or sold. President Harter replied there were originally restrictions, which were lifted. Federal restrictions were then placed on the land to preserve various species growing there. Regent Alden asked whether they would regret this sale at some time in the future. President Harter replied that UNLV believed the land would be absorbed into a conservancy district of the BLM and not used for development.

Regent Hill asked about the recorded value of the land at the time the gift was received. President Harter replied that Ms. Ernst had researched the minutes of 1982 and discovered there were very few references to the entire transaction.

Dr. Juanita Fain, Vice President, Administration-UNLV, reported that they had researched the minutes from 1981-1982. At that time, all gifts were listed on the Consent Agenda. The only reference was “gifts”, not even specifying the individual institution.

President Harter said they believed the land was worth \$2-\$2.5 million. Regent Hill observed that it was not a terribly disproportionate price except that two-thirds of the proceeds would be used for cleanup. Regent Hill asked what the cleanup entailed. Vice President Fain replied that UNLV was preparing a corrective action plan and would not know the actual cost until the plan was accepted by the Nevada EPA. It is hoped it will be less than the purchase price. Regent Hill asked what was being cleaned up. Mr. Tom Hagge, Associate Vice President, Facilities Management & Planning-UNLV, replied that the main contamination was from the illicit burning of cable. People steal cable from construction sites, burn off the insulation at remote sites in order to sell the copper leaving the remains behind. He said it was toxic material consisting of dioxins and PCB's. The matter has been exasperated by sport and target shooters who have used the area for target process causing traces of lead. He said it was a toxic soup. In some cases, the EPA can require the material be trucked to a furnace that would bake off the contaminants, which is incredibly expensive.

Regent Hill asked whether this had been a problem when the gift was received or had arisen since then. Mr. Hagge replied that they really did not know. It was gifted right after PABCO Gypsum had been using the property as an active gypsum mining area. It is believed that the presence of daily owner activity impeded such vagrancy.

Regent Gallagher observed that the property could not be used since there was no ingress or egress.

20. Approved-Sunrise Mountain/Rainbow Gardens Property Sale, UNLV –(Cont'd.)

problem had to exist on BLM property. Mr. Hagge did not believe that their property was as susceptible as UNLV's, though it was likely susceptible to target shooters and lead. UNLV's property is essentially a magnet for this activity.

Regent Dondero said she hiked in that area, adding that people go back there to shoot their guns. Everyone's garbage has been dumped there for years and no one has cleaned it up. She observed that it required a lot of time and money to clean up mining sites.

Interim Chancellor Rogers requested a cleanup cost estimate. Mr. Hagge replied it was unknown. Samples have been taken to determine what is there. It is unknown how far down it has leached or how far out it extends until the remediation consultant has an approved corrective action plan and begins taking samples. Interim Chancellor Rogers related a personal experience concerning bank ownership of land on which the Elko federal court house is currently located. In attempting to sell the property, it was discovered that a previous house on the property had leaked heating oil from a 55-gallon drum. Remediation began because the property could not be sold to the federal government in that condition. The cost estimate grew from \$50,000 to \$100,000 to \$400,000. The property was scraped so low that they approached the Truckee River aquifer with a multi-million dollar cost to resolve the matter. He also sold property in Laughlin, Nevada containing a leaky 55-gallon gasoline tank. He observed that millions could potentially be spent in such a cleanup effort and felt they required some estimate for what was involved. Mr. Hagge estimated that the cost would be substantially less than that. Preliminary negotiations with Nevada DEP have indicated they will allow certain concentration levels to remain on the property if covered with boulders. He related that UNLV must cleanup the property regardless of the cost.

Regent Dondero asked whether BLM could clean it up. Mr. Hagge replied that UNLV would do it. Regent Dondero related that BLM often had scientists to perform that task.

20. Approved-Sunrise Mountain/Rainbow Gardens Property Sale, UNLV –(Cont'd.)

Mr. Hagge replied that the owner bears responsibility for cleanup. UNLV has retained a consultant that Nevada DEP supports.

Regent Seastrand established that UNLV still had to clean the property even if they did not sell it. Mr. Hagge agreed. Regent Seastrand asked about a deadline for the cleanup. Mr. Hagge replied a deadline existed for submitting the corrective action plan by the end of March. An extension was provided until the end of April. The corrective action plan will include a schedule. Barring any unforeseen circumstances, it should be completed by the end of summer.

Interim Chancellor Rogers asked about any insurance coverage. Mr. Hagge did not know.

Regent Seastrand asked how they would cover extraordinary remediation costs (i.e., \$20 million). Mr. Hagge did not believe it would cost that much. UNLV has an agreement from Nevada DEP to leave material in place if it is covered. Only the densest and most concentrated contaminated soil will need to be removed.

Interim Chancellor Rogers observed there could be differences in their understanding of the word "pollutants" and the levels that can be left behind. He was very concerned about this. He said he would like to see DEP's representation regarding what levels can remain. He related that the relatively small Laughlin project had cost \$150,000.

Regent Seastrand asked who would make the final determination that the property was clean. Mr. Hagge replied that a draft corrective action plan would be created, agreeing to reduce contaminants to specified levels. The consultant has already discussed this with Nevada DEP, and has reached agreement in principal. The corrective action plan will be submitted by the end of April. Only minor changes are anticipated from Nevada DEP. Regent Seastrand asked whether an independent party would provide the testing and certification. Mr. Hagge replied that DEP would employ an independent consultant to provide spot sampling. DEP would then issue a "no further action" letter at which time UNLV can approach BLM for the sale. Regent Seastrand asked whether security would be required to keep the property clean until the sale was completed. Mr. Hagge replied that it would be necessary to secure the property in the interim.

Regent Leavitt observed that the land would have greater value once it was remediated. Mr. Hagge replied that no one would buy contaminated property. The property is part of a contiguous, BLM geological conservancy zone with endangered species. BLM's intent is to permanently preserve it in that state. Regent Leavitt asked whether the bear poppies covered all of the property or whether some of the remediated property could be developed. He was concerned about maximizing some value for the System. Mr. Hagge replied that bear poppies

Chair Anthony suggested the Board vote on the matter.

President Lilley's many accomplishments spoke well for UNR. Change comes slowly and with great pain to academia. In fairness to President Lilley and with concern for

21.2 Information Only-Return to Open Session – (Cont'd.)

the University, she felt the Board should take a broad view and not personalize things. She encouraged them to consider the advancements that have been accomplished and agreed with Dr. Smith's assessment that UNR was much better today than it was when President Lilley first arrived. She felt he should be rewarded for his performance.

Regent Hill complimented Dr. Smith. He felt the Board was lucky to have President Lilley, adding that he walked into a hornet's nest. He made a lot of changes. They survived the Planetarium issue. He acknowledged that change is painful and difficult. He was glad the Board has someone to make those changes. He thanked President Lilley, adding that he was looking forward to working with him in the future.

Regent Schofield agreed with the accolades provided. He was impressed with President Lilley's self-evaluation. He has witnessed the president accomplish outstanding things and striving with people to do the right thing. He said that President Lilley had taken the University to the next level. He agreed with showing President Lilley the Board's appreciation with whatever compensation could be provided. He felt they were fortunate to have a man of this quality leading the institution and thanked him for his efforts.

Regent Leavitt expressed his appreciation to President Lilley, noting that he and his staff were very gracious during his first campus visit. He was impressed with his vision. He urged President Lilley to work on the perception. He was impressed with his forthrightness during with the agricultural investigation. He felt he had done everything possible to mitigate a terrible situation. He offered his unqualified support. Regent Leavitt appreciated President Lilley's stature and UNR's reputation, which continues to increase.

Regent Sisolak stated that presidential evaluations are extremely difficult. The interpretation of the law makes it

Regent Derby expressed her appreciation to Dr. Smith for a fine evaluation. The accomplishments for which President Lilley can take responsibility were expressed with great consensus, even among his detractors. She expressed her appreciation and applauded them. Serious concerns were also brought forward that were heard and incorporated into the guidance provided. She said she was grateful for the process, though she felt there were flaws in the process.

Regent Sisolak complimented Vice Chancellor Klaich and Assistant Chief Counsel Nielsen for the manner in which they handled the meetings. He commended the chancellor for assembling a fine legal team.

Regent Alden expressed his support for Regent Derby's suggestion for reviewing the Board's evaluation process.

22. Approved-Presidential Contract, UNR - The Board approved the employment terms and conditions for UNR President John M. Lilley as presented.

Chair Anthony observed that the President Lilley's evaluation revealed that he was doing an outstanding job. He recommended the following:

- Base salary: \$227,500 effective upon Board approval.
- Car allowance: \$8,000 per fiscal year.
- Housing allowance: \$18,000 per fiscal year.
- Host account: \$5,000 per fiscal year.
- Contract period: contract extended through June 30, 2009.
- Standard termination and discipline clause.

Regent Hill moved approval of the employment terms and conditions for UNR President John M. Lilley as outlined. Regent Gallagher seconded.

22. Approved-Presidential Contract, UNR – (Cont'd.)

Regent Alden agreed with the recommendation.

Regent Howard agreed with the recommendation and asked whether the car allowance was in conjunction with the car program issue raised by Regent Sisolak. Interim Chancellor Rogers replied it was a separate issue. Regent Howard asked whether the president received a car from the car program. Interim Chancellor Rogers replied he did not. Regent Howard asked whether that addressed Regent Sisolak's concerns.

Regent Sisolak asked whether it was possible if there were 8-10 cars ...

Assistant Chief Counsel Nielsen stated that they were off the agenda item.

Regent Sisolak requested clarification on the salary as it relates to other presidents. Interim Chancellor Rogers replied that he was attempting to make all of the presidential contracts as consistent as possible, acknowledging that there would be raises going forward. He related that President Maryanski earns \$225,000 President Lilley will earn \$207,500. He said he would likely return with a recommendation for more favorably compensating President Harter. He wanted to align all of the contracts and felt that the Board would be satisfied with the results.

Regent Sisolak questioned the length of the contract. He established there was one year remaining on the current contract, with a recommendation for three additional years. Interim Chancellor Rogers recommended starting the new pay schedule for presidents effective upon Board approval, which was consistent in length with President Harter's contract. Regent Sisolak asked whether it was normal to extend the contract in such a manner. He established that President Lilley was under contract through June 30, 2006 at the previous figure. He asked whether it was normal to bring the new salary forward.

22. Approved-Presidential Contract, UNR – (Cont'd.)

Interim Chancellor Rogers replied that it had become normal. He recalled that President Lilley had not received an evaluation for some period of time. The original contract period was four years. He was attempting to balance it and make it work. The increased pay would have begun even sooner than this had the Board evaluated President Lilley at the normal interval. Regent Sisolak requested an explanation for the four-year determination. Interim Chancellor Rogers replied that President Ringle's and President Killpatrick's contracts had been extended for approximately the same period of time most of the contracts are running four-plus years.

Regent Dondero established that the Board was voting on the base salary, car allowance, housing allowance, host account, and contract period. Interim Chancellor Rogers stated that tenure was also included. Regent Dondero asked whether the System would bear the financial burden. Interim Chancellor Rogers replied that it would, adding that the additional compensation from the Foundation would be discussed during another agenda item.

Regent Howard asked about the national standard/average length for a contract. Interim Chancellor Rogers replied that it varies greatly. Many eastern schools do not use contracts the presidents are on a year-to-year basis. The concept for long-term presidential contracts is a western university/college concept. The UCCSN has been renewing contracts prior to expiration for a long time. He felt they needed to consider the needs for recruiting and retention and tailor it to the needs of a system.

Regent Howard requested clarification for presidential tenure. Interim Chancellor Rogers replied that tenure would allow President Lilley to return to the faculty in an area of his expertise once he retires. He related that Presidents Harter and Carpenter also have tenure at their institutions. He was unsure whether any UCCSN president did not have tenure. Regent Howard asked whether any president did not have tenure. Regent Sisolak replied that President Lucey did not.

Chair Anthony established that Presidents Lucey and Wells did not have tenure, noting that their evaluations were pending.

Regent Derby said it was unfortunate that Open Meeting Law interpretations required statements to be made in public. She said she would not support the contract. A four-year contract is very long and should only be awarded to a president when there are no major issues clouding the president's performance.

Regent Sisolak requested an explanation for the endowment. Interim Chancellor Rogers replied that the UNR Foundation would be paying \$90,000/year from their endowment. He related that the System was only obligated to provide the supplemental pay as long as the UNR Foundation provides the funds, which was the same agreement in place with the UNLV Foundation. Regent Sisolak stated that UNLV had to raise the money. He asked whether UNR already had the money in the endowment. Ms. McMullen replied that the funds would be provided from an endowment of unrestricted funds. Regent Sisolak asked how the funds had been used previously. Ms. McMullen replied that it was a new gift to the University. They decided to establish a fund for excellence in order to provide the funds to the Board to supplement President Lilley's salary. Regent Sisolak established that the endowment did not previously exist and that there had not been a previous recipient.

Interim Chancellor Rogers said that he strongly believed that President Lilley's salary should be supplemented like President Harter. He related that the agreement mirrored that of UNLV's. The System has no contractual obligation to pay the funds if it is not received from the Foundation(s). He said that the source of funds was irrelevant.

Regent Sisolak disagreed. If the money was presently used for financial aid and was being redirected as presidential compensation, he would object. Interim Chancellor Rogers and Ms. McMullen both established that was not the case.

23. Approved-Supplemental Presidential Compensation, UNR – (Cont'd.)
Motion carried. Regent Rosenberg voted no.

The meeting recessed at 9:55 a.m. (for continuation of the Budget & Finance Committee meeting) and reconvened at 10:10 a.m. with all members present except Regents Leavitt, Rosenberg, and Whipple.

Chair Anthony related that Vice Chancellor Klaich had an announcement.

Regent Rosenberg entered the meeting.

Vice Chancellor Klaich observed that this would be Assistant Chief Counsel Brooke Nielsen's final meeting prior to her retirement. He observed that upon first arriving at the System, the legal staff had been in crisis and that it would not have remained together without Ms. Nielsen's efforts. She is a model of grace and decorum, an extraordinary role model and apt attorney, and handles herself with great dignity. They will be unable to replace her. He was thankful to have had her assistance to help ease his transition.

Chair Anthony noted the importance of legal counsel in running an effective meeting. He said it was an honor to have Ms. Nielsen help with each meeting and thanked her for her service. Ms. Nielsen stated that it had been a pleasure to serve the Board, adding that she would miss everyone.

Regent Sisolak noted a point of order, one last time in honor of Ms. Nielsen.

Regent Alden said there would never be another counsel like Ms. Nielsen, adding that she was a credit to the System and the legal profession.

24. Approved-Naming of Baseball Field, WNCC – The Board approved President Carol Lucey's request to name the baseball field after Reverend John L. Harvey. The primary donor of Phase 1 of the baseball stadium is the Whittemore Family Foundation. Mr. Harvey Whittemore would like to name the field after his grandfather (Ref. R on file in the Board office).

Vice President Jesse requested the Board's permission to name the baseball field after Reverend John L. Harvey, a major force in Carson City for over 25 years. She then introduced members of Reverend Harvey's family: Mr. Fred Harvey, son Dr. Robert Whittemore, son-in-law Mr. Harvey Whittemore, grandson and WNCC's head baseball coach, Mr. D.J. Whittemore, great grandson.

24. Approved-Naming of Baseball Field, WNCC – (Cont'd.)

Regent Derby moved approval of naming the baseball field at WNCC in honor of Reverend John L. Harvey. Regent Rosenberg seconded.

Regent Hill thanked the family members for their support to the college and the community.

Regent Howard expressed her gratitude for the lovely gesture and contribution to higher education.

Regent Rosenberg announced that he was proudly displaying his "Wildcats" license plate holder.

Regent Schofield thanked the family for their contribution to the state as well as the college.

Regent Sisolak expressed his appreciation to the family, adding that they were a fine example for everyone.

Regent Derby thanked the family, adding that the field and stadium will be a lovely tribute to the family and an expression of the difference that citizens who care about the future of the state can make to advance opportunities for students.

Regent Dondero thanked the family members for their support.

Motion carried. Regents Leavitt and Whipple were absent.

25. Approved-Phase 2 Design and Construction of Baseball Stadium, WNCC – The Board approved President Carol Lucey's request for approval of Phase 2 of the baseball stadium to include design and construction for a hitting facility, concession stands, stadium seating, press box, and plaza (Ref. S on file in the Board office).

President Lucey presented a depiction of Phase 2 of the design and construction of the baseball field, which will include a few buildings.

Vice President Jesse reported that, following Board approval, they would proceed with construction of the field as funds were received. A commitment was made not to build the field until funds were available.

Coach D.J. Whittemore reported the field would include a press box, concession stand, restrooms, and an indoor batting facility. A locker room will be added at some time in the future. WNCC will allow Carson High School to use the indoor batting facility jointly in the winter.

25. Approved-Phase 2 Design and Construction of Baseball Stadium, WNCC –(Cont'd.)

Regent Rosenberg moved approval of the Phase 2 design and construction of the baseball stadium at WNCC. Regent Derby seconded.

Vice President Jesse observed that several naming opportunities were available.

Motion carried. Regents Leavitt and Whipple were absent.

Regent Anthony left the meeting.

26. Approved-Resolution #05-05, Bank Line of Credit, Construction of Mathewson-IGT Knowledge Center, UNR – The Board approved President John M. Lilley's request for a resolution to secure a bank line of credit

the time the building is constructed. Regent Sisolak asked how much of the pledged funds would actually be received. Vice President Zurek replied that largest portion of the verbal pledge was from a foundation with which they had a long history. Approximately 70% of the signed pledges are represented by IGT. UNR anticipates a very high collection rate on all of the pledges. Regent Sisolak asked about a normal percentage of non-receipts. Vice President Zurek replied that factor occurs occasionally with retail pledges (10-20%). Regent Sisolak asked whether they would need to secure additional pledges if the current ones were not received. Vice President Zurek replied there could be two problems: 1) the project could come in higher than anticipated or 2) the revenues might not materialize. Contingency plans exist for both. An additional 18 months are available for fundraising. Proceeds from land transactions are also available for such an emergency. Regent Sisolak observed that it was a novel approach.

Regent Dondero established that the money would go directly to the State Public Works Board. She asked who would audit that account when the work was done. Vice

26. Approved-Resolution #05-05, Bank Line of Credit, Construction of Mathewson-IGT Knowledge Center, UNR – (Cont'd.)

President Zurek replied that due to the magnitude of this project, the architect's estimator and accountants, as well as the State Public Works Board's would monitor the project. Additionally, UNR has purchased the services of an owner's representative to provide a third set of eyes to monitor the original cost estimate as well as the ongoing build-out.

Regent Dondero asked whether she had a conflict of interest in voting on the matter since she owned some IGT stock. Assistant Chief Counsel Nielsen replied that she was only required to disclose that fact, but it was not a conflict that would disqualify her from voting.

Regent Sisolak stated that he too owns IGT stock.

Motion carried. Regents Derby and Whipple were absent.

27. Approved-Resolution #05-06, Sale of Bonds, Construction of Mathewson-IGT Knowledge Center, UNR – The Board approved President John M. Lilley's request for a bond resolution to finance the construction of the University of Nevada, Reno Mathewson-IGT Knowledge Center. The building project and related financing plan was last updated and approved at the October 2004 Board meeting (Ref. P on file in the Board office).

Regent Alden moved approval of Resolution #05-06 concerning the sale of bonds for the construction of the Mathewson-IGT Knowledge Center at UNR. Regent Rosenberg seconded. Motion carried. Regents Derby and Whipple were absent.

28. Information Only-Midtown UNLV Update - President Carol C. Harter presented an update on the project to revitalize Maryland Parkway, coined Midtown UNLV. Mr. Mike Saltman, UNLV Foundation trustee, with whom President Harter conceived this concept for a public/private partnership, provided an informational briefing on the progress made to date (Ref. T on file in the Board office).

President Harter reported that Mr. Saltman developed the idea for a university district as a result of his involvement as a community member and a UNLV Foundation board member in the UNLV master planning process. This holistic approach will achieve a much-needed revitalization of historic Maryland Parkway in concert with UNLV's plans. Having seen many university districts that were inviting destination places of their own, Mr. Saltman invited President Harter, several staff members, and Regents to visit Tempe, Arizona to witness the remarkable transformation of Mill Street and the creation of a university district around Arizona State University. Mr. Saltman has hired Tempe's outgoing Mayor, Mr. Neil Giuliano, to assist with the project.

28. Information Only-Midtown UNLV Update – (Cont'd.)

Regent Derby entered the meeting.

Chair Anthony left the meeting.

Regent Sisolak left the meeting.

Regent Alden left the meeting.

Regent Howard left the meeting.

President Harter related that Midtown UNLV is viewed as providing the potential visible metaphor and a physical manifestation of UNLV's commitment to community engagement and outreach. Unique public/private partnerships and projects are already developing. She reminded the Board that UNLV's master plan addresses the challenge of optimizing acreage on the landlocked campus to serve the facilities and space needs of the 36,000 students expected by 2010. In the last four years, UNLV increased FTE by over 4,900 students. The master plan suggests the need to add 3.6-million new-growth feet of building space in a very short time to accommodate that growth.

Regent Alden entered the meeting.

President Harter reported that sources other than State capital funds would be required. Many creative financing plans and building schemes will be explored.

Chair Anthony entered the meeting.

President Harter reported that Midtown UNLV envisions a process of public/private partnerships and developing a common infrastructure on both sides of Maryland Parkway reflecting creative architectural themes on both sides of the street. They hope to reduce the size of the parkway to one lane on each side, increase sidewalk space, and create beautiful places to sit and gather that will tie the two sides of the street together. Mr. Saltman is busily working with UNLV and many private businesses along Maryland Parkway. The redesign of the campus side of Maryland Parkway will be done in coordination with the redevelopments being undertaken by other private entities in the neighborhood. Two cornerstone projects are planned for the north and south ends of the

31. Approved-Academic, Research & Student Affairs Committee Recommendations - Chair Howard Rosenberg reported the Academic, Research & Student Affairs Committee met April 14, 2005 and heard an update on advising and scheduling. Staf

Elimination of Program, Master of Science, Health Ecology, UNR – The Committee recommended approval of the elimination of the M.S. in Health Ecology in response to the renaming of the masters program to Masters of Public Health (Ref. ARSA-8 on file in the Board office) .

Regent Dondero entered the meeting.

Motion carried. Regents Derby, Sisolak, and Whipple were absent.

32. Approved-Audit Committee Recommendations - Chair Douglas Roman Hill reported the Audit Committee met April 14, 2005 and received follow-up responses for nine internal audit reports presented to the Committee at the October 2004 meeting. Mrs. Sandi Cardinal, Assistant Vice Chancellor, reported that the institution bank reconciliations were up-to-date. Regent Howard requested an item to discuss the possibility of an internal audit to verify the degrees of employees. Mrs. Carla Henson, System Human Resources Director, provided information on an on-line degree verification system that is available to the institutions to verify degrees. No action was taken by the Committee. Regent Rosenberg requested a complete internal audit of the UNR parking department, which was tabled. The Committee discussed the CASE standards for capital campaigns. Action was deferred to the next meeting when the Foundations will bring forward a set of unified standards. A discussion of the process for Regents to request an audit will be considered on the next Committee agenda. Regent Hill requested Board action on the following Committee recommendations:

Minutes – The Committee recommended approval of the minutes from the February 3, 2005 Audit Committee meeting.

Internal Audit Reports – The Committee recommended approval of the following Internal Audit Reports ters prg e

33. Approved-Budget & Finance Committee Recommendations - Chair Mark Alden reported the Budget & Finance Committee met April 14, 2005 and considered the following reports:

All UCCSN funds revenues and expenses for the second quarter of fiscal year 2004-05.

Fiscal exceptions of self-supporting budgets and the status of state appropriations for the second quarter of fiscal year 2004-05.

Institutional operational efficiencies implemented by the UCCSN institutions through the first six months of fiscal year 2004-05 to increase productivity and thereby reduce waste and cost.

The current status of technology funding for the 2005-07 biennium and the need for funding of the implementation of a new Enterprise Resource Planning(ERP) system.

Regent Alden requested Board action on the following Committee recommendations:

Minutes – The Committee recommended approval of the minutes from the February 3, 2005 Budget & Finance Committee meeting.

Mid-Year Fiscal Year 2004-05 Self-Supporting Budgets and Summer School Budgets Calendar Year 2005 – The Committee recommended approval of the mid-year fiscal year 2004-05 self-supporting budgets and the summer school budgets for calendar year 2005.

IFC Approval for Property and Contents Insurance Premium Savings – The Committee recommended approval of seeking Interim Finance Committee authorization to expend property and contents insurance premium savings for related property/risk management functions (Ref. BF-7 on file in the Board office) .

IFC Approval for Additional Student Fee Revenues – The Committee recommended approval of seeking Interim Finance Committee authorization to expend additional student fee revenues within the state supported operating budgets for fiscal year 2004-05 (Ref. BF-8 on file in the Board office) .

33. Approved-Budget & Finance Committee Recommendations – (Cont'd.)

Regent Alden moved approval of the Committee recommendations and acceptance of the report. Regent Gallagher seconded. Motion carried. Regents Sisolak and Whipple were absent.

34. Approved-Banking RFP Committee Recommendations - Chair Kathleen Payne reported the Banking Request for Proposal Committee met March 14, and April 12, 2005 and requested Board action on the following Committee recommendations:

Minutes – The Committee recommended approval of the minutes from the March 14, 2005 Banking RFP Committee meeting.

RFP Timeline – The Committee recommended approval of a timeline for the Request for Proposal for various banking services.

RFP Review – The Committee recommended approval of the Request for Proposal for commercial banking services, credit card processing, automated teller machines, a purchasing card, and a travel card. The RFP is scheduled to be mailed to over forty vendors on May 9, 2005. The Committee will bring recommendations for these services to the September 2005 Board meeting.

RFP Vendors – The Committee recommended approval of the list of potential vendors.

RFP Criteria – The Committee recommended approval of the selection criteria.

Regent Alden asked whether all the requirements of the Open Meeting Law had been met. Assistant Chief Counsel Brooke Nielsen replied affirmatively. Regent Alden expressed concern that all decisions of the Committee would rest with the full Board.

Regent Alden moved approval of the Committee recommendations and acceptance of the report. Regent Derby seconded. Motion carried. Regents Sisolak and Whipple were absent.

35. Approved-Technology Task Force Recommendations – Chair Douglas R. Seastrand reported the Technology Task Force met February 18, and March 11, 2005. At the February 18th meeting, Vice President Gerry Bomotti presented preliminary proposed models for funding an integrated information system conversion. Business Center North Purchasing Director Ray Moran briefed the Task Force on the required bid process for

