

# RECORD OF PROCEEDINGS

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Golden, Colorado  
January 30, 2009

The Board of Trustees met in regular session on January 30, 2009 in the Coors Board Room.

Present: Trustees Cowart, DeFilippo, Fox, Hutson (via teleconference), Nyikos, Spaanstra, and Faculty Trustee Dorgan, Student Trustee Dubetz. Absent: Trustee Tschatschula.

Also in attendance: President Scoggins, Provost Middleton, Senior Vice President Volpi, Vice Presidents Poate and Chevront, and other staff and visitors.

Trustee Nyikos presided.

Regular Session. The Trustees convened in regular session at 9:15 a.m.

Approval of Minutes. Trustee DeFilippo made a motion, seconded by Trustee Spaanstra, to approve the minutes of the December 11, 2008 meeting as submitted. Motion carried.

Chairman's Report. Trustee Nyikos welcomed Ms. Terry Fox, who has been appointed by Governor Ritter to the Colorado School of Mines Board of Trustees. Trustee Nyikos read a letter of appreciation from Professor Tom Furtak on his selection to receive the Board of Trustees Outstanding Faculty Award at the December 12, 2008 commencement ceremony. Trustee Nyikos also gave an update on several western slope events.

Oath of Office. Trustee Nyikos administered the oath of office to the incoming Trustee, Ms. Terry Fox.

Board Committee Reports. Trustee Hutson reported that the Finance and Audit Committee met on January 21, 2009. The committee reviewed the audit results. There were no material weaknesses and in general the audit results continue to show significant improvement from previous years. The committee also reviewed and approved the parking structure program plan, and reviewed upcoming bond issues. In conjunction with Senior Vice President Volpi, the committee is modeling various budget cut scenarios, with a goal of preserving quality. Ms. Volpi is in continuous communication with the committee as additional information on possible budget cuts from the state becomes available.

President's Report. President Scoggins invited Student Trustee Dubetz to give an update on the activities of the Associated Students of Colorado School of Mines (ASCSM). Ms. Dubetz reported that ASCSM is sponsoring an event for state legislators on February 3 at the Colorado History Museum. A number of departments and faculty members will be in attendance to showcase their programs. Ms. Dubetz also reported that ASCSM will be working with the City of Golden on their transportation study. ASCSM has also recently participated in a number of community service projects. Work is also beginning on the senior gift project. This year the seniors will be able designate their gift from among several options. President and Mrs. Scoggins have offered to provide a matching donation for the senior gift.

President Scoggins reported that Dr. Jay Helman, president of Western State College, suffered a severe stroke and is hospitalized in Salt Lake City. He also reported that Mr. Ralph Peterson, CEO of CH2M Hill, is currently recovering from serious surgery.

President Scoggins reported that on December 18 he made a presentation to the Joint Budget Committee (JBC). Trustees Hutson and Spaanstra were in attendance. The School received a warm reception from the members of the JBC.

President Scoggins gave an update on the current budget situation from the State. For the current fiscal year, President Scoggins hopes the rescission can be handled without making significant cuts. He anticipates moving forward only with critical hires. The School will be prudent in its spending in case additional funding cuts occur. President Scoggins indicated the tuition plan for next year is not ready at this time due to the uncertainty regarding next year's budget from the State.

President Scoggins remarked that the State's research universities are trying to develop a plan to relieve them of certain bureaucratic burdens and gain more tuition and financial aid flexibility. President Scoggins will share any formal proposal that may be developed with the Board.

President Scoggins provided an update on the status of the School's performance contract. The original contract expired last year, but continues in force until a new contract is signed. The School has provided input to the Department of Higher Education (DHE). However, it appears that DHE may wait until next year and re-negotiate the performance contracts with all of the State's colleges and universities at the same time.

President Scoggins asked Senior Vice President Volpi to give an overview of the structure of the contract with the Petroleum Institute. Ms. Volpi reported that Mines negotiated a ten year contract in 2001 for a total of \$26M. Of that \$26M, \$5M was a licensing fee which has been paid in full. \$17.5M was for development assistance over a ten year period; the School has received \$11M to date on this portion of the contract. The balance of \$6.5M outstanding on the development assistance portion of the contract is currently being re-negotiated as a research development contract. The final component of the original \$26M contract is \$3.5M, which will not be due until after the PI programs receive ABET accreditation.

President Scoggins asked Provost Middleton to provide an update on his recent trip to the Petroleum Institute. Dr. Middleton reported there are currently 1100 students enrolled, with 283 women students. There are a significant number of students from outside the U.A.E. The graduation rate is approximately 51%. There is a small graduate program, currently with 45 students. Dr. Middleton commented that Mines' original role focused on the undergraduate programs, but that is shifting as the PI has seen the value of a research endeavor. Mines will play a principal role in upstream technologies research. There are already several research projects underway and there is significant potential for an expanded research partnership.

President Scoggins asked Chief of Staff Han to give an update on several upcoming speakers. Mr. Han reported that former Colorado Governor Bill Owens will be the William H. Erickson Distinguished Lecturer on January 28. Mr. Han reported that he is working to schedule Dr. Peter Gleick, Director of the Pacific Institute, as the speaker for the Youngs Environmental

Symposium. Mr. Han also reported that the Mines student chapter of the National Society of Black Engineers (NSBE) has scheduled Senator Peter Groff and Representative Terrance Carroll to speak on campus in mid-February.

Research Activities. Dr. John Poate provided an update on research activities for the month of November 2008. Dr. Poate reported that the research enterprise is performing well. He highlighted two major research awards that were received in November, one to Dr. Kent Voorhees and one to Dr. Mason Dykstra. Dr. Poate also reported that his office is monitoring the economic stimulus package and feels that Mines will be well-positioned for possible funding. Mines has provided the Colorado congressional delegation with a wish list for funding, focusing on Mines' unique strengths in the energy arena. Dr. Poate also indicated he would like to see an enhanced physical presence for NREL, NCAR and the USGS on campus, including the possibility of joint appointments. Dr. Poate also reported on a meeting with the Rocky Mountain Clean Technology Alliance.

Financial Report. Senior Vice President Volpi reviewed the *Statement of Net Assets*, *Statement of Revenue and Expenses* and the *Statement of Cash Flows* for the period ending December 31, 2008. Ms. Volpi reported that the current year cash and cash equivalents balance is strong and reflects the improved cash flow from increases in revenue from tuition and fees, grants and contracts and fee for service. Ms. Volpi reviewed the forecast changes for December 31, 2008 and highlighted the \$850,000 reduction in the state fee for service line to reflect Mines' share of the \$30M reduction to the state's higher education institutions proposed by the Governor. Ms. Volpi reported that expenses are on target and that every effort is being made to control spending to save funds to be able to respond to the likely rescission of state funding in FY10. Ms. Volpi projected a year-end FY09 surplus of approximately \$1.4M.

Approval of Parking Program Plan. Senior Vice President Volpi gave a presentation on a proposed parking structure to mitigate congestion and enhance safety on campus streets. The 2004 master plan identified four possible locations for a parking structure. The parking program plan committee assessed the various options and made a recommendation for a site north of West Campus Drive at Elm Street. Ms. Volpi noted that this proposed location would necessitate a relocation of the Earth Mechanics Institute. The committee recommends a structure that would add 390 new net parking spaces, for an approximate cost of \$10.1M. The proposed structure would also include office space for the Public Safety department. The parking structure would be paid for with fixed rate debt to be issued in March 2009, with the debt repayment coming principally from the student parking permit fee, and to a lesser degree from the student assistance fee and faculty/staff parking permit fees. Professor Kadri Dagdelen, interim head of the Mining Department, commented on the importance of the Earth Mechanics Institute and that careful consideration needs to be made when planning for its relocation, if the recommended site is pursued. Trustee Spaanstra made a motion, seconded by Trustee Cowart, to approve the following resolution:

*BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines hereby approves the parking garage program plan within the following criteria:*

- 1. Cost of \$10.1M not to exceed \$10.5M*
- 2. Net spaces in the range of 350 – 400*
- 3. Funded by debt financing to be approved at a later date and*
- 4. Repayment of debt to be sourced by student parking permit fees, faculty and staff parking permit fees, and a portion of the student assistance fee*

Motion carried, with Trustee DeFilippo opposed.

Placement Report. Vice President Chevront introduced Mr. Ron Brummett who gave a presentation on the Career Center. Mr. Brummett reported that the upcoming spring Career Day was sold out, while fairs at other schools are seeing reductions in participation. Mr. Brummett also gave a summary of the placement statistics for Academic Year 2007/08. The Trustees thanked Mr. Brummett and his staff for the excellent service they provide to Mines students.

Other Business. Trustee DeFilippo suggested that the Board of Trustees sponsor some type of memorial in honor of Rukayah Al-Awami, a sophomore geophysics student from Saudi Arabia, who was killed in a car accident on the campus in December. The Trustees agreed, by acclamation, and asked President Scoggins to determine an appropriate memorial.

Faculty Senate Report. Faculty Senate President Tom McKinnon gave an update on the work of the Faculty Senate. He indicated that the Senate is in discussions with the Associated Students of Colorado School of Mines about the proposal to implement a plus/minus grading system. He also reported that the faculty are concerned on the potential impact of the economic downturn on faculty hiring.

Regular Written Reports. Faculty Trustee Dorgan inquired as to why so many applications are incomplete; Mr. Goetz gave an overview of the process and indicated some applications may be awaiting a transcript of the fall senior year semester. The Admissions staff does follow-up with applicants but some applications will remain incomplete as students change their minds. Trustee Fox pointed out a typographical error in the Graduate Admissions report on the number of minority applicants.

Executive Session. The Trustees went into Executive Session to receive legal advice as authorized by CRS § 24-6-402 (3) (a) (II) and to discuss a personnel matter as authorized by CRS § 24-6-402 (3) (b) (I). Chairman Nyikos requested that the voting Trustees, President Scoggins, Provost Middleton, and Ms. Chapman participate in the Executive Session, which commenced at 10:45 a.m.

Regular Session. The Trustees reconvened in regular session at 11:40 a.m. Because there was some uncertainty regarding the vote on the parking garage program plan, Trustee Nyikos called for a roll call on that resolution. Trustees Cowart, Spaanstra and Hutson voted yes. Trustee DeFilippo voted no. Trustee Fox abstained. The resolution in favor of the parking program plan carried.

The Trustees discussed appointments to Board committees. Trustee Hutson indicated he had talked to Trustee Spaanstra about serving on the Finance and Audit Committee. Trustee Fox indicated a willingness to serve on the Presidential Evaluation and Compensation Committee.

There being no further business, Trustee Cowart made a motion, seconded by Trustee Fox, to adjourn the meeting. Motion carried. Meeting adjourned at 11:50 a.m.

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Secretary