

*Approved at the 12/12/13 meeting*  
**DRAFT BOARD OF TRUSTEES OF THE COLORADO SCHOOL OF MINES**  
**MINUTES OF THE BOARD MEETING**  
Friday, October 25, 2013  
**COLORADO SCHOOL OF MINES**  
**1500 ILLINOIS ST., COORS BOARD ROOM**

Chairman Spaanstra called the Board of Trustees to order in regular session at 9:20am in the Coors Boardroom.

Trustees present: Spaanstra, Truly, Cowart, Bliss, Vallejo, Haddon, faculty trustee Illangasekare, and student trustee Rogers. Trustee Misra was absent.

Select CSM executives and directors were also present including President Scoggins, Provost Parker, V.P. Fox, Senior V.P. Middleton, E. V.P. Winkelbauer, Senior V.P. Poate, V.P. Dougherty, V.P. Han, Assoc. Provost Boyd, E.V.P. Volpi, Ms. Boyd, Ms. Walker, and Dr. Carr.

**A. Consent Agenda**

Trustee Vallejo moved to approve the minutes, seconded by Trustee Cowart. Motion approved 6-0.

**B. Reports**

Committee's reports Trustee Vallejo stated that the finance and audit committee met Oct. 14 to review September financial statements, the first quarter full-year forecast and hear an update of the external audit. The committee also reviewed several items related to the new investment advisory committee, which is an action item on today's agenda.

Trustee Bliss stated strategy committee met with the full board of trustees at a breakfast on August 30, and that they will hear a strategic planning update at today's retreat.

President's report President Scoggins stated that the College of Engineering and Computational Sciences recently had ABET visitors on campus, and that they have a preliminary report, and expect no significant issues. The search for the CSMAA Director position has been resumed. The president thanks the trustees for supporting many of the September and October events. The 19<sup>th</sup> Street overpass project has been approved and construction will soon start, with the project funded by Golden, CDOT, and Mines.

Mr. Winkelbauer updated the trustees on upcoming campaign events.

Ms. Boyd provided an overview of Mines' transfer agreements with community colleges, stated that 1,150 students have been admitted for the Fall 2014 semester (compared to 900 this time last year). Accepted student averages are ACT 31, SAT 1369, with average GPA of 3.9.

Dr. Boyd stated that graduate enrollment numbers for spring are all up over last year.

Research Activities \_\_\_\_\_ Dr. Poate reported that research volume down slightly, with varied research projects from all colleges. Proof of Concept is in its 3<sup>rd</sup> round. Trustees requested dashboard of submittals as well as awards (submitted after year's end). The trustees suggested that Mines continue to seek opportunities to serve on national science and engineering committees (e.g. NRC).

Financial report \_\_\_\_\_ Ms. Volpi reviewed the financial statements for September 2013 and the first quarter forecast.

### **C. Action Items**

Action Item 1: Investment Advisory Committee \_\_\_\_\_ Ms. Volpi presented information regarding investing authority. House Bill 13-1297: Concerning Authority of Certain Institution of Higher Education to Invest Moneys. ("Mines Treasury Fund Bill") was passed last legislative session. This bill provides Mines with greater clarity and flexibility in managing and investing funds. The bill clears up existing ambiguity on whether gifts made to "Colorado School of Mines" instead of "Colorado School of Mines Foundation" can be invested as part of CSMF's long-term investment pool by Mines. The Bill provides governing boards authority to manage and invest all or a portion of its moneys outside of the State Treasury. With the bill's passage, the Board can now invest long-term funds such as the Petroleum Institute with CSMF's long-term investment pool or other investment vehicles. CSM Board's statutory authority related to its money now matches other institutions (CSU, CU, Colorado Mesa University).

The legislature placed the following requirements on Mines' governing board when the Board elects to invest moneys outside of the State Treasury:

- Establish an investment advisory committee consisting of at least five members. The members of the committee MAY include the Board Treasurer and up to three representatives from the financial community.
- Develop and annually review a written investment policy, which shall include acknowledgement of fiduciary responsibility and performance benchmarks of financial managers.
- Submit an annual report to the State Treasurer, State Auditor, and Joint Budget Committee.
- Shall ensure that, at all times, liquid investments remain at a sufficient level to pay for all budgeted, outstanding operational obligations and expenses occurring within the fiscal year.

At its October 14, 2013 meeting, the Investment Advisory Committee reviewed and discussed a proposed Investment Advisory Committee Charter and a proposed Investment Policy Statement. After discussion, the Committee approved the charter and policy statement for recommendation to the Board of Trustees. The Committee also discussed the School's cash position (attachment 3) as of September 30, 2013. After discussion, the Committee approved for recommendation to the Board of Trustees to invest the Petroleum Institute Funds totaling approximately \$11,355,000 with the Colorado School of Mines Foundation to be separately held in their long term investment pool. The Committee further recommended to invest when received an amount owed to the Petroleum Institute totaling approximately \$2,427,000 with the Colorado School of Mines Foundation to be separately held in the

Petroleum Institute fund within their long term investment pool. The trustees inquired about investment with the CSM Foundation, which charges a tiered 2% maximum long-term investment fee. Funds will be co-mingled for investment, separated for accountability purposes.

**RECOMMENDATION A**

The Investment Advisory Committee recommends to the Board of Trustees approval of the Investment Advisory Committee Charter.

**RESOLUTION A**

*BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves the Investment Advisory Committee Charter.*

Approved 6-0.

**RECOMMENDATION B**

The Investment Advisory Committee recommends to the Board of Trustees approval of the Investment Policy Statement.

**RESOLUTION B**

*BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves the Investment Policy Statement.*

Approved 6-0.

**RECOMMENDATION C**

The Investment Advisory Committee recommends to the Board of Trustees approval to invest the Petroleum Institute Funds totaling approximately \$11,355,000 with the Colorado School of Mines Foundation to be separately held in their long term investment pool. The Committee further recommends to the Board of Trustees to invest when received an amount owed to the Petroleum Institute totaling approximately \$2,427,000 with the Colorado School of Mines Foundation to be separately held in the Petroleum Institute fund within their long term investment pool.

**RESOLUTION C**

*BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves the investment of the Petroleum Institute Funds totaling approximately \$11,355,000 with the Colorado School of Mines Foundation to be separately held in their long term investment pool. The Board of Trustees further approves the investment of an amount when received owed to the Petroleum Institute totaling approximately \$2,427,000 with the Colorado School of Mines Foundation to be separately held in the Petroleum Institute fund within their long term investment pool.*

Approved 6-0

#### **D. Emergency action item**

Ms. Volpi introduced the item "Mines and Foundation Operating Agreement."

The Board of Trustees of the Colorado School of Mines and the Executive Committee of the Board of Governors of the Colorado School of Mines Foundation previously entered into an Operating Agreement dated September 12, 2008, and executed on October 2, 2008, to formally establish and define the scope and terms of their relationship.

The parties subsequently entered into an Addendum to the Operating Agreement dated June 13, 2013, to address the development services fee to be paid by the School to the Foundation on an annual basis for services related to the School's capital campaign, pursuant to and consistent with the parties' Operating Agreement.

In light of recent amendments to Colorado state statute pertinent to School funds and the investment of same, the parties now desire to amend their Operating Agreement to further define the relationship between the school and the foundation to include investment management responsibilities in addition to the existing fundraising, administration and executive activities.

#### **RESOLUTION**

*BE IT RESOLVED, that the Board of Trustees of Colorado School of Mines hereby approves the amended Operating Agreement between the Board of Trustees of the Colorado School of Mines and the Executive Committee of the Board of Governors of the Colorado School of Mines Foundation, Incorporated.*

Motion to approve made by Trustee Cowart, seconded by Trustee Haddon. Approved 6-0.

#### **E. Information Items**

Environmental Health and Safety \_\_\_\_\_ Ms. Volpi provided an update of recent EHS activity, as well as an overview of training provided by EHS, Public Safety, and Residence Life. The trustees expressed support of more safety training per rigorous industry requirements, and a review of who receives mandatory safety training (if training is mandatory for one group, possibly should be mandatory for all). Ms. Volpi stated that she would share the results of the external safety audit.

Capital Projects Update \_\_\_\_\_ Ms. Volpi provided an update of the Elm Residence and Dining Hall, the Clear Creek Athletics Complex, and the Welcome Center, as well as state funding requests.

Faculty Sabbatical report and presentations \_\_\_\_\_ Dr. Parker provided an overview of the fourteen faculty that took sabbaticals in the last year. Dr. John McCray presented on his sabbatical as the Shimizu Visiting Professor of Civil and Environmental Engineering at Stanford University. Dr. Ryan O'Hayre presented on his sabbatical as the Chinese Academy of Sciences visiting Senior Professor at the Dalian Institute of Chemical Physics in China.

Faculty Senate report Dr. Carr updated the trustees on the senate's efforts around promotion and tenure, communication, and a non-technical "help desk."

Trustee Bliss made a motion to go into executive session, seconded by Trustee Haddon. Executive session began at 11:40am. Executive session at Guggenheim ended at 12:05pm, moved to SC Ballroom C for a working lunch. Motioned by Trustee Bliss, seconded by Trustee Haddon. There being no other business, the executive session ended at 4:35pm.