

*Approved at the 9/15/2017 meeting*  
**BOARD OF TRUSTEES OF THE COLORADO SCHOOL OF MINES**  
**MINUTES OF THE BOARD MEETING**  
Friday, June 2, 2017  
**COLORADO SCHOOL OF MINES**  
**1500 ILLINOIS STREET, COORS BOARDROOM**

**I. Regular Meeting**

8:00 am Trustee Jorden called the regular meeting to order.

Trustees present: Chairman Jorden, Trustees Haddon, Truly, Salazar, McNeil and Hogue.

CSM executives and directors were also present including: President Johnson, EVP Volpi, Interim Provost Boyd, GC Walker, VP Fox, VP Han, SVP Dean, AVP Boyd, Dean's Moore, Kaufman and Graves, and Dr. Harrison.

**a. Consent Agenda**

The minutes from the May 5, 2017 meeting were submitted and approved.

Trustee McNeil motioned to approve; seconded by Trustee Truly. Motion approved 5-0.

**b. Reports and Updates**

Board Committee Reports Trustee Haddon reported that the Finance and Audit Committee (FAC) and the Investment Advisory Committee (IAC) met on May 22, 2017. The IAC reviewed the investment pool performance; March 31, 2017 total was \$281 million. Also reviewed was the six month performance as of December 31, 2016. Trustee Haddon reported the need to look at the distribution in the Endowment Fund in order to keep funds healthy. He noted the CSMF Board of Governors set up a committee to review investments, which included Kirsten Volpi, Fran Vallejo and Brian Winkelbauer. The FAC also met and reviewed the financial statements as of April 30, as well as the internal audit status. Trustee Haddon noted they also looked at the proposed FY18 audit plan.

**c. Regular Action Items**

Risk Management Opt Out Ms. Volpi provided an overview of Mines' participation in the State Risk Management Program and stated that pursuant to state statute, we are able to opt out of the state program and purchase insurance on our own. She also provided information on the benefits and gaps of Mines' participation in State Risk versus purchasing private insurance. Ms. Volpi reviewed prior years within State risk and noted that the State cut the premium in half to keep Mines in the pool in 2009. There was discussion regarding pros and cons of opting out of State Risk and Mines' interest in being more in control of proactively managing risks, and having in place a program that allows for more flexibility in levels and types of insurance. It was noted the State has no appeal process and that many Higher Ed institutions have opted out of State Risk. Ms. Volpi provided information and an overview of the outside consultant's review of Mines' insurance in FY07-FY18, noting the savings in premiums would be somewhat offset by deductible payments. Chairman Jorden asked about total claim history. Ms. Volpi used the GRL flood as an example of the \$1.2 million claim with the deductible very low at \$5k. Ms. Volpi noted the Board has the ability to grant indemnification in certain circumstances, but State Risk would not provide insurance coverage in these instances. If Mines has its own insurance, it could seek coverage for certain indemnified activities. There was discussion over what State Risk currently covers related to students. Chairman Jorden asked if Mines can opt back in once it opts out with State Risk, which there was no clear answer to, but the assumption was Mines could. Trustee Haddon discussed the State position if there was a catastrophic event and Mines had private insurance. Ms. Volpi noted that Mines will retain its governmental immunity. Ms. Volpi provided further information on the multiple quotes the consultant provided and noted that for property

insurance, Mines would be part of a consortium of higher ed institutions around the country. Ms. Volpi recommended to the Board to opt out of State Risk. She noted that doing this would provide more flexibility and the ability to insure Mines for indemnified contract terms, for certain student activities, and maintenance work performed underground that is currently not covered by State Risk. Trustee Haddon asked about additional administrative costs with private insurance. Trustee McNeil began a discussion regarding the risk of premiums going up, it was noted that this is market driven and experiential driven. Discussion continued regarding when the move to private insurance would happen, what proposals are needed, caps and governmental immunity.

Motion to approve Risk Management opt out by Trustee Haddon; seconded by Trustee McNeil. Approved 5-0.

***BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves opting out of the State Risk Management Program pursuant to C.R.S. 24-30-1502(5)(b) effective July 1, 2017.***

Faculty Handbook Revisions Dr. Boyd provided information regarding changes to the faculty handbook. He reviewed the processes by which changes must be made. Dr. Boyd reviewed the summary of the changes proposed this year and noted that most of the proposed changes are in the appointment section (section 4) of the handbook. He highlighted new provisions that created joint faculty appointments and faculty graduate status to better define faculty who may serve as graduate advisors; refining of language defining the roles for professors of practice; and, changes in the Promotion and Tenure review process that were approved in FY16 by the faculty senate. Trustee Truly observed a reference to multiple types of faculty and would like to better understand the total picture of the various faculty types and roles these faculty members play at the institution. Dr. Boyd will provide this information at a later meeting .

Motion to approve the Faculty Handbook Revisions by Trustee Salazar; seconded by Trustee Haddon. Approved 5-0.

***BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines hereby approves the recommended listed modifications to the Faculty Handbook.***

CSM Foundation Agreements Ms. Volpi and Ms. Walker provided information on the CSM Foundation Agreements. Ms. Volpi provided a brief review of the original Operating agreement from 2008. What is proposed now is an amendment to that original operating agreement, plus two new agreements: Advancement Services Agreement and the Investment Management Agreement. These agreements formally define the scope and terms of the relationship between the University and Foundation.,. Ms. Volpi provided an overview of each of these agreements. The Advancement Services Agreement was established to codify the specific services the Foundation will perform on behalf of the University with regard to fund raising, and the payment the Foundation will receive for those services. Ms. Volpi reviewed the Investment Management Agreement details and the fees related to that. There was discussion regarding the alignment of CSM Foundation and University goals. Mr. Winkelbauer and Ms. Volpi provided a review of how the CSM Foundation and the University currently work together. Mr. Winkelbauer provided some examples of collaborative efforts. Chairman Jorden asked for clarification on the handling of unrestricted funds.

Motion to approve the CSM Foundation Agreements by Trustee Haddon; seconded by Trustee Salazar Approved 5-0.

***BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves the amendment to the Operating Agreement, and approves establishing the Advancement Services Agreement and the Investment Management Agreement contingent on the BOG's subsequent approval.***

#### **d. Presentation and Discussions**

USGS/Mines Collaboration Ms. Volpi asked Dr. Harrison to provide information on the expanded relationship between Mines and USGS. Dr. Harrison began with an overview of the over 40-year relationship between Mines and USGS and the goals of the current collaboration. Dr. Harrison provided information on anticipated collaborative interactions in the future. She discussed the Center for Mineral Resource Sciences (CMRS) and reviewed the potential opportunities and synergy in research and education. She reviewed the DOE-funded Critical Materials Institute and discovery and development processes there, highlighting co-locating and innovation in advanced analytical facilities. Trustee Haddon asked about the proposed federal budget and how it looks for USGS. There was discussion about the funding impact, co-location, and outcome if funds are limited in the future, and financial flexibility. Dr. Harrison reviewed examples of USGS' collaborations with other universities, what the advantages are and what specific groups are interested in moving to Mines' campus. She noted the trend is to move document such collaborations with universities in cooperative agreements. Dr. Boyd provided information on the USGS seismic institute and there was further discussion. Chairman Jorden asked about geosciences at the Federal Center and how much would move to Mines. It was noted that the Minerals/Geophysicist group and Geosciences groups would make the move. Trustee Haddon about the current process and timeline for cooperative agreements; Ms. Volpi noted that the drafting process is typically four to five months. Trustee Truly began a discussion on what the vision of the proposed new USGS building is, including how many Mines people it would house. It was noted that the building is still in the planning phase, but, likely to have room for approximately 40 Mines faculty/staff plus students, and 200 USGS staff, utilizing both lab and administrative space. Trustee Haddon began a discussion of potential security issues. Ms. Volpi noted that USGS has been working with GSA for 12 years to determine a new home; this delay has pushed the USGS urgency level up for an impending move. It was noted that Congressman Perlmutter is very engaged with getting this USGS group a new home.

Discussion on President Johnson's Campus Presentation, Mines @150 Mr. Han provided a follow-up to the presentation given to the Board at its last meeting, noting that a more in-depth discussion would come later. He provided an overview of "Mines at 150," including: where Mines is going and how it will get to be a top destination STEM university; what it means for Mines to be a "Cohort A" school; and, what success looks like and how to get there, including several key performance indicators such as enrollment, student success, innovation, selectivity & accessibility, faculty & staff composition, affinity, endowment, unrestricted revenue growth and being distinctively Mines. Chairman Jorden asked of the students that come to Mines, how many identify Mines as their top choice, and discussion followed. Dr. Boyd reviewed enrollment, faculty, and reputational targets. Chairman Jorden asked if departmental targeted growth was surprising. Trustee Haddon asked why Petroleum Engineering wanted to reduce in size. Dr. Boyd provided a brief assessment that staffing did not match the ramp up in Petroleum and they are still feeling pressure even though enrollment is decreasing. President Johnson discussed the size of the program versus the demand when the energy market goes up or down. President Johnson furthers the discussion on how to manage that process. Trustee Salazar asked how much industry is driving the cycles and Dr. Boyd noted that the students go where jobs are. There was further discussion regarding ties to industry and alternate pathways.

Proposed Capital Projects Ms. Volpi provided information on proposed capital projects and noted Mines will be revising the 2010 master plan beginning in the Fall. She reviewed opportunities that are arising now in advance of the master planning process that allow Mines to align with the Mines@150 plan and meet operational needs. Ms. Volpi reviewed the proposed initiatives, including: expand student housing; partnership with USGS; enhance parking capacity; home for operations; innovative learning space; and other infrastructure needs. She provided an overview of the proposed parking garage location, relocation of operations, and building wrap, including a dirty makers space.. She also provided a review of the scope of the proposed residence hall, the Green Center roof, chiller plant, campus-wide generator and utilities infrastructure. She continued by providing information regarding financing options. Chairman Jorden asked her to define the difference between designated fund versus unrestricted funds, and Ms. Volpi provided a general overview of what the restricted funds are. Chairman Jorden also asked for information on bond definitions, followed by brief discussion. Ms. Volpi reviewed

the pro forma and risk adjusted pro forma including enrollment targets versus maintaining current enrollment with freshman and grad decline. Brief discussion followed.

**e. Discussion Topics Action Items**

Bond Reimbursement resolution Ms. Volpi provided information on bond reimbursement resolution where if the Board in the future chooses to issue debt on projects and money is spent, then when bonds are issued we can reimburse expenses. It allows cash to be reimbursed if and only if Board approves the bond financing in the future. There is brief discussion. Ms. Volpi noted that the Finance and Audit Committee recommends this resolution to the Board.

Motion to approve the Bond Reimbursement resolution by Trustee McNeil; seconded by Trustee Salazar. Approved 5-0.

***Signed and executed Bond Reimbursement Resolution on file.***

Five year Capital Plan Ms. Volpi provided information on the five year capital plan noting that the State requires a five year planning process and it gets Mines in line for state funding requests. Ms. Volpi asked the Board for approval to fulfill this state requirement.

Motion to approve the 5 year capital construction plan resolution by Trustee Haddon; seconded by Trustee Truly. Approved 5-0.

***BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves the Capital Construction Five Year Plan (below) with a total project cost of \$303.1 million.***

Mines 5 year Capital Construction Plan (in millions)						State Budget Cycle					
Project Title	Total Project Cost	State Requests	General Fund	Donations	Special Financing	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23
1 Green Center Roof Replacement	\$ 17.0	\$ 8.5			\$ 8.5	\$ 8.0	\$ 9.0				
2 Green Center Chiller	\$ 8.6				\$ 8.6	\$ 6.0	\$ 2.6				
3 Earth Resources Building	\$ 70.0				\$ 70.0	\$ 18.0	\$ 40.0	\$ 12.0			
4 Parking Garage I + Academic Space	\$ 23.0				\$ 23.0	\$ 8.0	\$ 15.0				
5 Campus Generators	\$ 6.0				\$ 6.0	\$ 6.0					
8 Operations Building	\$ 7.5				\$ 7.5	\$ 7.5					
9 Campus Utility Infrastructure	\$ 6.0				\$ 6.0	\$ 4.0	\$ 2.0				
10 Residence Hall - VI	\$ 50.0				\$ 50.0	\$ 20.0	\$ 30.0				
11 Parking Garage II	\$ 30.0				\$ 30.0				\$ 8.0	\$ 22.0	
12 Residence Hall - VII	\$ 60.0				\$ 60.0				\$ 15.0	\$ 45.0	
13 Dining Hall III	\$ 25.0				\$ 25.0					7	18
<b>Total</b>	<b>\$ 303.1</b>	<b>\$ 8.5</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 294.6</b>	<b>\$ 77.5</b>	<b>\$ 98.6</b>	<b>\$ 12.0</b>	<b>\$ 30.0</b>	<b>\$ 85.0</b>	<b>\$ -</b>

USGS Co-operative Agreement Ms. Volpi provided information on the potential USGS co-operative agreement that may be USGS' preferred vehicle to further our relationship with the USGS and co-location. USGS seeks additional space on campus with proposed occupancy by Summer/Fall 2020. Ms. Volpi noted that the agreement is intended to connect science with physical space to conduct the science. She noted that the agreements are typically for five-year terms with one-year funding increments, and noted that the USGS has the ability to convert the cooperative agreement into a lease. Chairman Jorden asked for examples of such arrangements and outlay and building requirements. There was discussion regarding the number of people that can be allocated office and lab space. Ms. Volpi reviewed the risks of co-operative agreements. Trustee Truly asked about the timeline of the decision process. Ms. Volpi noted Mines needs to give approval to move forward in four months and USGS intends to move as quickly as possible from that point. It was noted that Mines can delay if needed. Trustee Truly continued the discussion about the bonding timeline and Trustee Haddon asked about philanthropic opportunities. Chairman Jorden asked if Mines would like to go to the bond market by October, and Ms. Volpi

noted that a 2020 opening of the building has been a goal since this planning began in August 2016. She also noted that three years is the average building time for a lab mix building.

Motion to approve the Bond Reimbursement resolution by Trustee McNeil; seconded by Trustee Salazar. Approved 5-0.

**BE IT RESOLVED** that the Board of Trustees of the Colorado School of Mines is interested in furthering the collaborative relationship between the university and the USGS and authorizes management to perform all of the necessary due diligence in the pursuit of entering into a Cooperative Agreement that would further the earth resources partnership including co-location on the university campus. Furthermore, the Board of Trustees requires management to provide a full and complete assessment of this partnership and the associated agreement prior to seeking official Board approval (if desired) of the Cooperative Agreement.

## II. Regular Written Reports

Undergraduate Admissions \_\_\_\_\_ No discussion

Graduate Admissions \_\_\_\_\_ No discussion

Environmental Health and Safety Haddon commended the report as very comprehensive.

CSM Foundation \_\_\_\_\_ Mr. Winkelbauer provided an overview of the Advancement and Alumni Relations report and provided information donor Ben Fryrear new funding for the Fryrear Faculty Chairs on Innovation and Excellence. He noted there would be 4 annual awards of \$25k each award. These awards are to recognize faculty in excellence in teaching and research.

11:38am Trustee Haddon motioned to go into second Executive Session; seconded by Trustee McNeil. Approved 5-0.

## III. Executive Session

To discuss personnel matters per §24-6-402(3)(b)(I) C.R.S and to receive legal advice per §24-6-402(3)(a)(II) C.R.S.

There being no further business the meeting was adjourned.



Anne Stark Walker, Secretary