

RECORD OF PROCEEDINGS

Golden, Colorado
October 23, 2009

The Board of Trustees met in regular session on October 23, 2009 in the Coors Board Room.

Present: Trustees Cowart, DeFilippo, Fox, Hutson, Nyikos, Spaanstra, Tschatschula; Faculty Trustee Dorgan. Absent: Student Trustee Illing.

Also in attendance: President Scoggins, Provost Castillo, Senior Vice Presidents Middleton and Volpi, Vice Presidents Fox and Williams 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 Hutson made a motion, seconded by Trustee Fox, to approve the minutes of the September 11, 2009 regular meeting as submitted. Motion carried.

Chairman's Report. Trustee Nyikos reported that he and Trustee Hutson had attended a meeting with former State Senator John Evans. Mr. Evans is chairing an informal group looking at ways to enhance funding for higher education in the State; Trustee DeFilippo has been participating in the group as a private citizen. Since the group has become more formalized, Trustee Nyikos will plan to start attending the meetings to represent the School.

Trustee Nyikos thanked the Foundation staff for their work in organizing a successful Board of Governors meeting, as well as an outstanding Mines Century Society dinner.

Board Committee Reports. Trustee Hutson reported that the Finance and Audit Committee met on October 12, 2009 to review the financial reports, the status of the internal and external audits and the capital projects and bond financing items on today's meeting agenda. Trustee Hutson reported that the Committee is recommending approval of the Weaver Towers and Student Health Center program plans and the bond financing package. He also indicated that the Committee felt that no additional bond financing, beyond what is currently proposed, should be pursued at this time.

President's Report. President Scoggins reported on a successful fall Career Day event, and reported that placement statistics continue to look good.

President Scoggins reported that Mayor John Hickenlooper will be the speaker at the December 18, 2009 commencement ceremony.

President Scoggins reported on an alumni reception and golf tournament held in Grand Junction. He also reported on his recent trip to northern California, with alumni receptions in Palo Alto and San Francisco, and various individual donor meetings.

President Scoggins remarked on the successful events surrounding Homecoming, including the Foundation Board of Governors meeting, the Hall of Fame Dinner and the Mines Century Society dinner. He commented that he was pleased with the development of the Foundation Board and indicated there was strong consensus from that group that the School should move forward with a capital campaign.

President Scoggins reported that Mr. James Polsfut, Chair of the Colorado Commission on Higher Education, and Mr. Hereford Percy, Vice Chair of the Colorado Commission on Higher Education, visited campus on October 21 to learn more about the School. The Commission will meet on the Mines campus on November 5, and the new executive director of Department of Higher Education, Mr. Rico Munn, will be in attendance at that meeting.

President Scoggins reported on the work of the Fiscal Stability Commission, which was established by the legislature to study solutions for higher education and transportation funding, affordable access to health care, kindergarten through 12th-grade education, state-owned assets and the creation and adequate funding of a state rainy day fund. President Scoggins reported that at the most recent meeting of the Commission, the incoming director of the Department of Higher Education indicated that tuition flexibility would not be supported by the Governor in any potential higher education flexibility legislation. President Scoggins indicated there is not currently a consensus on how to best address higher education's funding problem. He indicated that Mines, in recognition of our unique mission, does not want a one size fits all type of solution.

President Scoggins asked Dr. Nigel Middleton, Senior Vice President for Strategic Enterprises, to give an update on his recent trip to Saudi Arabia for the inaugural celebrations for the King Abdullah University of Science and Technology (KAUST). Dr. Middleton reported on the various events and indicated that there may be some opportunities for strategic partnerships, and mentioned the hydrology program as a possible example.

Research Activities. Dr. John Speer, Associate Vice President for Research, provided an update on research activities for the month of August 2009. He indicated that the School has received a number of National Science Foundation awards through the American Recovery and Reinvestment Act. Dr. Speer highlighted three recent significant research awards, led by Professors Vincent, Knauss and Agarwal. Dr. Speer also highlighted several technology transfer efforts, led by Professors Dorgan, Voorhees and Spear. He also reported on the 29th Oil Shale Symposium held on campus.

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 September 30, 2009. Ms. Volpi reported that revenues under the Education and General Activity are forecasted to be \$4M higher than budget due to stronger than anticipated enrollment. Education and General expenditures are anticipated to be on budget with the exception of \$1.5M in additional expenses, mostly in the adjunct budget, needed to handle the larger enrollment as

well as address certain operating needs. Ms. Volpi reported that there is still uncertainty surrounding further cuts from the State. President Scoggins commented that the Governor has requested a waiver from the federal government on the requirement to hold higher education to its 2006 funding level in order for the State to receive American Recovery and Reinvestment Act funding. Since there is so much uncertainty regarding the state funding situation, the School will continue its strategy of carefully controlling discretionary spending.

Program Plan Approvals, Weaver Towers Renovation and Student Health Center. Senior Vice President Volpi presented the program plan for a \$10M renovation of Weaver Towers. The proposed construction schedule is in three phases and is designed to minimize the down time for the building. Ms. Volpi also presented the program plan for the construction of a new \$2.8M student health center. The new health center, which would include space for the counseling program, would be constructed directly west of the Recreation Center on the parking lot next to the intramural fields. The Trustees discussed the relative merits of these projects. In response to a question about academic space needs, President Scoggins remarked that we will be adding more than 125,000 gross square feet of academic space with the addition to Brown Hall and the construction of Marquez Hall.

Trustee Spaanstra made a motion, seconded by Trustee Hutson, to approve the following resolution:

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines hereby approves of the Weaver Towers Program Plan which lays out the plan to renovate both buildings at a total cost of \$10,000,000.

Motion carried, with Trustees DeFilippo and Tschatschula opposed.

Trustee Cowart made a motion, seconded by Trustee Spaanstra, to approve the following resolution:

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines hereby approves of the program plan for a New Student Wellness Center to be constructed at a cost of \$2.8 million.

Motion carried, with Trustees DeFilippo and Tschatschula opposed.

Bond Financing. Senior Vice President Volpi presented a plan to issue \$50M in debt for the construction of new student housing, Marquez Hall pledge financing, renovation of Weaver Towers and the construction of the new student health center. She indicated that current rates are very attractive. The Marquez Hall portion of the financing would be five year variable and fixed callable bonds; the remainder would be in fixed 30 year Build America bonds. President Scoggins commented that the Marquez Hall portion of the bonding will enable construction to begin before all the pledged payments have been made. In response to a question, he indicated there is always some risk of donors not fulfilling their pledges; however, he believes the need for the building outweighs what he perceives to be minimal risk in this regard. This bond issue will also include a refinance of \$14.4M of the School's synthetic fixed rate debt to fixed rate debt. The Trustees discussed the School's debt capacity and the advisability of moving forward with bond financing at this time.

Trustee Hutson made a motion, seconded by Trustee Spaanstra, to approve the sixth supplemental resolution authorizing the issuance of the following bonds pursuant to the master enterprise bond resolution (as appended to these minutes.)

Motion carried, with Trustees DeFilippo and Tschatschula opposed.

Underwood Gift Designation. Senior Vice President Volpi reported that the School is a residual beneficiary of the John G. and Nancy L. Underwood Trust. The School has received an initial trust installment of \$280,000 and will receive an estimated additional installment of \$500,000 upon final disposition of all trust assets. The Underwood gift is unrestricted to the School. Because Mr. Underwood had advised his trustees of his wish that the funds be considered for use to promote the study of laser drilling technology, it is recommended that a portion of his gift be designated to support Dr. Ramona Grave's laser drilling research and the remainder of the gift be used toward the construction and equipping of Marquez Hall.

Trustee Hutson made a motion, seconded by Trustee Spaanstra, to approve the following resolution:

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines hereby approves of the designation of the unrestricted gift to the School from the John G. and Nancy L. Underwood Trust which will approximate \$780,000 to be designated as follows:

- \$250,000 to support laser drilling research activities and
- \$500,000 (or the remainder) to support the construction and equipment of Marquez Hall.

In response to a question, Ms. Volpi indicated that from an accounting perspective these funds will continue to be considered as unrestricted, even though the Board will have designated their use. President Scoggins remarked on the importance of using bequests as the donor intended.

Motion carried, with Trustees Tschatschula and DeFilippo opposed.

Approval of Degree Program Name Change. Provost Steven Castillo presented a proposal from the Division of Economics and Business to change the name of the M.S. and Ph.D. degree programs offered by the Division from "Mineral Economics" to "Mineral and Energy Economics." Dr. Castillo reported that there was strong support from the faculty and the administration for this name change, which will more accurately reflect the content of the programs. Trustee Fox made a motion, seconded by Trustee Hutson, to approve the following resolution:

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves the change in degree name from Mineral Economics to Mineral and Energy Economics.

Motion carried.

Recommendations for Emeritus Status. Provost Castillo presented two candidates for consideration for emeritus status. Trustee DeFilippo made a motion, seconded by Trustee Tschatschula, to approve the following resolution:

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves the following for Emeritus status effective on their respective retirement dates:

James McNeil, Emeritus Professor of Physics

L. Graham Closs, Emeritus Associate Professor of Geology and Geological Engineering

Motion carried. Trustee DeFilippo praised the service of Dr. McNeil as head of the Physics Department. President Scoggins remarked that the retirements of Drs. McNeil and Closs represent a significant loss for the university.

Regular Written Reports. Trustee Nyikos asked Faculty Senate President Mark Eberhart if he would like to make comments on the Senate's report. Dr. Eberhart reported that the Senate was working on a change to the curriculum relating to a distributed science requirement, and to making changes in the EPICS II requirement. The Senate is also looking at the issue of posthumous degrees and certificates of merit for students who have died before finishing their degrees; Trustee DeFilippo asked that the Saudi student who was killed in a traffic accident on campus last year be considered, in addition to the four students who passed away this year. Dr. Eberhart also reported on the work of the Ethics Across the Curriculum task force appointed by Provost Castillo. Dr. Castillo commended the Senate for its work on these initiatives.

There were no questions on the other regular written reports.

Executive Session. The Trustees went into executive session at 11:07 a.m. to discuss a personnel matter as authorized by CRS § 24-6-402 (3) (b) (I).

Regular Session. The Trustees reconvened in regular session at 12:00 p.m. There being no further business, the meeting adjourned at 12:00 p.m.

Secretary