

(Subject to approval at the 9/21/12 meeting)

**DRAFT BOARD OF TRUSTEES OF THE COLORADO SCHOOL OF MINES
MINUTES OF THE BOARD MEETING**

Friday, August 10, 2012

**COLORADO SCHOOL OF MINES
1500 ILLINOIS ST., COORS BOARD ROOM**

Chairman Spaanstra called the Board of Trustees to order in special session at 9:00am on Friday, August 10, 2012, in the Coors Boardroom. Trustees present were Spaanstra, Truly, Misra, Bliss, Hutson, Cowart, and Faculty Trustee Dorgan; Trustee Vallejo was absent. Select CSM executives were also present, including President Scoggins, V.P. Winkelbauer, V.P. Fox, and V.P. Trubacz; Steph Chichester from North Slope Capital Advisors attended by phone.

II A. Approval of Minutes

Trustee Hutson moved that the minutes of May 21, 2012 be approved, seconded by Trustee Bliss. Motion carried 6-0 (Trustee Vallejo absent).

B. Action Items

Action item 1 President Scoggins gave an overview of the proposal for bonding for Student Life- related capital construction projects and the Foundation/Alumni Assoc building (covered and financed by the Foundation), as well as the refunding of \$10 million of current fixed debt to capture a lower interest rate. The timing of the proposal is intended to capture current low market rates. The Trustees discussed the facilities affected, the school's financial status, and debt capacity, and the current bond market. Chairman Spaanstra then asked Finance and Audit Committee Chair Trustee Cowart to give a brief report of the committee's most recent meeting.

Chairman Spaanstra called the question and Finance and Audit Committee moved to approve the resolution. Motion carried 6-0.

BE IT RESOLVED that the Board of Trustees hereby approves up to \$56 million in bonding for Colorado School of Mines following projects:

- \$21 million - Residence Hall
- \$11 million - Dining Hall
- \$9 million - Student Center Renovation – Phase I
- \$3 million - Foundation /CSMAA Home Building
- \$2 million – Capitalized Interest
- Up to \$10 million – Refunding

Action item 2 The President stated that this summer we were approached by an anonymous donor interested in Brook Stadium and Campbell Field. This interest had evolved from earlier discussions related to the School's ongoing capital campaign. The president asked the Board to consider accepting the \$15M proposed gift, which includes a \$2M initial donation, \$13M bond purchase with an 8-year term, and \$5.5M eventual debt forgiveness; and to approve \$4M bridge financing to cover any costs

associated with initial design work while the Foundation continues to raise funds for this project, which is expected to be fully funded through private donations by 2020. The Trustees discussed the conditions of the donation, the need for this project relative to other campus construction priorities, how it fits into the overall capital campaign, and the impact that a redesign of the Clear Creek Athletics Complex would have on all of Mines' athletics programs.

Chairman Spaanstra called the question, the Finance and Audit Committee moved to approve the resolution. Motion carried 5-1.

BE IT RESOLVED that the Board of Trustees hereby approves \$21.3 million for the Outdoor Stadium Complex at Campbell Field project, including:

- *Terms of the anonymous donor's proposal for \$13M in bonds*
- *\$4 million in reserve funds as a loan to bridge the project*
- *Allow the use of cash reserves to cover annual debt service shortfalls, as necessary*

Action Item 3 Mr. Trubacz discussed the proposal to accept a series bond rate decrease and extend the series by two years. The purpose of this proposal is to obtain approval of an extension of the Series 2010A bonds purchased by Wells Fargo Bank in November 2010 for a three year term. This proposal extends the end date of the agreement by two years until October 31, 2015. All provisions of the original agreement remain in place with the exception of the rate that Wells Fargo charges, which will decrease from 70 basis points to 65 basis bonds.

Chairman Spaanstra called the question. Finance and Audit Committee moved to approve the resolution. Motion carried 6-0.

BE IT RESOLVED that the Board of Trustees hereby approves the extension of the Series 2010A bonds for a two year extension over the original agreement with the exception of a rate decrease from 70 bases to 65 basis bonds effective June 30, 2012.

C. Information Items

Review of the calendar item was postponed.

There being no other business, the meeting adjourned at 10:25am.



Secretary, Board of Trustees