

Approved at the 3/27/15 meeting
BOARD OF TRUSTEES OF THE COLORADO SCHOOL OF MINES
MINUTES OF THE BOARD MEETING
January 30, 2015
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, Bliss, Truly, Vallejo, Haddon, Cowart, Jorden, Student Trustee Miller and Faculty Trustee Harrison.

Select CSM executives and directors were also present including President Scoggins, Provost Parker, AP Tom Boyd, AVP Heather Boyd, EVP Volpi, VP Fox, VP Middleton, Dean Moore, Dean Graves, Dean Kaufman, SVP Dean, Dean Moore, Ms. Walker, Mr. Han, Foundation President and COO Winkelbauer, and Dr. Knauss.

A. Oath of Office

Chairman Spaanstra administered the oath of office for new faculty trustee Dr. Wendy Harrison.

B. Election of officers

The Trustees discussed officer and committee appointments. Trustee Haddon moved to keep appointments as they currently stand, which was seconded by Trustee Truly. Motion approved 7-0. Trustee Vallejo remains Chair of the Finance and Audit and Investment Committee, with Trustees Truly and Haddon as members. Trustee Bliss was appointed Chair of the Strategy Committee, with Trustees Cowart and Haddon members. Trustee Haddon was appointed liaison to the CSM Foundation Board of Governors. Trustee Truly will continue to oversee the presidential evaluation process.

C. Consent agenda

Trustee Bliss moved to approve the December 11, 2014 meeting minutes, and the annual review of the Conflict of Interest policy, seconded by Trustee Truly. Motion approved 7-0.

D. Reports

Committee reports Trustee Vallejo reported that the Investment Advisory Committee met on January 19 to discuss the cash position, and the Finance and Audit Committee met the same day to review the second quarter forecast and the December 30 financial statements and the first 6 months of internal audit activities.

President Scoggins introduced Grandey Chair Dr. Mark Jensen and new football coach Greg Brandon and provided an overview of recent campus events. Mr. Han provided an update of legislative activities including Senate Bill 62 and the implementation of HB 1319. AVP Boyd stated that undergraduate admissions will wrap up in February. In the currently admitted group, the

commit rates of women and underrepresented students are 36% and 22% respectively—both are up over last year. This year’s wait list is expected to be at approximately 1500 students. The trustees engaged in a discussion of acceptance and yield rates. AP Boyd stated that 128 new graduate students enrolled this spring, bringing total enrollment to 1222. Mr. Winkelbauer stated that the Foundation had raised \$27.8 million this fiscal year, and that the challenge match for the 140th anniversary resulted in a 20% increase in alumni participation.

Research Activities Dr. Dean provided an overview of tech transfer activities and research awards, noting that proposals have a 33% success rate.

Environmental Health and Safety Ms. Volpi provided an update of activities and highlighted the workers compensation report for 2014, noting that the number of incidents and costs have decreased by about 15% from the previous year.

Financial Report Ms. Volpi reviewed the December 31 financial statements.

E. Action items

Action item 1: Q2 Forecast Ms. Volpi stated that each year, the school develops three quarterly forecasts during the year for operating activity. These forecasts serve to reflect where the school anticipates to end the fiscal year in relation to the original budget. The second forecast is set in January, after the second fiscal quarter but prior to spring semester census.

In fiscal year 2015 budget, Mines planned for \$169.94 million in revenue, \$162.81 million in expenses and \$6.79 million in additions to reserves resulting in net revenue over expenses of \$0.34 million. After the second quarter activity, we anticipate to end the year with \$172.81 million in revenue, \$162.07 million in expenses, and \$9.31 million in additions to reserves resulting in net revenue over expenses of \$1.42 million with an increase of 1.5 FTE.

RESOLUTION

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves the second quarter operating forecast that results in a Net Revenue over Expenses of \$1.42 million. The forecast is as follows:

- *Revenue of \$172.81 million, an increase of \$2.87 million*
- *Expenses of \$162.07 million, a decrease of \$0.74 million*
- *Reserve additions of \$9.31 million, an increase of \$2.52 million*

The Finance and Audit Committee motioned to approve. Approved 7-0.

Action item 2: Student Center Renovation Ms. Volpi stated that a program plan was developed in 2011-2012 to renovate the Student Center. At the August 2012 Board meeting, the Board of Trustees approved the issuance of a bond for \$9 million to fund the renovation. Areas to be renovated will include:

- The “Slate Café” dining area will be remodeled to include a convenience store and four food venues;
- The lower level (former I-Club) will house the relocated bookstore, student lounge, and small conference rooms;

- New offices for Student Activities, International Center, Graduate Studies, three large conference rooms, and areas for student gathering and study;
- The Registrar will move to the former Admissions office (moving to the Starzer Welcome Center);
- The Career Center expands into the former Registrar’s office;
- The Office of Graduate Studies and the Bursar’s Office will be relocated to the Student Center; and
- Exterior upgrades.

Infrastructure improvements are also part of this renovation as noted below:

- Mechanical and electrical improvements are being replaced expected to provide an annual energy cost savings of \$95,000 that equates to an expected payback on investment in ~ 8 to 10 years; and
- Xcel Energy is providing a one-time \$110,000 rebate for implementing energy savings measures
- The existing chiller will be replaced by a new chiller that is 17-percent more efficient than the current mechanical code requires; and
- The existing sewer line will be replaced.

The original budget of \$9 million for the project was developed over three years ago and did not include any of the infrastructure items. The current budget for the project is \$11.9 million which is comprised as follows (in millions):

\$9.0	As originally programmed
\$0.6	Cost escalation from 2012 – 2015. Primarily due to an improved regional economy and a labor shortage stemming from job loss during the 2008 recession. This is common in the Denver metro area.
\$1.6	Infrastructure Improvements (noted above)
\$0.7	Added scope beyond original program (exterior renovations and finishes to the student lounge)
\$11.9	Total

The project will be funded with existing funds as follows (in millions):

\$8.0	Bond (original bond was \$9m; however \$1m was used on the Elm Residence Hall)
\$1.3	Auxiliary Services – Sodexo investment
\$0.3	Deferred Maintenance
\$2.3	Student Services (fee based)
\$11.9	Total

RESOLUTION I

BE IT RESOLVED, that the Board of Trustees of the Colorado School of Mines hereby approves the revised plan of the Student Center Renovation and the increase of the project budget to \$11.9 million.

Trustee Jorden motioned to approve, seconded by Trustee Haddon. Approved 7-0.

RESOLUTION II

BE IT RESOLVED, that the Board of Trustees of the Colorado School of Mines hereby authorizes the School to fund the Student Center Renovation project as follows:

\$8.0	Bond (original bond was \$9m; however \$1m was used on the Elm Residence Hall)
\$1.3	Auxiliary Services – Sodexo investment
\$0.3	Deferred Maintenance
\$2.3	Student Services (fee based)
\$11.9	Total

Trustee Truly motioned to approve, seconded by Trustee Bliss. Approved 7-0.

F. Emergency Action Items

Sale of Property _____ Ms. Volpi stated that in 2014, the Colorado School of Mines was deeded a home at 725 Barberrry Circle in Lafayette, CO through a living trust of James H. Pacha. Mr. Pacha was not an alumnus of the school, but, was familiar with and fond of the school through one of his friends. His trust establishes an endowment with the proceeds of the sale of the home. Mr. Pacha indicated prior to his passing that he would like to establish three endowments; two for departmental support at \$25,000 each (Metallurgical and Materials Engineering and Electrical Engineering and Computer Science) and the remainder of the funds to be used for general scholarships. The house has been listed for sale at a price of \$300,000. We currently have several offers on the house. Upon acceptance of an acceptable offer, we would like to proceed to closing of the transaction

RESOLUTION

BE IT RESOLVED, that the Board of Trustees of the Colorado School of Mines hereby approves the sale of the property at 725 Barberrry Circle, Lafayette, CO and authorizes the Treasurer to execute the necessary closing documents representing the sale of the property at an acceptable price that is consistent with the appraised value.

Trustee Haddon motioned to approve, seconded by Trustee Vallejo. Approved 7-0.

G. Information Items

Capital Project update _____ Ms. Volpi noted that Elm Residence and Dining Hall was complete, that the Clear Creek Athletics Complex is on-budget and on track, as is the Starzer Welcome Center. The CoorsTek Center for Applied Science and Engineering is estimated to be completed in summer 2017 with an estimated cost of \$50million. The “traditional” residence halls renovation will begin this summer with an estimated cost of \$4.6 million. The GRL Annex building will be 21,500 square feet and will occur in two phases with a total estimated cost of \$7.8 million. The Edgar Mine improvement project is expected to begin this summer. The project will be partially funded by a \$1 million gift from Freeport McMoRan.

Chairman Spaanstra asked that the board moved into executive session to discuss personnel matters and receive legal advice per §24-6-402(3)(b)(I) and §24-6-402(3)(a)(II), C.R.S..

At 10:45am, Trustee Jordan made a motion to go into executive session, seconded by Trustee Truly. Motion approved 7-0. At 12:05pm, Trustee Truly motioned to go back into regular session, seconded by Trustee Bliss.

There being no further business, the meeting ended at 12:05pm.