

Approved at the 9/16/16 meeting
BOARD OF TRUSTEES OF THE COLORADO SCHOOL OF MINES
MINUTES OF THE BOARD MEETING
May 23, 2016
COLORADO SCHOOL OF MINES
1500 ILLINOIS ST.

Executive Session

The Voting Trustees met in Student Center Ballroom E at 8am.

Voting Trustees present: Spaanstra, Starzer, Bliss, Vallejo, Haddon, Jorden, Truly.

Chairman Spaanstra noted the need to move into executive session to discuss personnel matters per §24-6-402(3)(b)(I) and to receive legal advice pursuant to §24-6-402(3)(a)(II).

Trustee Bliss made the motion, seconded by Trustee Haddon. Approved 7-0.

Trustee Jorden motioned to move out of executive session, seconded by Trustee Bliss. The executive session ended at 9:15am.

Regular Meeting

Chairman Spaanstra called the regular meeting to order at 9:20 am in Student Center Ballroom D.

Trustees present: Spaanstra, Starzer, Bliss, Vallejo, Haddon, Jorden, Truly, Harrison, Jacobsen.

Select CSM executives and directors were also present including President Johnson, Interim Provost Boyd, AVP Heather Boyd, EVP Volpi, VP Fox, Dean Graves, Dean Moore, Ms. Walker, Interim Dean Voelker, Mr. Han, Ms. Ranta-Curran.

A. Recognition of Student Trustee

Chairman Spaanstra thanked Student Trustee Tyrel Jacobsen for his exemplary service.

B. Consent Agenda

Trustee Truly moved to approve the April 15, 2016 minutes, seconded by Trustee Jorden.
Approved 7-0.

C. Reports and Updates

Board Committee Reports Trustee Vallejo reported that the Finance and Audit committee met on May 17 to review the April financial statements, 3rd quarter forecast, gift designation information, alternative retirement proposal, capital construction 5 year plan, AY17 Tuition and Fees, FY17 Budget, audit plan, and to receive updates on the Ethics Hotline reporting.

President's Report _____ President Johnson introduced incoming student trustee Sara Steers. VP Han provided an update of the legislative session. Ms. Ranta-Curran answered Trustee questions regarding the recent "Dear Colleague" letter on transgender rights from U.S. Dept. of Education. President Johnson thanked the trustees' for their active involvement throughout the year. Trustee Haddon provided an update on the Alumni Association reorganization.

Financial Report _____ EVP Volpi provided an update on the April 30, 2016 financial statements at 3rd quarter forecast.

Assessment Update _____ Provost Boyd provided an update of assessment efforts. The goal is to gather and analyze information that will be used to enhance student learning, provide faculty with info they can use and verify that we are offering high quality education that prepares both undergraduates and graduates for life beyond Mines.

D. Action items

1. Faculty Handbook Changes _____ Provost Boyd reviewed the proposed material changes to the faculty handbook.

Subject	Description	Handbook Sections
Professor of Practice	Define new faculty category	4.1.2, 4.3.4, 4.7.1
Emeritus Appointments	Define role of college Deans in appointments	4.1.5
Parental Leave Eligibility	Revised language related to parental leave making eligibility effective immediately upon employment	5.4.13
Departmental Promotion and Tenure Committee	Define consultation requirement when appointing external members to departmental P & T Committees	8.1.3, 8.2.2, 8.3.2
Add Deans to University Committees	Add Dean to Budget Committee and Diversity Committee	12.3.2, 12.3.4, 12.13.2
Delete Sustainability Committee	Committee will still exist as ad hoc managed by Plant Facilities	12.11

RESOLUTION

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

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

- 2. 2016-17 Tuition and Fees EVP Volpi gave an in-depth presentation of the proposed tuition and fees for the coming academic year, noting that the University’s tuition is tightly tied to our level of support from the state, our high cost programs, as well as market conditions which include student demand. Since 2006, our annual tuition rate increases have ranged from a low of 2.75% to a high of 9.00%.

RESOLUTION

BE IT RESOLVED that the Board of Trustees approves the tuition and fees for the academic year 2016 and 2017:

- 3.0% increase for resident undergraduate and graduate rates;
- 4.0% increase for non-resident undergraduate and graduate rates;
- Increase in Housing of 6%, Room and Board charges of 2.2%; and
- Increases in fees and charges, including a new lab fee.

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

- 3. FY2017 Budget EVP Volpi noted that the university continues to make strides in funding strategic and critical investments. This budget represents all funds received and used by the university and is categorized as current unrestricted funds (“operating”), funds that are designated for particular purposes (faculty start up and indirect cost recoveries), restricted funds (research and gifts) and the university’s endowment funds.

RESOLUTION

BE IT RESOLVED that the Board of Trustees hereby approves the Fiscal Year 2017 Budget as follows:

	Current Unrestricted Operating Fund	Designated Fund	Current Restricted Fund	Endowment and Loan Fund	Total
Revenue	\$188,835,152	\$ 26,222,294	\$ 79,100,000	\$ 205,000	\$294,362,446
Expense	\$188,477,128	\$ 22,714,644	\$ 77,411,115	\$ 153,501	\$ 288,756,388
Net Activity	\$358,024	\$ 3,507,650	\$ 1,688,885	\$51,499	\$ 5,606,058

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

4. Capital Construction 5-year plan Ms. Volpi stated that each summer we are required to submit a five-year plan to the State for their approval of every project over \$2 million.

RESOLUTION

***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 \$87.3 million.*

Mines 5 year Capital Construction Plan (in millions)							State Budget Cycle				
Priority	Project Title	Total Project Cost	State Requests	General Fund	Private Donation	Special Financing	FY 18	FY 19	FY 20	FY 21	FY 22
1	Green Center Roof Replacement	\$ 17.0	\$ 8.5	\$ 8.5			\$ 3.0	\$14.0			
2	Green Center Chiller	\$ 8.6				\$ 8.6	\$ 1.0	\$ 7.0	\$ 0.6		
3	Center for Innovative Teaching and Learning	\$ 30.0			\$ 30.0		\$ 6.0	\$16.0	\$ 8.0		
4	Parking Garage	\$ 23.0				\$ 23.0		\$ 3.0	\$ 11.0	\$9.0	
5	Campus Generators	\$ 6.0				\$ 6.0	\$ 0.8	\$ 5.2			
6	Engineering Annex Renovation	\$ 2.7		\$ 2.7			\$ 0.6	\$ 2.1			
Total		\$87.3	\$8.5	\$11.2	\$30.0	\$37.6	\$11.4	\$47.3	\$19.6	\$9.0	\$0.0

Trustee Haddon motioned to approved, seconded by Trustee Bliss. Approved 7-0.

5. Gift Designation _____ EVP Volpi reminded the board that in 2009 the school was notified that we were the recipient of an unrestricted trust distribution, estimated at \$780,000, from an alumnus. The alumnus was interested in promoting the study of laser drilling technology but wanted to leave the decision of the use of the funds to the university. On Oct. 23, 2009, the Board of Trustees designated the gift as \$250,000 to support laser drilling activities and \$500,000 or the remainder to the construction and equipment of Marquez Hall. To date, total distributions have been \$2.39 million. Per the original Board designation, \$250,000 was allocated to the laser drilling lab and the remainder, or \$2.14 million to Marquez Hall to reimburse the costs of an uncollected pledge payment. Working with Dean Graves and consulting with the Finance and Audit Committee, EVP Volpi proposed a redesignation of the Underwood Trust.

RESOLUTION

***BE IT RESOLVED** that the Board of Trustees of the Colorado School of Mines approves the redesignation of the Underwood trust distributions as follows:*

- \$500,000 to support laser drilling
- \$1.89 million to fund the debt repayment for Marquez Hall
- Future distributions up to \$250,000 to support laser drilling; any future distributions beyond \$250,000 to be unrestricted to the university.

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

6. Alternative Optional Retirement Plan EVP Volpi stated that Colorado Public Employees Retirement Association (PERA) has been and is currently the only retirement plan for virtually all Mines employees. PERA is a defined benefit plan that provides a set retirement income to a retiree based on a formula. The total contribution to PERA by Mines is currently 19.25% and in 2017 will become 20.15% of salaries paid. This level of payment by Mines to PERA is unsustainable and is redirecting funds from other critical needs.

Mines is authorized pursuant to Colorado Revised Statutes §24-54.5-103 to establish an Alternative Optional Retirement Plan (AORP) in addition to PERA. An AORP is classified as a defined contribution plan whereby the plan defines and amount of contributions deposited into individual retirement accounts from which participants fund retirement benefits. Participation in the AORP is controlled by § C.R.S. 24-54.5-105.

RESOLUTION

BE IT RESOLVED that the Board of Trustees hereby approves the proposed establishment of an Alternative Optional Retirement Plan in accordance with § C.R.S. 24-54.5-100 through 107. Upon review by the Finance and Audit Committee of the design and structure of the plan, the Board of Trustees hereby authorizes Executive Vice President Volpi to adopt on its behalf the required plan documents in compliance with Internal Revenue Code requirements.

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

7. Indemnification Policy EVP Volpi that in 2011, the Board passed a policy stating that it would not indemnify contractors without explicit approval from the Board. Pursuant to state statute, the Board can agree to indemnify a contractor upon affirmation that (1) there is valid public purpose and (2) the risks to the institution are sufficiently limited and outweighed by the benefits of the contract. Such contracts broadly are not however covered by State Risk Management, our liability coverage provider. The proposed policy changes would provide general Board approval to indemnify and hold harmless vendors/donors for the purchase, donation, lease or licenses of information technology goods and services only used for instructional purposes.

RESOLUTION

BE IT RESOLVED that the Board of Trustees hereby approves the changes to the Contractual Indemnification Policy, providing Board approval to indemnify and hold harmless contractors for the purchase, donations, lease or license of information technology goods and services that are only used for instructional purposes, and which:

- *Indemnification is considered standard in the industry;*


- *The indemnification clause is non-negotiable;*
- *Potential liability as a result of indemnification is sufficiently limited and reasonably likely to be covered by insurance, bonds, surety instruments, loss reserves or other source of funds; and*
- *The goods and services provide a valid public service and the risks are outweighed by the benefits.*

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


8. Amorous Relationships Policy Ms. Volpi stated that in 1992, the Colorado School of Mines Board of Trustees ("Board") approved provisions of the Faculty Handbook that outlined expectations regarding personal relationships between Mines faculty members and students. In 2012, the Faculty Handbook provisions regarding such relationships were removed from the handbook and the Board adopted the Personal Relationships policy as a stand- alone policy. Recent complaints filed under the Mines' Policy Prohibiting Gender-Based Discrimination, Sexual Harassment, and Sexual Violence have demonstrated the need to update the Personal Relationships policy and clarify Mines' expectations regarding such relationships.

The Trustees engaged in a robust discussion of the policy and proposed revisions and agreed that the proposed changes were an improvement, but more explicit language is necessary. The Trustees requested that administration send a revised version for their review no later than June 15, so that they could move forward with approval in time for summer training plans from HR.

There being no further business, the meeting ended at 12:50 p.m.



Signed *General Counsel*



Date