

Approved at the 2/9/2018 meeting
BOARD OF TRUSTEES OF THE COLORADO SCHOOL OF MINES
MINUTES OF THE BOARD MEETING
Friday, December 8, 2017
COLORADO SCHOOL OF MINES
1500 Illinois Street, Coors Boardroom

I. Trustee Breakfast – 8:00 am, Ballroom C, Student Center

Executive Session

8:00 a.m. Motion to move into executive session by Trustee Haddon; motioned seconded by Trustee Truly. Motion approved 6-0.

The purpose of the Executive Session was to receive legal advice pursuant to §24-6-402 (3)(a)(II), C.R.S. and discuss personnel matters per §24-6-402(3)(b)(I) C.R.S.

9:05 a.m. Motion to adjourn executive session and move into regular session by Trustee Bliss; seconded by Trustee Haddon. Motion approved 6-0.

II. Regular Meeting

9:17 a.m. Trustee Jorden called the regular meeting to order.

Trustees present: Chairman Jorden, Trustee's Haddon, Bliss, Truly, Starzer, Salazar, Swift and Hogue.

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

a. Consent Agenda

The minutes from the October 27, 2017 meeting were submitted and approved.
Trustee Truly motioned to approve; seconded by Trustee Haddon. Motion approved 6-0.

b. Reports and Updates

Board Committee Reports Trustee Haddon reported that the Finance and Audit Committee (FAC) and the Investment Advisory Committee (IAC) met via telephone conference on December 4, 2018. The committee reviewed financial statements for June 30, 2017, and the current external financial audits. Mines received clean audits and the financials were approved.

President's Report President Johnson provided a brief review of campus events. He thanked the Board for their participation in many events. Dr. Johnson highlighted the Erickson lecture, "DaVinci and Michelangelo: the Titans Experience," noting that many Board members attended on December 3 and that the curator of the Machines and Michelangelo Exhibitions is looking for a permanent display home and Mines is having preliminary discussions about bringing it to Mines. President Johnson discussed the Local M-Club holiday event, noting that there were over 300 attendees. Dr. Johnson noted that Dr. Stefani Thompkins is joining Mines as the new Vice President for Research and Technology Transfer (VPRTT) in early February. He recognized Athletics for the teams' showings this Fall. President Johnson also provided information on the Family Foundation, focused on graduating engineers, and invited the Trustees to be part of the network.

Research Activities Dr. Harrison referred to the report in the Board materials and answered questions about Mines' efforts to grow research dollars. She noted funding is on a good trajectory. She provided

an overview on research by sponsor and industry. She recognized the success of the representative research awards noted in the report and provided an update on Technology Transfer activities. There was a brief discussion regarding developing a strategy to enhance industry-funded research. Chairman Jorden asked to see trends over the last 10 years for the next meeting.

Faculty Senate Report Dr. Maxwell provided an overview of the priority items the Faculty Senate has focused on this semester. He noted that the Undergraduate and Graduate committees have worked closely with the Provost's office to approve new degrees. He provided a brief overview of the faculty surveys noting that every other year the Senate will do a campus climate survey and in alternating years, the Senate will circulate a leadership survey. Dr. Reed briefly discussed the Faculty Senate support of the proposed remodel and expansion of the library, and initiatives to promote teaching and library faculty advancement. He provided information on ad-hoc committees that actively engage faculty regarding climate change, leadership, research and morale.

c. Presentation and Discussion

Mines/USGS Collaboration timeline Ms. Volpi provided an overview of the Mines/USGS expanding collaborations. She noted that pursuant to meetings with USGS colleagues and a subsequent meeting with an internal Mines group, there is more specificity on the cooperative vision. She briefed the Board on the recently proposed agreement format change from a cooperative agreement to a memorandum of understanding (MOU), noting she understands that we can anticipate essentially the same content in the MOU, but a different format. She reviewed the draft timeline for the partnership, which included potential funding opportunities, next steps for negotiating an agreement with USGS, and approvals needed. Once necessary approvals are in place, facility planning could begin. Construction of the facility could conclude by early 2021.

Ms. Volpi provided information on the building financing opportunities, including the State Certificate of Participation, both State and Federal appropriations, a private loan or investment, and fundraising. Ms. Volpi noted that conversations have begun with a possible investor/donor. Ms. Volpi discussed that the building could get built in partnership with a developer or through Mines-issued debt. There was discussion regarding the current estimate to construct the building and Ms. Volpi noted that it might be in the \$80 million range. Ms. Volpi discussed the various funding opportunities and noted that the facility would likely need to be financed by a hybrid funding model. There was further discussion on when the draft MOU would be available for review by the Board. It was noted that a statement of work has already been drafted by Dr. Wendy Harrison. There was some discussion regarding the substantive differences in the two formats (MOU versus Cooperative Agreement), and the need to carefully evaluate this transaction going forward.

Capital Opportunity Ms. Volpi provided an overview of a capital opportunity located adjacent to Mines' Jackson Street property for potential use as a new apartment-style residence hall with 242 beds and 111 units and 172 underground parking spaces. The residence hall would be housing for sophomores, juniors and seniors living on campus, and would advance the master plan to double student housing. A developer currently owns the land. And, Mines intends to sign a non-binding letter of intent with the developer this month. With the current financial pro-forma, it is anticipated that Mines would break even on the housing in year one. Ms. Volpi reviewed the pros and cons. There was discussion regarding the impact of this proposed housing on Mines' relationship with Golden and surrounding neighbors. Ms. Volpi noted that Mines is not subject to Golden's growth limits or zoning requirements. The current building plan, however, was designed as four stories, which is within the City's height limits. There was brief discussion about demand for graduate housing and it was noted that this opportunity could free up housing in Mines Park, creating more housing for graduate students. Ms. Volpi noted that Confluence developer has other properties in Golden and has a good relationship with Golden. Ms. Volpi assured the Board that Mines is doing its due diligence and expects to bring this matter to the Board again in February.

Collateralization pursuant to SB17-267 Ms. Volpi provided information about SB17-276. This bill repealed the hospital provider fee and created the Colorado Healthcare Affordability and Sustainability Enterprise to administer

a similar new fee that is exempt from the TABOR calculation. The State is looking for deferred maintenance funding as a way to fund transportation and other capital construction. Ms. Volpi noted the Senate Bill stipulates that by the end of this year, the state architect, state office of planning and budget, and higher education must come up with a list of assets that the State can collateralize. She reviewed the criteria for such collateral. Ms. Volpi provided an overview on Mines assets with debt that can't be collateralized. She noted that there is no action to take at this time. There was brief discussion regarding the State's debt and the potential long-term implications. It was noted that other Universities are scrutinizing this statute and that higher education is in a difficult situation. At this point there is not a definitive plan of how the State will implement this statute.

Audited Financial Statements FY2017 Ms. Volpi provided a review of the audited financial statements noting Mines was given a clean opinion. She noted there were no material changes from what the Board had seen over the summer. She reviewed the management discussion and analysis as well as the financial statements and accompanying footnotes. Ms. Volpi noted that the balance sheet had a significant difference in the pension liability in fiscal year 2017 due to the increase in the State's PERA liability. She noted there were no issues found within the audit and that Mines has the proper controls in place.

d. Action Items

Graduation Lists Dr. Boyd provided a summary of the graduation list for bachelor's, master's and doctorate students. He noted that the list had been confirmed by the registrar and vetted and approved by the departments and the Faculty Senate. Dr. Boyd requested approval of the December 2017 graduation list.

Motioned to approve by Trustee Haddon Starzer; seconded by Trustee Truly. Approved 6-0.

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approve the attached graduation lists.

New program approval: Space Resources and Natural Resources and Energy Policy Dr. Boyd introduced Dr. Greg Jackson and Dr. Angel Abhud-Madrid. Dr. Abhud-Madrid provided an overview of the proposed Space Resources Graduate Degree program. This program includes a certificate, non-thesis masters and PhD program. Dr. Abhud-Madrid provided a presentation on the Space Resources program. He noted that resources are the engine to our society, the objective central characteristic of Mines, and provided a review of space resource history noting that space resources have not been utilized with the exception of solar. He provided background on the increased interest in space resources by NASA and other nations, and the investing in space resource initiatives within large aerospace companies noting that Colorado has the second largest aerospace community in the nation. Dr. Abhud-Madrid noted that Mines will be the first institution in the world to launch a program related to Space Resources. He reviewed the program curriculum and noted that Mines would offer the certificate program online, teaching Space Resources fundamentals. There was brief discussion regarding other courses universities are offering in this area..

Motion to approve by Trustee Truly; seconded by Trustee Haddon. Approved 7-0 for Space Resources Graduate Degree Program.

Dr. Kathleen Hancock was introduced by Dr. Boyd to provide an overview of the Natural Resources and Energy Policy (NREP) Graduate Degree program. This program is a retitling and a modification of the existing degree Masters of International Political Economy of Resources program. The new program is a non-thesis master's program only. Dr. Hancock provided an overview of the overall mission of the program, its curriculum, and the targeted students. She reviewed the degree revisions from the existing MIPER program. She noted that the program aims to train engineers and social scientists in the critical skills needed to respond to domestic and global challenges related to natural resources and energy issues in the 21st century.

Dr. Boyd noted that there will be a number of new graduate degree programs brought to the Board for approval at the February meeting.

Motion to approve by Trustee Haddon; seconded by Trustee Salazar. Approved 6-0 the Natural Resources and Energy Policy Graduate Degree program.

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approve the following graduate degree program actions:

Creation of a new graduate degree program (Certificate, Non-thesis MS, and PhD) with the title "Space Resources"

Creation of a new graduate degree program (Non-thesis MS) with the title "Natural Resources and Energy Policy"

Elimination of an existing graduate degree program (Certificate, Masters) with the title "Masters in International Political Economy of Resources"

Approval of contract indemnification terms Ms. Volpi provided information on the Comcast and Xcel contracts that require Mines to indemnify these parties. Comcast is the cable provider for the Student Center and Student Recreation Center. She noted that pursuant to Board policy, only the Board can approve indemnification provisions in our contracts. Ms. Volpi provided information on the Xcel contract, explaining that it is part of the ISOC program through which Mines can potentially receive an annual credit. Ms. Volpi noted that risks under both contracts have been internally assessed and were deemed to be properly mitigated with the backstop of insurance. Dr. Fox provided a brief overview of the current problem related to cable connectivity in the Student Life facilities.

Motion to approve by Trustee Truly; seconded by Trustee Bliss. Approved 6-0.

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves agreeing to the indemnification language in the Comcast Business Services Customer Terms and Conditions, and authorizes the President or his appropriate delegee to execute this Agreement.

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves agreeing to the indemnification language in the Xcel Interruptible Service Option Credit Agreement, and authorizes the President or his appropriate delegee to execute this Agreement.

Parking garage additional spaces Ms. Volpi provided an overview of proposed changes in the design for the parking garage. She noted that adding more spaces now will push the need for another garage further into the future. She noted the cost for the newly designed project would require an additional \$4.5 million for 919 spaces. She said that because Mines had already done the bond financing for the original garage design, Mines would have to fund the additional expense through our reserves. Ms. Volpi noted Mines should break even on this facility, and that adding the additional spaces would ensure flexibility for future capacity. There was discussion regarding the total cost and Ms. Volpi stated that it would be \$27.5 mil now with the proposed design changes. There was a brief discussion regarding elevation and potential City concerns. It was noted that Mines would go through its typical process with the City, attend the planning commission meetings and hold neighborhood meetings to address any community concerns about traffic. Ms. Volpi noted that the City is now requiring Mines open 14th street, which may raise some traffic flow concerns.

Motion to approve by Trustee Haddon; seconded by Trustee Truly. Approved 6-0.

BE IT RESOLVED that The Board of Trustees of the Colorado School of Mines approves the proposed additional parking garage spaces with an additional cost of \$4.5 million.

Advanced Bond Refunding Ms. Volpi provided an overview of the process for advanced bond refunding and the standard practice of assessing the effectiveness of refunding bonds prior to their call date in order to achieve savings. She noted the proposed tax reform bill does repeal advanced refunding so our ability to do this in the future will likely terminate. Mines has the opportunity now given the volume and rates. Ms. Volpi reviewed the ratings expected and provided an overview of the structure and advance refunding economics. There was a brief discussion regarding pricing and interest rates. Ms. Volpi noted the refunding would be done in advance of passage of the tax reform bill with pricing on Tuesday and closing a week later.

Motion to approve by Trustee Haddon; seconded by Trustee Salazar. Approved 6-0.

BE IT RESOLVED that The Board of Trustees of the Colorado School of Mines approves the advanced refunding of the 2010B bonds and a portion of the 2012B bonds totaling \$53.5 million including cost of issuance of approximately \$400,000 resulting in a net present value savings of 6.42% pursuant to the terms of the Sixteenth Supplemental Resolution authorizing the issuance of the Board of Trustees of the Colorado School of Mines Institutional Enterprise Revenue Bonds, Series 2017C (Attachment 1).

Lease Agreement Catalyst Ms. Volpi provided information on a potential lease agreement with Catalyst RiNo LLC. The building is currently being built in Denver's River North District (RiNo), northeast of Brighton. The purpose is to bring together private industry, non-profits and starts-ups to promote the health care industry. With Mines' bio footprint, this would be a good opportunity to expand Mines outside of Golden. UC Health and CU Anschutz are also exploring space in the building. It was noted that our presence in this bio industry space may lead to opportunities for students regarding internships, sponsored projects, etc. President Johnson discussed the building configuration. It was noted that historically Mines has had challenges for locating internships in the bio/medical fields. This is a relatively low-cost experiment to move off campus to downtown and increase Mines' visibility. Ms. Volpi and Dr. Johnson reviewed the potential uses of the space and noted it would move Mines in the right direction. Mines anticipates having someone permanently in the space, although this may be a rotating position. There was further discussion over the space configuration and who would configure it. Mines intends to utilize its space for classrooms, maker space, more flexible space, a few offices and a possible hoteling area. The lease has a 4-year term with annual rent of \$56K and parking on top. Ms. Volpi noted that Mines is working through the lease negotiation. There was further discussion regarding the size of the building, signage and exposure.

Motion to approve by Trustee Haddon; seconded by Trustee Truly. Approved 6-0.

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves of the School entering into the lease with Catalyst RiNo, LLC, and authorizes the President or his appropriate delegee to execute the lease agreement with Catalyst RiNo, LLC, pursuant to the terms outlined herein and deemed appropriate by management.

Emergency Action Item

Xcel Energy Easement Ms. Volpi provided a brief overview on the Xcel easement and generator.

Motion to approve by Trustee Haddon; seconded by Trustee Salazar. Approved 6-0.

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves of the School granting the utility easement described above to Xcel Energy, and authorizes the President or his appropriate delegee to execute the easement with Xcel Energy.

e. Regular Written Reports

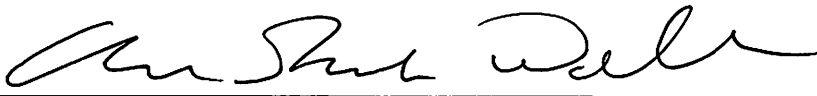
Undergraduate Admissions _____ Ms. Boyd gave brief highlights regarding Admissions' outcomes to date, noting 3600 students have been admitted. She will provide information at a future meeting regarding yield numbers.

Graduate Admissions _____ Dr. Boyd gave brief highlights on the Spring graduate admissions report noting that it was too early for Fall update. He noted that while Spring applications were down, accepts were approximately the same as last year.

CSM Foundation report _____ Mr. Winkelbauer provided a brief update on Foundation activity and highlights. He noted the recent gift from Mr. Bruce Grewcock supporting an important initiative. He provided information on crowd funding as an important and popular vehicle for giving, and noted that the Foundation purchased a new platform to support this. Mr. Winkelbauer provided an update on the relationship with the Alumni Association (CSMAA), and noted they have begun discussion on the 3-year arrangement, budget and funding, noting things are going well and that CSMAA is actively engaged.

11:40 a.m. Motion to move into executive session by Trustee Haddon; seconded by Trustee Salazar. Approved 6-0.

12:00 p.m. There being no further business the meeting was adjourned.



Anne Stark Walker, Secretary