Approved at the 9/13/2019 meeting
BOARD OF TRUSTEES OF THE COLORADO SCHOOL OF MINES
MINUTES OF THE BOARD MEETING
Monday, May 20, 2019
COLORADO SCHOOL OF MINES
Starzer Welcome Center, 1812 Illinois Street, Golden, CO 80401

I. Trustee Breakfast – 7:30 a.m., President’s Residence, 1722 Illinois Street

Executive Session
To discuss legal advice pursuant to §24-6-402 (3)(a)(I), C.R.S.; employee matters pursuant to §24-6-402(3)(b)(I), C.R.S.; administrative actions and investigative reports involving students pursuant to §24-6-402(3)(b)(I), C.R.S.; property purchase pursuant to § 24-6-402(3)(a)(I); and matters required to be kept confidential by federal law or statute statutes, pursuant to §24-6-402(3)(a)(III), C.R.S.

8:00 a.m. Motion to move into executive session by Trustee Haddon; seconded by Trustee McNeil. Motion approved 7-0.

Trustees present: Chairman Jorden, Trustee’s Haddon, McNeil, Salazar, Sanders, Starzer and Burgess.

Mines executives and directors present: President Johnson, Interim Provost Boyd, EVP Volpi, VPSL Fox, VP Tompkins, VP Han and VPGC Walker.

8:25 a.m. Motion to move to regular session by Trustee Haddon; seconded by Trustee McNeil. Motion approved 7-0.

II. Regular Meeting – Starzer Welcome Center, Wagner Boardroom

8:40 a.m. Regular session resumed and called to order by Chairman Jorden.

Trustees present: Chairman Jorden, Trustee’s Haddon, McNeil, Salazar, Sanders, Starzer and Burgess.

Mines executives and directors present: President Johnson, Interim Provost Boyd, EVP Volpi, VPSL Fox, VPRTT Tompkins, VP Han and VPGC Walker.

Tom Jorden recognized Sevy Swift for his service to the Board for two terms and presented him with a silver certificate of appreciation.

a. Consent Agenda
The minutes from the April 5, 2019, April 29, 2019 and May 3, 2019 meetings were submitted for approval.

Trustee Starzer motioned to approve the minutes as presented; seconded by Trustee Burgess. Motion approved 7-0.

b. Reports and Updates

Board Committee Reports

Trustee Haddon reported that the Finance and Audit Committee (FAC) met on May 6, 2019. They reviewed the financial statement as of March 31, 2019, the Fiscal Year 2020
Budget, the Subsurface Frontier financing options and the Five-year Capital plan. The committee was introduced to the newly hired internal auditors from RubinBrown LLC.

President’s Report President Johnson thanked the Trustees for all of the activities and events they participated in last month. Dr. Johnson noted and recognized Dr. Boyd’s final Board meeting as Interim Provost.

Financial Report Ms. Volpi reviewed the financial statements through for third quarter ending March 31, 2019. She reviewed the balance sheet noting assets were up 3.3% and liabilities down 2.4%, both consistent with this time of year. Ms. Volpi reviewed how the pension liability is reported and recorded on the balance sheet and income statement. She reported the net position is up 31.4% due to most of the annual revenue being earned by the third quarter and expenses incurred through the third quarter.

Ms. Volpi reviewed the income statement noting revenue is up 6.6% due to an increase of tuition and fees, and an increase in funding from grants and contracts, primarily federal. She reported the total operating expense is up 7% due to compensation increases for the year, new full time employees, sponsored programs, and operations of plant due to non-capitalize-able repairs and maintenance. She noted the non-operating revenue investment income is down due to the market downturn in December resulting in a loss to the endowment.

Ms. Volpi reviewed the third quarter forecast noting that expenses and reserves are $1 million higher than projected. She noted that net activity is projected to end the year just under $1 million; however, due to one-time revenue occurrences in fiscal year 2019, it is anticipated that the carryover to the next year will be a deficit.

There was brief discussion regarding the newly hired auditors, and it was noted that Mines is now outsourcing the internal chief audit executive position.

Faculty Senate Report Dr. Tzahi Cath reported on ongoing Faculty Senate business. He reviewed the most recent election of four new Senators and announced that the next Faculty Senate President is Marcelo Simoes from Electrical Engineering. He reported that Dr. John Speer, Metallurgical and Materials Engineering, is the next Faculty Distinguished Lecturer. Dr. Cath provided information on what is being updated in the Faculty Senate bylaws. He also provided summary information for an ad hoc Senate committee who reviewed and recommended changes to our process for faculty evaluation of classroom instruction. Many of the recommendations will be piloted in the Fall 2019 semester. Dr. Cath was recognized by Dr. Boyd and the Board for his service to the institution over the past year as Faculty Senate President.

c. Action Items

Faculty Handbook Recommendations Dr. Boyd requested the Board consider and approve proposed additions and modifications to the Faculty Handbook as presented and vetted by the campus Handbook Committee and reviewed by the campus community during the mandatory 30-day comment period. Dr. Boyd provided a summary of the proposed material changes as listed below. He also noted that the Board was provided a link to red-lined versions of the Handbook that incorporated these changes. The Board requested that they receive an electronic copy of the Faculty Handbook once updated with these changes.

Motion to approve the Faculty Handbook recommendations as proposed made by Trustee Haddon; seconded by Trustee Salazar. Approved 7-0.
MATERIAL HANDBOOK CHANGES FOR BOARD CONSIDERATION

<table>
<thead>
<tr>
<th>Subject</th>
<th>Description</th>
<th>Handbook Sections</th>
</tr>
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<tbody>
<tr>
<td>Teaching Faculty Contractual Language</td>
<td>• Clarify language related to Teaching Faculty contractual processes explicitly recognizing faculty who have been at the institution three years or longer are on two-year contracts renewed annually. Change non-renewal notification requirement from September 1 to August 1.</td>
<td>4.1.2 A, 9.2.1 A</td>
</tr>
<tr>
<td>Graduate Faculty Appointments</td>
<td>• Define authority to appoint Graduate Faculty to TTT Faculty, and Professors of Practice and Teaching Faculty with Graduate Faculty status</td>
<td>4.3.2, 4.3.3</td>
</tr>
<tr>
<td>University Emeritus Appointments</td>
<td>• Eliminate University Emeritus appointments</td>
<td>4.1.5</td>
</tr>
<tr>
<td>Contract Pay Periods</td>
<td>• Revise Handbook language to reflect transition for faculty pay periods from 9-month to 10-month.</td>
<td>4.11.2</td>
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<tr>
<td>Instructional Development Assignment</td>
<td>• Define alternate assignment for instructional faculty to improve pedagogical development and instructional delivery</td>
<td>6.1.6</td>
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<tr>
<td>Grievance Committee</td>
<td>• Restructure size, membership, and operations of Grievance Committee</td>
<td>12.14</td>
</tr>
<tr>
<td>Research Advisory Board</td>
<td>• Create Research Advisory Board to advise VPRTT on issues related to research at Mines</td>
<td>12.15</td>
</tr>
<tr>
<td>Technology Fee Committee</td>
<td>• Define Technology Fee Committee as a University Committee</td>
<td>12.16</td>
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</tbody>
</table>

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

Approval of Grant Easement of City of the Golden Ms. Volpi requested the Board consider and approve the recommendation of the grant of an easement to the City of the Golden. Pursuant to the Board of Trustees Capital Construction and Real Estate Conveyance Policy, Section 2.1, the Board of Trustees is asked to consider and approve granting the utility easement to the City of Golden, and authorizes Mines to execute said easement. Ms. Volpi provided a summary of the requested utility easement allowing for an extension of the utility line west of 6th Avenue that will be beneficial to both the neighboring homes and Mines Park residents. There was brief discussion regarding the rights to the ownership on the easement.

Motion to approve the grant easement of City of Golden recommendations as proposed made by Trustee Salazar; seconded by Trustee McNeil. Approved 7-0.

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

Mines Innovation Hub program Ms. Volpi recommended that the Board of Trustees approve the Innovation Hub (the Hub) Program Plan with total project costs of $17.50 million anticipated to be funded by the State, students and donors. She provided a summary of the program plan highlighting the opportunity the Hub offers students for experiential, hands-on learning. Dr. Johnson reported on the benefits an Innovation Hub broadly brings to Mines. Ms. Volpi reviewed a map of the location for the Hub’s 30,000 square foot building. She provided a summary of anticipated funding sources and cost breakdown. There was brief discussion regarding financing and donor interest. Dr. Johnson noted he wants to see it operational by 2024. Mr. Winkelbauer provided information on donor interest and the support and momentum the Hub has already garnered. Mr. Han provided
information regarding legislative funding priorities for next year noting the Innovation Hub would be a new request and would not be competitive with the Subsurface Frontiers Building.

Motion to approve the Mines Innovation Hub program as proposed was made by Trustee Salazar; seconded by Trustee Starzer. Approved 7-0.

**BE IT RESOLVED** that the Board of Trustees of the Colorado School of Mines approves the Innovation Hub Program Plan with total project costs of $17.50 million to be funded by the State, students, and donors.

Five Year Capital Plan Ms. Volpi provided an overview of the Five Year Capital Plan and recommended that the Board of Trustees approve of the Capital Construction Five Year Plan for FY 2021-2025 as proposed with total project costs of $369.5 million. She reviewed the nine capital projects that are being considered and the anticipated sources of funding for each. Ms. Volpi noted that this approval is an annual requirement of the State of Colorado and is used for planning purposes only.

Motion to approve the Five-Year Capital Plan as proposed made by Trustee Haddon; seconded by Trustee McNeil. Approved 7-0.

**BE IT RESOLVED** that the Board of Trustees of the Colorado School of Mines approves the Capital Construction Five Year Plan with a total project cost of $369.5 million.

<table>
<thead>
<tr>
<th>Mines 5 year Capital Construction Plan (in millions)</th>
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<tbody>
<tr>
<td>Project Title</td>
</tr>
<tr>
<td>----------------</td>
</tr>
<tr>
<td>1 Subsurface Frontiers</td>
</tr>
<tr>
<td>2 Parking Garage II</td>
</tr>
<tr>
<td>3 18th St Utilities</td>
</tr>
<tr>
<td>4 Innovation Hub</td>
</tr>
<tr>
<td>5 Early Childhood Education Center</td>
</tr>
<tr>
<td>6 Library Renovation</td>
</tr>
<tr>
<td>7 Residence Hall VII (400 beds) + Dining Hall III + Recreation Center</td>
</tr>
<tr>
<td>8 Earth Resources Innovation Hub</td>
</tr>
<tr>
<td>9 Residence Hall (250 beds)</td>
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<tr>
<td><strong>Total</strong></td>
</tr>
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State Budget Cycle

Fiscal Year 2020 Budget approval Ms. Volpi submitted to the Board the proposal for the Fiscal Year 2020 (FY20) Budget. The Finance and Audit Committee has reviewed the proposed budget for the Academic Year 2019-2020 and recommended to the Board that they consider and approve FY20 Budget as proposed. Ms. Volpi provided a review of the All-Funds budget revenue, revenue trends, and expenses. She provided information on unrestricted operating revenue, enrollment and admissions yield rates. She also provided an overview of the proposed tuition rates noting that the university will follow the Governor’s requirement to keep resident tuition flat. Mandatory and new fees were reviewed along with expense increases in all areas. Ms. Volpi reported on the higher education landscape, the cost of education and return on investment.

Pursuant to authority conferred by §23-41-104(1), C.R.S. (2012) and as required by §23-5-119.5(1), C.R.S. (2012), the Board of Trustees has the responsibility and authority for the financial management of the School, including the setting of tuition and fees and the approval of the budget.

The Finance and Audit Committee has reviewed the proposed budget for the Academic Year 2019-2020 and recommends to the Board of Trustees the Fiscal Year 2020 Budget.
Motion to approve revisions to the Fiscal Year 2020 Budget as proposed made by Trustee Haddon; seconded by Trustee Salazar. Approved 7-0.

BE IT RESOLVED that the Board of Trustees approves the Fiscal Year 2020 Budget consisting of:

- Total revenue of $336.74 million;
- Total expenses of $324.31 million plus addition of reserves of $4.30 million;
- 0.0% increase for resident and 3.0% increase for non-resident residential undergraduate and graduate tuition rates; 0.0% increase for online tuition rates;
- 0.0% increase for faculty-led study abroad tuition rates
- Increases to Room and Board rates; and
- Increases in fees and charges, plus seven new program fees and two new administrative fees.

Subsurface Frontier financing recommendations. Ms. Volpi provided an overview of the building project costs and the anticipated financing needs, noting there has been no change to the project costs since the last meeting. She provided a review of the financing options for this project and, then presented the administration’s recommended financing plan and estimated debt service for the project. She reviewed the estimated impact on debt service and the plan for monitoring and mitigating risks. Ms. Volpi reported on the next steps and the financing timeline, and reviewed refunding opportunities. Ms. Volpi noted that the administration will come back to the Board for any action outside of the recommended commercial paper and variable rate demand bond structure. Mr. Han reviewed the State funding timeline noting that we are able to access phase one ($1.8M) of the two-year State request; year two funding ($18.2M) will be included in the State’s capital request list as a continuing project, and as such, is considered a top priority. Ms. Volpi noted that Congressman Perlmutter continues his support for garnering Federal funding, and Mr. Winkelbauer reviewed donor possibilities. Ms. Volpi will give the Board an update on the financing prior to going to market, if Mines is ready to do so by the next Board meeting.

Ms. Volpi also noted that there are two bond issues that if refunded, would garner present value savings. Total amount of projected bonds to be refunded is $17.5M.

Motion to approve the recommendation of the Subsurface Frontier financing recommendations as proposed made by Trustee Haddon; seconded by Trustee McNeil. Approved 7-0.

BE IT RESOLVED that the Finance and Audit Committee recommends that the Board of Trustees approves the financing of the Subsurface Frontiers Research Building and related projects with up to $180.0M in Commercial Paper Notes and Variable Rate Demand Bonds in a proportion that will depend on market conditions at the time of issuance, with the most cost advantaged solution prevailing. Issuance limits are shown in the table below.

<table>
<thead>
<tr>
<th></th>
<th>Initial Financing</th>
<th>Permanent Financing</th>
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<tbody>
<tr>
<td>Variable Rate Demand Bonds</td>
<td>Up to $50.0M</td>
<td>Up to $50.0M</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>Up to $180.0M</td>
<td>Up to $180.0M</td>
</tr>
<tr>
<td>Fixed Rate Bonds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>Up to $180.0M</td>
<td>Up to $180.0M</td>
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Furthermore, the Finance and Audit Committee recommends that the Board of Trustees approves the issuance of up to $17.5M in taxable and tax-exempt fixed rate bonds to advance refund certain maturities of the Series 2010B Taxable Direct Payment Build America Bonds and the Series 2012B Tax-Exempt Bonds provided that the present
value savings is 2% or greater at the time of issuance.

As such, the Board of Trustees approves the Eighteenth Supplemental Resolution (Attachment 1).

The full text of the Eighteenth Supplemental Resolution is located at Attachment 1. A brief summary of the salient terms is included below:

Summary of Eighteenth Supplemental Resolution
The Eighteenth Supplemental Resolution authorizes the (a) financing the construction and equipping of the Subsurface Frontiers Building and related campus improvements, including but not limited to, parking, utilities, and infrastructure related thereto (collectively, the “Series 2019 Project”); (b) funding capitalized interest, if any; (c) refunding certain to be determined outstanding Prior Obligations or Parity Obligations from time to time (the “Refunding Project”); (d) paying costs of issuance; (e) financing any other campus improvements for which the Board has spending authority; and (f) financing such other campus projects as may be designated by the Board. The Series 2019 Bonds may be issued in one or more series by the Board as taxable or tax-exempt Commercial Paper Notes, Capital Appreciation Bonds, Credit Enhanced Bonds or as obligations that bear interest at a fixed, variable, adjustable, convertible or similar rate not in excess of the Maximum Interest Rate (18%). The Series 2019 Bonds may mature as term bonds or serial bonds, or both, and not later than December 1, 2059.

The Commercial Paper Notes shall be issued to fund the Series 2019 Project in the maximum aggregate principal amount of not to exceed $180.0M outstanding at any time. The Series 2019 Bonds (excluding the Commercial Paper Notes) shall be issued to fund the Series 2019 Project in the maximum aggregate principal amount of not to exceed $50.0M. The Series 2019 Bonds may also be issued to fund the Refunding Project in the maximum aggregate principal amount of not to exceed $197.5M.

With respect to the Refunding Project, the Board may by subsequent action renew and re-adopt the Eighteenth Supplemental Resolution on an annual basis by amending and/or extending the effective date.

In connection with the Commercial Paper Notes and the Series 2019 Bonds, and the Series 2019 Project and the Refunding Project, the Board will comply with the provisions of the Board’s Debt Management Policy (April 2019), as amended from time to time.

Indemnification approval Ms. Volpi provided an overview of the indemnification provision included in the proposed LinkedIn Subscription Agreement. Pursuant to C.R.S. § 23-5-106, the Board of Trustees is asked to consider and approve whether the LinkedIn Agreement serves a valid public purpose and whether the risks of agreeing to the indemnification are sufficiently limited and outweighed by the benefits of the Agreement, such that the University is authorized to execute the Agreement on behalf of the Board.

Motion to approve the LinkedIn Agreement as proposed made by Trustee Burgess; seconded by Trustee Salazar. Approved 7-0.

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves the indemnification language in the LinkedIn Agreement, and authorizes the President or his appropriate delegate to execute this Agreement.

Approval of the President’s new appointment agreement and FY2020 compensation Ms. Walker and Chairman Jorden recommended the Board consider and approve the proposed extension of President Johnson’s appointment and FY 2020 compensation increase, extending President Johnson’s appointment through June 30, 2024, and providing for a new annual salary of $471,397, commencing on July 1, 2019.
Motion to approve the new appointment agreement and FY2020 compensation for President Johnson as proposed made by Trustee Haddon; seconded by Trustee Sanders. Approved 7-0.

**BE IT RESOLVED** that:

(a) the Board of Trustees of the Colorado School of Mines has determined that an extension of Dr. Paul Johnson’s appointment as Mines President through June 30, 2024, is necessary for the retention of this valued employee in light of prevailing market conditions and competitive employment practices in other states, and, therefore, approves of this extension of Dr. Johnson’s appointment; and

(b) the Board approves of a 3% increase in Dr. Johnson’s annual salary, increasing it to $471,307, commencing on July 1, 2019.

**Trustee Lunch — the Trustees broke for lunch at noon and continued the regular meeting**

d. **Regular Written Reports**

Tom Boyd thanked Heather Boyd, introduced Lori Kester and Tim Myskew.

**Undergraduate Admissions**

Ms. Boyd provided a brief update to the report, noting Mines is expecting 1208-1230 entering new students this fall, with 45 more women than last year’s freshman class. She reported there is a 100% increase in international students, noting shifts in general diversity. She reported that Mines is expecting 67 Colorado student scholars this year, which is historically the School’s highest group.

**Graduate Admissions**

Dr. Zhou reviewed her report and noted a 41% increase in enrollment compared to the same time last year. She reported the new programs have contributed about 10% of the enrollment increase. She reviewed reasons for the increase and discussed how to continue this positive enrollment trend.

**Research activities and tech transfer report**

Dr. Tompkins provided a brief update noting that the Advanced Industries Grant Team for the State of Colorado awarded Dr. Owen Hildreth the Proof of Concept award of a $105k grant.

**Capital Project update**

No updates.

**Safety report**

No updates.

**CSM Foundation and Alumni Relations report**

Mr. Winkelbauer provided an update on gifts received. He reported the Houston Golf Tourney netted $70k for scholarships. He reviewed a couple of upcoming events and noted the Month for Mines (May) event with a focus on the Mines Fund has a challenge match from donors. He noted the structure of the Annual Fund and Mines Fund are being evaluated.

III. **Executive Session**

12:35 p.m. Motion to move into executive session made by Trustee McNeil; seconded by Trustee Burgess. Approved 7-0.
To discuss legal advice pursuant to §24-6-402(3)(a)(II), C.R.S.; and property purchase pursuant to § 24-6-402(3)(a)(I).

Trustees present: Chairman Jorden, Trustee's Haddon, McNeil, Salazar, Sanders, Starzer and Burgess.

Mines executives and directors present: President Johnson, Interim Provost Boyd, EVP Volpi, VPSL Fox, VP Tompkins, VP Han. VPGC Walker and Mr. Winkelbauer.

12:45 p.m. Motion to move into regular session made by Trustee Salazar; seconded by Trustee McNeil. Approved 7-0.

Action Items (continued)

Approval of Mines’ anticipated property acquisition Ms. Volpi provided information on and recommended that the Board approve the transfer to Mines of up to four Golden properties, should these be purchased by the CSM Foundation. She provided an overview of the four properties, their potential utility to Mines, and the possible price range and appraisal values.

Motion to approve Mines’ anticipated property acquisition as proposed made by Trustee Burgess; seconded by Trustee Salazar. Approved 7-0.

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves the transfer of the following properties to Mines, should these be purchased by the CSM Foundation:

- 1704 Illinois Street
- 1701 Washington Avenue
- 721 16th Street
- 812 16th Street

12:50 p.m. Motion to adjourn by Trustee Haddon; seconded by Trustee McNeil. Approved 7-0

There being no further business, the regular meeting adjourned.

Anne Stark Walker, Secretary