

Approved at the 10/25/2019 meeting
BOARD OF TRUSTEES OF THE COLORADO SCHOOL OF MINES
MINUTES OF THE BOARD MEETING
Friday, September 13, 2019
COLORADO SCHOOL OF MINES
Starzer Welcome Center, 1812 Illinois Street, Golden, CO 80401

I. Trustee Breakfast – 8:00 a.m., President’s Residence, 1722 Illinois Street

Executive Session

To discuss legal advice pursuant to §24-6-402 (3)(a)(II), 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.; 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 Salazar. Motion approved 6-0.

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

Mines executives and directors present: President Johnson, Provost Holz, EVP Volpi, VPSL Fox, VP Tompkins, VP Han, VPGC Walker, Associate Director Title IX Schmazel and Deputy GC Merz-Hutchinson.

II. Regular Meeting – Starzer Welcome Center, Wagner Boardroom

9:18 a.m. Regular session called to order by Chairman Jorden.

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

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

a. Oath of Office

Chairman Jorden administered the Oath of Office to new Student Trustee, Hanzelle Kleeman.

b. Consent Agenda

The minutes from the May 20, 2019 meeting, the August 9, 2019 special meeting and the Board meeting schedule for 2020-2021 were submitted for approval.

Trustee McNeil motioned to approve the minutes and the schedule as presented; seconded by Trustee Sanders. Motion approved 6-0.

c. Reports and Updates

Board Committee Reports Trustee Haddon reported that the Finance and Audit Committee (FAC) and the Investment Advisory Committee (IAC) met on August 26, 2019. The preliminary Non-GAAP financial statement as of June 30, 2019 was reviewed and an Internal Audit update was provided. The FAC discussed the results of management’s enterprise risk survey; Trustee Haddon commented that he requested that the Board of Trustees provide input on institutional risk through the survey. The FAC performed a deep dive into financial alternatives and related information regarding the Subsurface Frontiers building financing. The Committee reviewed the SpeakUp@Mines non-Title IX reports. Trustee Haddon noted the external audit has started and the results should be ready for the December Board meeting. The IAC reviewed the CSM Foundation Investment Pool performance as of June 30, 2019. He noted the one year return was 0.43% and the three and five year returns were 8.5% and 4% respectively. The CSM Foundation is currently managing \$34 million of University funds.

President's Report President Johnson introduced new Provost, Dr. Rick Holz. He provided an overview of start of school activities and events and noted that over 600 first-year students attended and over 200 upperclassman participated as counselors and facilitators at the Oredigger Camp. President Johnson thanked Trustee Salazar for representing the Board and speaking at Convocation. He provided information on the Trajectories event noting the connection with the Mines Alumni Aerospace group who organized the event to make more opportunities for students, and over 300 people were in attendance. President Johnson reported he toured the Career Fair with external constituents and noted how impressed they were that over 350 companies participated. He provided a review of the growing entrepreneurial ecosystem at Mines, including the Innovation Hub (Innohub) and the Incubator and noted Mr. Winkelbauer would share some news on that front. Mr. Winkelbauer reported that the Foundation had received a \$10 million verbal commitment from an alumnus donor to name the Innohub. Mr. Winkelbauer also noted that this week the Foundation received another verbal commitment of \$4.5 million, half of the cost for the Parking Garage II wrap Incubator. President Johnson noted the enthusiasm for entrepreneurship and innovation on campus and by donors.

Research activities and Tech Transfer report Dr. Tompkins reported on technology transfer at Mines. She provided an overview of why universities do technology transfer, noting it is primarily to move the university into the world to solve real problems. She provided an overview of technology transfer at Mines, noting the upward trajectory since Dr. Will Vaughan, Director for Technology Transfer, has been at Mines. Brief discussion regarding licensing and patent infringements. Dr. Tompkins noted technology transfer is important to attracting and retaining top faculty and that over 75% of faculty polled said technology transfer is important to them. Dr. Tompkins provided an overview of how Mines compares with other universities, noting the comparison between Mines' commercialized activities versus its engineering peers. She reported that Mines is working with EAB, Education Technologies, Services and Research Company to look at alternate revenue sources. She provided an overview of the business plan for funding research, noting that Mines beat MIT in the business share of total funding based on NSF HERD survey. She provided an overview of proposed next steps, including implementing a simpler licensing process, obtaining more accurate peer comparisons, determining relevancy of research versus technology transfer productivities, deep dive with EAB to compare revenue types and specific target areas and assess industry and societal impact of research and technology transfer. Brief discussion regarding capacity to utilize higher levels of research funding.

Financial Report Ms. Volpi provided a brief overview of the June 30, 2019 year end preliminary non-GAAP Operating Statement, noting that final numbers will be available at the next meeting. She reported that the total revenue of \$217 million reflected an increase from the forecast for tuition of \$2.2 million and a \$4.5 million increase over the original budget. No change in State funding and close to forecast on other funding resources. Investment income is \$0.9 million higher than the original budget due to higher investment rates impacting earnings. Ms. Volpi noted the other income was also at forecast with a slight difference due to the Nazerbayev University agreement. Expenditures are at forecast with slight offsetting in spending across functional areas resulting in \$4 million in net activity. The final financial statements will be presented at the October meeting.

Faculty Senate Report Dr. Marcelo Simoes, newly elected Faculty Senate President, introduced himself to the Board and provided an overview of the Faculty Senate structure, noting it is comprised of 13 Senators elected to represent faculty at Mines. He noted that of the 13 Senators, 7 are female faculty. He reported the Faculty Senate has had two meetings this semester and have begun making the annual council and committee appointments. Dr. Simoes provided an overview of the depth of faculty service at Mines with each of the 13 Senator's serving on two committees and chairing councils; Research, Graduate and Undergrad councils. Brief discussion regarding onboarding for Senators and how the size of the Senate is determined. Dr. Simoes reviewed the channels of communication the Faculty Senate uses through its Executive Committee and participation in a bi-weekly meeting with the Provost, Vice-Provosts and Department Heads. The Faculty Senate engages with the campus community through regular scheduled coffee's and luncheons.

d. Presentation and Discussion

New Faculty Hires Dr. Holz provided an overview of the 25 new faculty hires this year, broken down as 14 new tenure and tenure track faculty (T/TT), 8 new teaching faculty and 3 new librarians. Of the T/TT faculty, 7 are female, or 50%; non T/TT, 5 are women or over 62%. Dr. Holz reported two new

Department Heads were hired, Dr. Peter Aaen for Electrical Engineering and Dr. Wendy Bohrson in Geology and Geological Engineering. He noted the continued work to make the Arthur Lakes Library a great resource for students and reported on the hiring of three new librarians, of which two are replacement positions and one is a new position. There was brief discussion regarding on-boarding of new faculty, and Dr. Holz provided an overview of the multi-day orientation for new faculty.

Marketing Overview and Update Mr. Han introduced Mr. Jason Hughes, Chief Marketing Officer, who provided an overview and update on current marketing goals and strategies. Mr. Hughes reported that currently the Marketing office is gathering data to help in building alliances, channels and capabilities. He reviewed the email and print pieces currently used and noted the main focus now is on website design elements to promote and enhance the user experience. Mr. Hughes provided illustrations of how the design has changed to communicate visually with the user. He reviewed the new landing pages and modifications to the website. Mr. Hughes provided an overview of the work marketing has been doing with admissions to build out print pieces, and he reviewed the current Mines advertisements with focused digital marketing on graduate programs. Mr. Hughes provided an overview of the top marketing campaigns being targeted. He provided information on the new "Mines Minute," which highlights people, programs and places, and features testimonials, alums and interviews. He noted that recruiters at the Career Fair were interviewed on campus this week. Mr. Hughes' team is currently producing segments of video for digital ads. Mr. Hughes reviewed the next phase of growing our brand awareness across the country and globe. He noted we will first determine what is real, rare and relevant about Mines, and expects to have the brand platform by the end of the academic year. He provided an overview of peer marketing, and internal and external market research. Discussion regarding Mines' current tag-line "Earth, Energy and Environment," and reference to our diversity.

Subsurface Frontiers building update Ms. Volpi provided an update on the Subsurface Frontiers building, reporting that the schematic design is complete and the next phase will begin in the next couple of weeks. She commented that Fall 2019 is the target to have the Contractor on board to ensure that they are part of the next phase which is design development. The two-year construction period is scheduled to begin in the Winter 2019 timeframe with a scheduled completion in Spring/Summer 2022. Ms. Volpi provided an update on funding noting that Mines has spent approximately \$5 million to date, the bulk of which has been on the architect. The \$11 million spending authority will go through March 1, 2021. USGS has committed to funding their portion of furniture and fixture likely in 2021 once building is shelled. Ms. Volpi provided an overview and images of the site plan and reviewed the design of the building noting that currently the building has the 15000 square feet of shelled space. There was a brief review of the design of the future 18th Street corridor including the Subsurface building and the next parking garage.

11:00 a.m. The Board took a 5 minute break.

e. Action Items

Garage II and Frontage building program plan Ms. Volpi provided an overview of the Garage planned for the corner of 17th Street and Washington which will include a Business Incubator. She reviewed the site plan, noting that the administration is working with the City of Golden to create an appropriate transition of the facility as it is adjacent to the City's main street, Washington. Ms. Volpi provided a review of the new parking rates and a comparison with other universities. Ms. Volpi provided an overview of the Incubator program summary reporting that, in addition to parking, there would 20,000 square feet dedicated to mixed-use business incubator with a possibility to expand to 40,000 square feet. At 20,000 square feet and a garage with 820 spaces, the overall project budget is \$33 million. She reviewed the comparative costs to Garage I with 759 stalls and Garage II with 820 stalls. Ms. Volpi recommended that the Board approve the Parking Garage II and a 20,000 GSF Business Incubator at a total cost of \$33 million and if management deems appropriate that the Incubator expand, a subsequent request will be made.

Motion to approve the Garage II and Frontage building program plan as proposed made by Trustee Haddon; seconded by Trustee McNeil. Approved 6-0.

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves the Parking Garage II and

20,000 GSF Business Incubator at a total cost of \$33 million to be financed pursuant to the Subsurface Frontiers Building being given State approval.

Campus Utilities infrastructure program plan Ms. Volpi requested the Board consider and approve the recommendation for the Utilities infrastructure Phase II program plan needed to construct the Subsurface Frontiers Building and Parking Garage II with Incubator wrap. She provided an overview of the scope of work to include steam, chilled water and electrical infrastructures with a budget of just under \$10 million.

Motion to approve the Utilities Infrastructure Phase II program plan recommendations as proposed made by Trustee Salazar; seconded by Trustee Sanders. Approved 6-0.

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approve Campus Infrastructure Phase II Program Plan needed to construct the Subsurface Frontiers Building and Parking Garage II / Incubator with a total cost of \$10 million, to be financed pursuant to the Subsurface Frontiers Building given State approval.

Subsurface Frontiers Building finance Ms. Volpi reviewed the financing approvals to date for the Subsurface Building and related projects. She provided a financing update noting the transition to traditional fixed-rate bond financing which will take place once approval authority is received by the State; anticipating in January 2020. Ms. Volpi reported that given the drop in interest rates there is more opportunity for refinancing existing debt. She reviewed the project funding scenarios and reported that the Subsurface Frontiers Building budget is holding firm to \$140 million. She reviewed the aggregate financing and noted the all-in rate of 3.07% would be \$1 million less than prior projections if rates hold. Ms. Volpi provided a review of the debt service for the project of \$6.1 million which will be nearly completely supported by the USGS rent payment. Ms. Volpi reviewed refunding opportunities showing a relatively significant present value and cash savings. Estimate a bond refinancing size of up to \$62.5 million for flexibility on day of pricing. Brief discussion regarding ratings; recent ratings reflected no changes: Moody's A-1 stable and Standard and Poors A+ negative. A change in the ratings are not anticipated when the Subsurface and related projects go to market.

Motion to approve the Subsurface Frontiers building finance as proposed was made by Trustee McNeil; seconded by Trustee Starzer. Approved 6-0.

BE IT RESOLVED that the Finance and Audit Committee recommends that the Board of Trustees approves the issuance of up to \$170 million in fixed rate bonds to finance the Subsurface Frontiers Building and related projects. This recommendation is contingent on market conditions not changing materially by the projected January 2020 issuance date, whereby the plan of finance and this resolution would be revisited, to be financed pursuant to the Subsurface Frontiers building given State approval.

Furthermore, the Finance and Audit Committee recommends that the Board of Trustees approves the issuance of up to \$62.5 million in taxable and tax-exempt fixed rate bonds to advance refund certain maturities of the Series 2010B Taxable Direct Payment Build America Bonds, Series 2012B, Series 2016, and Series 2017A/B, provided that the present value savings is 3% or greater for each maturity. As such, the Board of Trustees approves the financing for the Subsurface Frontiers Building and related projects as well as the advanced refunding of certain outstanding bonds.

Out of Cycle Sabbatical Request Dr. Holz provided an overview of the circumstances and supporting background for Dr. Erdal Ozkan's out-of-cycle sabbatical request for Spring and Fall 2020 and requests the Board's approval.

Motion to approve the sabbatical request for Dr. Erdal Ozkan made 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 following for sabbatical for the term indicated.

Ozkan, Erdal PE Spring 2020 & Fall 2020

f. Regular Written Reports

Admissions and Enrollment report _____ Ms. Kester provided a brief overview of the Admissions and Enrollment report, noting there were no additional updates at this time. The resident and non-resident numbers were reviewed, and it was reported that retention rates were high at 92-94%, and the -year graduation rate is approximately 66%.

Capital Project update _____ Ms. Volpi highlighted new projects being assessed for the area that is at the southeast corner of 19th Street and 6th Avenue. She noted several feasibility studies are being done and will bring results to the Board later this Fall.

Campus Cyber and Safety report _____ Ms. Volpi provided a brief overview and noted the usual phishing attempts and reporting the transition to more student focused attempts and perpetrators posing as employers. She introduced Ms. Barb O’Kane, Executive Director for Environmental Health & Safety, to provide information on the recent liquid mercury spill on campus. Ms. O’Kane reported that there was liquid mercury found in a trash compactor behind the General Research Laboratory. She noted that the origination of the spilled liquid mercury is still unknown. Due to the quantity found it was reportable to the State and the EPA. Mines contracted with an environmental firm to help with clean-up which has been completed.

CSM Foundation and Alumni Relations report _____ Mr. Winkelbauer provided an update on Foundation activity last year. He reported on the variety of gifts received, and noted that April 2020, the Evening of Excellence, is the target to launch the public campaign, contingent upon a few, significant lead gifts. Mr. Winkelbauer reported that the gifts received has moved the Foundation half-way to the \$95 million philanthropic campaign goal. He noted that alumnus Mr. Stu Bennet was hired to serve as Interim Director of Alumni Engagement for the next 4-6 months. He also reported that today is the 8th Annual Football Alumni Golf Tournament, headed by Mr. Brad Bacon who was on Mr. Marv Kay’s first football team. He noted the alumni engagement through this event has sparked a lot of donor activity among our younger alumni. He cited the example of alum and Harlan Hill winner, Mr. Justin Dvorak, who has expressed interest in starting a scholarship program, the “Lone Star Scholarship.”

Peter Han briefly updated the Board about Adam Savage’s interest in returning to Mines.

12:31 p.m. The Board broke for lunch.

III. Executive Session

11:45 a.m. Motion to move into executive session made by Trustee Haddon; seconded by Trustee McNeil. Approved 6-0.

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

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

12:31 p.m. There being no further business the meeting was adjourned.



Anne Stark Walker, Secretary