

Approved at the 2/7/2020 meeting
BOARD OF TRUSTEES OF THE COLORADO SCHOOL OF MINES
MINUTES OF THE BOARD MEETING
Monday, December 9, 2019
COLORADO SCHOOL OF MINES
Starzer Welcome Center, 1812 Illinois Street, Golden, CO 80401

I. Trustee Breakfast – 8:00 a.m., Ben Parker Student Center, Ballroom C

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.; 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 Salazar. Motion approved 6-0.

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

Mines executives and directors present: President Johnson, Provost Holz, EVP Volpi, VPSL Fox, VP Tompkins, VP Han, VPGC Walker, AVP for HR and Title IX Torres and Mr. Winkelbauer.

8:45am breakfast concluded

II. Regular Meeting – Ben Parker Student Center, Ballrooms A & B

9:15 a.m. Regular session called to order by Chairman Jorden.

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

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

a. Consent Agenda

The minutes from the October 25, 2019 meeting were submitted for approval.

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

b. Reports and Updates

Board Committee Reports Trustee Haddon reported the last Finance and Audit committee meeting took place on November 21, 2019. At that meeting the FY20 Internal Audit plan and, the Enterprise Risk Management Survey results were reviewed. Trustee Haddon reported that the GAAP June 30 financials and Non-GAAP first quarter FY20 results were also reviewed. The external audit had no findings other than minor fixed asset internal controls. Management noted some IT internal controls needed updating and failure to remove separated employee’s access. Both issues were resolved. The Committee reviewed SpeakUp@Mines and reported nothing to bring before the Board.

The Investment Advisory Committee also met on November 21, 2019 and reviewed the investment pool performance as of September 20. Trustee Haddon reported \$297 million in the investment pool, down .94% at 3rd quarter and up 2.16% as of October. He noted the overweight in value stocks including energy the cause.

President's Report _____ President Johnson provided an overview of the week including finals, graduation and many events and thanked the Board in advance for their participation. He reported there are approximately 300 graduates in the undergrad ceremony, and approximately 280 in the graduate ceremony. Dr. Johnson recapped last week's capstone fairs and projects noting the Board would get invitations to these in the future. He reviewed the Innovation Challenge and, the Henderson Mine Challenge which is sponsored by Freeport McMoran. President Johnson reported on Mines Athletics winning Fall semester noting every Fall sport competed in its relative NCAA tournament. He highlighted the Women's Rugby team was competing in National Championship yesterday and made it to the final. Dr. Johnson thanked Trustee Haddon for being December's Commencement speaker.

Mr. Han reported on the CBS 4 advertising which is primarily due to Mines partnership with Future Leaders where they select a student a month who is doing great things. He noted there are more digital ads on computers as well.

Research activities and Tech Transfer report _____ Dr. Tompkins provided an overview on Research at Mines beginning with notable wins. She reported on the DARPA Underminer project and it links to Mines strategic goals and initiatives, noting that contracts were being signed today. Dr. Tompkins reviewed the dual use application and increasing restrictions. She provided information on the Quantum and NSF Convergence Accelerator projects noting that if successful in phase one Mines could be invited to write proposal for larger programs. Dr. Tompkins provided an overview of the geographical locations for these awards. She congratulated to Computer Science, Mining Engineering and Physics departments for receiving these awards, two \$1 million dollar awards and one workshop award.

Dr. Tompkins reviewed the past 15 years of research awards and highlighted the awards growth and noting the growth is commensurate with productivity. She provided an overview of Federal research funding noting the significant growth in Defense, NSF and Energy awards. Dr. Tompkins provided information on how funds are awarded in the first year and expenditures are over multiple years. Dr. Tompkins provided an overview of the non-Federal awards; international, industry and consortia awards, over the past three fiscal years. She highlighted the Peru Mining Sustainability partnership noting Dr. Paul Santi is working on the contract renewal, followed by brief discussion regarding the potential to roll out similar partnerships to other countries. Dr. Tompkins addressed questions regarding Huawei noting Mines is working closely with Foundation decided would be prudent to not accept further funding until legal proceedings worked out.

Governor's Roadmap to Containing College Costs _____ Mr. Han reviewed the system of higher education in Colorado and their goals for cost containment and making college affordable. He noted the key principles of the Governor's Roadmap aligns well with much of the Mines@150 Strategic Plan. Mr. Han suggested inviting Dr. Angie Paccione, Colorado Department of Higher Education Director, to a future Board meeting to speak to the Trustees about the Governor's Roadmap.

Mr. Han provided a brief overview of State funding models and making Mines a specialty education program within the system, putting Mines in the same classification as Anschutz, CU's Vetmet and CSU. There is support within the Department of Higher Education however, not quite yet with the Governor. He reviewed the specialty education model criteria and potential issues concerning Mines fitting that model. The State emphasis is related to degree completion and value institutions that do certifications. Mr. Han noted there are not a lot of research institutions on the list and research institutes get the least amount of funding. There was follow-up discussion building partnerships with other institutions and the ability to debt finance versus the need for State funding. Mr. Han noted that currently the actions expected to be taken are yet to be defined.

Financial Report _____ Ms. Volpi provided an overview of the first quarter FY2020 financial highlights non-GAAP. Fall semester revenue was strong and above the projections at \$5,045 million primarily due to enrollment. She reported the a \$1.5 million tuition contingency reserve was established for Spring enrollment and Auxiliaries were positive after year end following \$1.5 million set aside for Mines Park renovations. Ms. Volpi reviewed the operating expense of \$2.77 million which was greater than planned due to increased enrollment and utilities. She reported that at year end the University is \$5 million to the positive. Ms. Volpi

reviewed the research awards and gift revenues at quarter end noting they were a little higher quarter to quarter on awards and, slightly under on revenue with gift revenue on target. Ms. Volpi reported the university is in the final stages of audit and will bring to Board at the next meeting.

Faculty Senate update Dr. Simoes provided an overview of current Faculty Senate business. He reported on the activities of the Senate Survey Committee noting the climate survey committee reviewed the 2016 and 2018 climate surveys and will release data in February or March next year. He reported on the activities of the Library Committee and the University Calendar committee and, provided information on the Every OreDigger Campaign and the Faculty Senate support for mental wellness on campus. Dr. Simoes provided a brief overview of the Undergrad and Graduate Councils activities as well as the Senate Task-Force on Research Council. He summarized the Faculty Senate brainstorming sessions and reported on the list of priorities they developed.

c. Presentation and Discussion

Early Childhood Education Ms. Volpi presented the Early Childhood Education Center Program preview. She provided an overview of the 2016 feasibility study noting the initial study indicated it could make sense for Mines. She reviewed the anticipated outcomes which included employee and student recruitment and retention and, productivity increase. Ms. Volpi reported that in 2016 Mines had 180 children less than six years and approximately 30 births each year. The study also indicated the shortage of high quality child care in the Golden community.

Ms. Volpi reported the center would be operated by a third party, Bright Horizons, which operates a lot of corporate and higher education facilities across the nation. Mines would provide a subsidy and slightly lower than market rate. She provided the plan, schedules and proposed updated for the proposed site by Mines Park and will have the cost information at the next meeting, noting it would be funded by university. Ms. Volpi reported the Center is allocated for in reserves though management will be looking at the best ways to fund.

The schedule for the opening is Fall 2021 if we move forward. There was discussion regarding enrollment, tuition, subsidies and how to support lower income families. Ms. Volpi reported that Bright Horizons would get approval by state, and the certifications and Mines would go through the normal process for State approvals. Ms. Volpi will have more detail on the Bright Horizons agreement at the February 7, 2020 meeting.

Enterprise Risk Management Ms. Volpi presented an overview of the Enterprise Risk Management (ERM) process including the stakeholder groups interviewed and surveyed and noted that the Finance and Audit Committee requested the Board be surveyed as well. Ms. Volpi provided a brief overview of the top five risks and the plan of action to take and noted she would bring detail to the future annual strategic planning meeting. Ms. Volpi reported on the key risks and the strategies for mitigations of those risks and based on the risk, how likely the risk would happen and how prepared management is if it should happen. There was discussion regarding moving Conflict of Interest forms from paper to electronic and require annual certification by all personnel as well as, disclosure requirements and conflict management plans.

d. Action Items

Graduation List approval Dr. Holz asked the Board to consider and approve the mid-year undergraduate and graduate graduation lists for December 13, 2019.

Trustee Burgess motioned to approve the mid-year graduation list as presented; seconded by Trustee Haddon. Approved 6-0.

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves the graduation lists for December 13, 2019 graduation.

Tenure at hire approval _____ Dr. Holz recommended to the Board that Dr. Peter Aaen, Electrical Engineering Head, be approved for tenure at hire at the level of Professor.

Trustee Salazar motioned to approve tenure at hire as presented; seconded by Trustee McNeil. Approved 6-0.

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves the following recommendation for tenure at hire:

Peter Aaen (Electrical Engineering); recommend tenure at the level of Professor

Emeritus approval _____ Dr. Holz recommended to the Board that Dr. Thomas Boyd be approved for Emeritus Associate Professor upon his retirement.

Trustee McNeil motioned to approve emeritus as presented; seconded by Trustee Haddon. Approved 6-0.

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves the following for Emeritus status effective on their retirement dates.

Emeritus

Dr. Thomas M. Boyd – Emeritus Associate Professor – Geophysics

JP Morgan Chase-Merchant Services Agreement Indemnification Ms. Volpi asked the Board of Trustees, pursuant to C.R.S. § 23-5-106, to consider and approve that the JPM Merchant Services Agreement serves a valid public purpose and that 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.

Ms. Volpi reported this is a contract Mines is seeking for with JP Morgan Chase primarily to enable credit card transactions. Mines would transition from Wells Fargo to JP Morgan Chase. She noted there are two elements requiring an indemnification, the management of liability for illegitimate credit cards charges and, if Mines fails to meet credit cards network and data security rules. Ms. Volpi reported that JP Morgan Chase is doing a full assessment of all of Mines processes.

Trustee Salazar motioned to approve emeritus as presented; seconded by Trustee McNeil. Approved 6-0.

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

e. Regular Written Reports

Admissions and Enrollment report _____ Ms. Kester update that enrollment is approximately 20-30 ahead of last year and that Fall 2020 is very strong with a high in admit rate. She reported applications are up significantly but, there is no waiting list yet.

Capital projects update _____ Ms. Volpi provided an update of the Capital current capital projects. The two residence halls will be ready for students Fall 2020 and 1750 Jackson Street is on target for Spring 2020. Ms. Volpi noted management would provide the Board with a tour of 1750 Jackson Street prior to opening. She reported there have been delays with the Parking Garage due to weather an unforeseen circumstance, however, possibly opening on deck for parking in Spring 2020, with scheduled completion of Summer 2020. She reported the Green Center renovation is going well scheduled to be completed by mid-January when the Trefny Center and International offices are scheduled to move in to the second floor. Ms. Volpi reported

management is revising the Business Center garage quote to include the larger garage and will start schematic design on the Mines Innovation Hub located just west of the General Research Lab (GRL). Mr. Winkelbauer reported that the fund agreement for a \$10 million naming gift from Frank and Mary Labriola for the Innovation Hub and noted that 75% of the funding secured. The Innovation Hub is slated for completion in 2024.

CSM Foundation and Alumni Relations report Mr. Winkelbauer provided an overview of the Foundation report pointing out the role of creating fundraising through OreGivers and recognized those people who give to Mines and do good work in the community under the flag of Mines. He reported on the fifth annual philanthropy tank noting the \$45,000 request from projects. Mr. Winkelbauer reviewed the Foundations partnership with the Computer Science Department faculty and students who are assisting with data analytics to predict donor behavior in the future. Lastly, he reported that Google gave \$25,000.

There was a brief discussion regarding when the Governor's Office capital approvals would be determined, it was noted that it would be determined in the Legislative season where Mines buildings will be on the list. Currently, the \$18 million State funding is not on the Governor's list, but it is on the Department of Higher Education's list. The approval of spending authority would be in January 2020.

11:10 a.m. There being no further business the meeting was adjourned. Motion to adjourn made by Trustee Haddon; seconded by Trustee Burgess. Approved 6-0.



Anne Stark Walker, Secretary