

Approved at the 12/11/2020 meeting
BOARD OF TRUSTEES OF THE COLORADO SCHOOL OF MINES
MINUTES OF THE BOARD MEETING
Friday, October 16, 2020
Zoom Meeting

I. Executive Session – 8:00 a.m. Virtual

To discuss legal advice pursuant to §24-6-402 (3)(a)(II), 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 virtually: Chairman Jorden, Trustee’s Haddon, McNeil, Salazar, Sanders and Starzer.

Mines executives present virtually: President Johnson, Provost Holz, EVP Volpi, VP Fox, VP Tompkins, VP Han, VPGC Walker and Mines Foundation President Winkelbauer.

8:43 a.m. Executive Session concluded

II. Regular Meeting – 8:47 a.m. Virtual

8:47 a.m. Regular session called to order by Chairman Jorden.

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

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

a. Consent Agenda

The minutes from the September 11, 2020 meeting were submitted for approval.

Trustee Salazar motioned to approve the minutes as presented; seconded by Trustee Sanders. Approved 7-0.

b. Reports and Updates

President’s Report President Johnson provided an overview of the events the last few weeks, including the Mines@150 Campaign Launch. He noted the Launch was virtual and thanked Mr. Winkelbauer and his Foundation team for their hard work. He provided an overview of the CEO Roundtable held last week that included panelists Matt Gallagher, Howard Janzen and Dave Zanatell. The goal of the Roundtable was to give students the opportunity to ask questions of alumni who have risen to senior leadership positions. Dr. Johnson also reported that last week was Homecoming, and he thanked the Mines Activity Council (MAC) for their hard work planning many virtual events. He noted the Annual Sports Auction raised over \$50,000. President Johnson reported that some sports are starting to ease into competitions, noting a recent dual track meet at which one of Mines’ women’s runners set a new record and both men and women’s teams ranked first and second in country. He reported that the softball team had a scrimmage. Dr. Johnson noted that Mines has been working with RMAC to get spring sports going after the start of the new year. He reported that a message went out this morning regarding Mines’ post-Thanksgiving plans and he thanked faculty, students and staff for adding clarity to the decision to move to remote mode for classes while leaving facilities open following the holiday. Dr. Johnson noted that next week is Fall Break and reported that he and Dr. Fox have been having virtual pizza with the quarantined students and getting a lot of good feedback. Finally, Dr. Johnson reported that there had been

some leadership appointments: Dr. Terri Hogue was named Dean of Earth Resources and Environmental Programs (EREP); and Dr. Steve Enders was named Department Head for Mining Engineering.

Board Committee Reports Trustee Haddon reported that the Finance and Audit Committee met on October 12, 2020. The Committee reviewed the Internal Audit, the updated Enterprise Risk Management (ERM) study, the State of Colorado study on pay equity, and Mines' first quarter financial results.

Financial Report Ms. Volpi reported on the GAAP June 30, 2020 preliminary unaudited financial statements. She noted the total asset growth of 3.2%, which included cash for the CARES Act funding, and that total liabilities were down 7.2% due to fourth quarter spending lower than anticipated. Ms. Volpi provided an overview of operating revenue and expenses noting a 7.5% increase in revenue and a commensurate increase in expenses (excluding the adjustment for the unfunded pension liability). She provided an overview of the reconciliation of the Unrestricted Net Position, and the effect of net pension liability, totaling \$122 million. There was discussion regarding the net pension liability and the negative position it reflects on financial statements. Also discussed was how rating agencies are now looking at states' unfunded pension liability and the related effects on higher education.

Ms. Volpi provided an overview of the first quarter financial results noting that the quarter ended very strong due to higher than expected enrollment and research activity. She reported that the projected surplus of \$8.3 million, in addition to \$5.1 million, is being held in contingency reserves until the spring semester. She reviewed what contributed to the surplus and noted the recent restoration of funds to offset significant budget cuts to Admissions and the Arthur Lakes Library. Ms. Volpi reported that expenses related to COVID operations are currently at \$2 million and will likely continue to rise.

Ms. Volpi provided a summary of the Mines Foundation Endowment Report, noting that over time, the Mines Investment Pool has outperformed university funds invested with the State Treasury Pool. She invited Mr. Winkelbauer to provide additional details on the performance of the Endowment pool.

Ms. Volpi summarized the updated Enterprise Risk Management (ERM) assessment providing information on the key risks to the institution. She reported that the Board of Trustees, Senior Leadership and Management provided input into the ranking for risks and noted there were disparities between the Management and the Board's assessment of risks that may need better alignment of the assessment. The assessment was shared with senior leadership and Ms. Volpi reported that Mines currently has, or will have, the processes in place to determine strategies to mitigate risks.

Faculty Senate report Dr. Andy Herring provided an overview on current Faculty Senate business and reported the Faculty Senate had completed assigning faculty to University Committees. He reported that they have determined the final pool of four candidates to fill the administrative support position for the Faculty Senate. Dr. Herring reported that Senate subcommittees had been formed to address the student signature experience and core curriculum. He provided an overview of the new committee for student appeals for grade changes, and noted that other items designated as the Senate's focus areas this year are in progress.

There was discussion regarding faculty feedback related to Mines' COVID response. It was noted that the faculty members were happy to be consulted in decisions with regard to COVID planning. Dr. Herring related it was reassuring to faculty that they will be consulted regarding spring break planning for next semester as well. He reported that the semester has gone very well with very few concerns and he complimented the team that kept faculty up and going.

Dr. Holz reported that Quantitative Biology Engineering (QBC) is a big step forward for Mines and Dr. Herring noted the Faculty Senate worked closely with the Administration on the program.

c. Presentations and Discussion

Digital Marketing update Mr. Hughes provided an overview of the digital marketing plan noting that a new set of online programs launched in July. He reviewed the areas of marketing focus, which include targeted brand and event marketing with emphasis on online master's and certificate programs, and on-campus graduate programs. Mr. Hughes reviewed the targeted audiences, the location of the targeted students and the populations that aren't yet aware of Mines. He then introduced Mr. Ken Tandy to report on digital platforms being utilized and results being generated.

Mr. Tandy provided an overview of how each platform works, reviewed historic data and search trends to build an audience and attract prospective students. He reviewed examples of targeted searches of active keywords and phrases, and strategies to identify the desired audience. Mr. Tandy provided an example of an anonymous user journey and their impressions.

Mr. Hughes discussed how Marketing has partnered with Admissions and academic departments to determine the most effective campaigns. He reviewed next steps towards making Mines top of mind in and out of state. Mr. Hughes reported that Admissions deployed a new chat-bot and noted the impressive work that they have done over the summer in 1:1 engagement. Mr. Hughes reported on the partnerships Mines has entered into with US News & World Report and Handshake, and Mines' development of some promising leads for STEM schools. Trustee Haddon noted that after the Board's pushing for greater marketing efforts in the past, he is gratified to see Mines is finally there and thanked the team.

Cyber Security Report Ms. Volpi introduced Dr. Monique Sendze, Chief Information Officer, who provided an annual Cyber Security report. She reported that the security threat around the world is currently "guarded," indicating a general threat or interventions with malicious intents. She reviewed the driving factors for the current threat level and reported on the companies who have been compromised. Dr. Sendze provided an overview of Mines' current security maturity, noting the steps being taken to achieve the gold standard of four out of five on the security maturity scale. She noted Mines is maturing from reactive to strategic information security and focusing on improving security culture. She provided an overview of the incidents and the current trends for cyber compromise and noted that the Security Operations Center (SOC) was launched in January 2020. Dr. Sendze highlighted the SWOT analysis that was conducted by the new Chief Information Security Officer (CISO). She reviewed the progress Mines has made toward achieving information security during the pandemic while many employees are working at home. She noted training that was launched to help employees work safely while in remote mode. There was discussion regarding the current need for additional full-time help to deal with cyber security needs, as well as compliance with existing policies.

d. Action Items

Sabbatical Reports Dr. Holz provided an overview of the 2019/2020 sabbatical reports. He invited Dr. Alexis Sitchler and Dr. Brian Trewyn to provide the Board a report on their sabbaticals.

Dr. Alexis Sitchler, Department of Geology and Geological Engineering reported she took a one-semester sabbatical. She reviewed her goals for the sabbatical: to advance research and curriculum improvement. Towards the curriculum improvement goal, she conducted two field trips for identifying rocks, one at the soil trench in Mines Park and the other in Golden Gate Canyon. Dr. Sitchler addressed her goal of advancing research through her National Science Foundation (NSF) Career Grant award to make microfluidic devices to laser ablate surfaces, and collect and analyze the fluid that is indicative of the minerals in the rock. She noted hers is the only group doing this and new techniques were developed to enhance the study of factors for how fast minerals dissolve in certain circumstances. She provided an overview of the interdisciplinary research done on campus and a collaborative proposal written to study the role of water storage. Dr. Sitchler reported that she attended a leadership workshop at the Center for Creative Leadership. She provided a summary of the workshop and the benefits she received from attending.

Dr. Brian Trewyn, Chemistry Department, reviewed his research focus prior to his sabbatical. He provided an overview of his local, one-year sabbatical working at the National Renewable Energy Laboratory (NREL) with a research consortium studying the transport and storage of hydrogen materials. He noted that Dr. Tom Gennett provided the opportunity for this research at NREL. Dr. Trewyn reviewed the consortium and its focus on porous materials synthesized in the lab, and provided an overview of his research related to a previous Department of Energy (DOE) grant and a current Department of Defense (DOD) grant. Dr. Trewyn provided a detailed overview of his research in materials design that can be used in hydrogen and methane storage. He reviewed the objectives and the challenges for the transport of hydrogen and natural gas storage. He reported on his related research proposals and noted the study was cut short due to COVID, but that he is still participating in the project and writing proposals in this area.

Trustee Salazar motioned to approve the sabbatical reports as presented; seconded by Trustee Haddon. Approved 7-0.

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves the above sabbatical reports for Academic Year 2019-2020.

Indemnification Agreement Ms. Volpi reviewed the indemnification terms in an agreement with the Australian Department of Defence for use and access of per- and poly- fluoroalkyl substances (PFAS) materials. She discussed the risks associated with such indemnification agreement and noted the internal risk assessment concluded that such risks appear to be low in this situation.

Pursuant to C.R.S. § 23-5-106, the Board of Trustees are asked to consider and approve whether the Department of Defence of Australia 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 Mines is authorized to execute the subject Agreement on behalf of the Board.

Trustee Haddon motioned to approve the indemnification agreement for Australian Department of Defence as presented; 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 Department of Defence of Australia Deed in relation to Access To Materials Impacted By PFAS Agreement, and authorizes the President or his appropriate delegate to execute this Agreement.

Refinancing update Ms. Volpi provided a summary of the bond refinancing opportunity. Mines engaged with JP Morgan to directly purchase bonds that provide less administrative processes and less cost, but for a shorter (ten year) term. Ms. Volpi provided a comparison of finance options between traditional fixed-rate funding versus the direct purchase bonds. The Board approved the supplemental bond resolution in May 2019. Because that resolution has expired, it is recommended that the Board adopt an amendment to the 18th supplemental bond resolution in order to authorize direct purchase. Trustee Haddon, Finance and Audit Committee chairman, reported that he believed this is an excellent move by JP Morgan and Ms. Volpi. He noted the fees are significantly lower and there is some interest risk, but this risk can be mitigated by buying down the bond.

Trustee Haddon motioned to approve the bond refinancing as presented; seconded by Trustee Sanders. Approved 7-0.

BE IT RESOLVED that the Finance and Audit Committee recommends that the Board of Trustees approves the First Amendment (attachment 1) to the Eighteenth Supplemental Resolution (attachment 3)

- Pursuant to Section 1.11 of the Eighteenth Supplemental Resolution, the Eighteenth Supplemental Resolution is hereby extended for one year from the date of the adoption of this First Amendment.

- *All references to “Series 2019” in the Eighteenth Supplemental Resolution shall be amended to “Series 2020.”*
- *In order to accomplish the Series 2020 Refunding Project, the Board hereby authorizes a direct purchase transaction (the “Direct Purchase Transaction”) with JPMorgan Chase Bank, N.A. and all actions heretofore taken in connection therewith are hereby ratified and approved. References in the Eighteenth Supplemental Resolution to Morgan Stanley & Co. LLC shall not be applicable to the Direct Purchase Transaction.*
- *The members of the Board and its officers, employees and agents shall take all action necessary or reasonably required by the First Amendment to effectuate its provisions and shall take all action necessary or desirable, including, without limitation, the execution and delivery of any additional documents, for the purpose of carrying out the transactions contemplated by this resolution.*

Regular Written Reports

Admissions and Enrollment report _____ Ms. Kester reported the national landscape across the board for Fall 2020 saw a decrease in freshmen enrollment. She reviewed some of the challenges for recruiting due to the SAT test cancellations and students not trusting test-optional applications. She reported that applications are down approximately 800 from last year. She provided an overview of new a partnership with US News, Handshake and Raise Me to aid in recruiting in new ways. Ms. Kester reported that the NAC Act rules have changed so now other universities can actively try to recruit current Mines students. She reported there are some positive indicators for Spring semester and noted that enrollment management is working to get acceptances out earlier for Fall 2021 as the yield is higher if students accept before November 1. There was discussion regarding alumni engagement and it was noted that a lot of high schools are not allowing visitors so this makes engagement more challenging during COVID. Ms. Kester reviewed some of the steps being taken to reach out to students like student panels to provide insights on how the university experience is during COVID, as well as monitoring the parent Facebook page where parents seem to be helping each other through the COVID challenges. Ms. Kester reported that Admissions has two different processes for those with and without test scores and that they will re-evaluate based on the test scores and noted that the high school GPA is generally the best predictor for academic success.

Research and Tech Transfer report _____ Dr. Tompkins reported that research overall remains strong. However, she expressed concern that overall numbers could mask individual research performance due to the problems that faculty have had navigating family issues due to the complexities of COVID. She noted there is an external trend reflecting a fascination in critical materials and supply chain protections, and the Department of Energy (DOE) is becoming concerned. Mines is the preferred partner on many opportunities coming up. There was a brief discussion regarding the Computer Science grant. It was noted that while details are limited, this is a twofold grant with a national mission, and is to be constructed in a way to directly benefit students. Dr. Tompkins noted she could get a more detailed version of the proposal if the Board is interested. She reported that there is a lot of research into pedagogy and outreach, with a goal to get costs down so Mines can educate more students in Colorado. She provided information on the State’s launch of a competitive program called Colorado Rise.

President Johnson reported that Mines is looking at ways to promote the student signature experience and he has directed funds from the President’s Office to develop proposals for outreach with new models that scale geographically. He noted there are a few donors interested in that concept and hopes to use funds from a Foundation grant that will attract donors. Dr. Johnson reported that Mines had to figure out how to do effective outreach, and reported that SWE had created kits to mail with a video that explained and identified contacts.

CSM Foundation and Alumni Relations report _____ Mr. Winkelbauer reported on a donor-funded initiative to provide more opportunities for transfer students from community colleges, where donors issued a challenge grant to help develop more support. He reported the Foundation has been showcasing and leveraging what people are doing on campus and telling donor stories to inspire others. He feels positive about where Mines is positioned. Mr. Winkelbauer provided information on the campaign co-leads, Charlie and Judy McNeil, Bruce Grewcock, Fran Vallejo and Scott Irvine and, Jerry and Tina Grandey. Mr. Winkelbauer reported that next week they are

interviewing the finalists for the new Director of Alumni Engagement and thanked Trustee Battalora for chairing the search committee. He reported on a gift received for a new honors program from Jerry and Tina Grandey.

Trustee Haddon asked Dr. Fox to report on the current temperature of students. Dr. Fox noted that as Mines gets further into the semester, morale has remained good for the most part. Students are fatiguing a bit with the virtual platform, but are finding needed support and allies. He noted as the seasons change the mood becomes a bit more somber and serious. Dr. Fox is working with the student government and student organizations to develop new ways for socialization during this pandemic time. Trustee Kleeman reported from her perspective, and agreed with Dr. Fox regarding his assessment of the current climate. It was noted that classes on campus and those online are both going well.

Trustee Sanders thanked everyone for their hard work during unsettling times and expressed appreciation for the efforts of all.

11:33 a.m. Trustee Salazar motioned to adjourn by Trustee Salazar; seconded by Trustee Haddon. Approved 7-0.

There being no further business the meeting was adjourned.



Anne Stark Walker, Secretary