

**BOARD OF GOVERNORS OF THE
COLORADO STATE UNIVERSITY SYSTEM
AUDIT COMMITTEE MEETING MINUTES
MAY 4, 2010**

Present: Tom Farley, Chair
Bonifacio Cosyleon, Vice Chair
Mary Lou Makepeace
Allison Horn, Director, Internal Auditing

Allison Horn updated the Committee on the progress on the FY 09-10 Audit Plan. No new reports have been issued since the Committee meeting on February 22, 2010, although three audits are nearing completion, and the reports should be issued soon.

Ms. Horn indicated that the Audit Plan for FY 10-11 will be presented for the Committee's review at the June meeting, at which time there will be a request to carry over four projects to that plan: Information Technology Change Control, Continuing Education and CSU Health Network in Ft. Collins; and Accounts Receivable in Pueblo.

The Committee reviewed the report of open audit recommendations. Ms. Horn stated that the Internal Auditing will be working with the institutions to modify the tracking of open recommendations to ensure timely implementation of recommendations with which the institutions have agreed.

Ms. Horn informed the Committee that a representative of BKD, LLP will attend the August meeting of the Audit Committee to report on the scope and areas of testing for the FY 2010 financial audit. If the Committee has questions about the external audit, those may be directed to the Auditor at that meeting.

A search has been initiated for a new Senior Auditor to be located at CSU-Pueblo, with the objective of a July start date.

A motion was made, seconded, and passed to go into Executive Session, and the General Counsel announced the basis for that session. The meeting was adjourned following the Executive Session.

**BOARD OF GOVERNORS OF THE
COLORADO STATE UNIVERSITY SYSTEM
SPECIAL BOARD MEETING MINUTES
MAY 4, 2010**

Chairman McConathy announced the resignation of Marguerite Salazar and nominated Dorothy Horrell to fill Marguerite's vacancy. The nomination was moved, seconded and approved. Dr. Horrell was sworn in and new committee assignments were made as follows: Dorothy Horrell to serve on Executive Committee, and Joe Zimlich to serve as Treasurer, and as Chair of the Finance Committee, Mary Lou Makepeace to serve on the Real Estate/Facilities Committee, Dorothy Horrell to the Academic Affairs Committee, and Mary Lou Makepeace to be the CSU-Pueblo Foundation Liaison. All nominations were unanimously approved.

Governor Ikard reported that the Global Search Committee put forth the name of Dr. Becky Takeda-Tinker. The Chancellor recommended that this candidate be the sole finalist considered and this motion was unanimously approved.

The Special Meeting adjourned at 9:24 a.m.

**BOARD OF GOVERNORS OF THE
COLORADO STATE UNIVERSITY SYSTEM
EVALUATION COMMITTEE MEETING MINUTES
MAY 4, 2010**

Chairman Farley called the committee to order at 9:30 a.m. and moved that the committee go into Executive Session, which was moved and approved.

The General Counsel read the Committee into Executive Session and all staff were excused.

The meeting adjourned at 11:30 a.m.

**BOARD OF GOVERNORS OF THE
COLORADO STATE UNIVERSITY SYSTEM
ACADEMIC AFFAIRS COMMITTEE MEETING MINUTES
MAY 4, 2010**

Governor Zimlich requested that President Tony Frank discuss the voluminous information produced in response to Governor Farley's questions regarding academic content. President Frank asked the Committee to consider more effective ways of presenting the information summarizing the annual review of coursework, reading requirements and other academic matters.

The suggestion was made that, due to the volume of the materials and appendices that selected points of information be reviewed individually at each meeting so that the information could be more thoroughly examined by the Board.

The motion was made and accepted to adjourn at 12:55 p.m.

**BOARD OF GOVERNORS OF THE
COLORADO STATE UNIVERSITY SYSTEM
REAL ESTATE COMMITTEE MEETING MINUTES
MAY 4, 2010**

Chairman Haselden called the committee to order and asked President Tony Frank to make some introductory remarks regarding the addition of Stu MacMillan to the Committee and what his responsibilities would be. Mr. MacMillan then added his own remarks and the Chair then moved to the first item of discussion, the San Luis Valley acquisition, asking Dr. Frank once again to present that matter. The Committee voted unanimously to recommend purchase of the property.

The next item was the Foothills Substation location and Easements amendment, presented by Amy Parsons. The Chair inquired why this was the third time this is being brought to the Committee and it was explained that the County rejected the previous location due to its proximity to Overlook Trail. The Committee unanimously passed the motion to recommend this purchase to the Board.

The Campus Master Plan Update presentation was deferred until July or after in the interests of timing, however background information was given so that the Committee would have a better understanding of the Plan once officially presented.

Ms. Amy Parsons then made a presentation regarding the project plans for the Lory Student Center Theater Renovation and the proposed fourth floor additions to the Braiden/Parmalee student residence halls and she was joined by Mike Ellis and Jim Millott who answered questions regarding the plans. The theater addition costs will be covered by existing student fees, and the \$26 million fourth story addition would be financed by bonds. The committee discussed whether the addition of the 240 new beds in the residence halls would justify the \$26 million expansion, but this project would also update the buildings, add lounges and common areas and increase energy efficiency by replacing exterior windows on the 60-year-old facility.

The Chairman reminded the committee that the financing aspects of the project would be further explored in the Finance Committee and a motion was made to recommend the projects to the full Board. After a brief discussion and explanation by Dr. Frank as to how these projects come to be presented to the committee, it was moved and passed unanimously that these projects be recommended for approval to the full Board.

The final agenda item was an explanation by President Frank regarding the disposition of any potential revenue realized from real estate owned by the University.

The meeting was then adjourned at 4:15 p.m.

**BOARD OF GOVERNORS OF THE
COLORADO STATE UNIVERSITY SYSTEM
FINANCE COMMITTEE MEETING MINUTES
MAY 4, 2010**

CFO Rich Schweigert opened by introducing representatives from Gallagher Basset who gave a brief overview of the benefits package they assist in administering on behalf of the Colorado State University System. After a brief comparison of different insurance plans across campuses and as between different plans within the overall University System, Mr. Schweigert then went on to present his report regarding the budget and the fiscal update, reviewing effect of the cessation of Stimulus funds flowing to the CSU System.

President Tony Frank and President Joe Garcia then made their presentations on the general budget for the various campuses, reviewing the increases in fees and tuition as offset by the savings gained in efficiencies and creation of new sources of revenue.

Mr. Schweigert was then called upon again to answer inquiry from the Board regarding current projects under construction and the portion of those costs being financed and bonded, interest accrued thereon, debt servicing payments made thereto and other pertinent information regarding the financing of these projects.

There was a discussion about whether the bond approval process could take place at the June meeting and the Chairman stated that there would not be adequate time on that agenda for this.

After a thorough discussion of the information provided by JP Morgan regarding the financial implications of these new bond projects, a motion was made and approved to move the bond documents forward with Chairman McConathy asking that the matter be voted upon at the June meeting, as long as it was solely a vote with no discussion, with follow-on documentation being provided in the meantime to Board members electronically. Specifically, a comparison of CSU to its academic peer institutions was requested for review before voting.

A resolution was proposed to transfer employees currently enjoying benefits under separate benefits plans all to the same plan. The committee unanimously agreed to recommend this action favorably to the Board.

The Finance Committee adjourned at 4:30 p.m. and Chairman McConathy invited Stu MacMillan and Amy Parsons to continue their earlier presentation from the Real Estate Committee reviewing the new and upcoming construction projects for which bonding currently exists, or would be required.

Ms. Parsons reviewed construction from bond issuances spanning from 2007 through 2009 and including: The Center for the Arts, the Lory Student Center and Morgan Library Plaza, Rockwell Hall, the Behavioral Science Building, the Academic Training Facility, Research Innovation Center, the Painter Center and Technology Center, other capital improvements to greenhouse facilities, the Aspen Center, the Blake Street Parking Garage, and the Student Rec Center along with updating of servers for the Academic Computing Center, wrapping up with the SERA addition on the Foothills Campus.

Upon conclusion of Mr. Parson's presentations of the capital improvements, the committee moved into the Executive Committee meeting.

**BOARD OF GOVERNORS OF THE
COLORADO STATE UNIVERSITY SYSTEM
EXECUTIVE COMMITTEE MEETING MINUTES
MAY 4, 2010**

Chairman McConathy introduced Chancellor Joe Blake and General Counsel Mike Nosler to review the new System-wide Employee Handbook, pointing out pertinent provisions to the Board of Governors relating to retention or deletion of emails having to do with Board business.

They then reviewed updates to the CORA Board Policy, namely that requests would be required in writing and that there would be per page and per hour charges associated with production of those documents. These two items were moved and unanimously agreed to be reported favorably to the full Board.

The Executive Committee meeting adjourned at 5:45 p.m.

**BOARD OF GOVERNORS OF THE
COLORADO STATE UNIVERSITY SYSTEM
MINUTES OF THE REGULAR BOARD MEETING
MAY 5, 2010**

Chairman McConathy called the meeting to order at 9:08 a.m.

Chairman McConathy asked for **Public Comment**.

Dave Edwards was invited to present in the public comment session. Mr. Edwards introduced himself as the Governor's representative of the 4th Congressional District on the Colorado Commission on Higher Education and made himself available to the Board for questions.

Jack Becker was called upon for comment. He addressed his opposition to the 15 percent increase in UFAB student fees as going toward new building construction.

David Ambrose was next to comment regarding the UFAB fee. In explaining his opposition he remarked on the overall financial shortfalls that properly staffing and maintaining those buildings will cause.

Dan Turk, CSU-Fort Collins Faculty Representative, gave a brief response to these criticisms, citing that adequate process was followed throughout all decisions to levy fees.

After brief questions, Mr. Turk introduced the new student body representative for Fort Collins, Cooper Anderson, who gave brief remarks, thanking the Board for his opportunity.

The Chairman then introduced a new timer system, and pointed out that in addition to her service, Marguerite also gifted two very substantial amounts to the University.

Chairman McConathy requested a motion to move into Executive Session. Governor Zimlich responded with a motion, seconded by Governor Cosyleon, and unanimously approved by the Board. General Counsel read into the record the reason for the Executive Session:

The Governors went into **Executive Session**, with the meeting reconvening in **Public Session**.

Chairman McConathy moved forward to the **Consent Agenda**. All items on the Consent Agenda were approved.

Chairman McConathy moved to **Student and Faculty Reports**.

Chairman McConathy called on **CSU-Pueblo Student Representative, Steve Titus**. Mr. Titus advised the Board that he had delivered the State of the Students address in March. Highlights of Mr. Titus' report cover campus technology and campus safety and the Facility Fee or the UFAB fee, which is essential to what's happening on campuses, modernizing campuses, keeping them safe and keeping up with what students want. Becky Takeda-Tinker new President of CSU-Global has opened a blackboard platform for CSU-Pueblo and CSU-Fort Collins to enhance the student experience. Mr. Titus told the Board that he was reelected for another term.

Chairman McConathy thanked Mr. Titus and called on the **CSU-Fort Collins Student Representative, Mr. Dan Gearhart**. Mr. Gearhart began his report with the information that he was not returning as the student representative next year. His report covered green grants to student who were interested in creating projects that were sustainable. Mr. Gearhart also reported on the Human Power Project. He reported on a higher education rally at the State Capitol. He again mentioned the new ASCSU President elect, Cooper Anderson. Mr. Gearhart thanked the Board for a great year.

Chairman McConathy thanked Mr. Gearhart and called on the **CSU-Fort Collins Faculty Representative, Mr. Dan Turk**. Mr. Turk reported on a Standing Advisory Committee for special and temporary faculty, major revision to conflict of commitment and consulting policies, and consensual relations policies approved by faculty council. Chancellor Blake attended a Faculty Council and Faculty Council Executive Committee where the revision of the student course survey was discussed. Mr. Turk reported that he will be the faculty representative for another year.

Chairman McConathy thanked Mr. Turk and called on the **CSU-Pueblo Faculty Representative, Mr. Scott Ericksen**. Mr. Ericksen advised the Board that his full report was in the board book. He also advised the Board that he had served for two years and will be replaced by a new representative, Rick Huff. Chairman McConathy thanked Mr. Ericksen for his service.

Chairman McConathy then called on Chancellor Blake to deliver the Chancellor's Report. The Chancellors report covered four items, two of which were covered in this presentation. First the Chancellor discussed attendance at the Conference of Associated Governing Boards and pointed out what a worthwhile program he found that to be.

He then gave a brief background on the Strategic Plan and began to go into the specific goals of the plan which led to a discussion about how the Strategic Plan integrates with each individual campus's plans, and the Board's stretch goals. It was agreed to take a lunch break,

present the Board of Governors' Excellence in Undergraduate Teaching Award to A.P.W. Bohm, a Professor of Computer Science.

After the lunch recess, the committee reconvened to continue the Chancellor's presentation of the Strategic Plan, during which he detailed the remaining goals and describes the measurement and metrics for tracking the progress toward same. The committee moved to adopt the Strategic Plan and unanimously approved adoption.

Chairman McConathy then moved to the CSU System Reports. The Finance Report was not presented as Rich Schweigert was testifying before the legislature.

Dr. Russ Meyer updated the committee as to the staff changes at the Department of Higher Education and gave a brief summary of the Department's Strategic Plan which sparked a lively discussion about the use of resources, State or otherwise, in duplicative programs as between institutions.

General Counsel, Mr. Mike Nosler was then called upon to present the namings, a motion was offered to accept all of the proposed namings en bloc and was passed unanimously.

General Counsel then brought up the proposal to suspend the parking fee increase for next year, this proposal was unanimously approved by the Board, as was the award of a posthumous degree to the candidate proposed by President Frank.

The next matter was to approve the addition of a Bachelor of Arts in International Studies within the College of Liberal Arts from it currently being simply a concentration. This motion was unanimously approved.

The motions to add a Plan C Master's degree in Occupational Therapy and to adopt the Colorado State University System Handbook for Administrative and Professional Employees were also both unanimously approved.

The next action item presented by General Counsel was asking the Board to approve the Executive Committee's proposal to transfer certain employees to the defined contribution system, which was unanimously approved.

Following was the proposed updated CORA policy; it was moved and unanimously approved to adopt the new policy as set forth before the Executive Committee in their session previously.

The final matter for action was rescinding the previously approved weapons policy of February 23rd, 2010 and moving forward with a new policy compliant with State law.

General Counsel was then asked to present the Real Estate Committee action items, the first of which was to approve the acquisition of 158 acres of land in Rio Grande adjacent to the San Luis Valley Research Center. Next was approving a grant of easements in the construction of a substation at Foothills Campus amending Board action of December 5th, 2007, and further amended by the Board action of May 6th, 2009. Both items were unanimously approved.

General Counsel next presented for approval the Lory Student Center Theater renovation and the Fort Collins program plan for the fourth floor additions to the Braiden and Parmalee, which were both unanimously approved.

Chairman McConathy moved to the next item on the agenda, President's Reports.

Chairman McConathy called on CSU-Pueblo President Joe Garcia. President Garcia gave the highlights from the graduation ceremony and also noted that a Fort Collins and Pueblo student is the Miss Colorado contestant for this year's Miss America pageant. He then gave an additional campus update, adding onto Amy Parson's previous presentation and wrapped up describing some of the more interesting recent sabbatical experience of faculty, which created some discussion of the sabbatical policy of the university. CSU-Pueblo had no action items for the Board.

Chairman McConathy thanked President Garcia and called on *CSU-Fort Collins President, Tony Frank* who made a brief presentation of the state of CSU-Fort Collins.

Chairman McConathy thanked President Frank and called on CSU-Global President Becky Takeda-Tinker. The CSU-Global report described the community partnerships undertaken to enhance the curriculum, also highlighting the upcoming application for independent accreditation.

Upon conclusion of President Takeda-Tinker's report, Governess Horrell read the charge of the Academic Affairs Committee. It was moved that the charge be adopted and unanimously approved.

Governor Zimlich then gave a run-down and overview of the items discussed by the Finance Committee previously, and the Chair then took over to handle the remaining items that had yet to be disposed of, namely, adding agenda items to the June meeting, which included budget approvals, staff evaluations, Board self-evaluations, Buzz Shaw report, Schedule K

matrix, and merging the Strategic Plan and stretch goals. It was decided to go forward with the RFP regarding the Executive Secretary position.

There was then a discussion of scheduling of future meetings in a manner that would set them far enough in advance to be convenient for all members. It was also discussed having a standard academic calendar that would be accessible by all Board members with all pertinent campus events and dates for the Board members.

There was then a motion made and unanimously approved to adjourn at 2:17 p.m.