



MINUTES OF THE MEETING BOARD OF TRUSTEES November 6, 2015

A regular meeting of the Board of Trustees was held on November 6, 2015 at Maine Maritime Academy, Castine, Maine. Chair Peacock and Trustees, Cianchette, Gilman, Greenleaf, Morrison, Oney, Samway, Sawyer, Shipway, Somerville, Theeman, Watson and Wellington were in attendance.

Trustee Arntzen participated via conference call.

President Brennan, Vice Presidents Carver, Haley, and True; members of the faculty, administration and staff; members of the Board of Selectmen of the Town of Castine; members of the public and members of the press were also present.

Chair Peacock brought the meeting to order at 8:30 a.m.

1. MINUTES OF AUGUST 6, 2015 MEETING

Chair Peacock asked for a motion to accept the minutes of the August 6, 2015 meeting of the Board.

Trustee Shipway noted that the minutes from August had a discrepancy that should be corrected: under the Advancement report, the twenty four million should read 5.4 million.

On a MOTION by Trustee Cianchette and seconded by Trustee Wellington, the Board voted unanimously to accept the minutes of the meeting of August 6, 2015 as corrected.

2. ALUMNI ASSOCIATION REPORT

- Jim Proulx, President of the Alumni Association began his report by noting that the Seacoast Chapter held their annual golf tournament and raised around \$14,000. The event has now raised close to \$100,000 which is pretty exciting.
- Mr. Proulx reported that Homecoming was a great success.
- Over \$10,000 in Alumni Association scholarships were awarded to students.
- The Wall of Honor dinner was held in Portland on the 29th and was a nice tribute to recipient Admiral Mark Whitney, Class of 1984.
- The Alumni Board met with twelve students last Friday to discuss a student joining as a representative to the Board.

- The Work Boat Show will take place from December 1st to the 3rd in New Orleans and the Alumni Association reception will be held on December 2nd. This is a big Alumni event and there will be a lot of industry people attending.
- Mr. Proulx concluded his report by announcing that there will be a Legislative reception on March 1st and invitations should be going out just after the first of the year.

3. CHAIR'S REMARKS

- Chair Peacock began by remarking that October was a difficult month with extreme highs and lows; the low being the *El Faro* incident and high being our rankings by the Brookings Institute.
- The Chair complimented President Brennan and his staff on how well they handled the *El Faro* tragedy. He noted in particular the maturity demonstrated by our students during the TV interviews and asked student Trustee Gilman to pass this accolade along to the students. As hard as this was, this was a good learning experience as our students will no doubt have further dealings with the press in their careers in this industry.
- Chair Peacock noted that he is pleased that the strategic plan is working and is excited about the direction of the academy in terms of the offshore and continuing education.
- The Chair concluded his report by thanking the entire board for coming together on this occasion.

4. PRESIDENT'S REPORT

- President Brennan began his report by stating it is true that we are one community. We help each other and support one another. It takes many people to provide the educational experience our students receive. Our faculty alone number around 120 and their role goes well beyond the classroom in helping to develop character in our students. They are joined by many who assist and support our students. The admissions staff, the registrar's office, the waterfront crew, the IT department, the Commandant's Division, the medical staff, the grounds crew, custodial services, administrative personnel, the ship's crew, library staff, our coaches and equipment managers, food service providers, bookstore staff, career services and many, many others.
- The President went on to remark that at our meetings, the Board of Trustees is generally focused on high level matters of policy and finance. That's as it should be – it is the Board's responsibility. But of course, the Board is mindful that there are many people here who help them to discharge their fundamental responsibility for the welfare of the college and the wellbeing of our students. President Brennan stressed that last evening's Academic Achievement Awards Banquet is apt demonstration of what a unique institution this is with students receiving awards who have shown an intellectual curiosity, a strong work ethic, and a real desire to succeed in their chosen field. Also honored are faculty members who encourage that intellectual curiosity, who demonstrate excellence and who help build within our students a sense of pride in their accomplishments. We are grateful for the honor that they bring as it is a reminder that all of our actions have an effect upon this institution and its reputation. The President went on to say that it is clear that the Board shares his appreciation for so many good and dedicated people who work with him, on the Board's behalf, to keep this such a wonderful college. That we were ranked for the second year in a row by Money Magazine as the number one best public college in America in an incredible accolade. But to last week be ranked by the Brookings Institute as one of the best colleges in this country at adding value to a graduate's career is an incredible testament to achievement of our fundamental mission; to prepare young women and men for success in their career fields and hopefully in their lives.
- The President has talked often about the family that is Maine Maritime Academy and he noted that he was never been more proud of this family than in the last few weeks. To be sure,

the *El Faro* tragedy has been very challenging for all of us, but the respectful and courageous way in which our students handled this difficult matter and the way in which our alumni reached out to support us has been nothing short of amazing. President Brennan thanked all of those present for the support and encouragement given these past few weeks as we've continued to move beyond, helping to prepare young men and women for the merchant marine while at the same time, helping them understand their grief as they prepare for careers at sea. He also took the opportunity to say how deeply he appreciates that alumni president, Jim Proulx, has joined him and his wife Heather at each of the memorial services held thus far and is sure that he will be beside them for those ahead. It has been a true demonstration of friendship.

- And, in the spirit of family and friendship the President went on to ask for the Board's indulgence for one more minute while he acknowledged someone who deserves more praise than any trite words are capable of conveying. The Director of the Alumni Association, Paul Mercer, has announced that he'll be stepping down soon to enjoy life as a retiree with his wife, kids and granddaughter. President Brennan remarked that motivated by self-interest as he is, Paul's leaving really ticks him off. But Paul is his friend. He has been since their high school days. Paul's wife and the President's were in high school together, college roommates and close friends now. Paul is to him in the true sense of the word his family and President Brennan expressed thanks to the Alumni Association for sharing him these past five years. The President went on to say that every single thing that he has accomplished at the Academy since his arrival has been because of Paul and he wanted all present to know that. President Brennan concluded his speech with a resounding "Thank you Paul".

5. PRESIDENT'S ACTION

President Brennan then presented the following action item included in the Board folders and attached to these minutes as RESOLUTION #1.

RESOLUTION#1

Upon the recommendation of the Faculty, I present to the Board of Trustees the following candidates for the Bachelor of Science degrees and ask for Board authorization to confer said degrees upon successful completion of degree requirements.

On a MOTION by Trustee Somerville and seconded by Trustee Watson, the Board voted unanimously to confer the Bachelor of Science, Master of Science and Associate in Science degrees to those candidates set forth in RESOLUTION #1, upon successful completion of degree requirements.

6. STANDING COMMITTEE REPORTS

a. Education Policy Committee

- In Dean Gardner's absence, Trustee Sawyer presented the report on the meeting of the Education Policy Committee. There were three agenda items, the first of which was an update by Dr. Joceline Boucher on the progress of the NEASC self-study. Dr. Boucher reported that we are about half-way through the study and that the board can expect a more complete version by springtime. Before the self-study is completed, the committee will be interviewing students as well as trustees.
- Associate Dean Loomis then updated the Committee on policies regarding review and retention of our faculty and there was a discussion regarding the role and numbers of adjunct faculty.
- The Committee then had a very lively discussion with Captain Gandy and Professor Young regarding the status of what we are referring to as the offshore program. We hope to hear more at each successive meeting of the Board of Trustees.

President Brennan noted that we will be posting the offshore PowerPoint presentation to the Trustee website.

b. Audit Committee

- Trustee Arntzen reported that the Committee had a presentation from Todd Bickford, one of the supervisors at Baker, Newman and Noyes, our outside auditors. We will receive a high-level clean opinion on our financial statements. A couple of minor things were pointed out that need some improvement. One had to do with the monitoring requirements for recipients under federal grants and that oversight has been corrected. They would also like to see some improvement in how we track capital assets acquired with federal funds. Mr. Bickford was very complimentary about the openness and cooperation of all staff members. All in all, a very satisfactory audit which we should all be pleased with.

Trustee Arntzen then asked Chair Peacock to read the RESOLUTION as follows:

RESOLUTION #2

BE IT RESOLVED, that the Maine Maritime Board of Trustees accepts the Independent Auditors' Final Draft Report for the Year Ending June 30, 2015

Trustee Theeman made a motion to accept the resolution, Trustee Wellington seconded the motion, and following a vote, the motion passed unanimously.

c. Finance Committee

- Trustee Shipway reported that the Finance Committee met yesterday and reviewed the year end data for FY 2015. As was projected at the August Board meeting, we ended with a surplus of just under \$650,000 which was placed back into the renewable fund as is our custom.
- The FY 2016 budget is now firmly in place and is being executed. Actual fall enrollment figures are slightly greater than our projection for budget purposes and should therefore not impact our revenue figures. So far, the budget is actually tracking the plan.
- Chief Financial Officer, Ms. Carver highlighted the fact that the unrestricted gift grant budget has increased from \$400,000 to nearly \$620,000 this year. This has moved up in relation to the challenge from the Alford Foundation and we need that in order to meet our budget as well.
- In the final portion of Ms. Carver's review, she highlighted the various reporting requirements that the Finance Committee has and that must be submitted before our next Board meeting. There was a short discussion of this matter.
- The Committee then moved on to our investment accounts. There was an update on the University of Maine managed investment pool which is our endowment fund: the first quarter of this fiscal year saw a correction in the market. From the end of June through September we are probably down about 6% though some small recovery was noted in October.
- The investment of our unrestricted funds was then discussed and the history of that fund was reviewed back to about the year 2000. The Committee then discussed the appropriateness of shifting from very conservative government securities to a blended portfolio with a notional target allocation of 65% equity, 30% fixed income and 5% cash. The Committee then recommended that a RESOLUTION be brought before the Board for their approval. This is RESOLUTION #3 in the Trustees' folders and attached with these minutes.

RESOLUTION#3

BE IT RESOLVED, that the Maine Maritime Academy Statement of Investment Policy, Article IV, section 3 be amended to read as follows:

Unrestricted funds that may be used at the discretion of the Academy for general purposes may be invested in a balanced strategy, using high quality stocks, bonds and cash equivalents or mutual funds comprised of these asset classes with a target asset allocation of 65% equity, 30% fixed income and 5% cash.

On a MOTION by Trustee Somerville and seconded by Trustee Watson, the Board voted unanimously to accept RESOLUTION#3 as attached hereto.

President Brennan noted that Acadia Trust will be invited to attend the next board meeting in February.

d. Student Affairs Committee

- Trustee Greenleaf reported on yesterday's meeting noting that Dr. True and Trustee Gilman gave an overview of the start of the fall semester, including a summary of how the campus responded to the *El Faro* incident. The campus response was guided by two principles; helping the students deal with this tragedy as well as respecting the wishes of the families of the five alumni aboard. It was reported to have been a learning experience for the campus as well as one in which President Brennan ensured that the impact of it was to send positive messages about the Academy in the face of a tragic situation.
- Trustee Gilman then reported on the good work the Student Government is undertaking to enhance student participation in governance.
- Placement statistics for the class of 2015 indicate that currently 94% are reporting either employment or in graduate school.
- Jeff Wright, Director of Admissions, provided an overview of enrollment data, including gains in female and diverse percentages. Challenges were noted regarding the new process to determine the yield, including a discussion of application fees and residency numbers.
- Dr. True reported on compliance with several federal requirements.
- Deidra Davis reported on the Academy's progress regarding the move toward adoption of a tobacco-free campus in the next three years with a well thought out plan.
- Director of Athletics, Steven Peed, reported on the many honors and achievements gained by the fall athletes. He also reported that the Academy has successfully completed its probationary period with the NCAA. Associate Athletic Director, Tricia Carver Watson gave a preview of new initiatives in the leadership development program for student athletes. This will be more thoroughly discussed at the February Committee meeting.
- The Board is encouraged to suggest topics for exploration at the February and May meetings. President Brennan suggested that Dr. True circulate a memo to the Board with some potential topics so that we may know where your interests lie and can provide further information.

Jennifer DeJoy, Director of College Relations, added some information about all of our recent press releases and where to find them and noted that we have repeatedly mentioned the good news about our rankings.

e. Operations Committee

- Trustee Cianchette began by stating that Paul Mercer gave the report at yesterday's Committee meeting including a quick update on the various departments under the Operations

Department which include: Human Resources, IT, Waterfront, Safety and Facilities. In the Facilities department headed by Adam Potter, there are about 170 projects either completed or ongoing since May of 2015. A lot of good things are being done.

- The second item discussed by the Committee was the capital projects. President Brennan and his staff were asked to put together a list which was published yesterday and provides a rough estimate of seventy-seven million dollars on the priority list. This would include the offshore project that was discussed yesterday. The Advancement team will certainly have a great deal of work to do in order to make this happen.
- The Maine Maritime Academy Lost at Sea memorial construction is underway and a knee wall will be built around it. The thirty-five or so alumni lost at sea will be memorialized there.
- The Committee also discussed a new student plaza between Curtis Hall and the new ABS building where there is some currently un-used space. This is now in the planning stage.
- The artist's rendering for the Wyman renovations was discussed. This project is included in the list of priorities for capital projects on campus.
- Trustee Cianchette concluded his report by mentioning that Paul Mercer helped him immensely when he became President of the Alumni Association and thanked him for that as well as his service to the Academy.

f. Advancement Committee

- Trustee Samway began by thanking Paul Mercer on behalf of the Advancement Committee. Paul filled the void left by the departure of the former Vice President for Advancement and the hiring of the present one. Paul led the team, kept their spirits up and provided momentum going forward. He was a pleasure to work with, always available and will be greatly missed.
- Trustee Samway then asked Vice President Haley to report on yesterday's meeting.
- There was an extensive agenda with seven items and Vice President Haley provided some of the highlights of that meeting. The meeting began with an overview of the results from July 1st to October 16th and it was reported that we have raised \$1,568,000 in gifts and pledges. It was also reported that we have received \$1,467,000 in cash. We also have unearthed over three million in bequests that are documented but have not yet been realized as the donors are still living. \$96,000 has also been realized from a couple of deceased estates.
- The Committee then spoke about the status of the Advancement division. It is a strong team that is averaging fifteen or twenty contacts a month by phone and face to face visits.
- The draft description of the position for the new Director of Alumni Affairs has been completed. We will also be conducting a search for an editor of the Mariner magazine
- President Brennan and Mr. Haley met with Greg Powell of the Alford Foundation and they provided us with a check for \$425,000 which was part of the ABS challenge gift. They also clarified our Annual Fund goal noting that we did not quite meet the goal set by the Alford Foundation last year but have been given another year to do so. The current goal will be \$700,000 and 16% alumni contributions.
- Kay Hightower who is currently working on the *Bowdoin* campaign reported that the \$1.6 million goal is well on its way to being raised. Some 2,500 people are involved around the state. There will be an event at the New York Yacht Club on November 17th. After the meeting it was reported that another \$100,000 gift came in yesterday bringing the total to just over \$900,000.
- Paul Mercer gave the Committee an update on the Alumni office, and Jen DeJoy gave a report on college relations focusing on the "Number One Again" campaign and shared a video of our students that was on-line.
- Trustee Samway then asked for a MOTION to accept the gifts and grants of \$1,000 or more.

RESOLUTION #4.

BE IT RESOLVED that the Board hereby accepts with gratitude all gifts and grants of \$1,000 or more and all donated property as set forth in RESOLUTION#4 attached to these minutes.

On a MOTION by Trustee Shipway and seconded by Trustee Cianchette, the Board voted unanimously to accept with gratitude all gifts and grants of \$1,000 or more set forth in RESOLUTION #4.

There is also a Resolution regarding the Dora Millett Scholarship Fund included in the Trustee folders and attached to these minutes.

RESOLUTION#5.

On a MOTION by Trustee Wellington and seconded by Trustee Somerville, the Board voted unanimously to establish the Dora Millett Scholarship Fund, as set forth in attached RESOLUTION#5.

g. Governance Committee

- Trustee Wellington stated that the Committee heard from President Brennan a report on the Strategic Plan. He explained that this is basically a process engineering approach. Under each of the four strategic goals there are certain targeted objectives and when a budget requests some aid they have to indicate how they are supporting the strategic goals. President Brennan also provided a written update on the Human Resource policies and procedures which was in response to a question at the last Board meeting.
- In conclusion, Trustee Wellington noted that by the February Board meeting, President Brennan will have further information about the policies and procedures and how they relate to board members specifically.

Chair Peacock remarked that the work done on the strategic plan by President Brennan and his staff was outstanding and greatly appreciated.

h. Other Business

- Chair Peacock asked that all three of the Selectmen of the Town of Castine and the Town Manager stand to be recognized. The Chair noted that we greatly appreciated the town's cooperation during the construction of the ABS building which is now complete, except for the signage and the art work.
- Selectman David Unger commented that he cannot pick up a newspaper or magazine without there being a listing of colleges and universities that have been evaluated using various criteria and MMA is at the top of the list. He congratulated all who had a role in making this happen.
- Selectman Gus Basile noted that it has been a great pleasure working with the Board of Trustees, President Brennan and the current administration over the six years he has been a board member and is confident that this relationship will continue.
- Town Manager Jim Goodson mentioned that the construction on Main Street is going very well and thanked the Academy administration, particularly Facilities and Safety for working with them to re-evaluate the parking situation around town.

Chair Peacock addressed the last item of business by asking Laurie Stone to stand. He noted that Laurie has taught at the Academy for many years and has been the editor of the Mariner magazine since 2006 ensuring that it is a publication that is well done. Perhaps even more importantly, she has been a great mentor to many of the students, including the Chair's own daughter who received the benefit of her

advice and encouragement. He concluded by noting her impressive bio, her language skills, her people skills and teaching skills are quite outstanding.

Laurie thanked the Chair for his kind remarks and commented that she is sad about leaving but happy to be leaving her career here with the feeling that the school is in great shape.

Trustee Sawyer asked to amend his report on the meeting of the Education Policy Committee to include a policy matter; that is that the Academy Council which is made up of department chairs has initiated an institutional data integrity committee as part of a follow up to the NEASC study.

Trustee Wellington asked if it was appropriate to mention that the Board went into Executive Session yesterday. To which President Brennan responded that it is not required but he went on to mention that the Board went into Executive Session yesterday to review a status report concerning the negotiations between the Maine Maritime Academy and the Maine State Employees Association. No action was taken.

Trustee Somerville noted that Ellie Ford, great, great granddaughter of Henry Ford visited the Academy in August and was very impressed. She asked Trustee Somerville to forward to all of those she met here her condolences on the *El Faro* incident.

There being no further business to address, Chair Peacock announced that the next meeting of the Board will take place on February 26, 2015.

On a motion by Trustee Shipway and seconded by Trustee Somerville the Board moved unanimously to adjourn at 9.10 a.m.

Respectfully Submitted,

Rhonda Varney
Secretary to the Board of Trustees
Maine Maritime Academy