



MINUTES OF THE MEETING BOARD OF TRUSTEES August 9, 2013

A regular meeting of the Board of Trustees was held on August 9, 2013 at Maine Maritime Academy, Castine, Maine. Chair Peacock and Trustees Armstrong, Arntzen, Cianchette, Greenleaf, Mattimore, Oney, Samway, Sawyer, Shipway, Somerville, Watson and Wellington were in attendance. Trustees Larson and Rodrigue participated via conference call. President Brennan, Vice Presidents Barlow, Loustaunau, True and Willmann, the Chief Financial Officer, the President of the Alumni Association, members of the faculty and staff, members of the public and members of the press were also present.

Chair Peacock brought the meeting to order at 8:33 a.m.

1. NOMINATING COMMITTEE

- Chair Peacock asked that President Brennan serve as Presiding Officer for the purpose of the election of officers. President Brennan then asked Trustee Larson, as a member of the Committee, for her consent which was granted.
- The Nominating Committee submits the following nominations:
 - Robert Peacock for Chairman
 - Robert Somerville for Vice Chairman
 - Dugan Shipway for Treasurer
 - Kathleen Grimes for Secretary
- President Brennan then asked if there were any other nominations to be offered. There being none, a unanimous consent to close nominations was asked for. No objections were voiced. As Presiding Officer, President Brennan continued as follows:

The nominating committee having submitted a slate of candidates for Officers of the Maine Maritime Academy Board of Trustees and there having been no additional nominations, I propose the slate of nominees be accepted by acclamation. If there is no objection, please so signify by saying “aye”.

- A vote was taken and recorded as unanimous. The new slate of Officers was then congratulated.

2. MINUTES OF MAY 3, 2013 MEETING

On a MOTION by Trustee Cianchette and seconded by Trustee Wellington, the Board voted to accept the minutes of the meeting of May 3, 2013 as distributed.

3. ALUMNI ASSOCIATION REPORT

- Jim Proulx, President of the Alumni Association presented the report. Mr. Proulx reported that the Alumni Association has been very busy since their last meeting in May. In late May, a reception was held in Portland. It was well attended by both alumni and friends of the Academy. The cruise receptions were very successful both in Tampa and Baltimore. Dave Knapp, class of '86 was pivotal in helping to organize the Tampa event. The Baltimore event was also successful. Mr. Proulx thanked Chair Peacock for his invaluable assistance with the reception in Eastport.
- Alumni from the decade of the 1940's were back on campus this summer, celebrating the 70th anniversary of some of our graduates. Twenty-four alumni and guests were on the dock to watch the *T.S. State of Maine* return to port. Many memories were shared over the traditional lobster bake.
- The class of 1973 had a large turnout with over 40 guests attending their reunion.
- On August 7th, the seventh annual Wilbur Brown Golf Tournament was held to raise funds for scholarships. Approximately one hundred people attended and over \$8,000 was raised.
- Homecoming is scheduled for September 20th to the 22nd. Events will include a performance by Bob Marley on Friday night. Invitations will be sent out to alumni, students, faculty, staff and friends.
- On Saturday, the Academy vessel, *The Ned* will be re-dedicated as the *Susan J. Clark*.
- Work is being done to prepare for the National Work Boat Show which will take place on September 10th at the Plimsoll Club in New Orleans.

4. CHAIR'S REMARKS

- Chair Peacock began his remarks by thanking everyone for their support of him as Chair of the Board over the past two years. He noted in particular the staff, the administration and the faculty who have been very helpful over the last year on a number of projects including the visit to Eastport. It was only the second time in 72 years that the training ship has visited Eastport and the impact on the town was tremendous. Everyone remarked upon how polite the students were and thoroughly enjoyed the event.
- Chair Peacock then noted that yesterday there was a very interesting Board discussion and that he was extremely impressed with the give and take of the meetings. Under the leadership of Trustee Shipway there were discussions regarding how the Academy can get the new building constructed, and when. It was clear that everyone present really cares about the Academy and makes it easy for him to be the Chair.
- Two new Board members were then introduced. Jason Oney is an alumnus from the class of 1996 with a very successful business in Gorham, Maine. Chair Peacock stated that he looks forward to getting to know him and sharing his expertise as a Board member. Also,

Kitt Watson who has been a friend of the Academy for at least the past thirty-eight years. Chair Peacock remarked that we look forward to his input to the Board and hopes his yacht will be “parked” here all summer.

5. PRESIDENT’S REPORT

- President Brennan began by expressing his pleasure in joining Captain Peacock in welcoming our new members, Jason Oney and Kitt Watson to the Board. He also acknowledged that this is Ryan Armstrong’s first official meeting as our Student Trustee. He noted that the success of Maine Maritime Academy is in large measure due to the selfless dedication of our Board of Trustees to the welfare and betterment of this great institution.
- President Brennan continued by saying that the Board’s guidance, support and depth of involvement is amply demonstrated by the work done to prepare us to initiate the next significant development on this campus, the ABS Engineering, Science and Research Building. This and the undertaking of a critical strategic plan are the big picture responsibilities of the Board that are so critical to the future of an institution like MMA. President Brennan then thanked the Board members for all they contribute to the Academy.
- He further noted that it is also appropriate to recognize the important role that the alumni play in the success of this institution, referring not only to those on the Board who are MMA alumni, but to all of the alumni who contribute in so many ways that we don’t often enough bring to everyone’s attention. President Brennan mentioned briefly several alumni events that we have had here on campus, in Portland and other parts of the state. He drew particular attention to the alumni events hosted aboard the ship in Tampa, Baltimore and Eastport and acknowledged the significant contribution that alumni make to the annual cruise. In each U.S. port we visit, average port costs for a ship the size of the *T.S. State of Maine* can run as high as forty thousand dollars. However, the costs for pilotage, docking, waste disposal and any number of other required services are largely borne by alumni. And beyond that, the alumni make arrangements for, and often pay for, student excursions and other activities while the ship is in port. This is a wonderful testament to the importance to our students’ success of the Maine Maritime Community.
- On the subject of receptions, President Brennan went on to mention the wonderful role that the *T.S. State of Maine* played in Quebec City, where the ship served as “Sovereign Territory” for the U.S. Consulate General to host our National Day celebration. This event brought incredible international visibility to the college and the outstanding way it was handled, given the complexity of the event. In particular, the President acknowledged Captain Nate Gandy and the Regimental Staff; Captain Les Eadie and the ship’s crew and the entire Sodexo organization; Kate Grimes who was responsible for handling much of the protocol with the Counsel General’s Office; and Jen DeJoy for handling the communications and college relations necessary for an event of this nature.
- President Brennan then reported on the quarterly travel log of his activities since the last meeting. He attended the functions aboard ship in Tampa and Baltimore, and joined the ship in Quebec City for the return trip noting that being aboard is a fabulous opportunity to see the value of our hands-on form of training and the skills and self-confidence it develops in our students. In early May he attended the North Atlantic Athletic Conference meeting in York. He was often in Augusta, including a visit two weeks ago to discuss with the other

public higher ed presidents a statewide strategic plan, and last week he was in Washington visiting our congressional delegation regarding a variety of research funding opportunities.

- During one of the President's visits to Augusta, he had the pleasure of participating in a bill signing ceremony at the Blaine House. On May 23rd, the Governor signed LD 510, legislation that will direct from the proceeds of Maine's casinos, more than one hundred thousand dollars a year to MMA's scholarship program. President Brennan was also pleased to note that the Governor signed into law LD 1276, which adds Maine Maritime Academy to the list of eligible public higher education institutions that can receive funds under the Maine Research and Development Fund.
- President Brennan closed with a comment about the wind project, referred to as Volturnus, which was reported on previously. The project, jointly conducted by MMA and UMaine with significant involvement of Cianbro, generated a lot of positive press for the Academy. The turbine is anchored off Dyce Head and has become somewhat of a tourist attraction. He also reported that the National Science Foundation tapped the University of Maine in partnership with Maine Maritime Academy, Sandia National Laboratories, and the National Renewable Energy Laboratory to receive another federal grant of close to one million dollars to design and build a "multidirectional Wind-Wave generating system to test wave-wind relationships under storm conditions". This, the work that Doug Reed is doing on lobster boat design, and other projects we're involved with really have significant benefit for our students in preparing them for their careers and helps underscore the value of the new engineering, science and research center and is testament to the value of the funding ABS provided to initiate our Research Program.

4. PRESIDENT'S ACTION

- There were no action items to be addressed during this meeting.

5. STANDING COMMITTEE REPORTS

a. Educational Policy Committee

- Chair Peacock announced that Trustee Ward Graffam was formerly the Chair of the Educational Policy Committee but that he now has a new job in Dublin and will be moving there in the near future. With regret, he has had to resign so his seat on the Board will now be vacant. Chair Peacock asked if in his stead Trustee Sawyer would like to serve as Chair of the Educational Policy Committee. Trustee Sawyer responded by saying that it would give him greater pleasure to serve in that capacity.
- Chair Peacock then went on to announce that Dean Barlow has announced his intention to retire at the end of this academic year. He noted that Dean Barlow has had a very long and successful career here at the Academy and expressed his thanks.
- Dean Barlow then presented a brief summary of the Educational Policy Standing Committee meeting which took place yesterday. Notes from the May 3rd meeting were approved.
- The progress report requested by NEASC, our accrediting group was reviewed. The report focused on two programs: our joint degree program with Dokuz Eylül University in Izmir, Turkey and also on the President's Sustainability Project and our movement into Strategic Planning.
- All of our Coast Guard License Programs have been re-approved for the 2010 STCW amendments and the Committee discussed the issue of sea-time for the unlimited license.

Under the new rules and regulations at least 300 days of the total required time must be sea time. We are short about thirty of those days under the present programs that we have. The class that is arriving in the next couple of weeks will have to have an additional 30 days of sea time equivalents. Time on the training vessel is counted as one and one half days. We have requested that the Coast Guard approve two of our smaller vessels, the *Susan Clark* and the *Bowdoin* for that training and we also have the *Pentagoet* which currently meets their requirements. Both the *Susan Clark* and the *Bowdoin* are slightly under the gross registered tonnage of seventy-five tons which the Coast Guard requires. Both vessels are fairly close to this tonnage and we have asked for this approval.

- The Committee also had a report on the STEM project (Science, Technology, Engineering and Mathematics). We are interacting with at least four high schools that will be presenting programs to involving college credit courses offered by Maine Maritime Academy the tuition for which will be paid by the Department of Education. They will be hybrid courses comprising distance learning as well as lab experiences here on campus.
- There was also a report from Dr. Donahue on research efforts over the past twelve months and that concluded the meeting.

b. Student Affairs Committee

- Trustee Mattimore began her review of the committee meeting by noting that this was the first such meeting for Dr. Elizabeth True, Vice President for Student Affairs and Enrollment Management. She and her division staff provided a wealth of information that led to some interesting discussion. Some of the highlights of their presentation were as follows.
- Jeff Wright reported that enrollment for this fall will be about the same as last year with 285 incoming students. This figure is in spite of efforts to curtail applications and acceptances in some of the over-subscribed programs. Dr. True then spoke about enrollment management and a plan to survey students regarding their level of college engagement, in part to learn more about where the division might take action to increase engagement. She also noted plans to emphasize efforts to recruit students from under-represented groups, including women and racial minorities. Also noted was a good discussion about the challenges that presents for the Academy.
- Deidra Davis reported on the activities of the retention team and described an emphasis on a couple of areas. There is an effort to improve retention and graduation rates for students who have been on academic probation. Improving those rates would improve the already terrific rates that the Academy is experiencing and there are also plans to develop a college success program for all entering first-time full-time students.
- Steve Peed talked about the amazing activity in the athletic department and some things that will be available for students when they return in the fall including a significant expansion of the intramural program, the renovation of the weight room, the upgrading of the women's locker room and the launch of a web site featuring Mariner Athletic gear for purchase.
- Nate Gandy talked about the final information on the cruise as well as the tremendous support from alumni that President Brennan mentioned earlier in his remarks. It was a full ship and twenty-two additional students participated in the SUNY cruise because of over-capacity issues. This cruise offered some additional training opportunities in emergency medical skills, more structured educational and cultural activities in port and because of an

attempted rescue at sea it was also an opportunity to add procedures and training for helicopter operations.

- Trustee Shipway remarked that he and his wife along with Trustee Wellington and his wife participated in the short cruise from Searsport to Castine, noting that it is a wonderful way to get the heartbeat of the school in a very brief time. He noted that they spoke to students, staff, legislators, and saw the proof that Admiral Brennan (as he was at that time) is a hands-on president who engages with students, staff and all aboard the training vessel.

c. **Ad-Hoc Strategic Planning Committee**

Trustee Mattimore reported on the meeting since the Chair, Trustee Cianchette, was unable to attend. She noted that it was a chance to have an update on the schedule and to hear from Jeff Wahlstrom who is the consultant working with the Academy and the Committee, gathering information and guiding the plan. It was an opportunity to see what information has been gathered so far in terms of the themes that are coming up from both Trustees and staff at the Academy who have been interviewed as part of the discussion. There were no surprises and consistency was noted in the items that have arisen in discussion and in conversations with the Board over time. There is a significant amount of work that will be done this fall with students, faculty and with the community to gather more information in preparation for a substantial collection of data and reporting out at the November Board meetings.

- An important point made by Paul Mercer was that when the schedule is viewed, things are on-schedule as planned but that a significant amount of work will take place between the fall and February date when the plan is expected to be finalized.
- All Trustees have agreed to speak with Jeff and seven have already done so. They have also expressed a commitment to a more substantial time involvement in the fall as we look at all of the information that has been gathered and make some directional decisions. How this will be organized is to be decided by President Brennan, Paul Mercer and members of the ad-hoc committee.

Chair Peacock then noted that there will be an extended Board meeting in November in order to go over the strategic planning initiative. This will essentially be an in-house retreat. An email with further details will be sent out shortly.

d. **Advancement Committee**

- Trustee Samway began by expressing her personal thanks to Chair Peacock for agreeing to another term as Chair and to Trustees Somerville for his continued involvement as Vice-Chair. Trustee Samway welcomed Trustee Jason Oney and thanked him for his magnificent corporate gift. She then asked Vice President Willmann to report on the short committee meeting.
- Vice President Willmann noted that since it was a short meeting the committee briefly reviewed the summary of fundraising activity from last fiscal year and noted that we were successful in reaching a budgeted goal of \$400,000 for the Annual Fund. However, we did not reach our “stretch” goal of \$650,000 for the Annual Fund. We had hoped to apply the additional funds to the ABS building but found that when asked to increase their contribution to assist with the building, donors asked instead that their donation be shifted from the Annual Fund to the fund for the new building. In the future, the Advancement

Department will approach the issue differently by setting one goal for the Annual Fund and a separate goal for the ABS building. We also raised almost five million dollars in gifts and pledges to the ABS building last year. This included a challenge pledge from an anonymous donor which will be discussed further when we address the Committee of the Whole. It also included the gift from Strategic Maintenance Solutions which was really a help in efforts to boost that campaign. The rest of the restricted gifts received are outlined in the Trustees' folders under the Advancement tab. All totaled we received just over six million dollars in gifts and grants last year.

- For the coming year efforts will include a continued endeavor to increase the Annual Fund, growing alumni participation and continued work on the ABS campaign. A new initiative this year will be to focus a lot of time and energy on student engagement and philanthropy. Ryan Armstrong, Craig Dagan and another student, Jillian Perrone and Trustee Willmann went to a conference where several days were spent addressing this issue. The Advancement Department looks forward to working with Ryan on this initiative during the coming year.
- The Committee then asked that Trustees consider the Resolutions which are included herein as Attachments A, B and C. The first was a Resolution to accept gifts and grants and donated property and reads as follows:

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 the accompanying report.

On a motion by Trustee Sawyer and seconded by Trustee Shipway, the Board voted unanimously to accept with gratitude all gifts and grants of \$1,000 or more and all donated property as set forth in the accompanying report. (Attachment A)

- The second and third Resolutions read as follows:

BE IT RESOLVED that the Board hereby establishes the Captain Robert Marcus Spear (Class of 12972) Memorial Scholarship Fund.

BE IT RESOLVED that the Board hereby accepts with gratitude the Class of 1962 Regimental Scholarship Fund.

On a motion by Trustee Mattimore and seconded by Trustee Wellington the Board voted unanimously to accept the above Resolutions included herein as Attachments B and C.

d. **Operations Committee**

- Trustee Cianchette reported that over the past year with President Brennan's leadership, we have re-organized a lot of different departments under what is now called "Operations". Over the last couple of meetings it has been demonstrated to be a great move for the Academy and under the direction of Vice President Loustaunau there have been some very positive results and a lot of things are happening and he has a great team in place. Trustee Cianchette then asked Vice President Loustaunau to report on the Committee meeting which took place yesterday.

- Vice President Loustaunau reported that it was a brief meeting but an update was provided on things that are going on. One of the moves is a continuing re-organization changing our Security Department to a Campus Safety and Compliance Department and this involved a personnel change. We are now advertising for a Director of Campus Safety and Compliance and hope to have someone on board during the next few weeks. The department is now called Campus Safety and its mission is to support Maine Maritime Academy by providing a safe and secure environment for the entire campus community through a coordinated effort that fosters respect, integrity and professional conduct. When the weekly training takes place, we are using the mission as the guiding force regarding how to react to various situations in the town and on the campus. One of the main reasons for this change is to put a re-emphasis on occupational safety, environmental safety and compliance which has become increasingly important as far as State and Federal regulations are concerned. Jim Soucie has been holding together the compliance piece for the last several years and it is thanks to him that we are able to move forward with a renewed effort.
- Within the Operations Department, many other things have been going on. Lisa Roy, Chief Technology Officer reported that we have done away with the hand-scanning system previously used to gain admission to Curtis Hall and the library and are now changing to a proximity card system which is a well-tested system and is being used on many other campuses throughout the U.S.
- In addition, Adam Potter, Director of Facilities gave a quick report on a number of things that are happening, including a number of construction projects happening all over campus and updates to our safety systems such as the sprinkler systems and alarm panels in order to bring us into compliance, We have had boiler problems over the past year and working with the State, Risk Management or BGS we are now in compliance with safety regulations. Adam has brought a real cultural change to that department, including a deferred maintenance list which is now an ever-growing planned maintenance list.

e. **Finance Committee**

- Trustee Shipway reported on the meeting of the Finance Committee which took place yesterday. He began by focusing the Board's attention on the quarterly report of the Chief Financial Officer which is included in the Trustees' folders.
- The endowment for the fiscal year ended June 30th is up about 11% after fees, which is somewhat better than the last several years. We ended fiscal year 2013 about in balance and because of the change in oil expenses and the consequent savings we were able to implement a number of the construction projects visible around campus. Some of the overdue deferred maintenance items have now been dramatically upgraded.
- The FY 2014 budget is about in balance, with a possible deficit of approximately one million dollars but there are certainly ways to deal with that.
- Jim Soucie and his team are putting together a pro forma five-year budget so that when we look beyond the current fiscal year, we can project where we need to be in the longer term.
- Mr. Soucie also gave the committee a quick overview of what is happening with the State contribution for the next fiscal year. Although the State has already projected a figure for that, during the first few weeks of their session, they are already postulating a possible take-back of 1% of the eight million they had planned to give us. As always, we cannot be

assured of their contribution and this makes planning a little problematic. However, Trustee Shipway gave assurances that we can overcome this with careful monitoring.

- President Brennan then noted that during yesterday's meeting there was a discussion regarding possible Bond funding. At that time, we were unsure that this would be brought to a vote, but by yesterday evening, the legislature had settled on a possible date. This underscores the fact that with the State, things are always in flux and cannot be counted upon with any certainty.
- Trustee Shipway then responded that in the projected budget for next fiscal year, we have not counted upon any additional monies from the Bond issue, but that it would be very good if it should happen.
- Chair Peacock then thanked Mr. Soucie and his whole department on behalf of the whole Board, for compiling a projected budget under these difficult circumstances, noting that they have done a great job.

f. **Committee of the Whole**

- Chair Peacock noted that there was an interesting discussion yesterday which took several hours. From that came a Resolution.
- Trustee Shipway then asked to offer a few words of explanation for those Board members who were not here yesterday. He noted that it is important to explain exactly where we are in terms of funding for the ABS building and what it means in terms of short and long-term planning. Using data from the Advancement Office, the committee discussed whether we should build the building starting in late fall, breaking ground early winter. Then the Committee discussed a challenge grant from an anonymous donor which basically states that if we are able to raise another five million dollars, the donor will contribute an additional three point five million dollars over a several-year period. The time frame for raising those funds is between now and June of 2014. If we raise less than five million, we will receive proportionally less from the anonymous donor.
- The Committee then discussed why it is important to move forward now and not wait any longer and it boils down to a quality of education issue and a commitment of the Board to actively support the measures we have to take over the next ten months in order to get as much as possible of the matching grant. Then, over the next three years, we must evaluate whether we can retire any debt we incur in the near term to make this a successful outcome as we wait for gifts and pledges to come in over a longer period. It was an intense discussion and there were opinions expressed on both sides but the Committee eventually came to a consensus conclusion that we should move forward now and agreed to the following Resolution:

BE IT RESOLVED that the Board of Trustees of the Maine Maritime Academy agrees as follows:

- To move forward directly to construct the Engineering, Science and Research Building
- To finance the construction through a fiscally appropriate mix of private sector borrowing and self-funding with financial assets in hand
- To continue the fundraising efforts to achieve the maximum amount of matching funds possible.

Trustee Shipway went on to further explain that what this means is that we have agreed to move forward with the plan to begin construction this fall with the cash on hand (around four million) and as it runs out over the next six or eight months we will use our own funds, then borrow some funds for the remaining amount during the fifteen or eighteen months of the construction period. We will balance that, obtain terms, bring back to the Executive Committee and possibly the full Board for approval and then finally the key is for this Board to be solid supporters of the fundraising efforts, either by using their own funds, assisting the President in his efforts to make this a key mission of this Board over the next three years. The Board, the President and the administration need to be completely committed to this initiative.

- Trustee Sawyer then stated that during yesterday's meeting a January roll-out option and a June roll-out option were discussed. This morning at breakfast Trustee Sawyer asked students about the impact of those two scenarios and then asked the Committee whether there would be a material difference regarding when the doors would open. Trustee Cianchette responded that a Fall of 2013 start of construction would allow an opening of the doors in January of 2015. It is in effect a fifteen month schedule. He explained that every month you push the start, you push the occupancy another month from January of 2015. At a previous meeting it was essentially agreed that the construction work should begin this fall.
- Trustee Shipway noted that with this schedule, the major disruptive construction work would take place while there are no students on campus so that the quality of education is not impacted.

On a motion by Trustee Somerville and seconded by Trustee Sawyer, the Board voted unanimously to approve the Resolution as stated above.

g. Other Business

- A request was made for information regarding the date of the Marine Corps Ball. The Secretary to the Board will send an email concerning the details. It was noted that Homecoming will take place on September 2nd.

Chair Peacock then asked the Board if there were any other business that needed to be addressed. There being no response, he then announced that the next Board meeting will be November 7th and 8th. On a motion by Trustee Arntzen and seconded by Trustee Shipway, the Board moved to adjourn.

Respectfully Submitted,

Kate Grimes
Secretary to the Board of Trustees
Maine Maritime Academy