



## MINUTES OF THE MEETING BOARD OF TRUSTEES February 20, 2015

A regular meeting of the Board of Trustees was held on February 20, 2015 at Maine Maritime Academy, Castine, Maine. Chair Peacock and Trustees Cianchette, Morrison, Pingree, Shipway, Somerville, Theeman, Watson and Wellington were in attendance. Trustees Greenleaf, Mattimore, Oney, Samway and Sawyer attended via conference call. President Brennan, Vice Presidents Donahue, Gardner, Soucie and True, 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 8:30 a.m.

### 1. MINUTES OF NOVEMBER 7, 2014 MEETING

**On a MOTION by Trustee Watson and seconded by Trustee Somerville, the Board voted to accept the minutes of the meeting of November 7, 2014 as distributed.**

### 2. ALUMNI ASSOCIATION REPORT

- In the absence of Jim Proulx, President of the Alumni Association, Paul Mercer, Director of Alumni Affairs presented the report. He summarized a note from Mr. Proulx explaining his inability to attend today's meeting and providing details of the activities of the Alumni Association.
- The Seacoast Chapter and the Alumni Association as a whole recently lost a great friend and significant contributor in the person of Captain Tom Smith, Class of 1967.
- We will be holding the first MMA Alumni ski day on February 27<sup>th</sup> at Black Mountain in Rumford, Maine. So far it looks as though there will be a good turnout. There is also the possibility of a March and April spring ski-fling at Sunday River, hosted by Jason Oney.
- The 46<sup>th</sup> annual Senior Alumni Banquet took place in Bangor last week. Approximately 210 people attended with seventy-five alumni participating. The event has outgrown the present venue and next year the banquet will be held at the Cross Convention Center.
- The Board of the Alumni Association under the guidance of Bill Full will be developing a strategic plan and would like to thank the members of the Maine Maritime Academy Board of Trustees for the template which they will be following as it will closely resemble that used by the Academy for the development of its strategic plan. Meetings have been conducted, surveys have been sent out, data is being collected and a report should be forthcoming in the future.

### 2. CHAIR'S REMARKS

Chair Peacock noted that it is wonderful to see the ABS Building up and running. He noted that this has been at least a ten year project and Chair Peacock thanked Vice Chairman Somerville for all that he did and all of the other trustees who also contributed a great deal of money in order to make this a reality. He also thanked everyone for coming out in such bad weather to attend this meeting.

### **3. PRESIDENT'S REPORT**

- President Brennan began his report by noting that he is presently the Dean of the Consortium of State Maritime Academies. The Consortium includes Maine, Massachusetts, New York, Texas, California, and the Great Lakes maritime academies. The purpose of the consortium is to provide a vehicle to collectively deal with federal issues that affect all of the Academies and it was his great pleasure to report that we have recently achieved significant success with a number of initiatives. First and foremost among these, is that the President's budget proposal that was released to Congress on February 2nd, contains \$5 million within the Department of Transportation budget for the design of the National Security Multi-Mission Vessel (NSMV).
- This is to be a purpose-built ship to replace the hodge-podge of aging training vessels the State Maritime Academies presently operate. Replacing this aging fleet of training ships provided to the six-state maritime academies has been a key effort for the Consortium. The average age of these ships, which embark thousands of cadets each year, is 35 years. While our ship is more than 25 years old, the oldest, *Empire State* at SUNY Maritime College, is 53 years old.
- In addition to training future licensed mariners, these vessels will be designed and commissioned as multi-mission dollar assets to support humanitarian assistance and disaster relief operations. Most of the existing training ships can accommodate 300 or more people making them a unique part of the National Reserve Defense Fleet. Building a new class of vessels from the keel up provides the opportunity to include unique capabilities for humanitarian and disaster purposes and ensures adequate berthing for responders. Strategically home-ported on the east, west and Gulf coasts, these ships will be able to quickly respond to disasters.
- This has come about in what President Brennan characterized as a National Moment, when a number of stars have aligned to give us a hopeful chance of seeing this building program come to fruition. The overall construction costs of 5 ships could be in excess of a billion dollars, but to have an administration propose the initiative at a time when our senior senator is the Chair of the Transportation Appropriations Committee is significant. Getting an initial \$5 million dollar "wedge" into an appropriations measure is huge – it is the way a long-lead time federal construction project is funded and while it may be years in the making, this is an extremely positive development.
- In addition to the funds requested for the design of the National Security Multi-Mission Vessel, the President's budget also includes \$34.6 million requested to support the State Maritime Academies (SMAs), including \$22 million for maintenance and repair of the school ships; \$3 million for direct support payments to each of the six schools; \$2.4 million for student tuition support; and \$1.8 million for training ship fuel assistance payments, which could mean as much as \$400 thousand for each school. Overall, this represents a significant increase in federal support for state maritime academies – significantly, it is a doubling of the funding for maintenance and repair of the training ships and, President Brennan pointed out, it represents the first time since he worked for Congress (which is about 30 years ago) that funding to support fuel assistance has been proposed by an administration.

- And lastly, as was mentioned yesterday, the Consortium's multi-year effort to focus attention on unfunded mandates and increased cost burdens for SMAs because of STCW is bearing fruit. The House of Representatives Transportation Committee has sent a letter to the Government Accountability Office (GAO) asking that an evaluation be conducted to review and analyze the USCG's administrative process relative to STCW, to identify any redundancies and unnecessary burdens, to report common problems faced by the state maritime academies in implementing STCW, and to make recommendations to improve the implementation of STCW. The SMA's are working jointly to develop detailed responses in anticipation of the GOA's visits.

#### **4. PRESIDENT'S ACTION**

- There were no action items to be brought forward at this meeting

#### **5. STANDING COMMITTEE REPORTS**

##### **a. Advancement Committee**

- Trustee Samway announced that in her absence, President Brennan would deliver the report of the Advancement Committee but before turning over to him, she took a moment to give her personal thanks to the members of the Advancement Office who have done a phenomenal job. She noted that the figures in the Trustees' folders will demonstrate that we are not losing ground on the Annual Fund because of the dedication of the staff. We have consultants on board to assist our own competent staff.
- President Brennan reported yesterday on the status of the Advancement Office and pointing out that despite being short-staffed we are ahead of where we were at this time last year in the Annual Fund and we are two million ahead at this point of where we were for the entire year last year.
- We have conducted an interview process seeking a new Vice President for Advancement. Through that process we have learned a number of things; mostly that we have been looking at the Development function of the Academy in a wrong-headed way. We have decided to retrench to assess the department, assess our needs and make changes in some of our operations, including a recommendation for a change in the way we handle the Annual Fund and then to recommence the search. As Trustee Samway pointed out, this is an extremely important function and we need to get it right and have the right person at the helm at this critical time. Over the years the funding to support the operations of the Academy has shifted from appropriations to tuition and that is not a sustainable business model. President Brennan went on to say that he suspects that we will be looking to establish a foundation for the institution as well.
- The Committee then looked at the numbers and charts which are included in the Trustees' folders. President Brennan recognized Ali, Kit's son, who is the Chair of the Bowdoin's fundraising campaign to thank him and also pointed out that we have received an anonymous gift of \$500,000 toward the re-decking of the *Bowdoin* which is really fabulous. In addition, Mike Wingett, Class of 1970 has made a commitment of half a million dollars to add to the scholarship fund that the Board of Trustees created at our last meeting.
- A new definition of the Annual Fund has been proposed as follows:  
Outright gifts of cash or publicly traded securities, contributed between July 1 and June 30 in any given year, that are placed at the immediate disposal of the College for current operations and in which the donor retains no interest. They may be either restricted or unrestricted in purpose.
- President Brennan noted that this is a bit of a change from the way we have dealt with the Annual Fund in previous years where we mixed and matched every year what was to be included in the Fund and so this brings our definition up to contemporary standards as defined by CASE which is the gold standard used by advancement offices.

- Lastly, at yesterday's meeting President Brennan brought the Committees attention to several resolutions. He concluded his report with the request that the Resolutions numbered one through four be considered by the Board. He addressed each individually as follows:

### RESOLUTION

**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 Attachment A.

**On a MOTION by Trustee Shipway and seconded by Trustee Watson, the Board voted unanimously to accept with gratitude all gifts and grants of \$1,000 or more as set forth in Attachment A.**

- The second resolution is to create the Schooner *Bowdoin* endowment fund. As was explained at yesterday's meeting, there was a fund called the Small Vessel and *Bowdoin* Schooner Fund established in 2000 but it was never formally established by the Board of Trustees. What we have determined over time is that the co-mingling of funds, some intended by the donor to go exclusively to the maintenance of the Schooner *Bowdoin* and other funds to go to the small vessel operations became too complicated. President Brennan stated that what we intend to do is to create two new funds, the Schooner *Bowdoin* Fund and the Small Vessel Endowment Fund.

### RESOLUTION

**BE IT RESOLVED** by the Board of Trustees of the Maine Maritime Academy that The Schooner *Bowdoin* Endowment Fund, as described in Attachment B attached hereto is hereby established.

**On a MOTION by Trustee Shipway and seconded by Trustee Cianchette, the Board voted unanimously to establish the Schooner Bowdoin Endowment Fund as set forth in Attachment B.**

### RESOLUTION

**BE IT RESOLVED** by the Board of Trustees of the Maine Maritime Academy that The Small Vessel Endowment Fund, as described in Attachment C attached hereto is hereby established.

**On a MOTION by Trustee Shipway and seconded by Trustee Theeman, the Board voted unanimously to establish the Small Vessel Endowment Fund as set forth in Attachment C.**

- President Brennan then announced that Nathan Stewart a graduate of the class of 2004 passed away recently and his family wishes to establish a memorial fund in his memory and presented a motion as follows:

### RESOLUTION

**BE IT RESOLVED** by the Board of Trustees of the Maine Maritime Academy that the Nathan E. Stewart Scholarship Fund, as described in Attachment D attached hereto is hereby established.

Trustee Theeman asked about the dollar amount used to establish the fund to which President Brennan responded that it was \$15,000.

**On a MOTION by Trustee Somerville and seconded by Trustee Theeman, the Board voted unanimously to establish the Nathan E. Stewart Scholarship Fund as set forth in Attachment D.**

- Concluding the report of the Advancement Committee meeting, Trustee Samway re-affirmed the direction being taken to re-align the position of Vice President of Advancement and stressed her support of the efforts to bring us more into compliance with CASE (Council for Advancement & Support of Education).

**b. Education Policy Committee**

- Trustee Sawyer asked Dr. Gardner to provide a synopsis of yesterday's Committee meeting.
- Dr. Gardner noted that yesterday's meeting began with a report from Captain Gandy on the January cruise and the ongoing schedule for the training ship. The schedules have been revised in response to the additional sea time requirement imposed by the Coast Guard such that beginning this year, and in future years, we will be sailing a 90 day summer cruise split 45 and 45 for the seniors and 90 days for the freshmen, with a change-out of students and crew typically in the Portland, Maine area. The transition period spanning January 2015 and January 2016 will involve a January cruise: this year it was for 15 days and next year it will be 23 days. The overall schedule of the training cruise and the staffing of that cruise is closely linked to ongoing concessions about a professor practice model in the faculty and is certainly informing the hiring of licensed faculty in both deck and engineering departments so that we maintain our capability for manning the vessel both in terms of watch-standing and instructors.
- The next item on the agenda was a report from Dr. Don Maier on the IBL graduate program and their recent accreditation from NEASC. Dr. Maier provided a report on the revenue from that program.
- There was a report on the ongoing NEASC self-study by Dr. Joceline Boucher. There are a number of committees actively working on various portions of that self-study here on campus. Their involvement will continue until the summer of 2016 when the report will be submitted to NEASC. That will be followed by an on-campus visit in the fall of 2016 by the NEASC evaluators. Ongoing updates from the various committees are demonstrating that we are in very good shape regarding all of the measures that NEASC will be looking at. The data collection piece is something that we particularly need to stay on top of so that we have adequate reference data to satisfy NEASC.
- Lastly Dr. Gardner reported on a series of updates on curriculum issues in general. The first was that department chairs are working closely with one another and meeting with faculty to develop and revise our current curriculum to bring it more in line with the guidance of the strategic plan. Those changes will include a close examination of the question of whether we should have an off-shore program and what that program would look like. Mike Young was hired to return to the faculty this past January to bring his expertise and serve in an advisory capacity to the faculty and to lead in developing that off-shore program. An initial report from Mike Young is expected by the spring Board of Trustees meeting. The report will address generally the feasibility and market demand for that academic program and will begin to sketch out how that course would fit in to our current course structures whether it be, for example, an addition of one or two courses, an adaptation of other existing material or whether this would entail a whole new academic major. If the latter were to be the case, something else would have to give in order to accommodate size limitations.
- The next piece of the curriculum report is that the faculty is remaining active in professional development and scholarship and Dr. Garden held out the example of reports prepared by two of our faculty members who attended a conference in London. There are a variety of other notable achievements going on and some of these were very evident in the recent round of retention hearings. The ten members of the committee left the retention hearings with a very positive impression of the breadth and depth of scholarship that is going on. All ten candidates were

unanimously approved for retention with merit and later this spring we will have six candidates for promotion.

- Dr. Gardner concluded his report by noting that there are currently six faculty searches in progress, two each from the departments of Ocean Sciences, Arts and Sciences and Engineering.
- Trustee Sawyer congratulated Captain Gandy and the other leadership who worked on what appears to be an excellent navigational route through the increased cruise schedule so that cruise will now include two trans-Atlantic voyages.

c. **Student Affairs Committee**

- Trustee Mattimore was unable to attend yesterday's meetings and asked that Dr. True present the report of the proceedings.
- Dr. True stated that the meeting began with a report from Jeff Wright on the current admissions numbers noting that trends are up in women and in-state applications with a small decrease in male out-of-state numbers. There is an overall increase in the quality of applications.
- The Committee then heard a report from Trustee Pingree on her activities as Student Trustee, including work with the Student Government Association and nominating the new Student Trustee candidates.
- Campus Safety Officer Lisa Burton joined Dr. True in informing the Committee of our requirements to comply with the Cleary Act which relates to campus safety.
- Trustee Pingree and marine biology student Hanna Chisholm updated the Committee on efforts to achieve the strategic planning goal of improving the gender balance. Several women student leaders also joined the group at last night's Trustee dinner to talk about their experiences here.
- Finally, the Committee discussed the game-changer strategies proposed by Pre-College America. This was at the request of the State affordability commission. Three of the strategies are: that 15 credit hours is full time; structured schedules and pathways to success. The Committee agreed that we are already doing these things, but two of the strategies, performance funding and co-requisite for mediation are just not applicable or practical given our mission. Trustee Mattimore will prepare a report for the May meeting so that it can be further discussed and meet our July first deadline.
- Trustee Sawyer asked about the on-line letter to the editor in the Bangor Daily News regarding the issue of the percentage of out-of state students. Dr. True provided the figures which are 65% in-state and 35% out-of-state.
- Trustee Shipway thanked Trustee Pingree for setting up the breakfast discussion with twelve members of the Student Government Association. Seven Board members participated in a wonderful discussion. The students noted their appreciation for the change in the food program and talked about student activity fees and how they are administered. There are approximately two dozen clubs and groups reflecting various student interests and there has been a very positive response to the student boxing matches with over three hundred students attending to watch.
- Dean Deidra Davis asked if she could mention on behalf of Captain Gandy that the Polar Bear Dip is coming up and the junior class uses this opportunity to raise funds for the Ring Dance, a very nice formal event. Any trustee who wishes to see Captain Gandy take a dip in the freezing water is welcome to contribute to the goal of \$600.00 in order to make this happen.
- Trustee Theeman mentioned that at this morning's breakfast when he asked the students if they were glad to be here the consistent answer was "yes".
- Trustee Wellington commented on the game-changers emphasizing that with respect to remediation we do use the MMA prep program and that should be noted in the report.
- President Brennan commented regarding the Bangor Daily News article that all State Maritime Academies are required under Federal law to provide billets to out-of-state students. This is an issue often raised by the State Legislature and in newspaper articles. Trustee Theeman asked President Brennan if he gets push back regarding the percentage of

in-state vs. out-of-state students to which the President responded that the State Legislature might prefer not to fund us but would require that we have in-state students exclusively. President Brennan noted that the push-back occurs in two ways: regarding the percentage of matriculates who are from out-of-state and also regarding our graduates who work out-of-state. He has pointed out that recent employment trends allow some of our graduates to work outside the state earning significantly more money than they could here, and choose to reside in Maine bringing their tax dollars back into our state.

- Trustee Theeman commented that if these same criticisms were levied at the University of Maine System and it had only in-state students, it would collapse.

**d. Finance Committee**

- Trustee Shipway recognized the recent announcement by President Brennan that Jim Soucie is going to retire at the end of this fiscal year and the Finance Committee would like to thank Jim for his stellar performance during the several years he has worked with them.
- Trustee Shipway summarized the Chief Financial Officer's quarterly report. Our tuition, fee and auxiliary revenue has exceeded our target for the year by about 5% which was fortuitous as we had budgeted a deficit of over a million at the start of the year. It appears that we will now end the fiscal year on a positive note. This year the annual cruise will move from a 68 day to a 90 day schedule and that will add significantly to the cost of that program and pressure in fiscal year 2016. The cost of our food program has improved this year resulting from meetings with Sodexo management and a renewed emphasis on controlling costs while still maintaining quality.
- The Committee received an update on the endowment fund. The trend was downward in the first three months of the calendar year by about .3%. We appear to have recovered that during the first half of this quarter and are approaching \$30 million at this point.
- As we prepare for fiscal year 2016, the Governor's budget has recommended an increase in our biennial general funds appropriation to include several large deferred maintenance projects. This is a recognition that the school has identified several things as needing to be done including replacement of the boilers at Curtis Hall, the sprinklers in Leavitt Hall, some upgrades in the food service department and maintenance on the roof at the Alford Center.
- The Committee then reviewed the endowment funds and investment performance and a resolution will be presented regarding the amount of funds available for next year.
- The 2016 budget was then examined and there was a discussion regarding what the tuition and fees should be next year. There will also be a resolution recommending an increase presented following Trustee Shipway's report.
- The OPEGA report to the Legislature was presented as well as the Committee minutes which were then discussed.
- The meeting concluded with a review of the status of the ABS fundraising and execution and the Committee found that with the cash on hand we will be able to complete the building and commence outfitting of the laboratories so that they will be fully functional for the fall semester as planned. With pledges coming in over the next couple of years we will also be able to establish a fund for the ongoing maintenance of the building.

Trustee Shipway then presented the two resolutions formerly mentioned as follows:

**RESOLUTION**

**BE IT RESOLVED by the Board of Trustees of the Maine Maritime Academy that the Academy administration is authorized to amend the current schedule of tuition and fees in order to ensure a balanced operating budget for the 2015-2016 academic year, but in doing so shall limit the rate of increase in tuition for Maine resident students to no more than 3.4% above the currently**

established levels. The Unlimited License Program Fee will be adjusted to the extent necessary to offset the revised USCG cruise requirements and the costs associated with those new requirements.

**On a MOTION by Trustee Somerville and seconded by Trustee Watson, the Board voted unanimously to accept the RESOLUTION as presented above and attached hereto as Attachment .**

## RESOLUTION

**BE IT RESOLVED** by the Board of Trustee of the Maine Maritime Academy that the spending level from scholarship endowment funds during the 2016 academic year be authorized in the amount of \$675,000.

**On a MOTION by Trustee Watson and seconded by Trustee Somerville, the Board voted unanimously to accept the RESOLUTION as presented above and attached hereto as Attachment F.**

**e. Governance Committee**

- Trustee Wellington announced that the first thing discussed by the Committee at yesterday's meeting was the form on skills inventory and it is asked that if Board members see any changes that should be made, they should inform the Committee so that it can be further discussed. The second form is an effectiveness evaluation form that will be passed out after the May meeting pending any further suggestions by Trustees.
- The Committee then received a brief update from President Brennan on LD393 which is legislation to consolidate the Boards of Trustees of the University of Maine System, Maine Community College System and Maine Maritime Academy. As was discussed, this is an issue that comes up year after year: we push back because we are a unique institution and so far nothing has ever happened with this initiative.
- In conclusion, Trustee Wellington noted that Paul Mercer gave a quick update on the strategic plan and by the May meeting we will have a progress report for the Board to review.
- Chair Peacock announced that we currently have a Board opening and perhaps by the May meeting we will have a replacement member. He also noted that we have such an interesting mix of people on this Board: male, female; graduates, non-graduates; sea-going, non-sea-going; military, non-military; those with an academic, finance and business background. The exercise of going through the skills inventory does point out that the members bring the necessary skills to this Board to make the Academy function and to give the administration the information and the policies that they need to lead this institution. He concluded by saying that it is indeed a pleasure to work with this Board.
- Trustee Sawyer added that in his conversations with people affiliated with SUNY they have revealed that they dislike the fact that they fall under the State University of New York Board of Trustees who rarely pay any attention at all to the school, and secondly, this issue has been brought up in the past by Representative Rotundo and failed to materialize.

**f. Operations Committee**

- Trustee Cianchette reported that the Operations Committee met yesterday and that they acknowledged Adam Potter for the work he has done in the Facilities Department which has resulted in significant savings in our fuel costs and economies in general as they relate to buildings and grounds.
- The Committee spent some time discussing capital projects which will be very important to the school and this ties directly to our Advancement report and the importance of getting that organization up and running with true leadership. This will have a tremendous impact on the direction of the Academy over the next several years.

- The reporting was then turned over to Vice President Donahue who presented a research update. Over the last three months or so we have received over a million dollars of research funding.
- The ABS building is complete except for some minor details and we will have a formal dedication at the May meeting of the Board.
- The IT department, the waterfront and safety all support the Academy and should be commended for always doing things in a cost saving mode.
- There was some discussion of the Human Resources Department and how they are improving things and moving towards some new hiring practices under the direction of Carrie Margrave. A Wellness Committee has been formed and some training has been scheduled. There is also a resolution to bring before the Board which will clarify the retirement system requirements as follows:

### **RESOLUTION**

**BE IT RESOLVED, that the Board of Trustees of Maine Maritime Academy, wishing to clarify the practice and procedures involving employee membership in the Maine Public Employees Retirement System, hereby defines full-time employees for the purposes of participation in the Retirement Plan, as an employee who works twenty (20) or more hours per week on a calendar year basis or who accumulates no less than 1040 hours per year. In addition, Adjunct Faculty who teach a minimum of 9 credit hours per semester are eligible to participate. This is in keeping with Maine Maritime Academy's past practice and in accordance with the MSEA Collective Bargaining Agreements.**

**On a MOTION by Trustee Shipway and seconded by Trustee Theeman, the Board voted unanimously to accept the RESOLUTION as presented above and attached hereto as Attachment G.**

Chair Peacock then reminded Board members of the Conflict of Interest form that needs to be signed and returned to Rhonda.

He also commented that we must be sure to invite Trustee Walsh back to campus for the opening of the ABS building since he provided so much guidance in the planning of the structure.

**g. Other Business**

There being no further business to address, Chair Peacock announced that the next meeting of the Board will take place on May 1<sup>st</sup> with Committee meetings and full Board meeting taking place all on the one day, followed by the dedication of the ABS building at 4:00 p.m. and Commencement on May 2<sup>nd</sup>. Chair Peacock then asked for a motion to adjourn.

**On a motion by Trustee Greenleaf and seconded by Trustee Watson the Board moved unanimously to adjourn at 9.25 a.m.**

Respectfully Submitted,

Rhonda Varney  
Secretary to the Board of Trustees  
Maine Maritime Academy