



MINUTES OF THE MEETING
BOARD OF TRUSTEES
August 9, 2018

A regular meeting of the Board of Trustees was held on August 9, 2018 at Maine Maritime Academy, Castine, Maine. Chair Somerville and Trustees Arntzen, Brodsky, Cianchette, Dey, Devine, Fryer, Oney, St. Germain, Shipway, Sawyer, Morrison, and Theeman were in attendance. President Brennan, Vice Presidents Carver, Gardner, Haley and, True, members of the faculty and staff, and a member of the press were also present.

Chair Somerville brought the meeting to order at 2:37 p.m.

Serving as Chairman Pro Tem in the matter of the election of officers of the Board, President Brennan announced that the Governance Committee presented a slate of candidates for consideration and there having been no additional nominations he suggested that the slate of nominees to be accepted by acclamation as follows:

RESOLUTION #1

Resolution Concerning Nomination for Board Officers

The Governance Committee submits the following nominations: Earle Cianchette for Chairman; Jason Oney for Vice Chairman; Dugan Shipway for Treasurer; Rhonda Varney for Secretary.

On a MOTION by Trustee Arntzen and seconded by Trustee Sawyer, the Board voted unanimously to accept the slate of nominees as presented.

Chairman Cianchette thanked Trustee Somerville for his service as Chair for the past year. He noted that Mr. Somerville graduated from the Academy in 1965 and has had a long and storied career with the American Bureau of Shipping where he started in an entry-level position and rose to be CEO and Chairman for twenty three years. ABS has been a huge benefactor to the Academy through all of his efforts and he personally has been very benevolent. He will continue to serve on the Board and will remain an honorary member of the Executive Committee for at least the next year.

Trustee Somerville remarked that it feels like yesterday that he graduated and that he received a great education here at the Academy. He sailed for four years and spent many years working in industry including forty three years with ABS. Because of the great deal of time spent working overseas, he didn't get involved with MMA until he came back to the USA and felt that he

wanted to give back because of what the Academy had given to him. One thing he found necessary in his position as CEO at ABS was giving money to all of the state maritime academies and he feels his legacy is to support great education in every way he can to ensure that others have the same opportunities that he had. He served on the Alumni Board for a while before being asked to join the Board of Trustees. He agreed to serve on the Board for a couple of years and is now ready to relax a little. He thanked everyone for their support through the years and closed by stating that he is ready at this point to turn things over to the younger generation but will always be available to help.

Trustee Peacock noted that we are sitting in a beautiful building that was a direct result of his hard work and dedication. He went on to say that the \$10,000 scholarships that ABS donates every year are one of the most important things Mr. Somerville was instrumental in achieving for the Academy and we are grateful for all that he has done over the course of many years.

1. MINUTES OF MAY 4, 2018 MEETING

On a MOTION by Trustee Theeman and seconded by Trustee Peacock, the Board voted to accept the minutes of the meeting of May 4, 2018 as presented.

2. CHAIR'S REMARKS

Chair Cianchette began by noting that the two main topics being discussed recently have been the Center for Professional Mariner Development; and increasing fundraising, alumni participation, scholarships and all money matters relating to the Academy. These are things that he plans to focus on as they are crucial to the success of the school. He noted that he truly appreciates everyone's help and the energy being put into those initiatives.

3. PRESIDENT'S REPORT

President Brennan offered his congratulations to the new Chair of the Board and also welcomed new members of the Board noting that he looks forward to working with them all. President Brennan then remarked that the outgoing Chair, Trustee Somerville, has been very generous with both his time and his assets and it is appropriate that today's meeting be held in the ABS building which he was so instrumental in constructing. He has also been extremely generous with his counsel and guidance to President Brennan and his friendship is greatly appreciated. We are pleased that he will continue on the Board and is just stepping down from the Chair. Also, as Chair, he has done a wonderful job of making sure that the minority view is being heard, that the flow of the meeting moves forward and as far as possible to keep bias out of the debate. The President remarked that he is confident that Trustee Somerville's successor will continue in that vein.

President Brennan went on to remark that this has been an unusual meeting in a sense because things had to be re-organized in order to accommodate the practical realities of what is going on on campus. He extended a special expression of appreciation to the Sodexo employees, particularly the cooks who are working in a temporary kitchen which is a very tight space and has been extremely hot. He also acknowledged all of the other people who have worked to bring this meeting about, including the facilities people who work behind the scenes to support all of the activities around campus. It is a testament to the kind of people who work here that they go to great lengths to accommodate our needs and make our little college the kind of place it is. President Brennan concluded by saying that this is a community of individuals who help and support each other.

In the Trustees' folders there is a memo regarding the status of the Center for Professional Mariner Development and also a revised *pro forma* and noted that he would be pleased to answer any questions about that. He stated that we are not in a position at this point to consummate a purchase and sale agreement but we are working with the seller and continue to move forward in a positive direction. He expressed the hope that by the November meeting we will have completed the deal and perhaps be able to have an opening celebration in Bucksport.

Trustee Shipway requested that the Board be given monthly updates on the status of progress regarding the purchase.

4. PRESIDENT'S ACTION

There are no action items to be addressed at this time.

5. ALUMNI ASSOCIATION REPORT

- In the absence of the President of the Alumni Association, Vice President Haley presented the Alumni Association report.
- He noted that the ballots for President of the Alumni Association are being counted and the results will be announced at Homecoming weekend which will take place on September 28th and 29th.

6. STANDING COMMITTEE REPORTS

a. Education Committee

- Trustee Sawyer condensed Dean Gardner's and reported briefly on the cruise since it is such an integral part of what we are. The change out of 50 students, faculty and staff in Lisbon went well and ironically, the extra cost of flying faculty and students was offset many times over by the amount of fuel that was saved. Reducing the cruise from 90 to 70 days was a great strategic decision.
- Based on our participation in NEASC, we've been invited to present to schools that are up for re-accreditation based on our own re-accreditation visit in 2016. The invitation is a real compliment to MMA.
- Trustee Sawyer concluded by noting that we have a new commanding officer of the ROTC unit, Capt. Sean Kearns.

b. Advancement Committee

- Trustee Oney noted that several people complimented Vice President Haley on his report at this meeting, noting that he did a great job by doubling new gifts and pledge payments this year which totaled \$6.7 million, due largely to the generous donation from the estate of Bill Bullard, class of '59.
- A survey was sent out to 4100 alumni with a 22% response rate and we received 1400 detailed comments from which a lot of good information is being harvested.
- Some new people have been hired, Karen Brace as the annual fund manager and Joe Lobly, who will be taking over for Jeff Loustaunau as the yacht donation program manager. Both of them will be starting shortly.
- The Annual fund challenge will be \$750,000 and a mailer will be going out to alumni demonstrating what we will be doing and how their donations help.

RESOLUTION #2

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 appended to these minutes.

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

Trustee Somerville commented on Resolution #3, the Bill Bullard Estate scholarship Resolution noting that the residents' location specified is unclear. President Brennan stated that in such cases it is deemed that the Academy has the ability to determine the best recipients where not specified. A discussion ensued. The President then asked that Board members review the wording and wait until the November meeting to vote on the Resolution with any changes that they deem necessary.

RESOLUTION #4

Resolution to support the Scholarship Initiative Campaign

BE IT RESOLVED that the Board of Trustees of the Maine Maritime Academy endorses the Scholarship Initiative Campaign as presented during the August 9th, 2018 meeting of the Board.

On a MOTION by Trustee Sawyer and seconded by Trustee Theeman, the Board voted unanimously to support the Scholarship Initiative Campaign as described in the Trustees' folders and appended to these minutes as Attachment B.

There followed a brief discussion regarding the use of a specific number in describing the amount of money involved but it was decided to shelve that decision until the announcement of the beginning of the campaign.

c. Student Affairs Committee

- Trustee Brodsky reported on the meeting of the Student Affairs committee. She noted that the meeting began with the introduction of new staff, and an update on the search for a new Commandant.
- In November we will host the tenth annual Women on the Water conference which will involve between 150 and 200 participants from around the country. Trustees were asked to share the brochure in their folders with any companies that might be interested in sponsoring the conference.
- Steve Peed, Director of Athletics, shared highlights from the spring season including a new record high GPA of 3.15. This makes three consecutive semesters with over a 3.0 average. Steve also shared updates on the new turf, pool, locker room and varsity weight room and reported that we have also hired a new swimming coach. He announced that MMA football will play Husson in the fall of 2021 and the University of New England in 2022 which hopefully will generate more interest within the state for the Academy.
- Dr. True and the Director of Admissions provided comparison statistics for the incoming class. Deposits this week are tracking slightly behind last year's figures at this time, mainly due to male Maine residents in engineering. The reasons provided for the lower numbers included the declining demographics and other schools which are discounting and giving very attractive scholarships. The good news is that the numbers of females and under-represented groups have increased. New strategies were discussed including recruiting outside of the state and the importance of the scholarship campaign was reiterated. More

discussion regarding strategies surrounding enrolment will be provided at the November meeting.

d. Finance Committee

- Trustee Shipway reported on the meeting of the Finance Committee which heard the observations of Ann Devine who accompanied Trustee Shipway to the pooled investment meeting of the University of Maine System. Her conclusion was that generally the money is well managed. The investment in our account at end of May is \$38 million compared to \$32.5 million for the same period last year. Our Camden Wealth Management account was \$12.2 million at the end of June 2018 compared to \$9.8 million for the same period last year.
- The FY18 preliminary budget financials indicated positive results, with a net profit of approximately \$2 million due to higher Federal appropriations, increased unrestricted gifts and overall some moderately lower expenses.
- There were discussions regarding some potential changes to regional tuition, and it was noted that decisions regarding any possible alterations will be presented in November.
- Also in November, Vice President Carver will provide a 5 year *pro forma* budget for the board's review.
- Vice President Carver then addressed the issue of Resolution #5, noting that a similar Resolution was presented a year ago regarding the 401A retirement document. She noted that there have been a number of legal and regulatory changes since the inception of the plan which require that periodically the plan needs to be amended. The full document is available on line for review: it is a forty-page document that was created with the assistance of a legal specialist in these matters.

RESOLUTION #5

A Resolution to amend the 403B retirement plan document.

On a MOTION by Trustee Shipway and seconded by Trustee Theeman, the Board voted unanimously to accept the amendments to the 403B retirement plan document as described in the Trustees' folders and appended to these minutes as Attachment C.

e. Operations Committee

- Trustee Peacock reported on the meeting of the Operations Committee. It was noted that the Academy facilities have had extensive routine repairs and maintenance including the athletic field, locker rooms, mess hall and roofing and paving. It was reported that Facilities Director, Adam Potter resigned for personal reasons on July 17th and we are currently conducting a search for his replacement.
- The IT Department is working on updates and regulatory changes taking place to ensure that we are in compliance.
- The Human Resources Department is updating the compensation and classification systems as ours are outdated. The process will take 9-12 months to complete.
- The Campus Safety Department continues to work on a productive working relationship with the town of Castine Fire Department, the Sheriff and the state police and a comprehensive building access plan. There was also a review of security and the waterfront.

f. Governance Committee

- Trustee Fryer reported on the meeting of the Governance Committee wherein they voted on the election of officers. There was a survey of Board members which received a fairly good response, but there are still a few missing so the results will be reported at the November meeting.

g. Other Business

President Brennan noted that our student Trustee had watch aboard ship all night until 8:00 a.m. and thanked him for staying awake during these proceedings.

Chair Cianchette noted that the Governance Committee will shortly be sending out a new list of Committee assignments and will be looking for feedback.

The Chair also announced that Homecoming will take place during the last weekend in September. He noted that it is a lot of fun and encouraged everyone to come if they can as people love to see Board members at any Academy events.

He announced that the next meeting of the Board of Trustees will take place on November 8th and 9th. There being no further comments, the Chair asked for a motion to adjourn.

On a motion by Trustee Sawyer and seconded by Trustee Dey, the Board moved unanimously to adjourn at 3.19 p.m.

Respectfully Submitted,

Rhonda Varney
Secretary to the Board of Trustees
Maine Maritime Academy