



MINUTES OF THE MEETING
BOARD OF TRUSTEES
February 25th, 2021

A meeting of the Board of Trustees was held via Zoom on February 25th, 2021. Chair Cianchette and Trustees Arntzen, Brodsky, Devine, Dey, Fryer, Morrison, Peacock, Sawyer, Somerville, Theeman, Thomas, Watson, and Wellington participated in the meeting. President Brennan, Vice President Haley, Vice President Rosen, Vice President True, and Provost Williamson also participated. Guests Full, Mercer, Norton and Young as well as members of the faculty and staff were also present.

Chair Cianchette brought the meeting to order at 9:00 a.m. eastern time.

CHAIR'S REMARKS

The Chair began the meeting with some important introductions. First, he recognized Ashley Porter, a senior from Cutler, Maine, who was selected by Governor Mills to be our 2020 student trustee. Unfortunately for Ashley and all of us on the Board, Ashley's confirmation was not concluded when the last legislature ended its session due to the threat of the pandemic. Nevertheless, Ashley demonstrated her commitment to the Academy and has been instrumental in working with the President's office to assist in the selection of her successor. The Chair went on to state that he recognizes how disappointed she must be that the COVID pandemic prevented her from being confirmed and noted that she has every reason to be proud of herself. He concluded by saying that the Board members are all proud of her too and wish her much success as she completes her studies at the Academy and prepares to begin her career.

Ms. Porter then thanked Chair Cianchette for his kind words and for allowing her to participate in Board meetings even though she was unofficially the Student Trustee.

The Chair then asked Ashley what her career plans are following graduation to which she responded that while nothing is yet set in stone, she hopes to travel around doing turbine overhauls for companies such as GE or Siemens. Chair Cianchette asked if he might contact Ashley regarding job opportunities at Cianbro where there may be suitable openings. She gladly responded in the affirmative.

Chair Cianchette then introduced Hope Thomas, our new student trustee. Hope is a Vessel Operations and Technology major from Orrington who has brought great distinction to herself for admirable qualities as a student leader. Hope came to the Academy with an experience that gives her a unique perspective on higher education and the Academy's place in that arena. Finally, the Chair noted that we will all benefit from a student leader of her caliber.

The next three individuals needed no introduction, and so the Chair said simply that we are pleased to have Wendy Morrison, Bob Somerville and Miles Theeman continuing with the Board for another term.

Chair Cianchette then introduced two new members of the Board, Wayne Norton and Paul Mercer. Wayne is a 1986 graduate of Maine Maritime Academy from Gorham. He is President and CEO of the Yankee Atomic Electric Energy Company, and of particular importance to us, Wayne has significant experience in higher education, having served on the Thomas College Board of Directors and, for a time, he served as acting Chief Operating Officer of the college during a leadership transition. Most recently, Wayne has distinguished himself as the co-chair of our \$20 million capital campaign that exceeded its goal within little more than a year's time. The Chair went on to state that he has no doubt that Wayne will bring significant value to this Board and to the Academy.

Mr. Norton addressed the Board by saying that he looks forward to serving.

The next introduction was to Paul Mercer who is no stranger to the Academy. Paul is a 1973 graduate who returned to the Academy as a professor, where he served with distinction for many years. He also served for several years as the Academy's Alumni Director and as the Academy's director of our Office of Sustainability. He left his Academy position when he was appointed the Commissioner of the Department of Environmental Protection and he now serves as the Governor's advisor on offshore wind energy development. Chair Cianchette commented that Paul will continue to provide the kind of guidance this college needs to remain true to its mission, while evolving as a contemporary institution that provides a valuable education.

Mr. Mercer thanked the Chair and the Board noting that it an honour to be part of this distinguished group. In particular he is privileged to be occupying the seat vacated by Captain Peacock who has served for many years and contributed so much to the Academy.

The Chair's final comment was somewhat bittersweet in that with new members comes the departure of someone who has become a friend and valued colleague to all of us. Captain Robert J. Peacock is leaving the Board after having served three terms, five of those years as Chairman of the Board, in dedicated service to the Academy and its students. Bob is a 1971 graduate of the Academy, the son and father of Academy graduates and an alumnus who has made significant contributions to the state, to the college and, as a Naval Reserve Officer, to the country. Widely known is that Bob is currently a harbour and docking pilot for Eastport, Maine and he is also a consultant to plants processing seafood throughout the world. Captain Peacock is one of the finest that Maine has to offer and his family has contributed significantly to the development of Maine for generations. He is still keen to give back to a state and to a college that has given him so much. Chair Cianchette asked Board members to applaud his extraordinary service to the students of the Maine Maritime Academy.

Captain Peacock stated that he is pleased to have Paul Mercer fill his seat on the Board since he has known Paul for many years. However, he noted that he is sad to leave all of the members of the Board as they have taught him a lot and it has been a real pleasure to work with everyone and to see the Academy prosper. He mentioned in particular how the scholarship fund has grown over the years and how pleased he is to be able to help young people from his area to enter and thrive here at the Academy.

Chair Cianchette noted that he will continue to appreciate the phone calls with useful advice and is confident that Captain Peacock will remain engaged with the Academy. He once again expressed thanks for all Captain Peacock has done and will continue to do.

President Brennan shared a story relating to the fact that there is a continuum in the relationships established through the Academy and thanked Captain Peacock on his own behalf.

President Brennan also wanted to introduce the names of two students who are attending classes and unable to participate in the Zoom meeting. They are the new Regimental Commander, John Watt and the Student Government President, Roxanna MacGregor.

President Brennan then turned the meeting back over to the Chair who proceeded to ask for a MOTION regarding the minutes of the November meeting.

MINUTES OF NOVEMBER 12, 2020 MEETING

On a MOTION by Trustee Theeman and seconded by Trustee Peacock, the Board voted to accept the minutes of the meeting of November 12, 2020 as presented, with Trustee Fryer abstaining due to his absence during most of that meeting.

ACADEMIC REPORT

Trustee Sawyer began by introducing Dr. Keith Williamson, the new Provost and Vice President for Academic Affairs and turned the reporting duties over to him. Dr. Sawyer noted that included in the Trustees' folders is a more complete report on academic affairs than we have time for here today.

Dr. Williamson greeted all those present at the meeting and went on to commend the Maine Maritime Academy community for keeping safety as the top priority. This has allowed us to carry out our academic mission. He went on to say that support and coordination throughout the campus has been phenomenal.

All spring semester classes are progressing with 448 total course sections (282 delivered face-to-face; 70 sections by hybrid, and 96 sections all remote). Dr. Williamson noted that the compressed twelve-week semester has been tough. A close eye is being kept on academic stress levels. Dean Loomis, Dr. True and Dr. Williamson have met with the Student Government Association to talk about this and to keep the lines of communication open with students. He personally is monitoring students with high levels of workload by asking for a report from the registrar regarding students with a six-course load as this contributes to a high stress level. Ways of assisting these students need to be considered.

Dr. Williamson noted that with regard to the cruise schedule, we have three cruises planned for this year in order to get students back on track. Cruise A for the classes of 2021 and 2023 from April 17th – May 23rd and Cruise B for the classes of 2020 and 2024 from July 8th – August 13th. A third Cruise B(II) for the classes of 2022, 2023, and 2024 is scheduled from November 20th – December 26th. Dr. Williamson asked if Captain Cashman would like to comment on these dates as they are still somewhat in flux.

Captain Cashman introduced himself to the Board and then went into further detail regarding which students will be assigned to which cruises in order to keep them on track while also considering academic requirements, cadet shipping billets, etc. He also noted that if it is possible to complete sea time requirements in fewer days they will strive to do that so that students will not have to miss major holidays.

A similar increase in the number of *Bowdoin* cruises is planned for the Summer of 2021 for students in the SVO and VOT programs. These plans have impacted the structure of the 2021-2022 academic year which has a 12-week fall semester and a 14-week spring semester. These adjustments will put all students back "on track" by the end of the 2021 calendar year.

In order to extend the summer period to allow more time for Training Cruises, Cadet Shipping and Co-ops, MMA again will conduct a 12-week accelerated fall semester starting August 23rd 2021 with undergraduate classes ending on November 12th. He noted that we will return to our regular schedule in the spring with classes starting January 10th 2022 and ending April 22nd 2022 with a scheduled spring break from February 28th through March 4th 2022. This will allow students a much-needed break from the rigors of academics and the attendant stress, thereby allowing for a great learning experience.

Moving on to accreditation which is basically a quality assurance process, Dr. Williamson reported that MMA submitted its 30-day response report to ABET draft statement for the Marine Engineering Technology and Power Engineering Technology Programs. The final statement for accreditation action is expected in late summer. Additionally, MMA received approval to offer courses remotely from the New

England Council on Higher Education (NECHE) through the end of 2021. We are also continuing the process of preparing our five-year accreditation update to NECHE that is due during August 2021.

Dr. Williamson concluded his report by asking if there were any questions.

Trustee Sawyer noted that the “Twelve Ways to Twelve Weeks” initiative has been very successful and commended all those responsible for dealing with the world in which we are living.

Before moving on to the Advancement Report, Chair Cianchette presented a brief video featuring Ken Langone, Chairman and co-founder of Home Depot.

https://www.youtube.com/embed/qFYpbT_753w?feature=youtu.be

The video addresses the topic of providing tuition assistance so that college is more accessible to a wider range of students and thereby relieving them of the crushing debt often incurred in the pursuit of an education.

The Chair noted that he has given this a great deal of thought and discussed the issue with President Brennan and several Board members. Years ago there were a lot of different sources of funding for the Academy including a greater percentage from the state, from MARAD and oil for the ship funded by Iranian students and this made it easier for students to attend without a huge burden of debt. The Chair remarked that he would like the Board to consider ways in which we could set our school apart and draw more students into the maritime industry and the energy industry. He suggested that we might possibly get a consultant on board to help identify possible ways in which we could provide a tuition-free semester or possibly a tuition-free year. Since enrollment will always be a struggle, this could put us light years ahead of the other maritime academies. He concluded by saying that he is wide open for discussion on this topic and then turned the meeting over to Vice President Haley.

ADVANCEMENT REPORT

Vice President Haley began by noting that we are moving ahead and have hired a consultant, though the contract has not yet been signed. These are consultants who worked with the Academy years ago and the verbal agreement has them working with us over the next four months on a four-phase approach. Phase one will be an internal assessment where they will be working on our data base. Following that they will do an external outreach which will involve about sixty or seventy feasibility studies, including interviews with several members of the MMA community. The outcome of that will provide an indication of how much money might be raised in a capital campaign. The last phase will be that they will provide help with early implementation of a new campaign.

Mr. Haley stated that he is excited about this development. The last campaign was closed in December, eighteen months early with \$20.5 million in gifts and pledges out of a \$20 million target.

Vice President Haley then proceeded to the highlights of the report included in the Trustees’ folders as follows:

Maine Maritime Academy overall giving is up by 23% in this period, having received \$2,109,765.80 in new gifts and pledge payments compared to \$1,703,613.88 from July 1, 2020 through January 31, 2021.

Annual Fund dollars are up while the numbers are down and there are a couple of different reasons for that. For example, a number of younger alumni gave to the Trenton-Lloyd Rees endowed scholarship, approved at the last Board of Trustees meeting. The majority of participation in the Annual Campaign by

Alumni donors historically occurs in the 3rd and 4th quarters of the fiscal year. We haven't yet activated our Alumni Advancement Committee to start emailing and making phone calls.

Over the next few months we are planning to start an email campaign. There will also be the annual maritime challenge with SUNY and Mass Maritime which will be held May 4th through the 11th. This may well be the last year since in all the years this has been ongoing, MMA has lost only once.

Our mock Annual Report appeal will be going out in early May to try to maximize the number of gifts that come back. There will also be one more mailing prior to the end of the fiscal year.

Jeff Wright and Karen Cukierski have done a great job with alumni relations in keeping our alumni connected even though they can't come back to campus. During the month of March, they will be offering Zoom happy hours for alumni across the country; with eleven scheduled so far. These will involve alumni from forty-seven states and 3,200 of our alumni will be invited.

College Relations has been doing a wonderful job of supporting our efforts internally for Advancement and across campus. One of the highlights is that MMA is the lead sponsor for the Maine Engineering Expo which should provide great publicity across the state.

After the departure of Jen DeJoy, Emily Baer was asked to step up and take on the responsibilities in the Communications role. Vice President Haley reported that she has been doing a phenomenal job. We have been focusing on getting out as many press releases as we can in order to give greater exposure to what we do here.

The yacht donation program continues with Joe Lobley doing a great job. The value of the average yacht coming to us continues to rise. Vice President Haley encouraged all those who have connections in the maritime industry to spread the word that we have a yacht donation program here. He went on to note that our policy is to net \$100,000 from the eventual sale of each yacht.

Vice President Haley concluded by asking if there were any questions regarding the report included in the Trustees' folder or about the early stages of the new campaign.

Trustee Dey asked if we have a one-page flyer that could be posted at yacht clubs or distributed to those who might have an interest in donating. Vice President Haley responded in the affirmative and said that he would send one to Trustee Dey.

The following Resolutions were then introduced:

**RESOLUTION #1
ACCEPTANCE OF GIFTS AND GRANTS**

BE IT RESOLVED that the Board of Trustees of the Maine Maritime Academy 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 Theeman and seconded by Trustee Wellington, 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.

RESOLUTION #2
THE EDGAR J. BIGGIE JR. ENDOWED SCHOLARSHIP FUND

BE IT RESOLVED by the Board of Trustees of the Maine Maritime Academy that **THE EDGAR J. BIGGIE JR. ENDOWED SCHOLARSHIP FUND**, as described in the Trustees' folders and appended to these minutes as Attachment B is hereby established.

On a MOTION by Trustee Theeman and seconded by Trustee Dey, the Board voted to establish The Edgar J. Biggie Jr Endowed Scholarship Fund as described in Attachment B appended to these minutes, with Trustee Wellington abstaining.

RESOLUTION #3
THE CLASS OF 1972 ENDOWED SCHOLARSHIP FUND

BE IT RESOLVED by the Board of Trustees of the Maine Maritime Academy that **THE CLASS OF 1972 ENDOWED SCHOLARSHIP FUND**, as described in the Trustees' folders and appended to these minutes as Attachment C is hereby established.

On a MOTION by Trustee Theeman and seconded by Trustee Sawyer, the Board voted to establish The Class of 1972 Endowed Scholarship Fund as described in Attachment C appended to these minutes.

RESOLUTION #4
THE CAPTAIN EARL '76 AND MELODYE SHEESLEY ENDOWED SCHOLARSHIP FUND

BE IT RESOLVED by the Board of Trustees of the Maine Maritime Academy that **THE CAPTAIN EARL '76 AND MELODYE SHEESLEY ENDOWED SCHOLARSHIP FUND**, as described in the Trustees' folders and appended to these minutes as Attachment D is hereby established.

On a MOTION by Trustee Sawyer and seconded by Trustee Dey, the Board voted to establish The Captain Earl '76 and Melodye Sheesley Endowed Scholarship Fund as described in Attachment D appended to these minutes.

Vice President Haley went on to note that these scholarships have already been funded and commented that Captain Sheesley who had never been a large donor in the past was inspired by an article he read in the Mariner magazine.

Trustee Theeman, referring to the NYU video asked what it would cost to waive tuition and fees per class, per year. Vice President Haley responded that for tuition alone, his best estimate would be about \$37 million for half an academic year. There followed a brief discussion regarding actual costs and Chair Cianchette suggested that we defer to the consultants to come up with an actual figure. He also said that he was not looking to come up with real numbers today, but to generate some passion in making Maine Maritime Academy stand out from all the others.

President Brennan commented that we should always be in campaign mode and that the support of the whole Board will be vital to the success of any campaign we launch. This will mean not only financial support, but also outreach, contacts, and connections with colleagues. He went on to note that at this point we didn't feel it necessary to put boundaries around it or provide specific information before we felt confident that the Board

would wholeheartedly support this initiative. The success of the \$20 million campaign we recently concluded gave him a sense that the alumni really can support MMA in a way that they have not in the past.

Chair Cianchette agreed but also noted that we are not going to achieve success in this solely with the support of the alumni. He went on to say that we provide some of the best engineers to companies around the world and he feels that this is an untapped source for us. He believes that if we are creative we can achieve our goals by engaging industry and might be surprised by the support we get.

ENROLLMENT AND STUDENT AFFAIRS

Trustee Brodsky, in referring to the previous topic suggested that each of the Committees take a look at this from their standpoint and come to the next Board meeting with ideas and thoughts on this.

Trustee Brodsky then went on to thank Dr. True and her staff for all the work they have done during this very stressful time in keeping the students on track and moving forward. She suggested that Board members look at the links provided in “Twelve Ways to Twelve Weeks” as they are really good. She then turned the reporting over to Dr. True.

Dr. True began by saying that we are wrapping up our 4th week of in-person learning and we currently have only one active COVID positive case. We have administered almost 2000 COVID PCR tests this semester and our positivity rate is a very low .0045. She went on to say that as noted in her report, we adapted our testing and quarantine protocols for this semester based on lessons learned in the fall and those changes proved effective. One of the changes is to increase our surveillance testing – especially for those students who are more likely to go off campus and travel around the state. We do a weekly surveillance test of a selected group of students and staff and also test anyone who has been exposed to a case or is symptomatic. We purchased an antigen testing system that will allow us to expand testing and get immediate results – this will not replace our PCR testing, which is more accurate, but will expand our testing. We are also planning to test ALL students mid-March, after St. Patrick’s day, just in case they decide to let their guard down and pretend they are Irish for a day. In general, however, we have noticed significantly more compliance with masking and social distancing guidelines, and a commitment on behalf of most to do everything they can to keep the virus off campus so they can complete their semester. Their academic requirements due to the compressed semester also do not leave much time for travel and socializing.

Dr. True proceeded to show you an example of our “12 Ways to 12 Weeks” campaign to demonstrate how we have used social media and peer influence to create buy-in for safety precautions and wiser decision-making.

Dr. True asked Janet Acker to cue up the video for Trustees to see. She noted that the isolation, loneliness and lack of connection is taking a toll on our students. For spring we adapted the “12 Ways” campaign to focus on lessons learned in the fall and added a mental health component, providing an idea for each week to strengthen student’s mental health. We recently conducted a survey of the students and their mental health and found that they are understandably anxious, uncertain about their ability to complete summer academic work, and overwhelmed. We continue to encourage reaching out for counseling help but are also offering group counseling, additional in-person and virtual activities, and seeking opportunities to engage in individual meetings with students, especially freshmen.

She noted that our first off-campus trip for ice skating was sold out, demonstrating that students are anxious to engage and get outside and do things.

Dr. True noted that she was amazed by the resiliency and maturity of our students in handling these unprecedented circumstances. She made special note of one of Bob Peacock's mentees, Roxanna MacGregor, who started her term as Student Government President one week before we went into lockdown in the spring. She and the rest of the SGA, including Ashley, have provided incredible leadership this year – providing important feedback and programming throughout the year. As usual MMA students shine in crises. Dr. True remarked that she believes this is the strongest and most effective SGA she has worked with in her career.

Changing topics then to the Culture of Respect, Dr. True noted that MMA has undertaken a multi-pronged approach to address concerns about sexual misconduct and gender inequity on campus. Among these were initiatives to disseminate accurate information about MMA's Sexual Assault Prevention and Response (SAPR) resources, convene listening sessions for students and employees, and engage the services of attorneys from Drummond Woodsum to review our procedures and policies. MMA has been accepted into the National Association of Student Personnel Administrators *Culture of Respect* collective, a two-year program of assessment, goal-setting and implementation of strategies to address campus culture and prevention of sexual misconduct. We are the first maritime college to join this collective. Initiatives are on-going, as we seek to more deeply explore the issue of campus culture and develop a more inclusive culture which focuses on respect for all members of the MMA community.

The annual Regimental Change of Command was held on Monday, February 8th in the Field House. The new members of the wedge are listed in the report included in the Trustees' folders. Dr. True then asked the Commandant of Midshipmen to report on the status of cruise and what is being done to catch students up on their sea time requirement.

The Commandant reported that there are several cruises scheduled based upon the Coast Guard's temporary provisions granted to the state maritime academies. Throughout the past year we have had communications and dialogue with the National Maritime Center and the center for policy at Coast Guard headquarters. Ultimately, all of the unlimited license students must attain 360 sea day equivalents and that standard has not changed, but how those days are calculated and where the credits come from has been altered based on the class year. For the cadet shipping program those days used to be calculated on a straight one to one day for day credit, For the classes of 2021 and 2023 that is now calculated at a day and a quarter. For deck students the standard requirement was that the 360 sea days must be aboard ship. Now the class of 2021 the requirement is for 240 sea days and 270 days for the classes of 2022 and 2023. Along with that, additional credit is allowed for watch standing and maintenance that our students complete as part of their normal academic year. All of our students should receive the minimum amount of sea time required, if not more as part of our program as well as obtaining the STCW competencies that are taught through their academic classes.

The meeting was then turned back to Dr. True who noted that the Mariners competed for the first time since March. The women's basketball team beat UMaine Farmington and the men's team hosted Farmington at home. We have contests planned for other teams this spring, in full compliance with NCAA safety guidelines. This will allow us to host senior games for several of the teams. These games have been a morale booster for all.

Dr. True also noted that the MMA Mariners exemplify the Division 3 scholar-athlete ideal – having landed a department-record 66 student-athletes on the North Atlantic Conference (NAC) Fall 2020 All-Academic Team. In order to be eligible for NAC All-Academic honors, student-athletes must be participating members of their respective team and achieve a cumulative grade point average of 3.5 or higher on a 4.0 scale. The Mariners turned in a collective 3.09 Fall Term GPA and the department's athletes own a combined cumulative 3.07 GPA.

In conclusion, Dr. True addressed the topic of Admissions. She stated that as of this morning we have 88 deposits for Fall 2021. While we currently have almost 20% more completed applications than last year, as well as more admitted students, deposits are tracking 20% lower than 2020 and 11% behind 2019. Having never been through a pandemic before, we don't know the exact cause of this, but we do know that the high school class of 2021 is behind on deadlines due to the pandemic, and we were not able to award as much merit money to early applicants as in the past two years due to limited funding. She remarked that the discussion regarding a new campaign would be a game changer for the Academy. However, we will be announcing the recipients of the Bullard, Alford and Trustees scholarships by the first week of March and we anticipate that will result in more deposits.

This high school senior class is tracking behind across the country. Some of this is due to guidance counselors having to focus on mental health rather than college planning and not doing as much outreach as usual. More importantly, the students report that they want to wait to make their decision once they have a better idea of what college life will be in the fall – as they are not interested in more remote learning. This is particularly true of athletes who are interested in four years of competition. All the activities that we are currently hosting and showing indicate that we are playing basketball, that we are in session, we have face to face classes and doing student activities to show that we are open and looking forward to a return to normalcy in the fall. Because of that, we and other Admissions folks believe that there is going to be a late tracking of deposits. Many students also wish to visit campus before committing with a deposit; while we have been able to host students and families for campus visits starting in the fall, these visits are complicated by travel restrictions for out of state families and are limited to a presentation and outside tour of the campus due to COVID-19 precautions.

So much of this year has been unpredictable, and it is difficult to gauge whether deposits will catch up at a later time or if finances are playing a bigger role in family decisions.

The Admissions staff and Athletic coaches are continuing to connect with admitted students through the virtual live student chat sessions, individual contacts, a special breakout session during the spring virtual open house, and Call Nights. In many ways, the staff are able to connect with so many more students and high schools via virtual means as we do not need to plan for travel time.

Two initiatives of note this spring are as Chris noted, we secured the primary sponsorship for the Maine Engineering Expo <http://www.engineeringme.com/> and Admissions collaborated with College Relations to develop the promotional videos and content for the event. For The International Women and Girls in Science Day we did a social media program and found incredible engagement. We are focused on “Not all scientist wear lab coats” and there is a brief video showing the various other occupations available. When we launched this program several weeks ago, Facebook analytics reported we had over 14,000 views and over 3,100 post engagements. Our largest following was for a social media post of our International Women and Girls in Science Day post of *Meet Molly MacInnis* a MTO student which reached 8,126 people and was shared by many other social media accounts listed in the briefing.

Dr. True concluded her report by asking if there were any questions.

Trustee Theeman thanked Dr. True for her very thorough report and asked why she indicated that we are not able to award as much merit money to students as in the past. Dr. True responded that in the last two years we were able to spend about \$150,000 on high achieving students which usually ran out by early November. Often the early applicants are those who are likely to be receiving attractive offers from other schools. This money was the result of budget surpluses in other areas. This year we will be offering the Bullard, Alford and Trustee scholarships and these usually provide about a 70% return as they tend to be the early applicants who are most committed to attending MMA. The Alford scholarship is restricted to engineering: we had about forty applicants and will be able to award only four. The Trustees' scholarship is focused on diversity and at this point it appears that we will be able to award to half of the applicants.

We will probably be able to award to almost all of the applicants for the Bullard award. The long-term issue is that we do need more scholarship money.

Trustee Theeman asked if all of this means that we have less money than we had a year ago or fewer qualified applicants. Dr. True responded that we have less money to offer and more applicants.

Directing his comment to President Brennan, Trustee Theeman said that he does not understand this as we have \$58 million in our endowment. President Brennan explained that the money Dr. True referred to is that which we pulled out of other sources in order to entice more applicants while the money that Trustee Theeman is referring to is money in our restricted account for which the Board makes an allocation in the budget. In this past year, the amount approved for use was a little more than 5% of the draw down. Basically the money that we don't have to offer this year is a result of the Covid pandemic.

Trustee Theeman asked why it is not possible to provide more scholarship money from the unrestricted funds we have available. President Brennan explained that it is not possible for us to move restricted money around. Following an explanation by Dr. True of the up-front usage of scholarship monies versus those that are available later in the cycle, Trustee Theeman responded that he understands that as well as the issue of some of the funds being restricted. What he doesn't understand is why we cannot release some of the money in the unrestricted fund in order to offset the shortage of unrestricted monies we have available and boost acceptances.

President Brennan suggested that Trustee Theeman discuss this matter with the members of the Finance Committee, of which he is Chair, and Richard Rosen, our CFO as it seems unlikely that we are going to reach a solution today.

The second question raised by Trustee Theeman has to do with Dr. True's presentation on what a wonderful job we have done here on campus at keeping Covid 19 under control and whether we might send information to each applicant letting them know what a positive environment we have created here.

Dr. True responded by saying that we are in the process of finalizing a letter that is going to go out from President Brennan after March 1st which is the standard deadline for applications. The letter will go out via the mail and outline all the strategies we have used in order to remain open. This is very important to our applicants as they tend to be a very hands-on group.

Vice President Haley then interjected that of the \$20.5 million raised during the recent campaign, all of it was restricted.

Chair Cianchette expressed a desire to be part of any conversations Trustee Theeman and his group have on this topic as he always learns from it. He also noted that there are some years when we have leftover scholarship monies because there are no students who fit the criteria for the restricted scholarship so that money goes unspent.

Trustee Arntzen asked about the \$20.5 million that was raised. Vice President Haley responded that in each case the donor restricted the scholarship to a specific type of student. During the fundraising effort, what we attempted to do was to encourage donors to give scholarships for incoming students which is where the greatest need lies, but they are all restricted in some nature.

President Brennan commented that a big part of the challenge we face in convincing donors is that greater flexibility in their gift enables us greater flexibility in attracting students.

Chair Cianchette noted that in his conversations with potential donors, the feedback he gets is that this is their money and they want to have some say in where it goes.

Vice President Haley stated that after the campaign ended, we did receive a pledge of half a million dollars to be paid out over five years at \$100,000 a year and this is an unrestricted scholarship. This is the first that has been received during his tenure.

President Brennan noted that the Board scholarship is unrestricted money and the Board made a conscious decision to utilize it in an expedited fashion in order to try to attract students. A scholarship is not just given for one year but is given with the contemplation that they will be here for four years and so we have pretty much expended the Board's funds.

Trustee Wellington posed a question using the Biggie scholarship as an example wherein the last sentence makes reference to the fact that if a suitable candidate cannot be found according to the stated terms of the scholarship, at the discretion of the Board, the funds may be used elsewhere but according to the wishes of the donor. Why is it then not possible to disburse unused scholarship monies if a suitable candidate is not available to receive it. President Brennan noted that he receives complaints every year from scholarship managers who feel that the scholarship has not been used according to the wishes of the donor. He would be very concerned if the Board started abrogating the agreements in these scholarships and believes that this would have a very disquieting effect on potential donors.

Trustee Arntzen suggested that there shouldn't be much discussion regarding bending restricted donation guidelines and asked if the Board has some discretionary funding or extra cash available that could be allocated for incoming student scholarships. Dr. True explained that the money we had available over the last two years to award additional merit scholarships is entailed for several years and is awarded on a strictly merit basis as opposed to the kind of discounting which is common among other institutions. Because of prudent fiscal management, there is not, at this time, an additional source of funds that could be used to increase scholarships.

Trustee Arntzen went on to say that at this point we have more cash, endowments, more short term investments than ever before during his tenure on the Board so he is having trouble understanding why this pocket of money for scholarships is no longer available, and asked for clarification.

President Brennan commented that it is unfortunate that the Finance Report did not take place before this discussion as it would show clearly that we are struggling to balance the budget and cannot afford to spend money that we don't have.

Dr. True went on to say that the Advancement Department has worked very hard to effect a change in the wording on scholarship resolutions to provide options for the distribution of funds if the donors first choice is not available. However, many of our scholarships have been in existence for years and are very restrictive. As we focus on this new campaign we need to find the kind of donors who are more interested in providing access to higher education than to having something named for themselves and restricted to their criteria for selection. This involves a different type of donor.

President Brennan asked that we do not lose sight of the fact that in the last ten years we have increased our scholarships by more than \$40 million. The unfortunate reality is that the vast majority of that is restricted. Nevertheless, we are able to offer much more scholarship money today than was ever possible in the past. Trustee Theeman then noted that he and his Committee will do some more work on this issue before the next meeting. It is hoped that this will provide a clearer understanding of the constraints we deal with in awarding scholarships according to the terms of those already existing.

Chair Cianchette applauded Dr. True and her staff for the wonderful job they have done in keeping the institution going during the Covid pandemic. He then moved on to ask for the Finance Report.

FINANCE REPORT

Trustee Theeman asked that Vice President Rosen present the Finance Report but before that he made the following comments.

The Finance Committee met yesterday with Vice President Rosen, Mrs, Herrick and Mr. King. Trustee Theeman noted that the MMA finance team were incredibly well prepared as usual.

He went on to say that the agenda included a review of the year to date second quarter financials utilizing a new reporting format. The financial pivot that MMA leadership has accomplished in the face of COVID is nothing short of remarkable. There followed a discussion of cash flow through the second quarter. Trustee Theeman noted as evidence of his earlier comment, that MMA has over \$2.2 million more in cash than it did at the beginning of the fiscal year.

The Committee then had an update of the Spring FY21 Recovery Plan, the elements of which will continue to ensure MMA's financial stability. Then there was a status report of the *State of Maine* mandated "Site Lines" Project; and a report of the FY22 budget and its assumptions. By way of brief background, Trustee Theeman commented that to his knowledge, up until a year ago, the annual budget had never been reviewed with the Finance Committee and certainly no recommendation had been made to the entire Board. While recognizing that final approval does and should rest with the entire Board, the Finance Committee offers the following sentiment:

"Notwithstanding its serious concern about the enrollment numbers on which the FY22 budget is based, the Committee believes that given the myriad of unknowns ahead, the budget is a realistic representation of what the MMA Board may reasonably expect financially in FY22. The Committee wants to extend its appreciation for the continued expense discipline reflected in the proposal and the considerable time and effort that was required by the Finance team and all MMA leadership in its deliberations and willingness to make difficult decisions while ensuring a positive experience for the student body. We are confident that MMA staff will answer your questions and address your concerns with the same expertise, transparency and candor that marked our meeting yesterday."

Trustee Theeman then asked Vice President Rosen to report on the agenda items discussed.

Vice President Rosen began by greeting present and future Trustees before proceeding to the highlights of his written report which is included in the Trustees' packets. He went on to note that at the beginning of the fiscal year we knew that adjustments to the finances would be necessary anticipating revenue hits and expense increases all related to Covid and so a budget recovery effort to identify a savings target was implemented during the first six months. That was a \$2.4 million initiative to essentially hold back spending. At the end of December, we hit that goal and this was accomplished because of the way the entire Academy community embraced the effort. Suggestions were implemented, spending was constrained and they helped to conserve the outflow of cash.

He went on to note that we have since put out our target for the spring which is \$3.1million in additional savings. This has been implemented and is underway. He thanked the Academy for their support in this initiative. Vice President Rosen announced that we received a grant award of \$456,000 to perform some improvements to Curtis Hall that are Covid related. This will improve air quality and air ventilation.

Three hundred and one windows are currently being replaced and shortly fans, filters and duct work will be upgraded and improved. This grant came from Federal Covid relief funds. Vice President Rosen apologized to students for any disruption caused while these upgrades are ongoing.

The annual Vendor Payments Report from Quasi-Independent State Entities or OPEGA Report is complete and submitted to the State for review. Our report indicates that our procurements are competitively bid, not single source as indicated in the enclosure in the Trustees' packets.

The report highlights the pooled investments with the University of Maine System and Camden Wealth Management indicating a significant rebound from the sell off last spring. Vice President Rosen mentioned that we often look just at the market value of these accounts and it is important to remember that this is the amount after fees and charges are paid but also after scholarship awards are made. Over the last twenty years, the Academy has issued \$16 million in scholarship awards from both endowed and quasi-endowed funds.

As was pointed out by Trustee Theeman we are soon to complete a significant capital assessment and investment strategy. This is a study and comprehensive review of all our investments and our approach to capital maintenance and upkeep when it comes to the physical plant. Vice President Rosen then thanked the staff in his department for their ability to pivot and react to circumstances related to Covid and all that has come with it.

Moving on to the quarterly budget presented to the Committee yesterday, this essentially updates our financial position on a quarterly basis. From a revenue perspective, revenues into Maine Maritime Academy are very cyclical with the first quarter and the third quarter being the big inflow months while second and fourth quarters represent outflow. Basically, the quarterly report demonstrates income year to date below what we had originally budgeted with expenses year to date also coming in less than budgeted. This results from our plan to constrain spending and also because of activities which have not been occurring because of the pandemic, particularly as it relates to travel.

Chair Cianchette noted that the budget report is for the period ended December 31st and asked Vice President Rosen if his expectation would be that this trend would continue for the remainder of the first quarter of 2021. Vice President Rosen responded that we are on track. At the beginning of the fiscal year it was understood that we would have to develop a plan in order to address the budget over a twelve month period instead of trying to make corrections at the last minute. So far this approach is on track.

Trustee Theeman pointed out that we are \$3.6 million dollars better off than we expected to be at this point. A budget loss of \$1.3 was projected and we have a gain of almost \$2.5 million. He reiterated what he said earlier about the tremendous job the organization has done financially.

President Brennan noted that Vice President Rosen and others have done a terrific job but that we are in uncharted territory. Our state appropriations have brought us back to FY17 levels and so we will continue to be vigilant and shepherd the money that we have as best we can.

Vice President Rosen advanced to the FY 22 budget proposal noting that the process for developing this budget started last October and was modified due to the economic circumstances in which we find ourselves. Budget managers throughout the institution were presented with a challenge, that is proposals such as those for creating new positions or launching new initiatives would not be invited. This is a short-term realization of a constraint, not a long-term solution. We also asked the budget managers to come back with reductions in their core programs. He thanked all of them for their participation in this process.

The Vice President went on to note that this budget assumes flat funding from our state appropriation which amounts to about a half a million-dollar hit and does not include funding for our cost of living adjustments that result from our collective bargaining agreements. In the past, the state has provided additional funding to support COLA adjustments but that is not included for this budget.

Another component in this budget is the compressed fall term in order to accommodate campus safety and to modify the schedule of the December cruise. This reduction in the length of the semester reduces the amount of revenue from auxiliary sources, primarily room and board. The budget also includes funding for anticipated Covid expenses.

Budget assumptions as set forth in the page included in the Trustees' packets provide a four-year history. The first assumption for the FY 22 budget is based on a full-time enrollment figure of 900 students. Secondly, at the November meeting of the Board, the Trustees authorized a 3% increase for tuition and fees if needed with the hope expressed that if it could be avoided, that would be the Board's preference. We are therefore proposing a 2% increase for in-state and a 3% increase for out-of-state with a 2% increase for room and board.

These are the fundamental assumptions used by the Finance Department to build the budget. For comparison purposes the page included in the Trustees' packets demonstrates the figures for FY19, FY20, FY21 and the proposal for the FY22 budget. The page indicates that overall revenue is about 4% below that which was adopted in FY21 with expenses at about 4.5% below what was adopted in FY21. This indicates that the FY22 budget will still have a shortfall of \$865,000 and previous budgets have been assumed with a greater shortfall. The Vice President went on to note that this will be a challenge as the budget is already constrained.

Vice President Rosen then asked if there were any questions.

Trustee Theeman asked President Brennan if there were in fact part B initiatives, is there a list of faculty positions that could be added. President Brennan responded that vacant positions have not just been held in abeyance for faculty but also for vacancies throughout the institution and we have a good sense of where the critical needs are within those vacant positions. Trustee Theeman then asked what the dollar impact would be if we were to fill those positions.

Vice President Rosen responded by saying that at the beginning of the year we instituted a hiring freeze which will result in a saving for this fiscal year in the range of \$1.5 to \$2 million. President Brennan added that it has put us in the position of looking critically at the positions now being held vacant and to determine if there is a more efficient way to provide the service and discharge the mission. Trustee Theeman asked how much money would be required in order to fill those positions that are considered most critical as this would be helpful for the Board to know.

Vice President Rosen followed up by saying that part of the challenge is to right-size the positions to the enrollment in as considered a manner as possible. President Brennan commented that personnel costs are approximately 66% of our overall operations.

Trustee Somerville commented that we appear to be down in income and trying to hold expenses, President Brennan responded that our income is approximately what it was in 2017 and we are trying to keep expenses at a level that can match that.

Trustee Arntzen asked if since the assumption included in the budget is for an enrollment of 900, might there be any potential for a larger enrollment figure. Dr. True responded that that is a conservative

number based on an incoming class size of 275 and if we are able to bring that number up, there is a potential for us to achieve a number closer to 1,000.

Trustee Fryer noted that it is also worth pointing out the mix in the students continues to change and that the rise in out of state students who pay a higher level of tuition becomes an increasingly important part of the income assumptions as far as tuition goes.

Trustee Theeman asked for a MOTION to adopt the FY2021-2022 budget as presented.

**RESOLUTION #5
BUDGET RESOLUTION**

BE IT RESOLVED by the Board of Trustees of the Maine Maritime Academy that FY 2021-2022 budget as described in the Trustees' folders and appended to these minutes as Attachment E is hereby approved.

On a MOTION by Trustee Theeman and seconded by Trustee Arntzen, the Board approved the FY 2021-2022 budget as set forth in Attachment E appended to these minutes.

Chair Cianchette concluded by saying that he would appreciate feedback and input on the initiative to provide free tuition as he believes we could be successful in this and it could be life changing for the Academy.

Chair Cianchette then thanked everyone for participating via Zoom and stated that though the meeting is likely to take place via Zoom again in May, he very much looks forward to seeing everybody in person in August if the situation permits.

Trustee Arntzen commended President Brennan and his team for the very hard work being done and extended his appreciation.

Chair Cianchette thanked Trustee Arntzen and noted that he and President Brennan talk a great deal. President Brennan assured the Chair that he has four well thought out plans to continue to educate students at the Academy and that we are ready to pivot to ensure that this will happen.

President Brennan extended his thanks on behalf of everyone at the Academy.

The meeting was adjourned at 10:43am.

Respectfully Submitted,

Janet Acker

Janet Acker
Secretary to the Board of Trustees
Maine Maritime Academy