



MINUTES OF THE MEETING

BOARD OF TRUSTEES

August 5, 2021

A regular meeting of the Board of Trustees was held on August 5, 2021 in-person at the MMA Bucksport Campus. Chair Cianchette, Vice Chair Oney (via Zoom) and Trustees Arntzen, Brodsky, Devine, Dey, Fryer, Mercer (via Zoom), Morrison, Norton, Sawyer, Somerville, Theeman, Thomas, Watson, and Wellington participated in the meeting. President Brennan, Vice President Haley, Vice President Rosen, Vice President True, Enrollment Consultant Delsie Phillips and Provost Williamson also participated. Presidential Search consultants Nancy Targett and Concetta Stewart participated from AGB (via Zoom). Sarah Krasin and Christina Moore from CCS presented findings of their Capital Campaign feasibility study. Presentations provided by Alan Chace, CPMD Director and Capt. Jennifer Norwood, Assistant Professor were also provided. Members of the faculty and staff were also present.

Chair Cianchette brought the committee of the whole meeting to order at 9:06 a.m. eastern time.

Committee of the Whole

CHAIR'S REMARKS presented by Chair Earle Cianchette

- Introductions
- Welcome

PRESIDENT'S REPORT presented by President William Brennan

- Preliminary pre-audit financial results show actual income and expenditures in balance, overcoming a \$1.28M shortfall in the adopted FY21 budget. The Management Team was acknowledged.
- COVID impacts resulted in a 6% decline in enrollment. Operating revenue from tuition, fees, room, board and conferences declined 13%. There was a \$6m impact on our \$41M budget.
- State appropriations were back to 2017 levels of assistance. Unanticipated expenses included three cruises and COVID prevention measures.
- Difficult choices made included suspending football, eliminating College Relations, keeping vacant positions open, curtailing or eliminating capital expenses and other.
- We expect a return to normalcy beginning with the new fall semester.

- CPMD is gaining momentum with the addition of training simulators, new instructional staff and the lifting of COVID restrictions.
- The Bucksport campus holds the promise of a variety of programming and revenue generating opportunities including offshore wind, workforce training, autonomous vessel technology and research.
- The new training ship (NMSV) is scheduled to arrive in late 2024 providing transformative change. Classrooms, laboratories, simulators and increased capacity will allow us to completely rethink how we deliver training including
 - Consider a new sea semester in which students in a variety of non-licensed programs could participate in training on the ship.
 - Altering the academic calendar to reconsider the role of the ship in our overall pedagogy.
- We should use our assets to showcase our uniqueness in higher education and in Maine.
- Changes brought about by the pandemic have provided us with an opportunity to redesign the marketing effort and to focus it squarely on enrollment. With the increase in competition and new methods of communicating with this generation of students, we will seek a manager with a broad understanding of the competitive challenges, technological opportunities, and cutting-edge enrollment management practices in the changing higher education landscape.

PRESIDENTIAL SEARCH presented by Chair Cianchette

- Chairman Cianchette shared that AGB was selected due to its reputation and the fact that they did a very good job with the Provost search for Keith Williamson. They know who we are and understand our niche and have a great pedigree around the country.
- A search committee has been formed with diverse representation across the campus and community to include staff, faculty, Trustees, community members and alumni.
- Listening sessions and surveys with a variety of constituents have occurred.
- The profile has been published and the position has been nationally advertised.
- We will remain on schedule to announce by the end of the year or early 2022.
- Candidates will become public in the finalist round.
- Official transition to the new President is planned for the day after Commencement.
- Concetta Stewart, from AGB, indicated that there was a broad range of interested individuals, responses to the ads, and numerous nominations. The pool will be moderate in size, but qualified and informed.
- Currently in full recruitment mode. Pleased with the response to date.
- Bill Full (President of the Alumni Association) made a comment about the listening sessions exposing a difference of opinions between the Regimental and non-Regimental alumni.

ACADEMIC REPORT presented by Provost Williamson

- Cruise B1 returns next week.
- Finalizing staffing for B2.
- Center of Teaching Excellence is working hard to be sure cadets are supported since they leave before the end of the fall semester. Extra academic support will be provided.

- 100% of our Juniors and Seniors made it out on co-ops and cruise. There was a tremendous commitment from the Career Services Department during a very difficult time due to continuing COVID impacts.
- There are 534 course sessions planned for fall. 94% will be in person. 34% more than the number of in-person last fall.
- The 6% that remain online provide flexibility for students and to help optimize efficiencies and contains costs as we pivot back to normalcy.
- Provost Williamson updated the board on the NECHE structure (9 areas) and standards.
 - Improved the Academy Council process and shared governance
 - Planning and evaluation efforts are underway.
 - Plans are starting for a new graduate school model with multiple starts aimed at mid-career professionals.
 - An online accelerated model will accommodate six 7-week courses for continuous delivery. We have the brand and the framework is out there. This is a significant area of growth for us and could access a large number of candidates (400+). There is not a big demand on infrastructure so this could be a clear revenue driver.
 - Different marketing and delivery model will be needed.
 - Could be a combination of a Masters degree program and micro-credentials.
 - Opportunity exists for in-person components and stacking of credentials.
 - Once faculty are ready for the accelerated delivery, and back-office needs are met, we will execute a full marketing push.
- Large number of retiring faculty produced the opportunity for savings as we replace senior faculty with more junior members at a lower cost.
- We've been able to reallocate vacancies and align with strategic priorities.
- Professor Jennifer Norwood provided a detailed presentation on SailPlan.

CPMD REPORT presented by Director Alan Chace

- Staff were introduced and updates were provided regarding enrollment, Fire Stack development, and marketing and outreach efforts.

ADVANCEMENT REPORT presented by VP Christopher Haley

Vice President Haley began with an overview and then introduced a presentation by CCS Fundraising.

- 2021 fund raising increased for both the endowment and annual fund.
- 2021 was the first time MMA has surpassed the \$1m mark and had an increase in donors overall.
- However, alumni giving decreased from 24.5% to 15.8%, likely an effect of the Alford matching funds push the previous year.
- Alumni Relations is very active.
- College Relations has been reorganized through the President's Office and Alumni with the retirements of Jen Dejoy and Billy Simms and departure of Dee Yocum.

- The Yacht Donation Program, under the leadership of Joe Lobley, had another successful year, up \$450k over last fiscal year.
- Overall, we have surpassed every goal.
- Sarah Krasin and Christina Moore, from CCS, provided a presentation indicating that MMA is well positioned for a major capital campaign and riding on a lot of momentum and enthusiasm on the part of alumni and donors.

FINANCE AND OPERATIONS REPORT Presented by Treasurer Theeman and VP Rosen

- Mr. Theeman provided a summary of the Finance Committee meeting on August 4th, acknowledged the passing of Ryan King, expressed appreciation for the finance department's continued candor and detail in providing information, and acknowledged Richard Rosen's efforts and experience in state government to facilitate the funding of the Curtis Hall project.
- For the year ended June 30, 2021
 - Preliminary pre-audit financial results show actual income and expenditures in balance, overcoming a \$1.28M shortfall in the adopted FY21 budget.
 - Overall revenue was favorable to budget by \$4.6M and year-end expenses, before adjustments and transfers, were under budget by \$6.3M. When removing the one-time federal funds and gains from investments, revenue generated from operations was under budget by \$3.4M.
- Major budget variances in fiscal year 2021:
 - Tuition & fee revenue was unfavorable to budget \$1.2M (-5%)
 - Sale of auxiliary enterprises was unfavorable to budget \$2.5M (-35%)
 - State & federal appropriation was favorable to budget \$2.4M (+22%)
 - PPP loan forgiveness of \$3.8M is recognized as FY21 income
 - Cost of instruction was favorable to budget \$543,000 (-5%)
 - Operational expenses favorable to budget by \$5.2M (-17%)
 - Overall impact of COVID can be estimated at \$9M and the Federal relief totaled approximately \$7M. While less than hoped, it did significantly reduce our exposure. Not enough but did significantly reduce our exposure. The \$2M gap is a conservative estimate as we are still accumulating those expenses.
- Scholarship
 - Scholarships for 20/21 academic year hit high-water mark of \$3.75M.
 - Pell Grants were offered in the amount of \$1.18M.
 - The Academy distributed \$876,568 in CARES Act Relief emergency grants directly to students.
- Investments
 - Pooled investments with the University of Maine System and Camden National Bank showed strong appreciation over 2020 levels.

- Balances for the UMaine account were:
 - 5/31/21 \$61,016,578
 - 5/31/20 \$49,665,551
 - 5/31/19 \$47,207,089
 - 5/31/18 \$38,106,197
- Balances for the Camden Wealth Management accounts were:
 - 6/30/21 \$16.1M
 - 6/30/20 \$13.6M
 - 6/30/19 \$13.7M
 - 6/30/18 \$12.2M
- The MMA finance group is actively engaged with the team from Baker, Newman & Noyes, LLC as they conduct the annual financial audit and grants guidance audit for 2021.
- Mr. Rosen recognized the efforts of lobbyist Becky Smith in Augusta.
- Due to an effective curtailment process, the Legislature ended the year with a 3.5% increase from what we budgeted for the baseline funding.
- Legislature also enacted a proposal to provide debt service funding for the Curtis Hall renovations.
- We were able to secure \$2M from State's Federal American Recovery Plan for the initial planning and engineering required at the waterfront in preparation for the arrival of the new ship.
- These funds, in addition to the \$1M committed from previous bond package puts us in a nice position with roughly \$3M to begin the work on the waterfront redevelopment.
- An RFP for wealth management services has been issued. We received eight formal intentions to respond. We are receiving questions through August 13th. Formal proposals are due September 15th.

STUDENT AFFAIRS REPORT presented by Trustee Brodsky and VP Elizabeth True

- Trustee Brodsky reported from the Student Affairs Committee meeting held about a month ago.
- A review of the audit by Drummond Woodsum was conducted.
 - The Audit is available online and worth reading.
 - Conclusion is that the Academy is in full compliance with Title IX.
 - Dr. True received high marks for handling Title IX issues.
 - Some recommendations were made regarding clearer communication with students and, in fact, the campus as a whole.
- Scholarships
 - At the committee meeting, VP Haley and VP True reported how funding is dispersed and where funding comes from:
 - Endowment \$1.2M

- Trustees \$300k
 - Operations \$400k
 - Curtis \$100k
 - We typically run out of scholarship funds by November.
 - First generation students find the financial aid process daunting and difficult to navigate. We need to do more to assist students in planning for the costs of education.
 - Need for focused effort on enrollment.
- Dr. True then provided her report
 - Acknowledged her staff for working under difficult conditions.
 - COVID update:
 - Planning for returning to near normal with some protocols in place.
 - Pro-Vaccination campaign has begun.
 - Now collecting data on vaccination status among student body.
 - We have an 85% vaccinated campus goal. (*note: before mandate*)
 - Also surveying employees and currently at 84% though not all have reported.
 - We have consulted medical community professionals at the CDC and our providers, and they agree that we are well positioned for the fall.
- Commandant Captain John Cashman reported from TSSOM on cruise (via Zoom)
 - On day 29 of 37-day sea term.
 - He applauded the dedication of the crew, faculty and staff to make these multiple sea terms possible in a difficult environment caused by COVID.
 - Port of Canaveral offered 64 students LNG firefighting training for an excellent experience.
 - New York port call was cancelled due to the uptick in COVID cases citywide and the fact that another training ship with a COVID case had to be quarantined for two weeks causing major disruption. All on board were in favor of the decision.
 - Returning to Castine on the 11th.
 - Lots of whales!
- Athletics:
 - Full fall schedule is planned.
 - Staffing update provided.
 - Academic achievement among athletes continues with stellar GPA averages.
 - Spring term 3.12 GPA
 - Cumulative 3.09 GPA
- Vaccine:
 - Currently not requiring but HIGHLY recommending.
 - Unvaccinated students and staff will be required to wear masks indoors and submit to weekly testing.

- Determination of status is on a need to know basis through supervisors (faculty/staff), and through PowerCampus for appropriate staff and faculty to know which students are vaccinated. Wrist bands only worn for initial quarantine period.
- Students and staff in this category are anyone who has not provided proof of vaccination.

ENROLLMENT MANAGEMENT REPORT presented by consultant Delsie Phillips

- Financial aid needs a marketing strategy as much as admissions.
- There has been an uptick in summer campus visits.
- The campus/facilities show well.
- In the end, it all comes down to customer service and that includes financial counseling with families.
- Changes in Financial Aid staff were noted and Kathy Heath was thanked for her years of service.
- There is a disconnect between family's expectations and reality. We need to help them through the process and assist them with making a financing plan.
- Must educate families about Return on Investment.
- Experienced Interim Financial Aid Director arriving on August 9th.
- Current incoming class is 253 and the target was 280.
- Budget based on 900 FTE blended fall to spring.
- Indications are that we will be below the budgeted number.
- Until students are on campus and past add/drop we cannot provide a hard number.
- More scholarship money on the table will result in more deposits.
- The number of female students has increased to about 20%.
- The trend of increasing numbers of out-of-state students continues.
- Efforts continue to encourage donors to release the restrictions on donor-specified scholarships.

A wide-ranging discussion of mask and vaccination policy ensued.

Chairman Cianchette introduced the topic of providing "free" tuition (not auxiliary revenue (room/board) or fees) for some category of students.

- Next campaign includes \$40M to provide for this program to be self-sustaining.
- Not free, but a grant in some form for students.
- Should it be in the first year or on the back end?
- Maybe we consider in-state tuition for out of state?
- More Academy sponsored loans?
- Hiring a VP for Enrollment will be a big benefit.
- Retention rate has ranged from 77% to 86% in the last five years. How many leave for financial reasons?
- If we get them (students) here, they stay.
- We need to make more money available.
- However, none of this matters, unless we are a school of roughly 1000 students.
- We need to start putting some thought into this and develop a path forward.

Board of Trustees Meeting

August 5, 2021

Meeting commenced at 2:04 p.m.

Chairman Cianchette introduced the first order of business.

MINUTES OF THE APRIL 30, 2021 MEETING

On a MOTION by Trustee Theeman and seconded by Trustee Brodsky, the Board unanimously voted to accept the minutes of the meeting of April 30, 2021 as presented.

GOVERNANCE REPORT

Trustee Wellington began by saying that all Board members should have received a copy of the Committee assignments. Each member is assigned to three different committees except for the Chair and Vice Chair who are ex officio on all of them.

Before presenting a Resolution, Trustee Wellington asked if there were any questions or comments. There being none, he presented the following:

RESOLUTION #1

Resolution Concerning Committee Assignments

BE IT RESOLVED that the Board of Trustees of the Maine Maritime Academy approves the Committee Assignments as shown in the attachment included in the Trustees' folders and dated 2021-2022.

On a MOTION by Trustee Theeman and seconded by Trustee Watson, the Board voted unanimously to approve the Committee Assignments as included in the Trustees' folders and appended to these minutes as Attachment A.

Vice President Haley then read the following Resolution:

RESOLUTION #2
Acceptance of Gifts and Grants of \$1000 or more

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 B appended to these minutes.

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

Vice President Haley then read the following Resolution:

RESOLUTION #3
THE CUSHMAN FAMILY ENDOWED SCHOLARSHIP FUND

BE IT RESOLVED by the Board of Trustees of the Maine Maritime Academy that the CUSHMAN FAMILY ENDOWED SCHOLARSHIP FUND, as appended to these minutes as Attachment C is hereby established.

On a MOTION by Trustee Somerville and seconded by Trustee Theeman, the Board voted to establish The Cushman Family Endowed Scholarship Fund as described in Attachment C appended to these minutes.

Vice President Rosen then read the following Resolution:

RESOLUTION #4
Resolution to Amend Provisions of Maine Maritime Academy's Statutory Borrowing Limit

BE IT RESOLVED: that the Board of Trustees of the Maine Maritime Academy approves amending the provision regarding the statutory borrowing limit in accordance with legislative action.

On a MOTION by Trustee Theeman and seconded by Trustee Dey, the Board voted unanimously to approve the amendment of the provision regarding the statutory borrowing limit in accordance with legislative action described in Attachment D.

Trustee Wellington then made a request that the Board effectiveness survey be sent to the Board in November.

Trustee Theeman then announced that as of the morning of August 5th, The University of Maine system requiring all of its students to get the COVID vaccine even if not required by the CDC. President Brennan indicated that we would contact the University as well as our medical advisors in the consideration of the way forward.

Chairman Cianchette then asked if there was any other business to bring before the Board. There being none, he asked for a Motion to adjourn.

On a MOTION by Trustee Brodsky and seconded by Trustee Somerville, the Board voted to adjourn.

The meeting was adjourned at 2:27 p.m.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Janet Acker".

Janet Acker

Secretary to the Board of Trustees

Maine Maritime Academy