

Maine Maritime Academy

Board of Trustees Meeting Minutes

Date: February 13, 2025

Location: Virtual Meeting

Chair: Wayne Norton

Recorder: Rachael Cotoni

Attendees:

Trustees: John Webb, Liz True, Paul Mercer, Miles Theeman, Sue Loomis, Katy Longley, Wendy Morrison, Morten Arntzen, John King, Mark Gardner, Anthony Hall, Gregory Johnson, Bill Eisenhardt, Alaina Adams, Bob Somerville. Faculty Representative: Not in attendance.

Administration: Interim President Johnson, VP Noel, VP Williamson, VP Waldron, VP Markow.

Staff/Guests on zoom: Charlie Agnew, Lonnie C, Kirk L, Lydia L, Peter S, Wendy H, Bill M, Jake Jacobs

Chairman's Report

Chairman Norton thanked President Johnson and his team for their work over the past several months. He spoke briefly about the presidential search and stated that the board would enter into executive session to discuss the presidential search and some personnel matters later in the meeting.

President's Report

President Craig Johnson opened the meeting by introducing Kirk Langford and student Lydia Lancina, who presented an update on the strategic planning process. The President emphasized the importance of the plan being bottom-up, built around core student needs like food and shelter, citing Curtis Hall as a key area under review. The strategy aims to improve the student experience as a path to student success.

Craig noted that the plan is progressing with input from Vice Presidents (VPs) and will be further developed with contributions from the Board of Trustees. His goal is to finalize the plan by May so it can be used to inform the September budget cycle.

The plan builds on a 2021 business plan and outlines short-term, achievable projects to

make an immediate impact—such as improvements to emergency transportation. Craig acknowledged that several of these initiatives are already in motion.

Strategic Planning Overview

Vision/Mission Seeds: Kirk and Lydia presented draft versions of a vision and mission, focused on enhancing the student experience and institutional sustainability. These drafts were shared with VPs for integration into their individual department strategies.

The approach remains iterative, with continual feedback loops involving administration and trustees. The strategic plan will be monitored and measured quarterly against key goals.

Legislative & Financial Advocacy

President Johnson highlighted recent meetings with legislators and the Governor, stating optimism about Bill 1824, which supports public higher education funding. The Academy aims to position itself as a strategic partner across multiple federal departments: Education, Energy, Defense, and Transportation, allowing flexibility amidst shifting federal funding priorities.

New Ship Initiative

A call with the shipbuilder revealed that an additional \$750,000 in expenses is expected, primarily for additional crew and operational needs.

However, current proposals in the National Defense Authorization Act (NDAA) suggest an increase in direct appropriation by \$1 million, which will help offset the new ship-related costs.

Planning continues to ensure both budget alignment and programmatic readiness (including facilities and training adjustments).

Program-Level Financial Review

Trustee Eisenhardt is collaborating with a third-party firm on a fiscal review of academic programs. This analysis will examine program cost-efficiency, enrollment strategies, and revenue generation potential. The goal is to make data-informed decisions on how to optimize academic offerings to strengthen financial sustainability.

Enrollment Committee Report

John King provided an update on the activities of the Ad Hoc Enrollment Committee.

- **Ad Hoc Enrollment Committee Update:**
John King highlighted the ongoing collaboration between David Markow and his team, emphasizing their collective efforts to refine the draft strategic plan for undergraduate enrollment. The committee is reviewing the plan and providing valuable feedback for improvement.
- **Acknowledgments and Leadership Changes:**
John thanked Kate Kana for her dedication to the Admissions team, recognizing her continuous contributions. He also welcomed Deidra Davis as the new Associate Vice President for Enrollment Management, a key addition to the team's leadership.
- **Retention Efforts and Coordination:**
David Markow underscored the importance of improving retention efforts. He emphasized the need for stronger coordination across various departments to enhance the institution's approach to retention.
- **Student Affairs and Student Life Planning:**
David discussed the forthcoming shift in focus toward developing a strategic plan for student affairs and student life. This shift will occur once a new Dean of Students is appointed, ensuring that these areas align with the broader goals of enrollment and retention.
- **Financial Aid Awarding Model:**
The committee is nearing the completion of its work on a new financial aid awarding model. This initiative is designed to optimize financial aid distribution processes and support the broader enrollment strategy.

Advancement Committee Report

VP Kate Noel shared an update on the current advancement efforts, noting that the department is slightly ahead of the planned targets. She provided key figures and highlights as follows:

- **Annual Fund:**
 - A total of \$960,000 has been raised, which is 64% of the \$1.5 million goal for the year.

- The Annual Fund campaign will take place in Portland, with specific emphasis on increasing trustee support.
- Endowed & Capital Giving:
 - The committee has raised 95% of the target for endowed and capital giving.
- Fundraising and Simplification Efforts:
 - The Annual Fund goals have been streamlined, reducing the categories from nine to five, making it easier to track and measure progress.
 - The Cushman Challenge, alongside the new Presidential Initiative Fund, has raised \$72,000. These funds will support student activities and a pool of funds for the new president.
- Special Campaigns:
 - The "Sprint to Spring" campaign has been launched to drive alumni support specifically for academic programs.
 - An athletic appeal will be sent out in April, with a fundraising target of \$200,000—\$50,000 for each of the four designated funds, to be achieved by April 15th.
- Operational and Strategic Updates:
 - The committee discussed formalizing and normalizing operations within the advancement office, setting annual goals in advance.
 - The current year's goals have increased by 10-15%, and they are on track to meet these targets. A baseline has been established to guide future efforts.
 - The team thanked Susan Jones for her generous gift from the Woods Foundation.
- Event Planning:
 - An upcoming event is planned at the brick buildings near Bissell House. The committee aims to keep costs low while putting on high-impact events.
 - VP Noel expressed appreciation for the work of the college relations team, particularly Brock and Frieda, and mentioned two videos created by Bryan—one focused on Bowdoin and one on Tug and Barge.
- Model Discussions and Future Planning:
 - Janet discussed that Kate and Finance have been working on various models for future fundraising efforts. These models aim to improve alumni engagement, with a specific focus on targeting parents and alumni for the annual fund.

Finance & Operations Committee Report

- Waterfront Annual Report:
 - Paul asked if the committee had reviewed the meeting information sent out, specifically regarding the waterfront annual report. There was a discussion on the current progress and challenges.
- Energy Discussions:

- Janet provided an update on energy initiatives, with Charlie and Jake J presenting on ongoing energy projects.
- Jake mentioned that the drilling process is two months behind schedule due to vendor delays in Canada. However, the team is optimistic about catching up, and new contractors in the USA have been identified. If the delay cannot be made up, there will be an impact, but the team is working hard to minimize this.
- Schedule Concerns and Coordination:
 - Paul expressed concerns about the coordination of the project schedule. Jake confirmed that the coordination is being handled by Reed and Reed in collaboration with Colliers. Paul was not satisfied with this arrangement and stated he would further investigate the situation.
 - Morten asked about the role of MARAD in schedule management, clarifying that MARAD reviews requisitions but does not manage the schedule in the way that Morten had expected.
 - Wayne mentioned the importance of assessing fixed prices for projects and their impact.
- Ship Crew Staffing:
 - Katy inquired about the staffing for the ship, noting the need to add \$650,000 to the budget for new crew. The hiring is set for July, with MARAD responsible for hiring watch standers and the institution hiring staff responsible for the ship's operations.
- COI Inspection:
 - There was a discussion on the upcoming Coast Guard inspection (COI) for the ship, with preparations ongoing to ensure compliance and readiness.
- Curtis Hall Project Update:
 - Paul shared that the Curtis Hall project could face an 8-week delay due to unforeseen asbestos issues. The team is working to resolve the issue as quickly as possible.
- Energy Savings Presentation:
 - Charlie Agnew gave a presentation on energy savings, focusing on work with Competitive Energy Services. The committee acknowledged the long-standing relationship with Competitive Energy Services, which has provided significant savings over the past 20 years.
- Schedule Priority:
 - Paul reiterated that the schedule remains the most important aspect of the ongoing projects and emphasized his continued concern about maintaining this schedule. He has been requesting updated schedules for some time.

Education Policy Committee Report

Alaina provided an update on the activities and challenges faced by the Education Policy Committee. The following key points were discussed:

- Academic and Accreditation Performance:

- Deck Exam Pass Rate:
Keith and Trustee Sue Loomis highlighted that the deck exam pass rate exceeded 70%, with a goal of reaching 90% by graduation. This is an ongoing area of focus for continuous improvement.
- NECHE Accreditation:
Preparation for the New England Commission of Higher Education (NECHE) accreditation process is underway, with efforts to ensure compliance with all standards.
- Program Review Process:
 - The program review process continues to evaluate the effectiveness of academic programs. This review helps ensure the alignment of programs with institutional goals and learning outcomes.
- Federal Grants:
 - The committee reported that \$8.8 million in federal grants has been secured. Notably, \$6.8 million is designated for the BIW program, with additional funds allocated to a vessel optimization project.
- Equipment and Finance Coordination:
 - There is an ongoing effort to work closely with the finance department to ensure the timely ordering of equipment necessary for programming needs.
- Challenges with USCG and DOE Grants:
 - Alaina noted significant challenges with the USCG, as well as ongoing discussions about the potential elimination of DOE grants. This could have serious impacts on various programs, particularly with regard to indirect costs (IDC).
- General Education Program Update:
 - The General Education program has been revamped and is now a 40-credit, faculty-led initiative, aimed at providing students with a well-rounded academic experience.
- Key Focus Areas:
 - The committee has been focusing on academic integrity, programming viability, and the assessment of learning outcomes. These areas are critical to ensuring the long-term success and accreditation of the institution's academic offerings.
- Action and Advocacy:
 - Katy suggested that the committee should inform the governor about the potential negative effects of eliminating certain grants, particularly the DOE grants, which would impact the institution's indirect costs.

Athletics Committee Report

Bill Mottola reported on the ongoing success of the athletics department and shared updates on key initiatives and progress. Highlights include:

- Academic and Athletic Success:

- The department has achieved 17 consecutive semesters with a department-wide GPA above 3.0, highlighting continued academic excellence alongside athletic performance.
- Leadership Development:
 - The Edge Leadership Academy coaching workshop continues to provide valuable professional development opportunities for coaches and staff, contributing to a strong leadership culture within the department.
- New Staff Additions:
 - The athletics department has made key new coaching staff additions, including Nick Sheehan and Jack Mottola, who bring valuable experience and expertise to their respective roles.
- Marksmanship Club Growth:
 - The Marksmanship Club has experienced significant growth, reflecting the expanding opportunities and engagement for students interested in this sport.
- Recruiting Efforts:
 - Recruiting efforts have been fast paced, with each coach visiting 10 schools and reaching out to 50 schools within a single week. These efforts are aimed at expanding the recruiting base and bringing in top talent.
 - The department also hosted a successful football event in Houston and is now focusing on expanding their recruiting efforts in Florida.
- Broadening Horizons for Athletes:
 - The department continues to find economical ways to broaden the horizons for athletes, exploring new opportunities for their development both on and off the field.
- Advancement Discussions:
 - Discussions are underway regarding advancement efforts, including potential partnerships and fundraising opportunities related to the golf program. The department is excited to network and expand support.
- Acknowledgments:
 - Bill Mottola expressed his gratitude to the hiring committee for their efforts in bringing in new talent and extended thanks to the department, coaches, and athletes for their continued dedication and success.

Student Affairs and Commandant's Office Report

- Student affairs integration with enrollment has been successful. Highlights include:
 - Naval Academy Leadership Conference (18 students attended)
 - Regimental leadership transitions and summer cruise prep
 - Student involvement in NECHE accreditation prep (Standard 5)
 - Coordination with career services, leadership lecture planning, and upcoming events.

Governance Committee Report

The Governance Committee discussed several key issues related to governance practices, committee operations, and institutional bylaws. Key points included:

- **Formal Public Notice for Subcommittee Meetings:**
 - The Governance Committee recommended that formal public notice be provided for all subcommittee meetings to ensure compliance with the Freedom of Access Act (FOAA). This recommendation was unanimously approved by the board.
- **Freedom of Access Act (FOAA) Compliance – Sunshine Law:**
 - The committee discussed the importance of adhering to FOAA requirements, particularly regarding notice for committee meetings. There is a need to ensure that proper notice is given for committee meetings, with a minimum of 48 hours' notice required. Webb is working with the Attorney General's department to finalize the guidelines for this notice.
- **Committee Meeting Notifications:**
 - It was agreed that committee meetings should be treated with the same level of notification and transparency as board meetings. The committee will continue to work on ensuring compliance with this requirement.
- **Retreats and Informal Meetings:**
 - Regarding retreats, the committee discussed that no formal notice is required for events that are considered moral or team building. However, if a formal meeting occurs during a retreat, proper notice must be posted.
- **Two-Day Meeting Structure and Engagement:**
 - There was discussion around the possibility of returning to a two-day meeting structure, which would include dinner events and increased student/faculty engagement. Strong consensus emerged in favor of reviving the two-day format, with no formal opposition raised.
 - A proposal was made to host a student/faculty town hall prior to meetings to improve board visibility and foster greater engagement with the broader academic community.
- **Reinstatement of the Board of Visitors:**
 - The Board of Visitors once served an important advisory role, but its functions were gradually absorbed by industrial advisory committees.

Despite its dissolution, the Board of Visitors is still referenced in the institution's statutory and bylaw documents. There was discussion on potentially reinstating the Board of Visitors.

- **Presidential Search Update:**
 - Trustee Katy Longley, Chair of the Presidential Search Committee, was commended for her leadership and the significant work undertaken thus far. The presidential search remains active, and updates will continue to be provided.

Executive Session

On a motion by Trustee Theeman and seconded by Vice Chair Webb, the board entered an executive session to discuss personnel and presidential search matters under Title 1, Chapter 13, Section 405.6 of Maine law.

Following the executive session, the board resumed and formally adjourned the committee of the whole at 1:30 pm.

Resolutions:

Resolution #1

To Accept the Meeting Minutes of November 7, 2024, Board Meeting [Governance]

On a motion by Trustee Theeman and seconded by Trustee Norton, the Board unanimously voted to accept the minutes of the meeting held on November 7, 2024.

Resolution #2

To Accept the Class of 1973 Endowed Regimental Scholarship Fund [Advancement]

On a motion by Trustee Theeman and seconded by Trustee Norton, the Board unanimously voted to accept the Endowed Regimental Scholarship Fund, Appendix A.

Resolution #3

To Accept Gifts, Grants, and Donated Property [Advancement]

On a motion by Trustee Theeman and seconded by Trustee Norton, the Board unanimously voted to approve the acceptance of gifts, grants, and donated property. Appendix B.

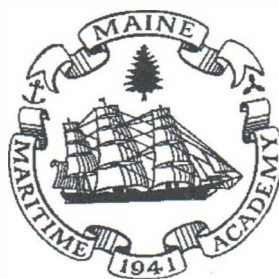
Resolution #4

To Accept the MOU for the Maine Maritime Academy Foundation (MMAF)

On a motion by Trustee Mercer and seconded by Trustee Arntzen, the Board unanimously voted to accept the Memorandum of Understanding, giving President Johnson the latitude to sign on any minor editorial tweaks if any. Appendix C.

Adjournment

On a motion by Chair Norton and seconded by Trustee Theeman, the board unanimously voted to adjourn the meeting at 1:58 pm.



VOTED THAT THE BOARD OF TRUSTEES ESTABLISH WITH GRATITUDE:

The Class of 1973 Endowed Regimental Scholarship Fund

The Class of 1973 Endowed Regimental Scholarship Fund is a permanently endowed scholarship fund established by The Class of 1973. The purpose of the fund is to provide scholarship assistance to deserving midshipmen in accordance with the Academy's program of financial aid. Scholarship assistance will be based on the single provision that all recipients be members in good standing of the Regiment of Midshipmen. Preference will be given to students with financial need.

All of the income and an undetermined amount of the realized and unrealized capital appreciation of said Fund, as the Trustees of Maine Maritime Academy may from time to time direct, may be expended for the purposes specified by the *Scholarship Fund*. However, at no time shall the current market value of said Fund be reduced by reason of such expenditures below the aggregate amount of all gifts and bequests to the Fund, and any future amounts which may be added to said Fund by gift or bequest shall be administered in the same manner.

In the administration of the authority herein granted, the Trustees and any person or persons whom they employ as investment advisors shall exercise ordinary business care and prudence under the facts and circumstances prevailing at the time of the action or decision, and in so doing they shall consider long- and short-term needs of the Academy in carrying out its educational purposes, its present and anticipated financial requirements, expected total return on its investment, price level trends, and general economic conditions.

If in future years circumstances make it impractical to use the Fund for the purpose originally intended; the Academy, with written consent of the class of 1973 designee(s) may use the principal and/or income of the Fund for such purpose or purposes that fulfill the current needs of the academy.

Date: 1-6-2025

Date: 1-6-2025

GM 73'

Donor(s)

Rachael Cotton
Secretary, Board of Trustees

Advancement

BE IT RESOLVED
that the Board of Trustees of Maine Maritime Academy
accepts the gifts, grants, and donated property as listed below

November 1, 2024 - December 31, 2024

Gifts and grants given of \$1,000 and above in this period		
Name	Fund	Amount
		<i>\$1,208,262.63</i>
Orbis Sibro Inc.	Development Gifts Suspense 16180-6180-432500	\$375,000.00
William M. Wood Foundation	The William M. Wood Scholarship Fund 37815-7815-432500	\$200,000.00
Victory Funds	Class of 1949 Memorial Endowed Scholarship Fund 37758-7758-432500	\$95,385.80
American Bureau of Shipping	ABS Pass-Through Scholarship Program 16136-6136-432500	\$60,000.00
William M. Wood Foundation	William M. Wood Foundation Fund 16394-6394-432500	\$49,999.00
Sheila M. Daniel	Kirsten J. Friberg Memorial Endowed Scholarship Fund 37565-7565-432500	\$40,000.00
Sheila M. Daniel	Development Gifts Suspense 16180-6180-432500	\$30,000.00
Sheila M. Daniel	The Kirsten J. Friberg Pass-Through Scholarship Fund 16042-6042-432500	\$30,000.00
Christian O'Neil	Admiral's Dinner 16385-6385-432500	\$25,000.00
Harry O. Kline Jr.	Harry O. Kline III Memorial Endowed Scholarship Fund 37480-7480-432500	\$20,000.00
American Maritime Officers (AMO)	Admiral's Dinner 16385-6385-432500	\$15,000.00
Sherri L. Hickman	The Sherri '85 and Coronado '16 Hickman Endowed Scholarship Fund 37691-7691-432500	\$10,000.00
Chevron Shipping Company	Admiral's Dinner 16385-6385-432500	\$10,000.00
R&P Technologies	Men's Football Fund 56720-6720-432500	\$10,000.00
Robert D. Somerville Revocable Trust	Robert Somerville Regimental Endowed Scholarship Fund 37413-7413-432500	\$10,000.00
Robyn Anne Lumbers	Admiral's Dinner 16385-6385-432500	\$10,000.00
J. Michael Brennan	Class of 1962 Regimental Endowed Scholarship Fund 37896-7896-432500	\$9,762.47
Mark Whitney	RADM Mark R. Whitney '84 Leadership Endowed Scholarship Fund 37814-7814-432500	\$8,000.00
William B. Eisenhardt	Pass-Through Scholarship Fund 16110-6110-432500	\$6,000.00
Morten Arntzen	Annual Fund 00000-0440-431510	\$5,200.00
Michael Worch	Admiral's Dinner 16385-6385-432500	\$5,200.00
Margaret J. Fenderson	Annual Fund 00000-0440-431510	\$5,000.00
Jeffery Riedel	Wyman House Restricted Fund 16918-6918-432500	\$5,000.00
James S. Weeks Revocable Trust	The Thomas (Tom) E. Smith '69 Endowed Scholarship Fund 37411-7411-432500	\$5,000.00
Lauri B Dean	Annual Fund 00000-0440-431510	\$5,000.00
Todd Covini	Admiral's Dinner 16385-6385-432500	\$5,000.00
McAllister Towing	Admiral's Dinner 16385-6385-432500	\$5,000.00

DRAFT
MAINE MARITIME ACADEMY
MAINE MARITIME ACADEMY FOUNDATION
MEMORANDUM OF UNDERSTANDING (“MOU”)

THIS MEMORANDUM OF UNDERSTANDING (MOU) is entered into on ___, 2024, (the Effective Date) by and between Maine Maritime Academy (or “The Academy” or “MMA”) and the Maine Maritime Academy Foundation (“The Foundation” or “MMAF”) in the spirit of cooperation and collaboration and with the shared vision of establishing the Maine Maritime Academy Foundation as a premier foundation supporting MMA.

ARTICLE I: RECITALS

- A. The MMA Foundation is a non-profit Institutionally Related Foundation (“IRF”) operating as a private support organization authorized by the State of Maine pursuant to LD 1556, Sec. 1.20-A MRSA Sec. 10016 (“Enabling Legislation”). The Foundation exists solely for the exclusive benefit of the Academy and the Academy’s interests.
- B. The purpose of The Foundation is to organize and foster support for the Academy and its programs through the Foundation or its subsidiaries including but not limited to activities related to fundraising, advancement, development, and research consistent with the Academy’s priorities and in conjunction with the Academy’s Advancement Department including but not limited to receiving and stewarding gifts and donations, granting, investing, and reinvesting money and property, and using the receipts therefrom for the benefit of the Academy.
- C. The Foundation was organized and incorporated on 11 January 2024, to raise and manage private resources supporting the mission and priorities of The Academy and contribute to Academy’s excellence.
- D. As directed in the Enabling Legislation, the President of Maine Maritime Academy shall negotiate an annual memorandum of understanding, subject to approval by the Board of Trustees of the Academy, between Maine Maritime Academy and the Maine Maritime Academy Foundation private support organization that outlines a plan of work (the “Plan of Work”) identifying priority projects of mutual benefit and cooperation. This MOU embodies the Plan of Work. The Plan of Work may include or be represented by an annual letter of engagement between the Foundation and the Academy that identifies priority projects as described above. The Board of Directors of the Foundation (“Foundation Board”) may, however, delegate aspects of the Plan of Work to an executive director or president of the Foundation.
- E. The Foundation is a separately incorporated 509(a)(3) supporting organization with respect

to The Academy and is responsible for identifying and nurturing relationships with potential donors and other friends of The Academy; soliciting cash, securities, real, personal, and intellectual property, and other private, and public resources for the support of The Academy; and acknowledging and stewarding such gifts in accordance with donor intent and fiduciary responsibilities.

- F. The Foundation's mission is To Advance Maine Maritime Academy by raising and managing funds to provide the margin of excellence necessary for MMA to remain the World's leading maritime college.
- G. Institutionally Related Foundations, such as the Maine Maritime Academy Foundation may, subject to all requirements of law, serve as an instrument for entrepreneurial activities for the Academy including such activities as purchasing or developing real estate or issuing debt when such activities are in keeping with the Academy's stated priorities, its mission and charitable purposes.
- H. The Academy and The Foundation will make every effort to jointly review this MOU, and amend as needed, at least once per year after the Effective Date.

Nothing in this agreement shall be construed in a manner inconsistent with the Academy's Charter or By-Laws. Now, therefore, in consideration of these recitals and the mutual commitments herein contained, and for other good and valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

ARTICLE II: ACADEMY RESPONSIBILITIES

- A. The Academy, at the direction of the Board of Trustees of The Academy (The Board of Trustees) is responsible for overseeing the mission, leadership, and operations of The Academy.
- B. The Academy is responsible for determining the strategic priorities and financial priorities of The Academy communicating those to The Foundation,
- C. The Academy President and the Chair of the Academy Board of Trustees are responsible for providing regular updates to The Foundation on The Academy's Strategic Plan, educational plans, financial needs and priorities.
- D. The Academy recognizes that The Foundation is a separate, private not-for-profit corporation with authority to keep all records and data confidential, consistent with and subject to the law; and The Academy will establish and enforce policies that support The Foundation's ability to respect the privacy and confidentiality of donor records.

- E. The Academy shall include a representative of the Foundation as an active partner in any strategic planning process for The Academy.
- F. The Academy shall ensure that gift funds and other privately and publicly contributed resources which may be transferred to The Academy from the Foundation are used in compliance with donor intent.
- G. The President and other senior administrators of The Academy will work in conjunction with the leadership of The Foundation Board of Directors and, if applicable, the Executive Director, to identify, cultivate, and solicit prospects for private gifts and to support other fundraising activities.

ARTICLE III: FOUNDATION RESPONSIBILITIES AND AUTHORITY

- A. The Foundation shall maintain its status as a separately incorporated 509(a)(3) nonprofit organization created to raise, manage, distribute, and steward private resources to support the various priorities of The Academy in accordance with the priorities it receives from the Academy as set forth above.
- B. The Foundation Board of Directors shall include the President of The Academy, the Chairman of the Board of Trustees and a designated representative of the Alumni Association designated by the Association's Board of Directors each of whom shall serve as a non-voting ex-officio Director and participate as active and prominent participants in the strategic planning process for The Foundation.
- C. The Foundation Board of Directors is responsible for the control and management of all assets of The Foundation, including the prudent management of all gifts, consistent with donor intent.
- D. The Foundation is responsible for the performance and oversight of all aspects of its operations, based on a comprehensive set of bylaws that clearly addresses the Board's fiduciary responsibilities, including expectations of individual Board members based upon ethical guidelines and policies. The Foundation will notify The Academy President and the Chair of the Academy's Board of Trustees of any proposed action to amend the bylaws of The Foundation.
- E. The Foundation shall establish and enforce policies and procedures to identify and manage potential conflicts of interest and ensure that The Foundation's assets do not directly or indirectly indiscriminately benefit any member of the Board of The Foundation, or third-party.
- F. The Foundation will respond in a timely manner to all requests for data and records made by The Academy in accordance with applicable laws, Foundation policies, and guidelines. To the extent of any conflict between applicable law, The Foundation's policies or guidelines,

and the provisions of this MOU, applicable law shall control.

- G. Maine Maritime Academy Foundation may, subject to the approval of the Foundation's Board of Directors and all requirements of law, serve as an instrument for entrepreneurial activities for the college including such activities as purchasing or developing real estate or issuing debt when such activities are in keeping with its mission and charitable purposes.
- H. Consistent with its mission to help advance priorities, plans and objectives of The Academy, The Foundation may associate the name Maine Maritime Academy in connection with the operations of The Foundation; however, a courtesy notice shall be given to the Academy when the MMA name is being used. The Foundation may operate under its own seal and logotype and shall not use The Academy seal or other identifying marks in the promotion of its business or activities without prior written consent from The Academy, which consent shall not be unreasonably withheld.
- I. The Foundation and the Academy mutually agree to indemnify the other for acts and/or omissions that cause harm to the other's personnel, property, or reputation.

SECTION 1: Fundraising

- 1) The Foundation is responsible for planning and executing fundraising and donor-acquisition programs in support of the strategic priorities identified by The Academy's President and The Academy Board of Trustees in a manner consistent with and in alignment with the Academy's Advancement Department. The Foundation agrees to work in collaboration with the Academy's Advancement Office and will not compete with or displace fundraising activities of the Office without explicit agreement between Foundation and The Academy.
- 2) The Foundation is designated as a repository of private gifts that are facilitated by the Foundation, made in support of The Academy, and in collaboration with The Academy.
- 3) The Foundation will work with The Academy to create an environment conducive to increasing levels of support for the mission and priorities of The Academy.
- 4) The Executive Director of The Foundation, if appointed, will oversee and coordinate cultivation and solicitation strategies for major gift prospects managed by The Foundation by collaborating closely with The Academy's administrators in developing proposals and solicitation strategies consistent with the Academy's financial priorities which the Academy will advise the Foundation of, on an annual basis, for execution of same.
- 5) The Foundation will adhere to a gift acceptance policy developed collaboratively by The Foundation, The Academy's administrators and Board of Trustees. That policy shall include rules to be mutually agreed upon as to donor intent and value of gifts.
- 6) The Foundation will document donor intent, maintain records of such, and ensure that The Academy's personnel responsible for the administration or expenditure of gift funds are

informed of donor restrictions.

- 7) The Foundation will promptly acknowledge and issue receipts for all gifts and provide appropriate recognition and stewardship of such gifts. The parties agree that gifts involving indirect costs shall be subject to mutual agreement for the accounting of such costs in a manner consistent with the Academy's best interests.
- 8) The Foundaton agrees that the Academy shall remain the sole recipient of state and federal grants.
- 9) To the fullest extent permitted by law, The Foundation shall establish and enforce policies to protect donor confidentiality and rights and ensure compliance with donor intent.

SECTION 2: Asset Management

- 1) The Foundation will receive, hold, manage, invest, and disburse contributions of cash, securities, patents, copyrights, and other forms of property, including immediately vesting gifts and deferred gifts that are contributed in the form of planned and deferred-gift instruments.
- 2) The Foundation will establish prudent asset-allocation, disbursement, investment and spending policies that adhere to applicable federal and state laws, including the Maine Uniform Prudent Investor Act, (MUPIA) (18-B.M.R.S. § et. seq.) and the Maine Uniform Prudent Management of Institutional Funds Act, (MUPMIFA) (13 M.R.S. § 5101 et. seq)
- 3) The Foundation, in collaboration with The Academy will establish internal controls, security and data protection procedures, and other enterprise risk management practices commensurate with the Board's fiduciary responsibility and in accordance with applicable law.

ARTICLE IV: FINANCES AND ADMINISTRATION

SECTION 1: Transfer of Funds Raised by the Foundation to the Academy

- 1) The Foundation will transfer funds to The Academy in compliance with donor intent, applicable laws, and The Academy and The Foundation policies.
- 2) The Foundation will disclose to The Academy in writing any terms, conditions, or limitations imposed by the donor or legal determination on the gift. The Academy will abide by such restrictions and provide appropriate documentation to the extent allowed by applicable law and the Academy's priorities.
- 3) The Foundation's disbursements to third parties on behalf of The Academy must be reasonable, support The Academy and its charitable purposes, be consistent with donor intent, and not conflict with applicable law or regulation.
- 4) All requests by The Academy for The Foundation's funds, other than regular disbursements and expense reimbursements to venders, must be submitted to The Foundation by the

President of The Academy or his or her designee.

SECTION 2: Funding of Foundation Operations

- 1) The Foundation, in collaboration with The Academy, will develop a budget for Foundation programs, operations, and services. It is understood that Foundation personnel, regardless of funding source, are not Academy employees whose salaries and benefits are governed by The Academy's Board policies, administrative procedures, or human resources practices. However, no policy of the Foundation or the Academy shall prohibit an employee of the Foundation from supporting the efforts of the Academy directly or indirectly. By mutual agreement, in writing, between the Academy and the Foundation, an employee of the Academy may be dedicated to the efforts of the Foundation.
- 2) In consideration of The Foundation's support of The Academy, The Academy may, at its discretion, provide in-kind support to The Foundation's Board members, officers, and personnel, such as office space, information technology resources, and support from The Academy's marketing and communications, financial aid, and finance staff.
- 3) The Foundation has the right to use an agreed upon percentage of unrestricted gift funds generated by The Foundation and assess an agreed upon fee for services, on gifts, endowed funds, and other investments.
- 4) The Foundation, on a regular basis, will provide copies to The Academy of its annual report and other information that may be publicly released.

SECTION 3: Financial Reporting

- 1) The Foundation will engage an independent accounting firm annually to conduct an audit of The Foundation's financial and operational records and will timely provide The Academy with a copy of the annual audited financial statements, including management letters.
- 2) The Academy may be required by Government Accounting Standards to report The Foundation's summary financial statements as a component unit in The Academy's annual audit.

ARTICLE V: COLLABORATION AND JOINT RESPONSIBILITIES

While The Foundation Board of Directors, The Foundation Executive Director, and The Academy President provide primary leadership for The Foundation's fundraising, a robust culture of philanthropy requires the engagement and support of The Academy's Board of Trustees, Alumni Association Board of Directors, administrators, and faculty. Recognizing that close collaboration

and ongoing, transparent communication are essential to effective fundraising, stewardship, and fiduciary oversight, the Board of Trustees, The Foundation Board of Directors, and The Academy and The Foundation administrators will collaborate in the following ways. Nothing in the Foundation's duties and purpose is meant to dilute or interfere with the philanthropic activities and Advancement activities and staff at MMA and the Alumni Association. Nothing in this agreement shall be construed in a manner inconsistent with the Academy's Charter or By-Laws.

- A. The Foundation and The Academy will collaborate on the identification of fundraising priorities aligned with the strategic priorities of The Academy.
- B. While The Academy's Board of Trustees is responsible for charging The Academy President with the development of strategic plans for The Academy and approving such plans, The Academy will actively engage The Foundation Chair of its Board of Directors and Executive Director (if applicable) in The Academy's strategic planning processes.
- C. The Foundation Board of Directors, Executive Director, and administrators of The Academy will collaborate on the identification and cultivation of major gift prospects. While the Executive Director will be responsible for oversight of solicitation strategies, The Academy President, other Academy administrators, and faculty will play an active role in the development of gift proposals and solicitations.
- D. The Foundation will collaborate with The Academy administrators in the development of a foundation budget, plans for the funding of campaigns, and decisions regarding the implementation of gift fees and other funding sources.
- E. The Academy and The Foundation will collaborate on the establishment of gift-acceptance policies, naming policies, and provisions for the establishment of scholarships, chairs, and other endowed purposes.
- F. The Foundation will develop benchmarking reports on fundraising activity to be shared with The Academy President Board of Trustees and Advancement Department.
- G. The President of The Academy, the Chair of the Academy's Board of Directors, and a designated member of the Academy's Board shall serve as a member of The Foundation Board of Directors. The President of the Academy shall assume a prominent role in fundraising activities.
- H. The Executive Director of The Foundation may be included as a member of the President's senior administrative team.
- I. The Board of Trustees (or a committee designated by the Chair of the Academy Board of Trustees) and The Foundation Board of Directors will conduct at least one joint meeting annually, which shall occur and be held after appropriate notice and as applicable, in accordance with Maine's Freedom of Access Act, (M.R.S.A 400 et. seq)

- J. To ensure effective achievement of the items of this MOU, The Academy and The Foundation officers and board representatives shall hold periodic meetings to foster and maintain productive relationships between The Academy and The Foundation and to ensure open and continuing communications and alignment of priorities. The Chair of the Board of Trustees, the Chair of The Foundation Board of Directors, The Academy President, and the Executive Director of The Foundation will meet at least bi-annually which meeting may be by remote communication methods.

ARTICLE VI: CONFLICT RESOLUTION

This MOU is intended to set forth a framework that will contribute to the coordination of the mutual activities of The Academy and The Foundation.

In the event that serious concerns arise on the part of The Academy or The Foundation regarding the relationship between the organizations or either organization's fulfillment of the commitments it has made under this MOU, The Academy or The Foundation may request in writing that the other party participate in discussions to address the concerns, in which case the parties will attempt, in good faith attempt to resolve the issue.

If these discussions do not resolve the concerns to the satisfaction of both parties, then either party may send the other party a written notice of its intent to terminate this MOU, describing the concerns that have caused such party to send the notice of intent to terminate. Upon receipt of a notice of intent to terminate, representatives of both parties shall immediately convene and discuss potential resolution of any and all conflicts. Both parties shall negotiate in good faith and put forth their best efforts to preserve both this MOU and the relationship between The Academy and The Foundation, recognizing it is in the best interests of both The Academy and the Foundation to do so.

The parties may, upon agreement, utilize alternative dispute resolution options, including nonbinding mediation or nonbinding arbitration conducted by a third-party neutral.

If the parties remain unable to resolve the concerns identified in the notice of intent to terminate to the satisfaction of both parties, then the party serving the notice may send the other party a written notice terminating the MOU, which termination shall become effective on the date specified in the notice, but no earlier than six (6) months from the date of the notice of intent to terminate.

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IN WITNESS WHEREOF, the parties have caused this Memorandum of Understanding to be executed by their duly authorized officers as of the day and date first above written.

Chair, Board of Trustees
Maine Maritime Academy

President, Board of Directors
Maine Maritime Academy Foundation

President
Maine Maritime Academy

Executive Director (or President)
The Academy Foundation