

# Director's Report – January 2015

I have begun my 4<sup>th</sup> year as your Executive Director. I look back with gratitude for the opportunity and I do feel that together, Board and Staff, we have accomplished a great deal over these last few years. As you know we have been working on enhancing our organization on multiple fronts, simultaneously: financial systems, organizational management, personnel and accounting guidelines, grants management, program definition and growth, communications, fundraising and membership, and strategic planning. We have invested more time and effort in some areas while continuing to move forward in all. There are more visible results (such as clean audits and increased grants revenue) but from where I sit, I see progress in all areas. We will begin this year guided by a Strategic Plan. In my mind, the Alliance is better positioned now to be a leader in the Bay restoration effort, than it has been for over a decade.

## Visibility and partnerships

The Alliance is a more visible and recognized organization in the region. Recognition of our logo, mission, and results is more widespread among the environmental and political communities as well as localized communities, and it is more apparent to all that we fill a unique niche that is different than CBF, our nearest relative and the dominant NGO in the region. Some evidence of this comes from the invitation to lead and serve on committees and task forces, the times that the Alliance ED and key staff are sought out for counsel on issues or programs, and the interest in partnerships with our staff in delivery of work on the ground. Although anecdotal, I receive feedback regularly in conversation with others.

The Alliance was a key player in the final drafting and adoption of the new Chesapeake Bay Watershed Agreement. The Alliance's leadership with partners ensured that citizen stewardship, local leadership, and diversity were recognized in the agreement. We continue to co-chair work going forward in the stewardship arena.

We have a strong set of existing partnerships with local, state, and federal government, businesses, and major foundations such as the NFWF. We also open 2015 with stronger relationships in VA with the new administration (and our VA Director on the Board of VA Forever), participation in the MD Governor's Transition and ties to key leadership, strong ties to PA Governor Wolf (former Board Member) and PA DCNR Sec Cindy Dunn (former Alliance State Director), and active leadership of regional policy initiatives on riparian forest buffers and urban tree canopy with USDA.

Major funders like the EPA and NFWF consider us a key partner as well as a grantee. We were selected by EPA to provide leadership for a new 6 year effort to build citizen-based monitoring initiatives in the watershed and one of only three groups selected by USDA for participation in the new RCPP Farm Bill Program and. We are actively supporting multiple local governments in stormwater management, our Chesapeake Forest Program with help from Altria, launched the most extensive private tree planting effort ever in the watershed, we are the leading group for

installation of rain gardens, and our partnership with the faith community has grown dramatically (Interfaith Partnership for the Chesapeake).

We worked with staff from Altria as corporate volunteers to evaluate our website and develop a plan for a complete overhaul of the site. We also issued multiple press releases and increased our social media presence by 400%.

**In 2015:** *Our emphasis in the coming year will be expanding our engagement with businesses, enhancing our communication tools (including a complete overhaul of our website), standardizing our message, and being more visible with funders, members, and opinion leaders. With a newly energized communications staff we are delivering a clearer message about our mission of local action in more media than ever before.*

### **Alliance Staff and Board Leadership**

We are practicing our mission internally as well. We have increased communication and transparency within our organization, are engaging staff in building the organization as well as their programs, hosted staff retreats, supported innovation, are working across state offices and across program areas to collaborate internally, and encouraging program leaders to focus on corporate skills and capacity building rather than just being confined to grant responsibilities.

Our Staff are more motivated, enthused, empowered, and invested than I have seen them since my arrival. Our workforce today is multi-talented, with numerous technical disciplines to draw on, stable and more balanced to field office needs, and working more creatively. I am working to reduce pay and benefit inconsistencies and define clear position descriptions, performance standards and review procedures.

Board Recruitment and succession has also been a key focus of mine over the past couple of years. We start 2015 with the largest and most diverse Board in nearly a decade. In addition, more than half of our Board Members have been with the Alliance for less than 2 years. This is evidence of recruitment success. In addition, we now have 8 Honorary Directors, a new opportunity to seek and maintain a high level of strategic input, support, and visibility.

**In 2015:** *Our emphasis will be on sustaining a highly motivated, creative and supportive staff. We will define and promote health and retirement benefits for staff to foster retention. Our Board focus will be on guiding program growth, strengthening Board Committee functions and engaging our new Honorary Directors.*

### **Fundraising and Development**

For a non-profit, fundraising also never really stops. The success of our development efforts hinge on successes in other areas such as clear and active communications, high visibility with partners, Staff and Board leadership, and having good stories to tell from our program results. As such, the success of development flows from the success of these other areas.

The Alliance has been blessed with an enthusiastic, creative, and dedicated leader as Director of Development, Laura Ricciardelli. For all she does, she is only a part time member of my staff and

has been largely supported by outside grants. We will need to move toward more secure support for development. Laura has demonstrated how personal connections can benefit the Alliance and will continue to work with Board members to realize this potential. Laura has also pursued creative ways to build Alliance visibility and connections such as the Annapolis Film Festival and a Chinese Tourists program.

The Taste event has been our primary success in fundraising for the last 3 years and we have grown the net revenue from this event by over 3 fold in that time. With some additional help now on staff, we have begun the work to expand member and donor outreach events to our state offices with the aim of building our outreach to a broader audience that is close to the work we do. We must expand our outreach potential. Membership remains a less than adequately defined part of Alliance history that we are just beginning to address in terms of benefits and unique outreach needs.

**In 2015:** *We will evaluate other venues for the Taste, creative themes to keep it fresh, and work to cultivate new sponsors with the Board's help. We will implement a planned timeline of outreach contacts and work to refine and clarify membership benefits and differentiate donation appeals from membership outreach. We will also be launching membership recruitment messages based on our "Together, we will get the job done" theme. Expanding our overall outreach database remains a very high priority. We will also explore some new fundraising strategies such as corporate program sponsorship, Chinese tourism, and others.*

### **Financial health, management systems, and decision-making.**

Much of our work to revamp the Alliance accounting and financial management systems over the past few years has been completed. For the last two years we have eliminated all management deficiencies and received a "clean audit". We have been recognized by government grant managers as a professional and trustworthy manager of funds and have restored EPA confidence in our procurement and recordkeeping. We continue to review our finances weekly and update the financial status of all grants quarterly. This stability has allowed us to make better decisions and to manage a very complex set of revenue sources with better insight as well as more accurate results. The 2013-2014 period provide us with clear end of the year financial data with which to begin to understand trends and indicators of organizational health that were not possible before. As such, careful management and continued enhancement of our grants accounting systems is our continued focus.

We have also continued to transition leadership from our finance consultant (Liz Biggs) to onsite Finance Director (Jaja Leroux). Jaja has earned the trust and respect of Alliance staff and by the end of 2015, most if not all financial management responsibilities will be transferred to Jaja.

In 2014, I had fully expected to eliminate our unrestricted net asset deficit -beginning the year in the black for the first time since 2006. We had some challenges with indirect cost recovery (rate and basis) and Chris Hamilton and Celeste Regan have stepped up to help us better plan for the future. Although the experience with our grantors in 2014 was frustrating in terms of less cost recovery from one source, it has resulted in valuable guidance for ED and staff on how to budget for new grant proposals. Chris continues to offer his expertise for the coming year.

**In 2015:** *Continue to stress strong and thorough financial management with project leaders, improve systems for grants management, and transition workload to our Director of Finance and Bookkeeper. We plan to continue to evaluate our cost recovery formulas and procedures in 2015 with the hope of revising these procedures in 2016. For the Alliance headquarters, we will also be seeking a new lease for office space in the Annapolis area.*

## **Program Development and Strategic Planning**

The Alliance staff continues to demonstrate creativity in project development and an aggressive pursuit of funding opportunities for our programs. In 2014, Alliance staff completed over 40 grant applications requesting over \$5 million in project funds from government, business, and private foundations. Of these we secured nearly \$3.6 million while continuing to implement grants from previous years. In most cases, these grants also involve partnerships where the resources are shared through collaboration to affect project delivery.

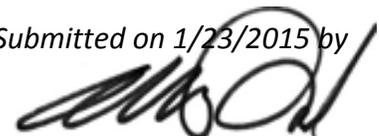
In 2014, we made a concerted effort to break down barriers between field offices and encouraged the utilization of skills and staffing across Alliance programs. We began to see the benefits of more Alliance-wide Programs with the growth of the Alliance's Chesapeake Forests program. This program pulls together multiple projects within a topic area with broader program goals and serves as a model for organizing program work at the Alliance. Mary Gattis Has begun formulating a similar approach for local government assistance. A meeting with Program Committee Chair Bob Paul (on 1/21) will build on this concept with the hope of defining a limited set of programs under which all Alliance work can coalesce and be marketed to others.

In 2014, we hosted events and developed and implemented projects that expanded our connections with business, the faith community and local governments and diversified support. Grant sources in 2014 were approximately 10% corporate, 38% local and state government, 10% private foundations, and less than 40% federal sources showing growing diversity of funding.

In addition, we conducted planning retreats with Alliance staff and the Board and developed a Strategic Plan for the Alliance that focuses on four elements: Organization, Finances, Membership and Communications, and Program Growth. We will begin 2015 with the first Strategic Plan in place since 2007.

**In 2015:** *Continue to integrate projects into key program areas that facilitate communication and understanding by the public, have clear measures of accomplishment and performance, and facilitate internal integration of staff and resources. Work on scaling up successful signature programs and develop new innovative approaches. Diversify funding sources and test new models for program support (sponsorship, service fees, and impact investing).*

Submitted on 1/23/2015 by



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