



BOARD OF DIRECTORS MEETING MINUTES

January 23, 2015 – Richmond VA

PURSUANT to notice, a meeting of the Board of Directors of the Alliance for the Chesapeake Bay was convened by Alex Beehler, Outgoing Chair, on Friday, January 23, 2015 at 10:15 at the offices of The Luck Companies in Richmond, Virginia.

Members present: Past Chair Alex Beehler, Incoming Chair Don Boucher, Mary Barber, Dennis Chestnut, Robin Clark, Dan Cornell, Jack Detweiler, Paula Hamel, Rich Hart, Katie Maloney, Bob Paul, Martin Poretsky, Celeste Regan, and Jennifer Troy.

Members not present: Chris Hamilton, Jim Elliot, Pete Faust, John Quinn, Stewart Leeth, Steve Pattison, Steve Schwalb

Alliance Staff present: Al Todd, Mary Angela Hardwick, Jeanne-Marie Leroux, Lou Etgen, Nissa Dean and Amy Robins.

Welcome and Introductions

Meeting called to order at 10:00 am. Alex Beehler introduced the meeting host Rich Hart and thanked him and Luck Stone for their hospitality. Alex then began the meeting discussing the successes of the Alliance during his past four years on the Board and his last 2 years as Chair. He specifically thanked Mary Barber, Ex-Officio Chair, and Al Todd for their hard work and in giving the Alliance the confidence necessary to move forward. He then recognized the staff and board, thanked them for being such a pleasure to work with during his tenure as Board Chair. He noted the past preoccupation with internal financial and management issues and highlighted that we are going forward with two clean audits and a deficit that should be gone by the end of 2015. Alex turned the helm over to Don Boucher, the new Board Chair, who acknowledged Alex for his dedication and hard work for the Alliance. Don noted that today that this is an exciting time for the Alliance as it embarks on new opportunities.

Each meeting attendee introduced themselves and provided the group with a brief bio/statement.

Don then gave an overview of the Alliance's future. He commented on Lou being "where the rubber meets the road" which meant that Lou and the rest of the staff are what the Alliance is about. The Board has to enable the staff to meet their goals and encouraged all of the Board members to sign up for Committees and be advocates for the Alliance.

Executive Director's Report

Al provided his "State of the Alliance" Report and outlined past challenges and successes in the areas of Alliance visibility and partnerships, Staff and Board Leadership, Fundraising and Development, Financial health and organizational management, and program development and strategic planning. In each area Al highlighted his focus of 2015 as well.

Al gave a brief history of the changes with the Alliance over the last decade or more. Over the last four years, the Alliance has worked hard to rethink and restructure the Alliance in every aspect ranging from financial systems, organizational management, personnel and accounting guidelines, grants management, program definition and growth, communications, fundraising and membership, and strategic planning. The Alliance is now well positioned.

Over the last few years, the Alliance has become more visible, our mission is clearer and our niche is better defined. The Alliance was a key player in the drafting and adoption of the new Chesapeake Bay Watershed agreement and we continue to work with the Bay Program to implement the Agreement. In Virginia, Nissa has developed strong political relationships with Virginia's new administration. In Maryland, 2 Alliance Staff and 3 Board Members participated in the Hogan transition. In PA, the new Governor and Secretary of DCNR have strong ties to the Alliance. We have developed strong partnerships with both major government funders NFWF and the USDA, prominent businesses like Altria and Dominion, and local government like Howard County and DC. Developing relationships with the faith community has brought increased awareness about the Alliance. We have also greatly increased our communications and social media presence.

Al discussed how the Alliance is coming up with new and creative programs as well as scaling up and reinforcing existing programs, thinking of new and developing new program models. The Alliance Staff recently held an all-day management team meeting with Program Chair Bob Paul to organize its work within 5 defined program categories that will help us communicate our work across the entire watershed. Al praised the partnerships with its corporate partners and specifically called out Dan and Altria for supporting the launch of the Chesapeake Tree Fund and Altria staff's support of administrative needs like donor database and website development.

Business and Committee Reports

Approval of September Minutes

Minutes from the September 25, 2014, meeting were reviewed.

Upon motion made by Alex Beehler, seconded by Jack Detweiler, and unanimously approved, it was RESOLVED that the draft minutes from the September 25, 2014 Board Meeting, previously provided, be approved.

Governance Report

New board is largest and most diverse in over a decade. Most of board has been with the Alliance for less than 2 years. Alliance will also have 8 honorary directors. We now have 21 of our maximum of 24 Board Members and do not have any specific terms expiring in 2015. We will still need to continue to recruit for the future and 2015 will be no exception. Al will be hosting small group sessions to work on Board Recruitment as we have the last 2 years. Priority will be on recruitment from PA.

We also have a total 8 Honorary Directors. A discussion of how this group should be engaged. Members felt that a private dinner hosted at an intimate location with discussion of key issues, opportunities and Alliance programs should be followed by advice from Honorary Directors regarding strategic direction and recommended connections. Mary Barber agreed to continue to serve a

leadership role in working with Don and Al to coordinate a gathering in April-May of 2015. Information should go out to Honorary Directors by March.

Committee assignments were discussed. Committee members are to review charters, bylaws, etc. All members were asked to sign up for 1-2 Board Committees.

Joyce Samm left the Alliance in January and Lisa Wadsworth took over her position to provide administrative support to the Alliance staff and Board.

Conflict of interest statements were distributed and signed by attending Board members. Board Members not present will sign and return the statements to Lisa.

Jim Elliot was elected new Board Secretary

Finance Report

Presented by Celeste Regan and Jaja Lereux. Celeste started off by saying that we needed to remind ourselves that our budget philosophy has been conservative which took the pressure off too big an aspirational budget. FY14 had some proposals submitted that have not yet been awarded. 2014 budget is still not too aggressive – which is partly why we blew through the budget. Though the numbers are preliminary, our net assets are about \$320K.

How much is restricted vs. unrestricted? Unrestricted net assets increase \$48K really close to break even on net assets. Once we get rid of the deficit we can start to invest and develop an operating reserve. Temporarily restricted assets had a net change of \$271K. The Alliance has total net assets of about \$775K. Sustainability. Investment may no longer be dormant. Balance sheet – there has been no draw on the LOC.

We should not feel too happy about being underspent on communications. We need to increase that line item spending. Al indicated that some expenses were reported in the wrong categories and so communications and supplies are both a bit off. We will solve this for final audit.

Don proposed that with the reduction of the deficit it is time we start thinking more seriously about the budget line for program development? For example, are we going to state that we are going to put away X amount of money every year for program development. Celeste thinks we should also think about an operating reserve policy prior to program development - investment policy. Unrestricted donations will be the ultimate source of funds. A reserve needs to come from unrestricted funds.

Jaja is taking over financial management responsibilities from Liz and will be assuming full responsibilities by the end of 2015. Currently working on improving our grants management system and continuing to evaluate cost recovery formulas as high priorities in 2015.

The Alliance moved its VA office in the Fall. New, great space. Annapolis office lease is up in December and could be potentially looking for a new home for our Headquarters if lease renewal terms cannot be agreed to with Landlord.

Development Report

Presented by Jenn Troy and Mary-Angela Hardwick. Mary-Angela presented the 2015 Development Plan. She encouraged the Board to consider their interests, talents and contacts and ways each could be used to support the Alliance's mission and work. The Development team will develop new tools for

both staff and Board to help convey the mission and the work of the Alliance and easily articulate messages. The Development team will work with the Board to expand engagement that can increase awareness/recognition of the Alliance and maximize development dollars. Al pointed out that 8-9 dollars out of every 10 the Alliance spends supports on the ground work.

The Development team will focus on targeted engagement of our internal and external audiences including our new Honorary Directors, our Board, the Alliance staff, Alliance members, VIPs, corporate sponsors, local governments, businesses, environmental partners, community groups, program and project volunteers and Bay watershed residents.

Engagement opportunities will include events hosted by state offices and expanded communications including e-newsletter, social media activity, program activities, quarterly member mailings, media and press releases, sponsorship efforts, expanded engagement with business communities through Businesses for the Bay including future events in MD/DC/PA, and participation with the City of Annapolis for the Annapolis Film Festival.

A new outreach/membership campaign with clearer definition of membership benefits and using a unique set of graphics is being designed by noted local Annapolis artist Joe Barsin. The Barsin campaign will promote a simple call to action: *Join the Alliance!* Posters will illustrate different components of the Alliance's work to improve the health of the Chesapeake Bay. This call to action will be tailored for each of our audiences. The first poster will be used in a large postcard format as our First Quarter mass mailing and in our marketing of the Alliance and our PCS program at the Environmental Showcase of the Annapolis Film Festival.

In addition, a new series of tools are being developed including an Annual Report, a new Alliance brochure, Fact Sheets and Program Summary Sheets, and refreshed website.

A stronger focus will also be placed on increased prospect research – individual, corporate, and foundations – for major sponsors, major gifts, and matching gift opportunities and development of a planned giving program. Al would like to have an annual report out by late April/early May

The Taste 2015 venue has not been finalized but will be very soon. We hope to continue to increase the number of Taste sponsors through Board support. If the Taste is moved to a larger venue we will be able to increase the number of attendees. We had difficulty finding a spot in DC to hold the Taste in 2015. The arboretum was our first choice, but the negotiations fell through –will look again at the arboretum in 2016. Number of participants/sponsors in the Taste is increasing.

Don Boucher added to the list of development activities to point out that Charity begins at home with a 100% pledging Board. Alex said that it's not necessarily the amount, it's that everyone (board members) participate in giving to the Alliance. Jack initiated a discussion of Board contributions and whether they should go to pledge or Taste was held. Suggested that both are needed and Board Members can specify how they would like their contribution allocated.

Jenn Troy encouraged Board members to sign up for both the Development Committee and the Taste 2015 Committee. Jennifer also indicated that she would like to see a regular calendar of events. An initial copy was provided and will be updated by staff and presented to the Board each month until an imbedded copy can be added to the Board Materials section of the website.

Upon motion made by Celeste Regan, seconded by Bob Paul, and unanimously approved, it was RESOLVED that the Development Plan for 2015 be approved.

Engagement of Honorary Directors

We haven't maintained cultivation of prior board members, major donors, members, etc. – We need to cultivate and reconnect. Recruiting Honorary Directors allows us to stay connected to this group. Honorary Directors would be our “missionaries” – we can ask them to meet and engage people we do not have the time to meet with – Honorary Directors can engage in a higher level of fundraising and outreach for us.

We need to hold a kickoff event for the Honorary Directors. The event could be a joint board/ Honorary Directors hosted evening event. We could possibly tie to an event like the Annapolis Film Festival to part of the kickoff or hold the event at the Eastport Yacht Club. The event would be a dinner with cocktail hour which would include Alliance presentations as well as a Q&A session – Let them tell us how they would like to help the Alliance. The event could be timed with release of our Annual Report.

We will keep the Honorary Directors engaged by welcoming them to attend Board meetings and they would have access to Board materials on our website. We should let Honorary Directors participate in board meetings. Alex talked about hosting a dinner/event for potential Honorary Directors.

Lunchtime Presentation:

Luck Stone staff provided an excellent overview of the company, its mission and product divisions and its philosophy on innovation in the stone and aggregates business.

2015-2020 Alliance Strategic Plan

Al introduced the 2015-2020 Alliance Strategic Plan. Al focused on identifying and discussing the Alliance's four strategic priorities from the Strategic Plan 2015 -2020.. Most of the past plans were about program planning not a strategic plan for the organization. We had to hone in on who we are and how we communicate that message/mission. Al presented our mission statement then our goals. Al discussed our strengths (briefly). Then he discussed our organizational challenges as outlined in the strategic plan. Al's only critique of the Strategic Plan was that there may be too many things in the plan and he welcomed Board input on narrowing these down but did say that they provide a framework for annual work planning.

The four strategic priorities are:

I. Ensure the Alliance is an effective, creative, and supportive organization.

Over the past year, the Alliance staff has increased communication and improved collaboration. The staff has been more motivated over the last year than in prior years. Alliance needs to improve staff retention by clearly defining health and retirement benefits. Al is working to reduce inconsistencies in pay and benefits. Fund full time communications staff and brand the Alliance name throughout communities.

II. Achieve excellence and sustainability in financial management and expand fundraising to support Alliance programs.

We have been fixing and organizing over the last several years. Now it is time to figure out where to be, what do we do best and where do we get money to do it. Staff is always looking for funding opportunities. We've got about 3.7 million in grants. We have stable federal grants in place – two new EPA grants.

III. *Grow Alliance membership and expand development activities*

Current member list is 3,500. Should be more than 10,000. We need to define what constitutes a member and what benefits they will receive. We will work to create visibility through our website and having a bigger presence in communities. We will create a 5 year development plan.

IV. *Expand and Cultivate Signature Programs that support the Alliance Mission.*

Integrate the work we currently do with new programs. Design new approaches and models that will work for both existing and new programs. Program development feeds directly into strategic planning. Mary-Angela asked if the Program Committee envisions itself assisting in program development - It's up to the program staff to do that and for the board not to overstep their bounds.

Board Members provided feedback on a variety of elements of the Plan but there was broad support for the document and its contents. Board encouraged the Alliance to use this Plan in work planning annually and to revisit each year. Don suggested that as a public document the Program Goal should be brought up front as the first one presented.

Upon motion made by Jack Detweiler, seconded by Celeste Regan, and unanimously approved, it was RESOLVED that the Strategic Plan for 2015 be approved.

A New Businesses for the Bay

Nissa Dean, VA State Director and Dave Gunnarson, Lockheed Martin, gave the Board an update on work being done to build and launch the B4B program and update the Board on progress since last April. Nissa and Dave reviewed the various components of the program as it is being defined and what the membership structure would be like. This is more of a business association model.

B4B is an opportunity for businesses to share knowledge and resources to improve the environment and will ask that they make commitments to improve the Bay. The program will link to the new Bay agreement. The B4B committee is developing procedural steps. We plan to host our next Business Forum in summer 2015. We would like to host an event in Maryland and we also plan to host a second event in Virginia in concert with Environment VA.

"If it is worthwhile, it will spread like wildfire. Which is why we need strong support to get the word out on this program and fully launch B4B." said Dave. The Alliance needs to evaluate if the program can be managed by existing Alliance staff, or if we will need to hire a new person to oversee it as a part of our Program Development investments in 2015. Discussion included is it possible to arrange an internship, or have a business provide a "loaned executive" who can provide the support need with a full time focus for 3-6 months on B4B. Al and staff will review these options over next month.

Board Member Objectives/Expectations for 2015

A discussion of the unique skills and outlooks that the Board Members bring was discussed along with how Board Members can help the Alliance and strengthen its work. Don would like to continue this discussion at each Board Meeting.

Katie suggested outreach to local Homeowner Associations – they have money and also are always looking for information to provide to residents and for ways to help communities to be part of the solution. We could charge HOAs a membership fee. Have a more robust discussion on membership strategies and design the right outreach mechanisms for those strategies.

Dennis Chestnut spoke about engaging African American and other minority communities.

Other Business

A presentation was made by Dan Cornell of Altria to Al Todd to provide a check to the Alliance for additional tree planting work in 2015.

Next Meeting is April 17 in Annapolis, MD.

Meeting adjourned at 3:10 PM