



BOARD OF DIRECTORS MEETING MINUTES

April 21, 2017 --- Shenandoah University Cool Springs Campus, Bluemont, VA

PURSUANT to notice, a meeting of the Board of Directors of the Alliance for the Chesapeake Bay was convened by Bob Paul, Chair, on Friday, April 21, 2017 at 10:00 am.

Members present: Bob Paul, Jim Elliott, Andrea Field, Jack Detweiler, Kelly Gutshall, Jennifer Troy, Jan Jarrett, Don Boucher (Ex Officio Chair), Bill Gill, Brent Fewell, Alex Beehler (Honorary Director), Ginny Snead, Mary Barber (Honorary Director), Bill Matuszeski (Honorary Director) . Joining by Conference phone line were Robin Clark, Doug Lashley , Tara Scully, Rich Hart, Steve Levitsky, and Paula Hamel.

Members not present: Katie Maloney, Steve Pattison, Dan Cornell, Dennis Chestnut, Joe Carnahan, and Sally Hornor.

Alliance Staff present: Al Todd, Mary-Angela Hardwick, Lou Etgen, Jaja Leroux, Nissa Dean, Mary Gattis, Craig Highfield, Jessica Blackburn, and Jenna Mitchell,

WELCOME AND INTRODUCTIONS

The meeting was called to order at 10:00 AM.

Gene Lewis, manager of Cool Springs welcomed everyone and provided background on the facility. Bob Paul welcomed all board members and staff to the meeting and noted that we had enough members to make a quorum. Everyone present at the meeting introduced themselves.

Jim Elliott presented the January 2017 board meeting minutes which were reviewed and approved. The next Board Meeting date of July 14 at St Mary's College in Maryland was confirmed and Bob Paul looked forward to hosting.

BUSINESS AND COMMITTEE REPORTS

Finance Report: Jack Detweiler and Jaja Leroux

Jack reviewed the 1st quarter financial documents. Everything is on track for where we should be this time of year. Discrepancies in expense amounts for this time of year included professional services which included consulting contract with Mary Ellen Olsece for Development Plan and first

payment for the audit. We are monitoring health insurance costs which are well within budget. At mid-year we will assess the ability to increase benefits.

Mary Barber asked if this budget was a little bit of a stretch. From Jack/Jaja perspective – we have a little more uncertainty this year so how will we keep an eye on that? Jack explained that we projected a \$750K increase in grant income and we are on track for that. All staff are actively engaged in grant proposals. Unrestricted funds are low this time of year and Taste donations come in summer.

Statement of financial position, change in net assets for the quarter – operating in the black. We have some money we are holding for St. Luke's project as an advance on start up costs. Because the project has been delayed for permitting, this has given us a 7-figure balance in our accounts and so some great cash-flow for last few months. This \$450K payment will be made by summer.

The 2017 budget does anticipate an increase in our unrestricted funding which could be a bit risky. We have begun to implement the 2017 Development and Fundraising Plan and sent out requests for membership renewal in March and the mid-year appeal will be going out in 3 weeks. Mary-Angela reported that memberships are down in total number but that there was an increase in amount of giving. Individual giving is up but not necessarily new donors.

Don Boucher suggested that perhaps we need to step up communication (with donor possibility) focused on a “step up and participate” message and demonstrating what might not get done on the ground if we do not have funds rather than a more abstract “fear factor” of what happens if Bay Program and related funding is eliminated/cut. The Bay is important and should be “important to you, now is the time to step up and make a difference”. Go to other sources than our members. Broaden our reach.

Al confirmed that there are lots of messages capitalizing on the federal budget uncertainty - a lot of drum beating ... but bright side of that problem – public is more aware right now that there is actually a Chesapeake Bay restoration effort now. People are paying attention so we need to communicate where we can play a role in that. BMAT agreed that we have to get beyond simply asking for money with our message. Some react badly to that. Make our appeal based on what we hope to achieve and what we have done in the past.

Al shared a document with an analysis he did on our exposure to federal funding and what we might need to do if major reductions. Our exposure to federal reductions is fairly high. We rely heavily on these funds to help cover our indirect costs (e.g., Administration, office management and communications). Ability to fall back on reserve funds and private donations is not available to us. Right now, we do not know the full impact. Congress still needs to act. Congress does not seem to be accepting the President's budget on face value. We will monitor the process closely. Some EPA grants have been forward funded – through mid-2018 for current contracts. Continuing resolution may result in forward funding again, which will give us a little more time to transition if needed through 2019. We have looked at options and spelled them out in the document drafted by Al. They are: Keeping billings up to date; Optimize our opportunities with federal funding that is currently available; Be more aggressive in terms of the relationships we build with nonfederal sources; Look at the programs we are investing money in and determine are they essential?; Do we

need to cut any costs, reduce programs, cut staff?; What do we need to do to hold ourselves over until we know what the future holds?; Private fundraising right now isn't strong enough to compensate for loss of federal funding. Biggest chunk of federal funding is LGAC, CAC, Communications, and Monitoring. Second piece is in NFWF grants because EPA funds those NFWF Stewardship Fund grants, which is very popular with Congress. CBP isn't considered a core function by current administration.

Questions: Brent Fewell suggested engaging with local authorities/states. Get our partners at local level to write letters and call Pruitt to let him know the importance of our organization and its work. Local level can be very helpful in emphasizing our value. Jack Detweiler affirmed that aggressive partnerships is an area we really need to work on. Don Boucher suggested talking about the specific programs that receive federal funds and craft message "if clean streams are important to you..." relate to importance to cost.

Al said we are working with other partners to send strong message, Mary said members of LGAC are willing to go with Board members to advocate for funding. Alex suggested that he knows folks at Dept of Interior that could help. Jim Elliott and Brent Fewell suggested reaching out to new EPA Administrator directly. Al confirmed that many members of the CBC and other groups have requested meetings and gone to his office to request meetings, but he has refused so far.

Bob Paul recapped the importance of development and fundraising and encouraged the Board to help with fundraising. He thanked the Board for their responsiveness so far and for taking leadership in help us raise unrestricted funds.

Governance Report- Rich Hart

Rich Hart provided an update on the Search Committee process and thanked the Board and Alliance staff.

- Job was posted on February 21 and open through March 24th. Over 100 applications. Committee culled the candidate pool to 16.
- Phone interviews will take place between end of April and early May.
- Face to face interviews for final Candidates between early may and mid-June.
- Offer to be made by Mid-June.

The Committee worked hard to understand the key attributes needed for the next ED:

- Leadership.
- Great communicator inside and outside the organization.
- Strong organizational management.
- Experience with fundraising. Not a fundraiser solely, but someone who will confidently take an active role.

Everyone felt it was important to get input from staff to discuss what was important in the next ED. An evening gathering with Alliance Management Team was held and the staff voices the following priority characteristics of a new ED:

- Inspirational, assertive leader that guides and trusts them
- We are ready to grow, need a leader to help build future vision

- Fundraising was third main point that is critical to be a strong focus of next ED.
- Listen, develop vision, work with staff.
- Recognition that the new ED needs a credible level of knowledge about issues facing the Chesapeake but doesn't have to be "steeped" in the Bay community.

Bob Paul said that we have received lots of good input and the candidates look strong. We will come out with a really good ED. Give Al his much deserved rest.

Al updated the Board on Recruitment. Generally this time of year we schedule small group meetings to begin board recruitment. Has been a very productive process and we will still schedule this year but perhaps not until summer due to the commitments of the ED Search process right now. Good news is that we do not have any members whose term is expiring and have about 6-7 candidates that expressed interest last year. Rich and Al will go back and determine interest among those individuals first and schedule small groups at a later date.

A discussion continued about areas where more representation is needed. Geographic is good right now but we need skills in fundraising, marketing and communications and, financial management. We need to continue to increase racial/cultural diversity on our Board.

Development Report: Jen Troy and Mary Angela Hardwick

Mary Angela Hardwick reviewed the 2017 fundraising plan to raise unrestricted funds and discussed progress in each area. The main strategies are:

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| 1. Foundation Grants | 6. Major Gifts |
| 2. Board Giving | 7. Business/Corporations |
| 3. Small Dollar Donors | 8. Workplace Giving |
| 4. Membership | 9. Planned Giving |
| 5. Events | 10. Other |

The Development Committee has been meeting monthly and diving into efforts beyond the Taste of the Chesapeake. Jennifer Troy reported that she went to a PCS event and met with volunteers and had a great experience. One woman from Utah had roots here and extended us an invitation to apply to her private family foundation. Gift will be from \$10 – \$30K. This is a great example of how everyone can be an advocate for the Alliance and you never know who you may be working with. Mary Angela thanked the board for their contributions.

Development staff have gone through the entire donor list and assessed giving habits in order to better communicate. This is part of our personal relationship with donors so we can build stronger long term relationships that advance to a larger gift.

Taste sponsorships are proceeding with Dominion, Altria, Host, Smithfield and others already committed. We have begun the Environmental Leadership award selection so please let Mary-Angela know ASAP if you have ideas for someone you'd like to nominate. Save the Date cards are here. Help identify attendees – and sponsors. Jack indicated that last year at April meeting we spent a couple hours identifying sponsors. Remember to reach out to previous supports and then

identify at least one more. Mary-Angela will be following up with the Board members individually to prepare our 2017 list.

Goal is 75 sponsors for the Taste this year and a total of \$146K in sponsorship and ticket sales.

We are working toward a major gifts program and a planned giving campaign next year.

Programs Committee

Ginny Snead reported that there have been three meetings/calls so far. We have new members to the committee so the first meeting was used to identify goals. They are:

- Support innovation fund
- Foster Local government programs, project clean stream and forests. Need to integrate appropriate staff in discussions.
- Develop new area and goal for committee in terms of program assessments – look at programs, look for synergies, ways to enhance communication, measure performance, successes. Will seek to define this more and begin to implement

Executive Director's Report

Al provided highlights and referenced his written report. A few highlights of the first few months of 2017.

Local Government Assistance represents a change in the way the Alliance has worked in the past. LGAC has been core function we've been providing but Mary Gattis has been working hard to secure outside funding to build a more general engagement of Local Government and develop tools for local government engagements. Lots of synergy right now w/TMDL Phase III WIPs.

Project Clean Stream has new leadership with Lou and Ted Wolfe picking up from Joanna and Dan who left in February. Numbers this year might not be as high. Moved to online reporting site tracking system and it will take a while to train people to use online system. Tremendous job with Joanna's leadership to expand reach of program but we still struggle with the continuous year to year support. Numbers aren't everything as well and focus is also on the quality of experience and ability to capture people as volunteers for the long term is part of goal. Incorporate participation into our outreach and development efforts.

B4B is off and running. Corinne is working on a 2017 strategy to boost membership and expand program value. Marketing and content development to attract new members is key. Still moving forward with the basics of the program and holding forums – next one in June in Smithfield focused on sea level rise and business resiliency. Jack asked what outcomes have we had that we can learn from or put out to public. Measuring success and raising visibility. Seems to be a large sectoral focus in landscaping and turfgrass arena. BMAT suggested tying in with the large nursery conference held in Baltimore in January – Mid-Atlantic Nursery Association. Very well organized group. National Arboretum is also a potential partner and have a lot of ties.

Strategic Plan Introduction and Small Group Discussions

Bob and Al provided an introduction to the Strategic Plan discussion and an overview of the process that went into the plan's development and the context for the priorities that were identified. The Board and Staff broke into small groups for more discussion. The discussion was intended to be a

helpful refresher on the Strategic Plan and serve as a good foundation for the ED search and guidance for the upcoming year. This was not an exercise to rewrite the Strategic Plan at this time, but rather viewed as a mid-course review and assessment.

The following questions guided the small group discussions:

- 1) Are the strategic priority and objectives still valid/relevant in driving our work? Is the Alliance taking the right actions (as per Appendix A) to address the priority and objectives?
- 2) What new approaches or actions do you feel are needed to better address the strategic priority and objectives in the future?
- 3) Do the Challenges and Emerging Opportunities described in the Strategic Plan still influence our priorities for the future? Are there new ones to consider in refining our priorities and actions?

Following the small group discussion, each group spokesperson reported out on the group's discussion and findings.

In general, the consensus was that the Strategic Plan has and will continue to serve as a relevant guide for the organization and that many accomplishments are tied directly to the plan. Conclusions will be summarized and presented to the Board in July as a proposed addendum to the current Plan.

Meeting adjourned at 2:25 for a Field Tour of the property and tree planting done in cooperation with Shenandoah University.