



SEAMEN'S CHURCH INSTITUTE



2011 Annual Report

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Message from the President

Relationships and Alliances Help SCI Find Solutions to Seafarers Issues

As we end our 2010/2011 year, it is time to reflect on our successes and challenges:

The industry, and I include SCI, recognize that large scale issues cannot be overcome by individuals but must be engaged by allies. SCI understands that seafarer issues touch many stakeholders. Shore leave access, National Security, piracy, seafarer employee retention, and many others cannot be solved by SCI Philadelphia alone. Supporters, once considered monetary donors, are part of a bigger picture. For SCI to meet its mission to seafarers, we must cultivate allies and that means finding common ground and building relationships.

Tighter security has all but shut down interaction between our supporters and seafarers. We've expanded our Ditty Bag program, thanks to two great volunteers, as a way to engage individuals and groups with seafarers in a different way. We are also planning to use social networking to create a virtual environment for interaction and keeping up to date with SCI.

SCI continues to adapt to the changing industry environment. Shorter ship stays, fewer hours of free time for seafarers has limited their shore leave with only enough time to take care of essentials. Fortunately, the larger ship companies are beginning to provide crew access to communications while underway, many ports are Wi-Fi enabled, and in our service area, SCI is providing Wi-Fi hubs so that seafarers can keep in touch with friends and family.

Our advocacy and crew education work over the past years has reduced the number of crew detained for pollution cases but there remains injustice for some. Progress on crew access to shore leave has been made with regulations requiring free access through terminals, but who provides and who pays for the transportation and escorts is far from resolved.

On a positive note, our continued success and support by the maritime community for our expanded events strategy includes the following:

- Spring Cruise designed to raise the general public's awareness of the Port and its economic impact;
- Fall Gala, a semi-formal annual event to recognize global industries for their contribution to improving seafarer life;

- Comedy Night, to engage both industry and non-industry people in awareness with a little fun;
- Spirit of the Port Award (SOP) Forum, which enlists top industry representatives to speak on topics essential to the areas of growth;
- SOP Annual Luncheon which honors individuals who have a strong impact on the local maritime community;
- Newly inaugurated S.H.I.P. Invitational Golf Outing which reaches out to related industries and regional representatives - not only was the outing a financial success but was a totally enjoyable day.

As we begin our 169th year, I would like to thank all my fellow Board Members and the Staff of SCI for your dedication and good work in the past year and ask for a renewed commitment to keep the welfare of seafarers who visit our Port of Philadelphia/South Jersey, first and foremost in the year ahead.



Marylou Robinson
President, SCI Board of Directors

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Executive Director's Report

Raising Awareness

The role of leadership in an organization such as the Seamen's Church Institute (SCI) is to raise awareness of its mission to the wider community. We do this for development reasons, to raise the financial resources to support the work of serving seafarers. But an equally important reason for raising awareness is to gather together allies to support in other ways so that the mission is accomplished. SCI lives in a complicated and interconnected community of public and private interests – the maritime industry. By and large, this industry is well below the radar screen of the general public and even the governmental and corporate communities. SCI is even further below the maritime industry in terms of visibility. Much of my work as Executive Director has been to raise awareness of the importance of SCI's mission to the wider community.

The driving issues these last several years have been focused on the humane treatment of seafarers and their access for shore leave. The advent of strict security regulations has significantly impacted seafarers and those of us in maritime ministry. Paradoxically, this has opened up more public discussion on these issues and raised more awareness within the industry for the needs of seafarers.

I have been fortunate to address a number of national and international forums in the last several years (World Maritime Day, National Maritime Day, American Petroleum Institute Bi-Annual Conference, the Harbor Safety Committees Annual Conference and other events) to promote the welfare of seafarers and the importance of maritime ministry to not only the seafarer but to the operations of the industry. I have addressed these topics: the human element in shipping, maritime ministry's contribution to the bottom line of the shipping industry, and the importance of providing free access for shore leave for the safety and security of ship and port.

Crew access to shore leave has been perhaps the most important and contentious issue we have faced in recent years. After 9/11 many terminals simply closed their gates and blocked all shore leave. Through sometimes tough negotiations, we have been able to resolve shore leave access issues. Our local Delaware River port community recognizes the importance of unencumbered access and SCI's work in the port. That is not the case throughout the country. Many chaplains find barriers to access and procedural hurdles that make visiting ships and transporting seafarers nearly impossible.

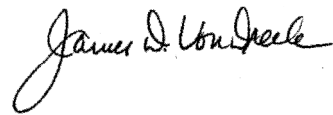
Last year Congress passed a new Coast Guard Authorization bill which put into law that there shall be a system of timely access at no charge to the seafarer or anyone else doing business in a terminal. As I like to say, "The devil is in the details." This spring I joined several chaplains in the Working Group of the National Maritime Security Committee to advise USCG about how to frame the regulations. While the group concentrated on the meaning of "system" and "timely", I raised the issue that there is nothing "free" about "free access". Seafarer ministries are subsidizing this access to the tune of \$millions – a direct subsidy to the ship owner and terminal operator. By and large, these costs are paid for by the donations of individuals and churches. On a panel at the recent Annual Meeting of the Harbor Safety Committees and Area Maritime Security Committees in Houston, I made the point that this is not a sustainable business model. For example, SCI's cost to provide seafarer transportation and ship visits is \$350,000 – equal to our deficit. Several maritime ministries have closed this year for a lack of funds and many, even SCI, are finding it more difficult to fund these important services because there is not enough industry support.

I do not expect an easy answer to this problem, but at least there is greater awareness in the industry. This has opened up communications between chaplains and the industry. Increasingly, industry is recognizing the importance of this ministry not only for the seafarer's sake but also for the shipping industry itself. As one friend has remarked, "Maritime ministry is an extension of the ship owner's HR department."

At the local level, we have been increasing our events, not only to raise additional funds in this difficult financial environment but also to gain new friends and allies to help us work through our local issues. I am very grateful for the support of the maritime industry and the USCG for our mission to the seafarers.

Finally, I want to commend the Board and Staff for their commitment to SCI's mission during these trying financial times. Everyone has stepped up to keep us moving forward. As I begin my 41st year in ordained ministry, I am grateful to serve in this leadership position.

Faithfully yours,



The Rev. Canon James D. Von Dreele
CEO/Executive Director

Program Report— “We do what we do because the world’s major religions teach that it is the right thing to do “.

The following are edited articles written by Henry J. Holcomb. The full articles appeared in issues of the Anchor and can be viewed on our website.

Sometimes the most important thing we do is just be there.

Not long ago one seafarer wanted to talk about why he went to sea instead of staying home with his family, which he clearly loved. In short, he couldn’t make enough money at home to support them. Another wanted to talk about the several reasons he fears pirates -- the threats to his life and health of the company that employs him.

Most ships have at least three nationalities on the crew. Many ships have five or six different nationalities and cultures on their crews. That adds to the loneliness seafarers experience. About 40 percent of the seafarers we see are from the Philippines. Large numbers come from India, Russia, Greece, Ukraine, China, Latvia, Poland, Croatia, Romania and Myanmar (Burma). And we see people from many other countries. Post 9/11 security rules, still a work in progress, treat seafarers like criminals when we need them as allies.

We offset the harshness of those rules, often going the extra mile to extend kindness and solve problems.

Rev. George Ratz, our Polish-speaking chaplain, for example, spent a lot of time recently visiting in a hospital with Adam Asnyk, a 50-year-old seafarer from Gdynia, Poland, who had been injured aboard ship.

Shore leave has special meaning

Many seafarers we serve have been at sea for months without going ashore. Tankers make round-trips from here to load at offshore terminals in Africa. Car ships come from distant points like Korea. Seafarers often have only a few hours ashore and are in a rush to go shopping, to buy snacks, clothing or electronic gear that’s either not available or too expensive at home. When seafarers have more time we give them a sense of the life and history of our region, taking them to historic sites, museums, markets, farms and, on a recent night, a Sixers professional basketball game. “They were fascinated by all of the people after weeks at sea,” said John Szelagowski of our ship-visiting staff.



We help them reconnect with home. John recently took seafarers from India to the Indian market in West Philadelphia. They enjoyed spotting the flag of their country on the Benjamin Franklin Parkway and seeing where people live.

Seafarers seem to love the Rocky movies so the Rocky Statue outside the Philadelphia Art Museum is an oft-requested destination.

Helping people connect

Volunteers Ramona and Harry McFarland are taking on a big new role at Seamen’s Church Institute -- expanding our Christmas ditty bag ministry.

The ditty bags full of useful gifts we give seafarers are a wonderful kindness to people far from home at Christmas. It is also, it turns out, an effective way to spread positive stories about the port, many who don’t know we still have one.

“The ditty bag ministry is a good vehicle to draw attention to Seamen’s Church,” Harry said.

“I meet people who say if it wasn’t for the ditty bag program I wouldn’t have known there was a seafarer ministry,” Ramona added.

Ramona and Harry are taking on the ditty bag program in addition to the important work they are already doing -- managing the free clothing store we maintain for seafarers. They collect clothing from many sources and separate what they’ve learned seafarers need from what should be passed on to other charities. That store is a blessing to seafarers.

Many come from tropical countries where they cannot even buy cold-weather garments. When they join a ship’s crew they often don’t know where it will go during their 6-to-12 months on board. Or they think they’ll be on a warm-weather route and then wind up in Philadelphia on a frigid winter day.

And, from time to time, the airlines lose the bags of seafarers flying here to join a ship. We give them a pretty good wardrobe.



Relationships & Alliances help SCI find solutions to seafarer issues

Organization & Political alliances can get things done

SCI's **Spirit of the Port Award** recognizes the impact Arlen Specter had on our area.

For more than two decades he has championed deepening the Delaware River main channel to 45 feet – a project that will improve both the safety and competitiveness of scores of job-creating maritime enterprises. As he put it, “Dredging the channel is indispensable to the Delaware Valley region if it is to remain competitive with other deep-water ports. This project has the potential to bring thousands of jobs and billions of dollars to the region.”

“He has also been an instrumental leader in reviving the region’s once robust shipbuilding industry. His tireless efforts on behalf of the shipyard and deepening the channel will be a major benefit to the entire region for generations to come,”



The Fall Gala recognizes companies and individuals that have had an impact on seafarers’ lives and the industry



This year Eric Smith of Overseas Shipholding Group and David Heindel of Seafarers International Union were the recipients.

OSG recently build 12 product tankers at Aker’s shipyard in Philadelphia. New design pro-

notes better working conditions and safer cargo transfers.

SIU is a major supporter of Port ministries through its affiliation with International Transport Workers Federation and its unceasing work in resolving seafarer worker issues on the job.

SCI's **Spring Cruise** reaches out to the citizens of the Delaware Valley to heighten their awareness of the impact maritime commerce has on their lives. Consumer products, raw material, jobs, manufacturing, warehousing, and transportation affect everyone.

The Delaware River is part of our rich history and the working river today maintains its influence on our region and our nation. The Cruise gives a River side view of that activity and allows people to meet and discuss topics with industry professionals. Below, USCG representative talks with guest about the Coast Guard’s role balancing security and commerce.



Relationships & Alliances help SCI find solutions to seafarer issues (continued)

Local meets National Issues

Area Maritime Security Committee -

By design, the Area Maritime Security Committee (AMSC) Managing Board includes one representative each from Delaware, New Jersey and Pennsylvania. This is to ensure coordination and communication between state and AMSC activities.

“Today’s war on terror, interdiction of criminal activity, and general shipping security create new, but similar challenges to the safety of our precious maritime environment. The AMSC plays a key role in building and growing this maritime security heritage. It provides an open forum for the states to meet on a regular basis to share information, collaborate on multi-jurisdictional plans, share resources, and it creates a holistic safety and security posture for the entire Delaware Bay and River.

Private sector port partners play a significant role in the aforementioned security and safety programs. This underscores the need to include the owner/operators of privately owned facilities in the development of safety and security capabilities in the port area. The AMSC utilizes an inclusive approach that involves both governmental and private sector safety and security leaders, in the development of critical port security programs.

The leadership of the AMSC allows all port stakeholders to share in the responsibility of maritime safety and security for our region”. - Kurt Reuther, Homeland Security Advisor, Delaware Department of Safety and Homeland Security. (the full article appeared in the Beacon, Summer 2011)

Each Port across the country has its own AMSC. Many issues we have here are also national. Fortunately, this area has moved further and faster on seafarer security issues than many other sectors.

The Rev. Canon James D. Von Dreele has been a member of AMSC and its Managing Board since 2003. The relationships he has established have softened post 9/11 seafarer access regulations by drafting protocols that maintained terminal security but allowed seafarers to go ashore. He got the Coast Guard and terminals to agree on one procedure to meet escort training requirements which impacted all vendors. Finally, his persistence with the Coast Guard to address the shore access issue was met with the CG issuing a directive that seafarers must have free and unimpeded access to shore leave. However, more work needs to be done. Security regulations require transport and escort of seafarers but not who pays for the service. While attending

the national Coast Guard security conference in Houston he continued his drive for the government and industry to meet their obligation.

NAMMA

One of the realities of maritime ministry is that chaplains are very isolated from each other and even from their local denominational base. Time and distance affects the way they do their ministries. For the last 13 years Fr. Von Dreele has been actively involved in the North American Ministry Association (NAMMA), as president, vice president, board member and denominational representative. He brings a great deal of networking and organizational experience to this organization which seeks to bring together the far-flung maritime ministries in North America.

NAMMA has been actively involved in crew access, port security and environmental issues. The voice of one port ministry is not enough. NAMMA presents a stronger voice. NAMMA has created a strong network of industry relationships which have impact on the daily operations of these ministries. Through NAMMA’s participation in various industry forums, it has established strong relationships with the leadership of the Coast Guard to address these issues. Fr. Von Dreele has had a major leadership role in all these efforts.

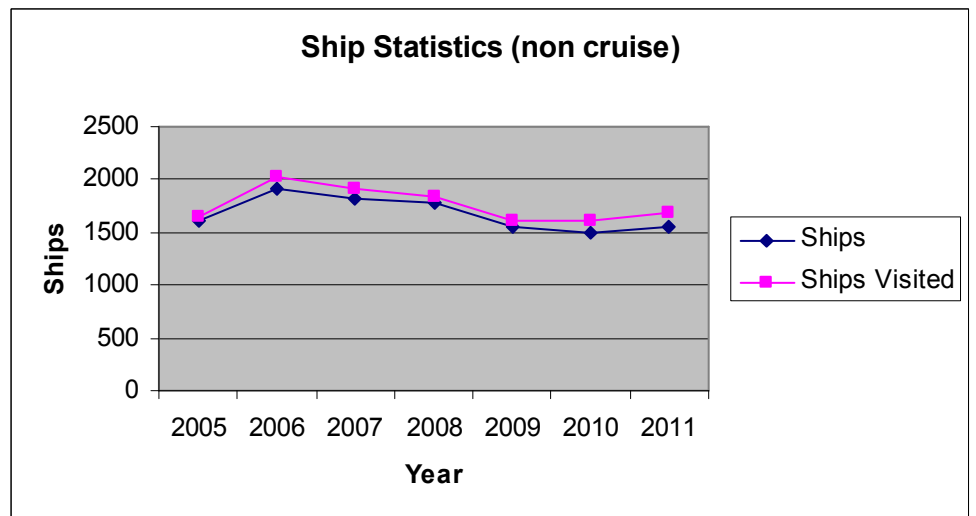
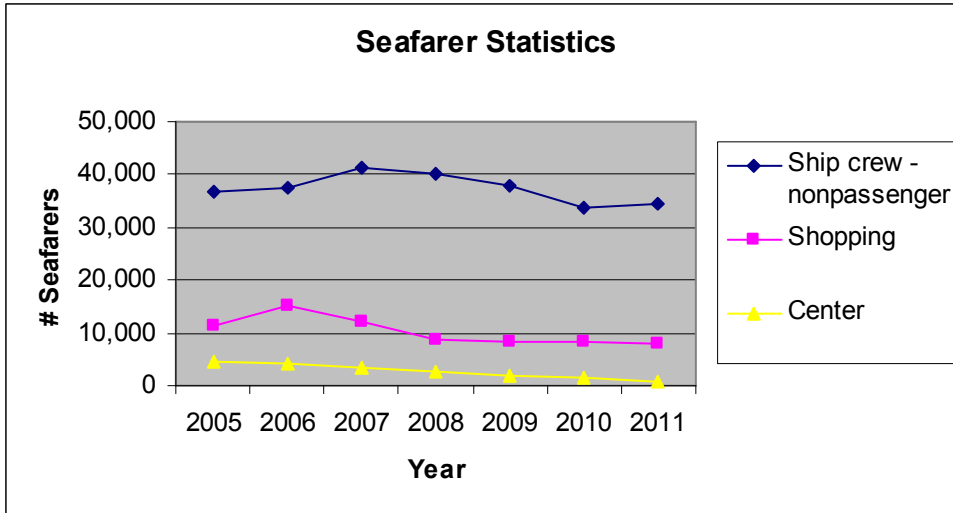
NAMEPA

As an outgrowth of the Department of Justice’s prosecutions of oil pollution violations on ships, NAMMA partnered with other maritime industry interests to form the North American Marine Environment Protection Association (NAMEPA), a unit of the International Maritime Organization of the United Nations. Fr. Von Dreele is a founding Board member of NAMEPA.

A catalyst for this new organization was the recognition of the need for the maritime industry to take responsibility for the environment. A number of maritime ministries have experienced the fallout of these prosecutions. Typically, crew members are detained for 9-12 months while the investigations go on. While they are paid and provided housing, they cannot go home or see their families. During a four year span in the previous decade, SCI cared for 12 detained crews. This situation put a major strain our services but was extremely important to the seafarers who were detained.

In response to this situation, NAMEPA and the maritime industry have created a number of educational materials to encourage seafarers to be good stewards of the sea. SCI routinely places these environmental materials on each ship we visit on a daily basis.

Service and Trends



Charitable Donations, Investments, & Financial Data FY 2011

Revenues

As the economy continues to recover from the worst recession since the 1930's, revenue increased by 29.23% over the previous year and outperformed the budget by 15.02%. Continued emphasis on Events has once again made up for the decline in cash donations. As the business climate improves vessel revenue is also showing positive signs.

Expenses

Total expenses declined by 2.8% over the previous year and were 1.19% higher than budgeted.

Audit

The fiscal 2010 audit was completed in the summer by our new audit firm, Holmes, Simmons & Oswald, P.C. The Auditor provided a letter of satisfaction and a clean management letter

Investments

Our investments with the advice of our consulting firm, Hamilton & Co., has had a stellar year increasing the portfolio by 18.6%. This enabled SCI to take \$250,000 out of the portfolio and reduce our mortgage to \$1.5 million and still increasing the portfolio by another \$250,000. On the advice of our consulting firm we continue to keep 60% in equities and the remainder in fixed income.

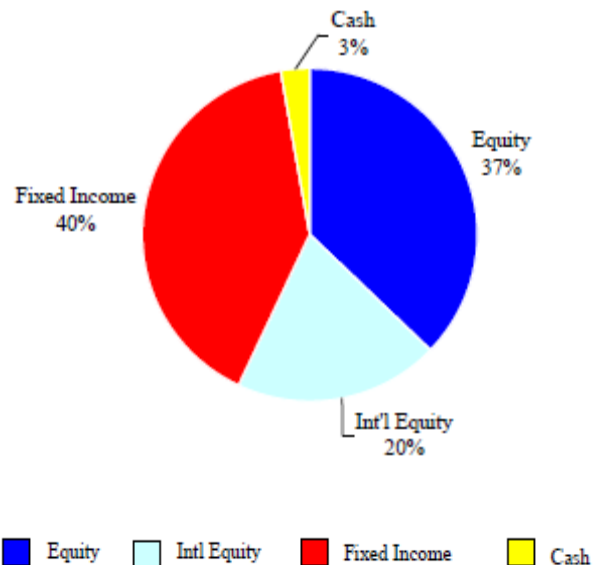
Remarks

As the economy continues to improve, we are concentrating on further reducing our liabilities, and increasing our donor base in order that we can meet the ever increasing needs of our so often forgotten seafarers.

Respectfully submitted by,

Uwe Schulz
Treasurer

Allocation as of 3/31/11



**Financial Statement of
Operations
May 31, 2011**

PROFIT & LOSS

	<u>FY11 Actual</u>	<u>FY11 Budget</u>	<u>FY10 Actual</u>	<u>FY10 Budget</u>
Revenue				
Donor Contributions	234,414	179,000	203,049	279,875
Events	143,465	130,000	89,326	95,000
Vessel Contributions	108,130	102,000	98,335	130,000
Other Revenue	271,073	221,114	195,152	150,136
Total Revenue	757,082	632,114	585,862	655,011
Expenses				
Salary & Benefits	534,811	492,362	502,275	542,294
Operating Costs	432,921	463,979	493,328	434,221
Total Expenses	967,732	956,341	995,603	976,515
Operating Net Inc/Loss	(210,650)	(324,227)	(409,741)	(321,504)
Investment & Deprecia- tion Activitiy	565,131	0	435,996	0
Net Income/Loss	354,481	(324,227)	26,255	(321,504)

This statement is unaudited and should be used for information purposes only.

**Financial Statement of Assets, Liabilities and Capital
May 31, 2011**

BALANCE SHEET

	FY11	FY10
ASSETS		
Current Assets		
Checking Accounts	133,054	5,470
Investment Accounts	4,042,465	3,921,581
Beneficial Int Perpetual Trsts	1,781,937	1,579,728
Accounts & Grants Receivable	51,740	94,433
Other Current Assets	18,850	17,484
Total Current Assets	6,028,046	5,618,696
Property and Equipment	3,842,610	3,976,107
Total Assets	9,870,656	9,594,803
LIABILITIES AND CAPITAL		
Current Liabilities	75,291	69,038
Long Term Liabilities	1,514,166	1,801,015
Capital		
Unrestricted - undesignated	(4)	9
Unrestricted -board designated	3,953,212	2,903,597
Unrestricted - plant	2,191,574	3,215,161
Temporarily Restricted	0	0
Permanently Restricted	1,781,936	1,579,728
Net Income	354,481	26,255
Total Capital	8,281,199	7,724,750
Total Liabilities & Capital	9,870,656	9,594,803

This statement is unaudited and should be used for information purposes only.

SCI Mission Statement

THE SEAMEN'S CHURCH INSTITUTE OF PHILADELPHIA & SOUTH JERSEY (SCI) HAS A MISSION OF HOSPITALITY, SERVING PROACTIVELY, WITHOUT PREJUDICE, THE HUMAN NEEDS OF SEAFARERS IN THE PORTS OF THE DELAWARE RIVER.

SCI provides practical, cross-cultural and appropriate spiritual assistance to seafarers, including: ship visits, land transport, international telecommunications, social and recreational programs and counseling, both work-related and personal.

This ecumenical mission is accomplished in collaboration with area religious and ethnic communities, and also within a worldwide network of international seafarer agencies.

In addition, the mission includes pastoral support for local and land-based marine interests when appropriate, facilitating the well being of the Ports and serving as ambassadors of goodwill for the region served by the ports through SCI's staff and volunteers.



SEAMEN'S CHURCH INSTITUTE

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