



Trustee Meeting Agenda  
Monday, May 8, 2017, 8:00am  
The Morton Arboretum, Lisle, IL  
Chestnut Room in Visitor's Center

**Breakfast on your own at the Hyatt, Chatfield's Restaurant opens at 6:30am**  
**Shuttle to The Morton Arboretum departs from the Hyatt Lobby at 7:30am**

- |      |   |   |
|------|---|---|
| 8:00 | Call to Order and Consent Agenda  | Sayers  |
|      | <ul style="list-style-type: none"><li>• Welcome new trustees</li><li>• Consent Agenda<ul style="list-style-type: none"><li>○ Minutes from 12/05/16 Trustee Meeting</li><li>○ President and CEO's Report</li><li>○ Treasurer's Report (First Quarter Financials, Endowment Report)</li><li>○ Development and Communications Committee Report</li><li>○ Research and Education Committee Report</li><li>○ Governance Committee Report</li><li>○ Liaison Committee Report</li><li>○ Audit Committee Report</li></ul></li></ul> | <div>Tab 1</div> <div>Tab 2</div> <div>Tab 3</div> <div>Tab 4</div> <div>Tab 5</div> <div>Tab 6</div> <div>Tab 7</div> <div>Tab 8</div> |
| 8:15 | Endowment Building Campaign Update  | Smith/Sayers  |
|      | <ul style="list-style-type: none"><li>• Vote to re-affirm \$3.0 Million campaign goal</li><li>• Vote on resolution for 100% board participation in campaign</li></ul>   |   |
| 8:30 | Research and Education Committee  | Hudler  |
|      | <ul style="list-style-type: none"><li>• Vote to award Grants and Scholarship per Committee recommendation<ul style="list-style-type: none"><li>○ Hyland Johns Grants</li><li>○ Arboriculture Education Grants</li><li>○ Ohio Chapter ISA Education Grant</li><li>○ Robert Felix Memorial Scholarships</li><li>○ Safe Arborist Techniques Grant</li></ul></li></ul>  |   |
| 8:45 | Governance Committee  | Geist   |
|      | <ul style="list-style-type: none"><li>• Ratify electronic vote (Sharon Jean-Philippe as Trustee)</li><li>• Discuss separating Development and Communications Committee</li><li>• Responsibilities of a board member</li><li>• Committee Chair succession planning</li><li>• Research and Education Committee structure</li></ul>  | <div>Tab 9</div>  |
| 9:15 | Break   |   |

9:45 Report on Sunday's Strategic Planning Task Force Meeting

Sayers

10:15 Chairs Summarize Committee Highlights  
(December 2016 – May 2017)

- Ray Henning, Finance Committee
- Steve Geist, Governance Committee
- George Hudler, Research and Education Committee
- Paul Fletcher, Development and Communications Committee
- Beau Brodbeck, Liaison Committee
- Will Nutter, Audit Committee
- Al West, Council of Representatives
- J. Eric Smith, President and CEO

10:45 New Business

- Non- K-12 Community Engagement Grants

11:00 Old Business

11:15 Housekeeping

- 2017 Meeting Schedule
  - October 18 webinar
  - December 4 and 5 in Chicago
    - Trustee Meeting December 4, noon-6pm Central Time
    - Trustee/Liaison Dinner and research presentation December 4
    - Trustee/Liaison Meeting December 5 8-10am
    - Liaison Committee Meeting December 5 10am-4pm

11:30 Lunch

12:30 Executive Session

1:00 Adjourn



## Trustee Meeting Minutes

**Date and time of meeting:** December 5, 2016, 8:00am Central Time at Embassy Suites, Rosemont, IL

**Attending:** Chairman Randall Miller; Chair Elect Brian Sayers (part time, via phone) Vice Chairman Steven Geist; Treasurer Ray Henning. Trustees: Brent Asplundh, Jim Barborinas, Hallie Dozier, Paul Fletcher, George Hudler, Will Nutter, Roger Phelps, Bill Schleizer, Jim Urban, Jeff Wilson, Tom Wolf. Chairman Emeritus Al West. President and Chief Executive Officer J. Eric Smith.

**Excused:** Trustee Beau Brodbeck

**Guests:** Steven Manno and Paige Azuma (via phones), CCS (part time).

Meeting call to order: Chairman Miller called the meeting to order at 8:00am.

Endowment Building Campaign: Steve Manno presented CCS's feasibility study report to the Trustees in Executive Session. The Trustees came out of Executive Session with the following open procedural motion on the table:

*Vice Chairman Geist made a motion that the Trustees accept the CCS report and authorize President Smith to proceed with implementation. Dr. Dozier seconded the motion.*

*During discussion, Trustee Schleizer made a friendly amendment to require President Smith to report on 150-day results at the May Trustee meeting before any public phase of the campaign was announced, and Treasurer Henning made a friendly amendment to defer vote until after budget discussion. Both amendments were accepted by acclamation.*

Consent Agenda: Following a break, the meeting reconvened in open session at 10:25am. Motion was made by Dr. Dozier to accept the Consent Agenda; seconded by Vice Chairman Geist. With no discussion, the following consent agenda items were approved unanimously by the Trustees:

- Minutes from October 3, 2016 Trustee Meeting
- President and CEO's Report
- Treasurer's Report Including October Financials
- Development and Communications Committee Report
- Research & Education Committee Report
- Governance Committee Report
- Liaison Committee Report

Proposed 2017 Budget Presentation and Vote: Treasurer Henning introduced the proposed budget and requested that President Smith present it to the Trustees. The open motion from Executive Session was called to vote and passed unanimously. Treasurer Henning presented the following proposed motion on behalf of the Finance Committee to the Trustees regarding the 2017 budget:

*Pursuant to the Board's approval of a \$3.0 million fundraising campaign atop current operating and endowment building activities, the Finance Committee recommends the Board's approval of a 2017 operating budget containing the following key financial elements:*



- *Total revenues of \$1,769,500; which include \$665,000 in permanently or temporarily restricted funds that directly support TREE Fund's programmatic mission;*
- *Total expenses of \$1,192,253; which include \$350,000 in new grant awards, to be issued atop all prior year awards payable in 2017 and beyond;*
- *Total investments in endowment funds of \$565,000; funds raised for existing endowment lines will be invested at Chicago Community Trust (CCT); funds raised for new endowment lines will be reviewed and approved by the Board of Trustees before investment with CCT or other custodians as may be recommended by the President and CEO via the Finance Committee.*

Motion was made by Trustee Phelps to accept the Finance Committee's proposed motion. With second by Trustee Barborinas and no additional discussion, the motion carried unanimously.

Restated Declaration of Trust: Vice Chairman Geist discussed Governance Committee's work over the past year to review the Trust Agreement for compliance with current nonprofit best practices, to ensure that it represented current TREE Fund activities, and to encourage recruitment and engagement of an active strategic board. The result of this process was a restated Declaration of Trust that incorporated all amendments since 2002, and three policy changes requiring Trustee action. Vice Chairman Geist presented the motions for action, with the following results:

- Motion was made by Trustee Phelps that Trustee terms be amended to three consecutive two-year terms, and executive officers terms be amended to one year. Motion was seconded by Trustee Barborinas. Motion carried unanimously following discussion.
- Motion was made by Trustee Wolf to eliminate provision for Trustee compensation and retain reimbursement; motion seconded by Treasurer Henning. Motion carried unanimously without discussion.
- Motion was made by Trustee Schleizer to eliminate 15-year limit on fund restriction, allowing gifts to be managed as endowment in perpetuity; motion seconded by Treasurer Henning. Motion carried unanimously following discussion.
- Motion was made by Trustee Urban to approve all other administrative revisions in the Restated Declaration of Trust; seconded by Trustee Asplundh. Motion carried unanimously without discussion.

The Trustees tasked President Smith to ask legal counsel about how to best handle standing committee structure and changes within the Restated Declaration of Trust (e.g. what is necessary to split Development and Communications Committee into two separate committees, since the former is defined specifically in the Declaration of Trust), and to assess whether other specific positions should be defined for the Board, as is currently done only for the ISA Liaison Committee Chair. The Trustees agreed that they could vote on an additional amendment to the Restated Declaration of Trust in May if President Smith's review indicated that this was necessary.

Research Committee Recommendations and Votes: Committee Chair Dr. Dozier reviewed the Committee's recommendations for John Z. Duling Grants and Jack Kimmel International Grants. Trustee Urban recused



himself from the vote and excused himself from the meeting due to the potential appearance of a business conflict related to one application:

- John Z. Duling Grant Recommendations:
  - Dr. Adam Berland, Ball State University, “Evaluating virtual street tree surveys as a tool for municipal forest management for \$23,030.
  - Dr. Justin Morgenroth, University of Canterbury, “Measuring tree response to increasing root removal intensities” for \$24,976.
  - Dr. Brian Kane, University of Massachusetts Amherst, “Measuring forces at multiple locations in rigging systems” for \$25,000.
- Jack Kimmel International Grant Recommendations:
  - Dr. Francesco Ferrini, University of Florence, “Effect of topping on microclimate condition and human comfort for \$10,000.
  - Dr. Camilo Ordonez, Ryerson University, “Investigating street tree decline and mortality in commercial urban spaces revitalized with structural soil cell technology to improve planting and maintenance practices for \$10,068.90.

Motion was made by Trustee Barborinas to approve the grants presented by Dr. Dozier on behalf of the committee. With second by Trustee Asplundh, the motion carried unanimously following discussion.

Committee Chair Dr. Dozier presented the following UARF Sponsored Grant Proposal funded in 2016 by Pacific Gas & Electric Corporation via the Utility Arborist Association; this was a non-competitive grant reviewed and vetted by Trustees Dr. Dozier, Dr. Hudler and Miller, and President Smith.

- Dr. Christopher M. Halle, Sonoma State University, “Integrated Vegetation Management on Powerline Rights-of-Ways: Effects of Vegetation Treatment on Plant Communities and Wildlife Diversity for \$175,000.

Motion was made by Vice Chairman Geist to approve Sonoma State University grant for funding. With second by Treasurer Henning, the motion carried unanimously following discussion. Trustee Urban returned to the meeting following these votes.

Committee Chair Dr. Dozier suggested expanding education grants beyond K-12 programs to reach outside the immediate tree care industry. President Smith stated that there is no restriction in the Declaration of Trust barring this. Trustee Wilson suggested recruiting an Education Committee Chair as part of the review into whether currently defined standing committees can be split as needed. It was noted that social science studies on the direct human impacts of trees are under-represented in our research portfolio. President Smith noted that he hopes one outcome of the endowment building campaign would be that new funds would be established to specifically meet these needs.

Committee Highlights Not Discussed Elsewhere: The following reports were provided by Committee chairs on matters not otherwise covered by agenda items:



- Treasurer Henning reviewed the Chicago Community Trust Growth Pool and October statement.
- Vice Chairman Geist stated that Governance Committee will be reviewing Committee Chair succession planning in first quarter.
- Research and Education Committee Chair Dozier had no additional remarks beyond her Committee report.
- Development and Communications Committee Chair Sayers was not in attendance.
- Liaison Committee Chair Brodbeck was in Liaison meeting and not in attendance.
- Audit Committee Chair Nutter noted that the Audit Committee has a call scheduled the first week in January with new Auditor Sassetti. A Liaison has been appointed for Audit/Finance Committee. The Committee has scheduled quarterly meetings in 2017.
- Council of Representatives West had nothing new to report.
- President and CEO Smith had nothing new to address in addition to his report.

Election of Officers: The following elections were held for TREE Fund Fiscal Year 2017, which begins January 1, 2017:

- Motion was made by Trustee Urban to approve Sharon Lilly for her first two-year term as a Trustee. Motion was seconded by Trustee Asplundh and carried unanimously without discussion.
- Motion was made by Trustee Barborinas to approve Paul Fletcher for his second two-year term as a Trustee. Motion was seconded by Trustee Urban and carried unanimously following discussion about the procedures for counting consecutive Trustee terms as their length shifts from three years to two; unless specific Trustee action is taken, Trustees serve the terms to which they were elected, so it is possibly under the shift for a Trustee serving at the time of the shift to serve more than six consecutive years.
- Motion was made by Trustee Urban to approve the following slate of officers for a one-year term:
  - Chairman: Brian Sayers
  - Chairman Elect: Steve Geist
  - Vice Chairman: Tom Wolf
  - Treasurer: Ray Henning

Motion was seconded by Trustee Dozier and carried unanimously following discussion, when it was clarified that officers may be elected to more than one one-year term, a change from prior practice of having but a single two-year officer term.

- Motion was made by Trustee Asplundh to approve the following Committee Chairs for one-year terms:
  - Research and Education: George Hudler
  - Governance: Steve Geist
  - Development and Communications: Vacant; Chairman Sayers will serve until such time as a new chair is identified



- Finance: Ray Henning
- Audit: Will Nutter

Motion was seconded by Trustee Phelps and carried unanimously without discussion.

New Business: Chairman Miller presented outgoing Trustee Dozier with a plaque and thanked her for her service as Trustee and Research and Education Committee Chair. President and CEO Smith presented retiring Chairman Miller with a plaque and thanked him for his service on the board and as Chairman.

Old Business: none

2017 Trustee Meeting Schedule: The Trustees tentatively agreed to the following 2017 meeting schedule:

- Monday, May 8 meeting at The Morton Arboretum.
- Monday, October 18 webinar.
- December 4 and 5 in Chicago, under the following structure, subject to revision should the joint session with the Liaisons so necessitate:
  - Trustees meet Monday, December 4 noon to 6pm, followed by a sponsored Liaison/Trustee dinner with research program.
  - December 5 begins with joint Trustee/Liaison meeting for two hours and follows by Liaison meeting ending by 4pm.

Executive Session: Commenced at 3:30 and ended at 4:00, followed by a joint Trustee/Liaison meeting.

Task	Assigned to	Due
Seek legal counsel input regarding committee structure and need to define other permanent members of the Board similar to Liaison Chair	J.E. Smith	5/9/17
Review Committee Chair succession	S. Geist	5/9/17
Advise Sharon Lilly of vote results	S. Geist	12/15/16

Respectfully submitted by Barbara Duke.

# TREE FUND MEMORANDUM

Date: April 24, 2017

To: TREE Fund Board of Trustees

Fm: J. Eric Smith, President and Chief Executive Officer

Re: Report for May 8, 2017 Trustee Meeting

## INTRODUCTION:

While all of our TREE Fund Trustee meetings are important and add value, I feel that our December joint meeting of the Trustees and Liaisons was particularly significant in many ways:

- You approved a Restated Declaration of Trust, bringing our core governance document up to date to reflect current legal, financial, accounting, governance and management best practices, 15 years after our founders first signed us into existence as the successor organization to the ISA Research Trust and National Arborist Foundation;
- You approved the largest annual grant-making level in our history (~\$550,000), including the largest single grant we have ever awarded (\$175,000 for Utility Arborist Research Fund work with Sonoma State University).
- Following a presentation from our development consultant, CCS, on findings and recommendations from their four month long Feasibility Study on our behalf, you authorized me to proceed with a 150-day additional engagement with CCS to complete the planning phase of a \$3.0 million endowment building campaign.
- You approved an operating budget that incorporated several significant and sensitive organizational changes, most especially personnel adjustments required to create the team I need to complete a campaign, changes in approach for the Tour des Trees and After Hours events, the inclusion of significant new campaign expenses, and a resumption of earnings draws from our Chicago Community Trust (CCT) endowment after a year's reprieve.
- You engaged the ISA Chapter Liaisons in a new way, supporting my decision to cancel the Chapter Challenge program, encouraging them to become champions and "friendraisers" for us around the country, and including them in establishing the schedule and parameters for our December 2017 meeting, with a commitment to collaboratively evaluate different models in years ahead.

The changes embodied in those actions are fairly profound for our charitable endeavor, and I continue to appreciate your ability to assess where TREE Fund has been, and where we want it to go, and to adapt to get us there. After our December meeting, Chairman Sayers and the Executive Committee seated a new Strategic Planning Task Force that will meet for the first time the day before our Board Meeting to continue this forward-looking, transformative focus. I have been asked to assist in this process in the year ahead as a moderator or facilitator to the Task Force, so I am looking forward to that process in the months ahead with our current Strategic Plan expiring in December 2017.



As I prepare my regular report to you in advance of our meeting in two weeks, I find myself thinking in some ways “Well . . . that’s not *quite* as exciting as what we did in December!” That’s not to say that we haven’t gotten a lot done here – we have been quite busy in Naperville and around the country over the past four months – but I will apologize in advance that this report to you doesn’t have quite as many “Wow!” actions to advise you of or request of you this time around. Establishing a functional major gifts development cycle (identification → cultivation → solicitation → stewardship) is crucial to our success, but it is a quiet, individualized process, which we are actively pursuing at this time.

As final note of introduction, and as I’ve noted before in similar communications, I believe in frank and full disclosure in my reports to you, as I believe you require such candid information to properly fulfill your own fiduciary and governance responsibilities to our organization. By necessity, such candor also dictates that documents like this one be held closely by their intended recipients, and considered company sensitive information. Therefore, I respectfully request that you do not forward or share this report beyond Trustees, Barb Duke and I, with thanks in advance for your discretion.

## **ENDOWMENT BUILDING CAMPAIGN**

After you approved the \$3.0 million campaign goal in December, a motion was made and approved to have me provide a report on the CCS 150-day work plan at the May Trustee meeting before we made any public announcement of the campaign. This engagement was completed in March, and CCS fulfilled their plan in all material ways. Paige Azuma from CCS actually worked in our offices in Naperville throughout the length of the engagement, and she did excellent work on our behalf. A summary of our key activities with CCS follows:

### **Case Statement Development:**

- Identified and recruited members of the Case Statement Task Force.
- Developed recruitment materials for Task Force members outlining the role and expectations.
- Conducted three Task Force meetings to collect member reactions and edits to the case statement document.
- Developed a lead gift table supported by the Case Statement.
- Created a comprehensive, modular case document that will serve as the basis for all future campaign communications.

### **Campaign Leadership Identification and Recruitment:**

- Developed proposed list of campaign cabinet members.
- Determined initial recruitment strategy and timeline for 22 campaign cabinet prospects.
- Developed and implemented recruitment strategies for cabinet members; process is underway at time of this report.

### **Prospect Identification and Cultivation:**

- Completed wealth screening process of all names in donor database and identified current and new major gift prospects.
- Created customized engagement strategies for high-priority leadership gift prospects.
- Developed prospect briefings for all identified leadership gift prospects.

- Developed customizable briefing and proposal templates.
- Developed suite of leadership gift opportunities.
- Developed sequencing and strategy for all leadership gift phase prospects.
- Continuing ongoing discovery and research of new prospects.

Based on activities completed to date, both CCS and I are confident that we have established the correct campaign level at \$3.0 million paid or pledged by the end of 2020. Based on cultivation work ongoing, I am equally confident that we will be able to quietly secure pledges for at least half of that amount by the end of 2018, so it is my firm recommendation that we continue moving forward with the campaign as planned. At our meeting in May, I would respectfully request a motion from the Board to accept my report on and recommendation from the 150-day plan, closing out this open December action item for the corporate record.

Chairman Sayers recently sent you all a memorandum regarding the Board of Trustees' commitment to the campaign. I will be respectfully seeking a simple resolution from the Board at our May meeting that you are 100% committed as a body to the campaign, and will demonstrate that commitment through your own personal giving during the campaign. There is no gift minimum, and there will be no forms passed out at the meeting to pressure you into any immediate specific commitment. I will connect with each of you in the weeks after the meeting to discuss this privately with each of you. (Please note that volunteer time and travel expenses are not considered charitable support for the purposes of a campaign).

Having managed campaigns in the past and having also worked with other grant making organizations, I know first-hand that this 100% Board commitment is an essential early step toward campaign success. Paige Azuma and Steve Manno from CCS reiterated this point in a March presentation to our Executive Committee, noting that within the environmental sector of their client base, 100% of successful campaigns they have administered were anchored by 100% board giving. Such a commitment is crucial because it demonstrates strong organizational leadership to sophisticated major donors, who expect such an investment from the highest level of governance. Many competitive foundations also use 100% board giving as a "first pass" filter for applications: if the answer is "no" to this question, your proposal does not advance.

My requested resolution will give me the documented "proof" I need of your group commitment with such donors and foundations, so that I and other solicitors may in good faith tell donors that you are 100% behind our efforts to build this endowment. Thank you in advance for your action on this item.

## **2016 FINANCIALS**

I am pleased to report that our Audit Committee voted on April 14 on behalf of the Board of Trustees to accept our 2016 Draft Financial Statements and SAS 114 Letter (usually called "The Management Letter"). This year's audit was our first with Sasseti LLC, and I was very pleased with the process and outcomes of their work with us over the past few months. The rigor and quality of their field work, the acuity of their analysis, and the timeliness of their work products were all excellent, frankly demonstrating a marked change for staff and I compared to the prior year's audit. As Audit Chair Will Nutter will report at our meeting, the Auditors' overall opinion

is that the financial statements fairly present our position in all material respects in accordance with generally accepted accounting principles.

Our audited financials now reflect the change in accounting classification I requested from you last May regarding permanent restriction of our “Beneficial Interest in Investments Held By Chicago Community Trust” (a.k.a. our endowment). This was a complex, year-long process involving conversations between management, accounting staff, Trustees, Audit Committee, Finance Committee, CCT and our prior and current auditors to properly account on our books for these assets held by CCT. Sassetti has affirmed the position we reached and recommended, which has resulted in a fairly sizable prior year adjustment on our books.

I am comfortable and confident that we have now done all due diligence on this matter, and respectfully request that the Board affirm the Audit Committee’s acceptance of these audited financials for the corporate record at our May meeting. Based on the Audit Committee’s acceptance of the auditors’ findings on April 14, Sassetti has prepared our annual tax filings for on-time submission on May 1, 2017. This will be the first year in many (if not ever) that we have not had to request a filing extension.

While no formal Board vote is required on the 990, since it reflects the financial statements approved in the audit, the 990 asks us to declare that “the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form,” so we will email it to you all in advance of filing. Please contact me if you have any questions, comments or concerns with anything contained therein.

As a final 2016 financial note, I am pleased that our statement of functional expenses shows that program services constituted 57% of our total outlays for the fiscal year. For perspective, over the five preceding fiscal years, the program services percentages documented in our 990s were 32%, 43%, 32%, 35% and 33%. While I’m not a blind adherent to ratio analysis, and while I recognize that it is difficult for organizations that are as event-dependent as we are to ever get to the “magic” 80% number, I am committed to increasing this number further in years ahead, as I know it is seen by donors as a key metric for measuring our organizational effectiveness.

## **2017 FINANCIALS**

Our budgeted net income for first quarter 2017 was \$93,746. Our actual net income for first quarter 2017 was favorable to budget at \$174,611. Most of this surplus is related to timing variances, and I expect us to remain generally on budget on a macro basis for the year. Tour des Trees planning continues apace, with reminder that the first three days of the Tour are contemporaneous with the ISA International Conference, and now incorporate our traditional auction event; it will be held Tuesday night, avoiding our usual conflicts with Davey’s Monday night event. (Asplundh’s traditional Tuesday night event is moving to the Trees and Utilities Conference in September).

We expect the number of full-time riders to decline a bit from 2016 to 2017, primarily due to the relative attractiveness of riding the DC Metro in August vs the Carolinas in October, some “hardcore” riders’ stated lack of interest in trail riding (the only safe way to navigate portions of the DC Metro), and some riders’ commitments to the ISA Conference itself. (I will only ride five days this year, for example, though I am fundraising for seven, as I expect many others will). On

the flip side of this, we expect to pick up a good number of new part-time riders who will attend the ISA Conference, then join us for the final three or four days of the Tour.

For 2016, we budgeted \$245,000 in rider fundraising, set a \$325,000 public stretch goal, and ended up raising \$406,000. For 2017, we budgeted \$280,000 in rider fundraising, and set a \$310,000 public stretch goal. I am very confident that we will achieve the budgeted level, and reasonably comfortable that we will hit the public stretch goal. I believe that the friendraising and community engagement benefits of staging the Tour this way in 2017 on the occasion of its 25<sup>th</sup> Anniversary and our own 15<sup>th</sup> Anniversary add intangible values that make it well worth the effort. We are beginning conversations with Ohio Chapter ISA about 2018 staging and scheduling, and hope to implement a “virtual tour” component that allows individuals around the country to ride and fundraise on our behalf without actually joining the Tour route.

Our corporate partner portfolio for the year is mostly in place, as you can see by checking the array on our partners’ page on the website. Bartlett reduced its unrestricted operating support this year, but remains committed to providing significant in-kind support for the Tour. Our contract with STIHL for naming rights on the Tour expires after this year’s event, so I will be reaching out to them this month to assess their intentions in 2018 and beyond, ideally being able to either announce their continued support at this year’s Tour, or announce a new title sponsor if we go that route. We have only about \$102,000 remaining to achieve the \$500,000 PG&E matching challenge, and I am optimistic that we will have that done in time for the Trees and Utilities conference in September, four months before the original year-end deadline.

## **OTHER MATTERS**

Most other significant management activities are conducted in conjunction with our various Board Committees and will be documented in their chairs’ reports. I provide the following brief summaries of these and other related activities so as to not duplicate them:

- Barb Duke and I have been working with Governance Committee to simplify our corporate policies, and ensure they reflect our Restated Declaration of Trust. The Trustee Handbook on our website has been significantly streamlined and organized, and my next step in supporting Governance Committee is to consolidate the remaining policies into a smaller number of master governance documents. I expect we will complete this project before our December meeting.
- I have suggested to Research/Education Chair Dr. George Hudler that we hold a “clean slate” calendaring exercise this summer to look at the entire cycle of all grants in 2018 to make sure our RFP, review, approval and contract phases are less “lumpy” on the calendar, and allow our volunteer committee members appropriate time to complete reviews at times when their usual academic and professional calendars are not at their busiest. It is possible this review could lead us to suggest different board meeting times in 2018.
- At our December meeting, we had a conversation about whether our community engagement and education grants are restricted to K-12 programs (as our RFPs currently specify), or whether we may award grants in current and new grant lines for other cohorts and age groups. I noted at the time that our Restated Declaration of Trust has no restrictions on non-K-12 programs, and the consensus among the Board was that TREE Fund may fund other activities to supplement K-12 programs, but not eliminate them. There was no vote to approve this slight shift in focus, and there may not be one required, but I would like to

formally document for the corporate record that I have your blessing on seeking endowment funding for non-K-12 community engagement, and/or that we should not automatically screen out non-K-12 applications from our current education grant lines.

- Mary DiCarlo left TREE Fund in January per the plan I discussed with you in December, and Robin Borgione (part-time data manager) left in February; I have not refilled either position. We are advertising now for a full-time Development Manager with a goal of hiring around the beginning of June. At that time, our team will include me, Grants and Operations Manager Barb Duke, Community Engagement Manager Karen Lindell, Contract Accountant (part-time) Laura Flamion, plus our new hire. The net effect of these personnel changes will be to reduce our staffing level by one full-time equivalent (FTE) compared to our organizational structure when I was hired. I consider this to be the appropriate staffing level for the foreseeable future, as we have worked hard together to eliminate or reduce a lot of time-consuming, non-productive activities in the office. This is a very good team, and I am taking my time to make sure that our new development person has very strong skills and is a good fit for us. It was refreshing to have a true development professional in the office during Paige Azuma's time under the CCS engagement, so I look forward to having that again after June.

## CONCLUSION

Please don't hesitate to let me know if you have any questions, comments, or concerns with anything contained in this report. I remain excited about my work, happy to represent our organization around the country (though with a little less travel than last year!), and pleased with the leadership and wise counsel you have provided to me.

All best,



J. Eric Smith,  
President and Chief Executive Officer



**Finance Committee Report**  
**Prepared by: Ray Henning, Chair**  
**Date Submitted: April 21, 2017**

**Meetings:**

**Date:** November 29, 2016

**Participants:** Ray Henning, Terry McGonegle, Bill Schleizer, J. Eric Smith, Tom Wolf.

**Topics and actions:** Reviewed and approved the 2017 operating budget along with the resolutions to be presented to the Board for a vote at the December meeting. Abbe Temkin, Director of Major & Planned Gifts for The Chicago Community Trust joined the meeting to present an update on the endowment. She also reminded the Finance Committee that CCT offers counsel on planned giving, best tools, and tax code changes to assist with the upcoming endowment building campaign. CCT is willing to work with the Campaign Committee, Development Committee, Finance Committee and staff to leverage instruments to secure key gifts.

**Date:** January 17, 2017

**Participants:** Ray Henning, Rick Joyce, Terry McGonegle, J. Eric Smith, Laura Flamion.

**Topics and actions:** Reviewed the November CCT statement and December, 2016 financial statements. We ended the year well. Grant awards were high in 2016 due to UARF award of \$175K; therefore, grant budget for 2017 was reduced to \$350K from \$450K. Personnel expenses were down and Professional fees were up due to use of consultants vs. staff. Requested draw from CCT for January 20, 2017. Draws are taken from Other Unallocated Funds and will be used to pay for endowment building campaign expenses.

**Date:** February 28, 2017

**Participants:** Ray Henning, Terry McGonegle, Rick Joyce, J. Eric Smith, Tom Wolf.

**Topics and actions:** Reviewed the December, 2016 CCT statement and the January, 2017 financial statements. It was noted that income is higher due to partnership invoices being sent and accounting on accrual basis. Expenses are higher in professional fees due to flow of CCS contract approved in 2017 budget. Will resume taking endowment draws from CCT this year of ~\$225K and have received the first draw in January. Balance sheet shows cash position is favorable. Earnings on the endowment were allocated to individual funds at year end via journal entry; pro rata based on balance at beginning of year.

**Date:** March 21, 2017

**Participants:** Ray Henning, Rick Joyce, Terry McGonegle, Bill Schleizer, J. Eric Smith, Tom Wolf, Laura Flamion.

**Topics and actions:** Reviewed the January CCT statement and February, 2017 financial statements. Earnings on the endowment are allocated to funds at year end via journal entry; pro rata based on balance at beginning of year. Funds taken from CCT used to be allocated on same pro rata basis, though effective with January 2017 draw, management is now evaluating actual needs for funds in months ahead and allocating to meet expected grant award payments. Committee requested management clearly document policy for allocating earnings and withdrawals. Committee requested comprehensive documentation of allocations of endowment funds and purpose of each fund; President Smith sent this report to the Committee.

**Date:** April 18, 2017

**Participants:** Ray Henning, Terry McGonegle, Bill Schleizer, J. Eric Smith, Tom Wolf, Laura Flamion.

**Topics and actions:** Reviewed the February CCT statement and March, 2017 financial statements. The Audit Committee accepted the 2016 Audit, which was clean and compliant with GAAP, and offered only three small recommendations in the management letter. The monthly reports reflect any adjustments made as a result of the audit. Further adjustments may be noted next month based on findings on the temporary restrictions and allowances for bad pledges. Earnings on endowment at CCT are doing well. ISA has signed a new MOU reflecting that \$25K will go to unrestricted operations and the surplus of ~2% of membership dues will go to the Skiera Fund, rather than being split 50/50 between Skiera and Safe Arborist Techniques Fund as has been the case since 2009.

**Accomplishments:** The Finance Committee has provided overall direction and oversight of the finances of the TREE Fund to insure the integrity of our resources. We have provided a financial plan which is supportive of our strategic plan; ensured the availability of sufficient liquid cash to support operations; prepared financial reports which are accurate, comprehensive and informative and maintained a reserve equal to 30% of annual estimated operating budget. In addition the Finance Committee has: reviewed the monthly CCT and financial statements and have increased our meeting frequency to monthly.

**Objectives for the next 3 months:** Maintain the financial integrity of the TREE Fund by monitoring the monthly financial statements.

**Next Meeting Date:** May 16, 2017

The TREE Fund  
Balance Sheet  
As of March 31, 2017

	Mar 31, 17
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
1003 - Petty cash	110.00
1006 - Wintrust	302,120.01
Total Checking/Savings	302,230.01
Accounts Receivable	
1510 - Pledge Receivables	116,350.00
1510.1 - Discount on pledge receivables	-20,000.00
Total Accounts Receivable	96,350.00
Other Current Assets	
Prepaid expenses	
1490 - Prepaid Rent	2,150.00
1493 - Prepaid Other	824.82
Total Prepaid expenses	2,974.82
Investments held at CCT	
CCT - Permanently Restricted	
1520.99 - General Endowment Fund	197,424.67
1520.61 - Bartlett Fund	46,921.56
1520.91 - Bob Skiera Memorial Fund	350,907.73
1520.92 - OH Chapter ISA End. Fund	142,800.70
1520.30 - Safe Arborist Techniques Fund	281,384.07
1520.94 - Collier Fund	151,740.25
1520.41 - Barborinas Fund	85,423.62
1520.51 - Frank Gamma Arbor. Ed. Fund	151,973.83
1520.13 - John White Fund	68,047.18
1520.22 - Dr. Mark McClure Research Fund	129,658.13
1520.81 - Larry R Hall Memorial Fund	47,821.61
1520.12 - John Wright Memorial Schol Fund	29,834.30
1520.71 - Utility Arborist Research Fund	826,999.74
1520.95 - Bonnie Appleton Memorial Fund	90,251.60
1520.11 - John & Evelyn Duling End Fund	560,908.49
1520.21 - Robert Felix Memorial Fund	665,990.74
Total CCT - Permanently Restricted	3,828,088.22 <sup>1</sup>
Total Investments held at CCT	3,828,088.22
Total Other Current Assets	3,831,063.04
Total Current Assets	4,229,643.05
Fixed Assets	
1600 - Fixed Assets	30,120.00
1699 - Accum Depreciation	-30,120.00
Total Fixed Assets	0.00
<b>TOTAL ASSETS</b>	<b>4,229,643.05</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	



**The TREE Fund**  
**Balance Sheet**  
As of March 31, 2017

<b>Accounts Payable</b>		
2000 - Accounts Payable	13,197.23	
2050 - Grants Payable	318,538.35	
<b>Total Accounts Payable</b>	331,735.58	
<b>Other Current Liabilities</b>		
2450 - Accrued PTO	18,707.12	
<b>Total Other Current Liabilities</b>	18,707.12	
<b>Total Current Liabilities</b>	350,442.70	
<b>Total Liabilities</b>	350,442.70	
<b>Equity</b>		
3200 - Unrestricted-Operating		
3200.01 - Prior Period Adjustments	67,965.50	2
3200 - Unrestricted-Operating - Other	158,578.69	
<b>Total 3200 - Unrestricted-Operating</b>	226,544.19	
3600 - Temporarily Restricted	160,308.75	3
3800 - Permanently Restricted	3,606,288.85	4
3900 - Retained Earnings	-288,552.54	
Net Income	174,611.10	
<b>Total Equity</b>	3,879,200.35	
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>4,229,643.05</b>	

**Notes to the financial statement:**

- 1 Transfers to permanently restricted net assets not yet reflected on CCT financial statement \$55,072.23  
February 2017 transfer \$41,875  
March 2017 transfer \$13,197.23
- 2 Transfers from temporary restricted net assets following review of audit workpapers to clean up assets released from purpose restrictions
- 3 Temporarily restricted net assets to be released upon satisfaction of restrictions  
\$53,000 UAR grant for west coast utility grants  
\$5,543.75 Fran Ward Scholarship Fund  
\$64,755 CCT distributions not yet received  
\$37,010 surplus non-endowed UAR funds from prior years. Will evaluate whether to release due to satisfaction of purpose restrictions or permanently restrict and transfer to CCT upon completion of PG&E Challenge.
- 4 Permanently restricted net assets do not include fund transfers not yet reflected on CCT financial statement or net investment income and unrealized gains/losses.

**The TREE Fund**  
**Profit & Loss Budget vs. Actual**  
January through March 2017

	Jan - Mar 17	Budget	Over Budget	% of Budget	Annual Budget
<b>Ordinary Income/Expense</b>					
<b>Income</b>					
4001.00 · Annual Oper Campaign Unrestrict	19,019.35	44,280.00	-25,260.65	42.95%	184,500
4100.00 · Other Income	0.00	800.00	-800.00	0.0%	10,000
4700.00 · Sponsored Grants/Scholarship	125,376.84	53,200.00	72,176.84	235.67%	665,000
4900.00 · Special Event Tour Des Trees	183,857.89	150,700.00	33,157.89	122.0%	685,000
<b>Total Income</b>	<b>328,254.08</b>	<b>248,980.00</b>	<b>79,274.08</b>	<b>131.84%</b>	<b>1,544,500</b>
<b>Gross Profit</b>	<b>328,254.08</b>	<b>248,980.00</b>	<b>79,274.08</b>	<b>131.84%</b>	<b>1,544,500</b>
<b>Expense</b>					
6010.00 · Board & Liason Expense	0.00	0.00	0.00	0.0%	14,000
6020.00 · Grants and Contracts	7,463.55	7,000.00	463.55	106.62%	350,000
6050.00 · Occupancy & Equipment Expense	7,236.25	5,880.00	1,356.25	123.07%	28,000
6100.00 · Office Expense	8,936.27	7,973.00	963.27	112.08%	46,900
6150.00 · Personnel Expenses	87,151.47	84,471.00	2,680.47	103.17%	312,853
6200.00 · Professional Fees	115,030.50	63,210.00	51,820.50	181.98%	150,500
6300.00 · Service Fees	1,573.08	2,500.00	-926.92	62.92%	10,000
6900.01 · Special Event	13,050.01	20,700.00	-7,649.99	63.04%	230,000
7000.00 · Technology Expense	7,140.67	5,200.00	1,940.67	137.32%	20,000
7100.00 · Travel & Meetings	6,427.58	8,700.00	-2,272.42	73.88%	30,000
<b>Total Expense</b>	<b>254,009.38</b>	<b>205,634.00</b>	<b>48,375.38</b>	<b>123.53%</b>	<b>1,192,253</b>
<b>Net Ordinary Income</b>	<b>74,244.70</b>	<b>43,346.00</b>	<b>30,898.70</b>	<b>171.28%</b>	<b>352,247</b>
<b>Other Income/Expense</b>					
<b>Other Income</b>					
5999 · Transfers From Restricted	157,046.00 <sup>1</sup>	101,250.00	55,796.00	155.11%	225,000
<b>Total Other Income</b>	<b>157,046.00</b>	<b>101,250.00</b>	<b>55,796.00</b>	<b>155.11%</b>	<b>225,000</b>
<b>Other Expense</b>					
8999 · Transfers To Restricted	56,679.60	50,850.00	5,829.60	111.46%	565,000
<b>Total Other Expense</b>	<b>56,679.60</b>	<b>50,850.00</b>	<b>5,829.60</b>	<b>111.46%</b>	<b>565,000</b>
<b>Net Other Income</b>	<b>100,366.40</b>	<b>50,400.00</b>	<b>49,966.40</b>	<b>199.14%</b>	<b>(340,000)</b>
<b>Net Income</b>	<b>174,611.10</b>	<b>93,746.00</b>	<b>80,865.10</b>	<b>186.26%</b>	<b>12,247</b>

**Notes to the financial statements:**

<sup>1</sup> Received distributions from Chicago Community Foundation 01/25/17 & 03/23/17



THE CHICAGO  
COMMUNITY TRUST  
AND AFFILIATES

**Financial Summary of  
Tree Research and Education Endowment Fund (F726)  
For the Month Ended February 28, 2017**

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Beginning Market Value 01/31/2017	\$ 3,733,036.25
Contributions (see attached detail)	1,607.37
Grants Paid	0.00
Net Realized/Unrealized Gain/Loss	72,261.31
Net Investment Earnings	2,454.70
Administrative Fees	0.00
Administrative Expenses	0.00
Transfers	0.00
Miscellaneous Income	0.00
Miscellaneous Expenses	0.00
<b>Ending Market Value 02/28/2017</b>	<b>\$ 3,809,359.63</b>
Account Holdings	
Investment Pool A	\$ 3,807,752.26
- 5,280.9285 units @ \$721.04 per share	
Short Term Investment Pool	1,607.37
- Pending Purchase in Investment Pool on 03/01/17	
<b>Total</b>	<b>\$ 3,809,359.63</b>

If you have questions about this statement or your fund, please contact:

Abbe Temkin  
Director, Major and Planned Gifts  
312-616-8000  
atemkin@cct.org

**Financial Summary of  
Tree Research and Education Endowment Fund (F726)  
For the Month Ended February 28, 2017**

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**Spending Plan**

Beginning Spendable Balance	\$ 100,706.00
Spending Allocation FY 2017	123,900.00
Grants Paid Year To Date	(100,706.00)
Administrative Fees Year To Date	(2,805.00)
Administrative Expenses Year To Date	0.00
Trustee Fees Year To Date	0.00
Investment Management Fees Year To Date	0.00
Miscellaneous Expenses Year To Date	0.00
Transfers To / From To Date	0.00
	<hr/>
Remaining Spendable Balance as of 02/28/2017	\$ 121,095.00
	<hr/> <hr/>

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**Contributions and Receipts Received**

02/09/2017 Tree Research and Education Endowment Fund	\$ 1,607.37
	<hr/>
Total:	\$ 1,607.37
	<hr/> <hr/>

If you have questions about this statement or your fund, please contact:

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*Cultivating Innovation in Arboriculture and Urban Forestry*

552 South Washington Street, Suite 109, Naperville, Illinois 60540 630-369-8300 [www.treefund.org](http://www.treefund.org)

**Investments Managed by Chicago Community Trust**

reconciliation as of 02/28/17

			12/31/2016	Addition:		YTD 2017	YTD Net	
			Balance	2017 income	Subtotal	Transfer	Investment	2/28/2017
Permanently Restricted Funds:						IN from CCT	Earnings	Balance
1520.41	BRB	Barborinas Fund	83,899	-	83,899	-	3,049	86,948
1520.51	GAM	Frank Gamma Arbor. Ed. Fund	151,974	-	151,974	(7,599)	5,523	149,898
1520.13	WHI	John White Fund	68,017	-	68,017	-	2,472	70,489
1520.22	MCC	Dr. Mark McClure Research Fund	129,658	-	129,658	-	4,712	134,370
1520.81	IAA	IL Arborist Association Fund	47,821	-	47,821	-	1,738	49,559
1520.30	SAT	Safe Arborist Techniques Fund	281,384	-	281,384	(15,000)	10,225	276,609
1520.12	WRI	John Wright Memorial Schol Fund	29,834	-	29,834	-	1,084	30,918
1520.71	UAR	Utility Arborist Research Fund	780,968	953	781,921	-	28,380	810,301
1520.94	CATT	Collier Arborist Training Trust	151,615	100	151,715	(40,000)	5,510	117,225
1520.92	OHC	Ohio Chapter ISA End. Fund	142,801	-	142,801	(5,000)	5,189	142,991
1520.95	APP	Bonnie Appleton Memorial Fund	82,307	454	82,761	-	2,991	85,752
1520.92	SKI	Bob Skiera Memorial Fund	348,828	-	348,828	-	12,676	361,504
1520.11	DUL	John & Evelyn Duling End. Fund	560,909	-	560,909	-	20,383	581,292
1520.21	FEL	Robert Felix Memorial Fund	665,991	-	665,991	(9,000)	24,202	681,193
1520.61	BRT	Bartlett Fund	46,922	-	46,922	-	1,705	48,627
1520.99		General Unallocated Funds	198,480	100	198,580	(24,107)	7,213	181,685
		<b>Total Permanently Restricted</b>	<b>3,771,407</b>	<b>1,607</b>	<b>3,773,015</b>	<b>(100,706)</b>	<b>137,051</b>	<b>3,809,360</b>
<b>Total Investments at CCT</b>			<b>3,771,407</b>	<b>1,607</b>	<b>3,773,015</b>	<b>(100,706)</b>	<b>137,051</b>	<b>3,809,360</b>

**The TREE Fund**  
**Grants Payable (Values in Home Currency)**  
As of March 31, 2017

	<b>Initial Award</b>	<b>Paid To Date</b>	<b>To Be Paid</b>
14-RF-01 University of Florence, Fini	\$100,000.00	\$34,000.00	\$66,000.00
15-HJ-01 The Morton Arboretum, Meisbauer	\$25,000.00	\$15,000.00	\$10,000.00
15-JD-01 Colo. St. Univ., Cranshaw	\$10,000.00	\$9,200.00	\$800.00
15-JD-02 Texas A&M, Arnold	\$9,976.00	\$9,576.00	\$400.00
15-JK-02 Swedish Univ. of Ag., Sjoman	\$10,000.00	\$9,200.00	\$800.00
16-HJ-01 University of Wisconsin, Scharen	\$48,583.00	\$29,149.80	\$19,433.20
16-HJ-02 University of Reading, Percival	\$40,000.00	\$24,000.00	\$16,000.00
16-HJ-03 Virginia Tech, Day	\$50,000.00	\$30,000.00	\$20,000.00
16-RFP-01 University MD, Pavao-Zuckerman	\$99,931.00	\$34,975.85	\$64,955.15
16-UARF-1 Sonoma State-Halle	\$175,000.00	\$61,250.00	\$113,750.00
16-JD-01 Ball State-Berland	\$23,030.00	\$21,430.00	\$1,600.00
16-JD-02 Canterbury-Morgenroth	\$24,976.25	\$23,376.25	\$1,600.00
16-JD-03 UMass-Kane	\$25,000.00	\$23,400.00	\$1,600.00
16-JK-01 Florence-Ferrini	\$10,000.00	\$9,200.00	\$800.00
16-JK-02 Ryerson-Ordenez	\$10,068.90	\$9,268.90	\$800.00
	<b>\$661,565.15</b>	<b>\$343,026.80</b>	<b>\$318,538.35</b>



## **Development and Communications Committee Report**

**Prepared by: Paul Fletcher, Chair**

**Date Submitted: April 21, 2017**

### Meetings:

- Committee Chair: Brian Sayers  
December 13, 2016
- Committee Chair: Paul Fletcher  
January 10, 2017; February 27, 2017; April 11, 2017

### Accomplishments:

Our committee was in a holding pattern as CCS worked through and completed their work.

- Paul Fletcher agreed to assume the Chair, after much internal debate.
- We agreed that a split of our committee into Development and Communications makes sense, with each body focusing accordingly. Eric was to take the split recommendation to Governance and Executive Committees for consideration. Governance Committee was to review Dave Krause's Trustee application and nominate him to the board as a Trustee and Communications Committee Chair. Our committee members are to choose which committee to serve post-split.
- We discussed operating appeal ideas to encourage donations for a tangible cause. For example, Facebook appeals, Earth Day \$x buys \$y. Eric Smith took committee ideas for a virtual and social media appeal platform to a contractor, with a September target for launch.
- We listened to Jeff Wilson's idea to seek ways to better interpret research for commercial arborists. He suggested that we ask Rex Bastian and other notable researchers to write easily understood and useful articles.
- We gained a better understanding of our roles as committee members as well as the function and the expectations of the committee.
- We opened the door for Eric to engage Bartlett. He spent time at the lab and has an invitation to formalize future research summits there.

### Objectives for the next 3 months:

- Formalize committee split and define roles.
- Provide additional ideas for fundraising.
- Open more doors for Eric.
- Provide support, and encourage others to provide support, in some fashion to the Tour.

Next Meeting Date:

- June 13, 2017





## **Research and Education Committee Report**

**Prepared by: George Hudler, Chair**

**Date Submitted: (April 19, 2017)**

Research Subcommittee Members: George Hudler (chair), Jim Barborinas, Cathy Bentley, Beau Brodbeck, Chip Brown, Dan Struve, Davis Sydnor, Jim Urban, Roger Vanderhoof. Barb Duke, J. Eric Smith *ex officio*.

Education Subcommittee Members: George Hudler (chair), Jim Barborinas, Peggy Coates, Steve Geist, Jennifer Grimes, Shirl McMayon, Donna Miller, Anne Spafford, Kristin Wild. Barb Duke, J. Eric Smith *ex officio*.

Safe Arborists Techniques Task Force: George Hudler, Will Koomjian, Kevin Martlage, Ken James, Scott Prohett. J. Eric Smith *ex officio*.

Important dates for committee action: RFPs for the following programs were released on January 2, 2017, each with a due date of April 1:

Hyland Johns - two awards possible, \$50K each.

Safe Arborist Techniques Grant - one award possible, \$15K

Robert Felix Memorial Scholarship - three awards possible, \$3K each

Ohio Chapter ISA Education Grants - one award possible, \$5K

Arboriculture Education Grants - three awards possible, \$5K each

Accomplishments: Responses to RFPs and current state of processing are as follows:

Hyland Johns - 41 proposals received, 26 passed on to committee for full review; 15 determined by the chair to be inappropriate for further committee consideration.

Call and final review date: May 1.

Safe Arborist Techniques Grant - 2 proposals received and currently under review. Call and final review date: May 1.

Robert Felix Memorial Scholarship - three applications received, in committee review.

Call and final review date: May 1.

Ohio Chapter ISA Education Grants - four applications received, in committee review.

Call and final review date: May 1

Arboriculture Education Grants - 15 applications received and currently under review  
Call to finalize review and make awards scheduled for May 1.

Objectives for the next 3 months:

A. Review and revise Wizehive application and evaluation form for research grants to distinguish purposes of the major grants (Johns, Kimmel, Duling), improve investigator focus, eliminate redundancy in narratives, and allow for better clarification of methods including data analysis plans. All of this partly intended to ensure that writer and reviewer time is spent on text with substance and not just added to fill space. The evaluation score sheet also currently has too many nebulous categories that allow for artificially high scores on proposals with serious deficiencies. Space for narrative comments by reviewers is too currently too confined, thus hampering frank reflection by reviewers which, if expanded, might allow for more productive phone calls when they finally happen.

B. Recruitment of new committee members. The chair is tapping his own cohort of colleagues (mainly in pest management fields) in an effort to expand the list of potential reviewers. Suggestions from others on the Board of Trustees or elsewhere are welcome with an eye toward breadth both in subject matter and geographic representation. Ideally, we could have three teams of six members, each assigned to process just one of the three major grants program reviews.

Next Meeting Date: All subcommittees are scheduled to meet for final evaluations and proposed awards on May 1 with intent to present recommendations to the Board of Trustees at the May 8 meeting.

Respectfully,  
George Hudler



## Governance Committee Report

**Prepared by: Steve Geist, Chair**

**Date Submitted: 04-22-2017**

		Dec 14 2016	Jan 11 2017	Feb 15 2017	Mar 8 2017
<b>Attending</b>					
<b>Chair</b>	Steve Geist	P	P	P	P
<b>Trustee</b>	Brent Asplundh	A	P	P	E
<b>Committee</b>	Dennis Beam	P	A	A	A
<b>Trustee, Treasurer</b>	Ray Henning	P	P	P	P
<b>Trustee, Vice Chair</b>	Tom Wolf	P	P	P	P
<b>Staff</b>	Barb Duke	P	P	P	P
<b>Staff</b>	Eric Smith	P	P	P	P

**P – Present      A – Absent      E – Excused**

## Topics and Action Items

### December 14

Trustee Emeritus status consideration for Randy Miller, discussion and contact Mr. Miller.

Inclusion of the best trustee practices and remove the member service options form from the trustee orientation materials. Schedule Sharon Lilly orientation. Steve Geist to contact Jeff Wilson regarding TCIA seat on the board of trustees. Eric Smith will work with Jennifer Lennox and Paul Fletcher on defining the functions of a possible new Communications Committee. Discussion is also underway for separating Education and Scholarship Subcommittee from the Research and Education Committee.

### January 11

Steve Geist will contact Jacques Brunswick to ask if he would be willing to serve on the audit committee.

Development and Communications Committee would like to form two separate standing committees.

Brent Asplundh brought forward Dave Krause's name. Research and Education committee will consider forming a separate Education and Scholarship Committee after the 2017 grant cycle. Eric Smith will begin review and revision of committee descriptions for the Governance Committee to review. Brian Sayers has recommended Lori Brockelbank for consideration for the Board of Trustees. Eric Smith will contact Jaime Matyas.

## February 15

The committee reviewed and agreed to Eric Smith's revisions to the Trustee Handbook. The committee recommends Sharon Jean-Philippe's nominations be taken to the full board for a vote of the trustees. Lori Brockelbank's trustee application has been received. Brent Asplundh will contact Dave Krause. Eric Smith will contact Jaime Matyas.

## March 8

The committee agreed to hold on the applications from David Krause and Lori Brockelbank. Eric Smith will be contacting Brent Asplundh inquiring about his interest in serving on the Endowment Campaign Cabinet. Also ascertain if Brent Asplundh would finish out his term as a trustee or if David Krause would represent Asplundh and serve as chair of the future Communications Committee Chair.

## Accomplishments:

1. Sharon Lilly joining the TREE Fund Board of Trustees.
2. Jacques Brunswick joined the Audit Committee.
3. Development and Communications Committee deciding to form 2 separate committees. Dave Krause has submitted his trustee application and is willing to chair the Communications Committee.
4. Trustee Handbook revision in process. Trustee orientation materials have been revised. Trustee service options removed.
5. Sharon Jean-Philippe joins the Board of Trustees.
6. All Trustees whose term of office end at the end of this year have been contacted. These individuals have all responded with their intention.

## Objectives for the next 3 months:

1. Board of Trustees slate for 2018. We are prioritizing individuals outside of the "tree industry" and looking for individuals with development expertise.
2. Pull from the current Board of Trustees a Chair Elect for 2018.
3. Encourage succession planning within each standing committee.
4. Continue with governing document revisions and review.

## Next Meeting Date:

May 10, 2017



**Liaison Committee Report**  
**Prepared by: Beau Brodbeck, Chair**  
**Date Submitted: 04.21.2017**

**A. Meetings:** (Please include dates, those who participated, topics and actions)

**1. Meetings Attendance and Known Liaison Status:**

Chapter	Name	Liaison Status	Feb. 2017	April, 2017
Florida	Eric Hoyer	1	X	
Illinois	Mark Younger*	1	X	X
Illinois	Brian Sprinkle**	3		X
Indiana	Tom Ordway	1		X
Kentucky	Dave Leonard	2	X	
Michigan	Kathy Gilmour	2	X	X
Mid-Atlan.	Doug Peterson	1	X	
Midwestern	Pete Smith	3		X
Minnesota	Ryan Gustafson	1	X	X
New England	Jeff Carney	3		X
New Jersey	Todd Mastrobuoni	1	X	
New York	Frazer Pehmoeller	2	X	
Ohio	Susan Paul	3		X
Pacific NW	Wendy Robinson	1	X	X
Penn-Del	Kristin Wild	1	X	X
Rocky M.	Jon Elliott	3	X	X
Southern	Beau Brodbeck	1	X	X
Texas	Gene Gehring	1		X
Texas	Zaina Gates	1		
Utah	Shirl McMayon***	2	X	
Utah	Randy Miller****	3		X

Western	Rick Cober	3		
Wisconsin	Nate Schuettpehl	1		
Staff	Karen Lindell		X	X
Staff	Eric Smith			

- 1 In place, stable no known changes in next 12 months.
- 2 Vacated or looking to vacate and appoint new liaison within 6 months
- 3 New Liaison within the past 12 months

Green Vacant positions  
 \* Rolled off in April  
 \*\* New Liaison starting April  
 \*\*\* Rolled off in March  
 \*\*\*\* New Liaison starting April

## 2. Topics:

- a. February Meeting
  - i. Recap of the 2016 Tree Fund year (successes)
  - ii. Provided a Tree Fund update
  - iii. Discussed upcoming grants and need for liaisons to promote grants to researchers, students and educators
  - iv. Refreshed liaisons of Eric's new mission of:
    1. Reducing our dependence on fundraising events;
    2. Increasing the quality, quantity and relevance of our research;
    3. Fostering a better understanding of our mission;
    4. Communicating outcomes of work funded by our supporters;
    5. Expanding recognition outside of the tree care industry.
  - v. Discuss creating and running community engagement events
- b. April Meeting:
  - i. Welcome new liaisons (Randy Miller, Pete Smith, Brain Sprinkle, and Jeff Carney)
  - ii. Tree Fund update
    1. Tree Fund After Hours
    2. Need for new auction packages from liaisons
    3. Review of 2017 TDT
    4. Liaison tools update
  - iii. Discuss upcoming webinars and need to promote
  - iv. Discuss responses to Eric Smith's letters to Chapters regarding:
    1. Chapter Partnership rather than Chapter Challenge model
    2. Term limits
    3. Liaisons as board members

## B. Accomplishments:

1. Webinars:

- a. Auburn Extension brought on as a sponsor and host for two new Tree Fund Webinars in 2017.
  - b. First webinar of the year: Dr. Andrew Koeser presented on "Tree Risk Assessment; Perceptions, Realities and Reliability". Webinar attended by 394 and represented 18 countries. Liaisons as board members: Liaisons responded that their boards are reluctant to add additional board members
2. Multiple chapters are successfully embracing the Chapter Partnership model. Texas, Southern Chapter and various others indicating they would give Tree Fund information of their intended support for the year.
3. Most boards appear open to the idea of formalizing liaisons on boards. However, many boards are also reluctant to:
  - a. Increase the size of the boards as some have streamlined boards
  - b. Deal with bylaw and governance documentation necessary to add the position

**C. Objectives for the next 3 months:**

- Promote webinars, upcoming webinars:
  - June 21 - Soil Profile Rebuilding: Rehabilitating Compacted Soils – Dr. Susan Day
  - September 7 – The State of Urban and Community Forests – Dr. Rich Hauer
  - November 8 - EAB Management – Dr. Dan Herms
- Find additional Tree Fund After Hours packages for auction (2 more needed)
- Remind members to sign up for Tour de Trees (limited to 100 this year)

Next Meeting Date:

1. June 14, 2017 at 2:00 PM CT



**Audit Committee Report**  
**Prepared by Will Nutter Chair**  
**Date Submitted: (4-24-17)**

Meetings: January 6, 2017 and April 14, 2017

Accomplishments: Engage new audit firm, review draft audit for 2016, audit was approved by committee and turned over to management.

New member from Finance Committee – Terry McGonegle

New member to Audit Committee – Jacques Brunswick

Objectives for the next 3 months: Improve communications and engagement with the committee through timely financial information.

Next Meeting Date: September 15, 2017



## Relationship Between TREE Fund Trustees and President/CEO

<b>Role of the Board of Trustees</b>	<b>Role of the President/CEO</b>
<ul style="list-style-type: none"> <li>• Select, evaluate, and support the President/CEO</li> </ul>	<ul style="list-style-type: none"> <li>• Run the organization in line with board direction and all legal and contractual obligations</li> <li>• Keep the board educated and informed</li> </ul>
<ul style="list-style-type: none"> <li>• Formulate a clearly stated strategic plan that defines a vision consistent with TREE Fund mission and that is regularly updated</li> <li>• Communicate this vision to the President/CEO</li> <li>• Evaluate and oversee how allocated resources are being used</li> </ul>	<ul style="list-style-type: none"> <li>• Allocate financial, staff, facilities, and any other needed resources to achieve this vision</li> <li>• Ensure that the board receives regular feedback on how these resources are being used</li> <li>• Seek the board's counsel</li> </ul>
<ul style="list-style-type: none"> <li>• Oversee management and organizational performance</li> </ul>	<ul style="list-style-type: none"> <li>• Bring the board timely information and requests</li> <li>• Communicate with candor and transparency</li> <li>• Be responsive to requests for additional information</li> </ul>
<ul style="list-style-type: none"> <li>• Approve or amend high-level organizational goals and policies</li> </ul>	<ul style="list-style-type: none"> <li>• Recommend goals and policies, supported by background information</li> </ul>
<ul style="list-style-type: none"> <li>• Make major strategic decisions – defined as those that might deviate from the strategic plan or that involve major new resource allocations</li> </ul>	<ul style="list-style-type: none"> <li>• Frame tactical decisions in the context of the mission and strategic vision, and bring the board well-documented recommendations and planning</li> </ul>
<ul style="list-style-type: none"> <li>• Establish appropriate committees with clearly provided guidelines and expectations</li> </ul>	<ul style="list-style-type: none"> <li>• Arrange committee meetings and their reports</li> <li>• Communicate these reports to the board</li> </ul>
<ul style="list-style-type: none"> <li>• Act as external advocates and diplomats in public policy, fundraising, and stakeholder/community relations</li> </ul>	<ul style="list-style-type: none"> <li>• Keep the board informed, bring recommendations, and mobilize trustees to leverage their external connections to support the organization</li> </ul>

*Adapted from “Distinguishing Governance from Management”, Great Boards, Fall 2008; Barry S. Bader.*