



Trustee Meeting Agenda  
Monday, December 4, 2017, Noon Central Time  
Salon A, Embassy Suites, 5500 N. River Rd., Rosemont, IL

- |       |  |   |
|-------|--|---|
| 12:00 | Call to Order and Consent Agenda   | Sayers  |
|       | <ul style="list-style-type: none"><li>• Consent Agenda</li><li>○ Minutes from 10/18/17 Trustee Meeting</li><li>○ President and CEO's Report</li><li>○ Treasurer's Report Including October Financials</li><li>○ Development Committee Report</li><li>○ Communications Committee Report</li><li>○ Research &amp; Education Committee Report</li><li>○ Governance Committee Report</li><li>○ Liaison Committee Report</li><li>○ Council of Representatives Report</li></ul>  | <ul style="list-style-type: none"><li>Tab 1</li><li>Tab 2</li><li>Tab 3</li><li>Tab 4</li><li>Tab 5</li><li>Tab 6</li><li>Tab 7</li><li>Tab 8</li><li>Tab 9</li></ul> |
| 12:15 | Chairs Briefly Summarize Committee Highlights (October to December 2017)   |   |
|       | <ul style="list-style-type: none"><li>• Ray Henning, Finance Committee</li><li>• Steve Geist, Governance Committee</li><li>• George Hudler, Research and Education Committee</li><li>• Paul Fletcher, Development Committee</li><li>• Dave Krause, Communications Committee</li><li>• Beau Brodbeck, Liaison Committee</li><li>• Will Nutter, Audit Committee</li><li>• Al West, Council of Representatives</li><li>• J. Eric Smith, President and CEO</li></ul>   |   |
| 12:45 | Proposed 2018 Budget Presentation and Vote   | Henning/Smith Tab 10  |
| 1:45  | Research Committee Recommendations   | Hudler  |
|       | <ul style="list-style-type: none"><li>• Recommendations and Vote on Duling &amp; Kimmel Grants</li></ul>   | Tab 11  |
| 2:15  | Break  |   |
| 2:30  | Election of Officers, Trustees, Confirm Committee Chair Appointments   | Geist   |
|       | <ul style="list-style-type: none"><li>• Vote on New Trustees (two year term) – Mundy Wilson Piper, Brett Heinrich</li><li>• Vote on Renewal Term – (new year term) Henning, Hudler, Nutter, Urban, Wolf</li><li>• Vote on Slate of Officers (one year term):<ul style="list-style-type: none"><li>○ Chairman – Steve Geist</li><li>○ Chair Elect – Beau Brodbeck</li><li>○ Vice Chair – Tom Wolf</li><li>○ Treasurer – Ray Henning</li></ul></li><li>• Vote on Committee Chair Appointments (one year term):</li></ul> |   |

- Research and Education
- Executive/Governance
- Development
- Communications
- Audit/Finance
- Liaison (will be elected at Liaison Meeting)
- CoR

3:00	New Business	
	<ul style="list-style-type: none"> <li>• Recognize Outgoing Trustees Brian Sayers, Bill Schleizer, Jeff Wilson</li> <li>• Strategic Plan Implementation</li> <li>• Committee Membership Term Limits</li> <li>• Revised 2018 Meeting Schedule and Locations</li> </ul>	Geist Smith Geist Smith
4:00	Old Business	
	<ul style="list-style-type: none"> <li>• Trustee and Committee Member Recruitment</li> </ul>	Geist
4:15	Annual Appeal	Smith
4:30	Executive Session	
5:00	Adjourn	



## Trustee Meeting Minutes

**Date & time of meeting:** October 18, 2017, 1:00pm Central Time via conference call

**Attending:** Brian Sayers, Chairman; Steven Geist, Chair Elect; Tom Wolf, Vice Chairman; Ray Henning, Treasurer. Trustees: Jim Barborinas, Beau Brodbeck, Paul Fletcher, David Krause, Sharon Jean-Philippe, Sharon Lilly, Will Nutter, Bill Schleizer, Jim Urban, Jeff Wilson. President and Chief Executive Officer: J. Eric Smith, Chairman Emeritus: Al West.

**Absent:** Trustee: George Hudler

Meeting call to order: Chairman Sayers called the meeting to order at 1:02pm. He asked the Trustees whether they had any corrections to the May 8, 2017 meeting minutes. None were offered. Motion was made by Treasurer Henning to accept the minutes; seconded by Trustee Urban. No discussion. Motion carried.

Consent Agenda: Motion was made by Chair Elect Geist to approve the Consent Agenda. Motion was seconded by Trustee Barborinas. No discussion. Motion carried.

- Consent Agenda items:
  - Treasurer's Report
  - President and CEO's Report
  - Governance Committee Report
  - Research and Education Committee Report
  - Development Committee Report
  - Communications Committee Report
  - Liaison committee Report
  - Council of Representatives Report
  - Strategic Plan

Chair Summaries of Committee Highlights (May to October 2017): Committee Chairs reviewed key developments since last board meeting.

### Research and Education Grant Award Votes:

- Ratify prior electronic votes: Motion was made by President and CEO Smith to ratify the electronic votes for the Horace Thayer Scholarship to Timothy Lentz, the Fran Ward Scholarship to Jennifer Halterman and the John Wright Scholarship to Savannah Haines. Motion was seconded by Trustee Lilly. No discussion. Motion carried.
- Vote on New Awards: Motion was made by President and CEO Smith to award Research Program Review Grant to Drs. Koeser and Hauer for \$20,000 and the Education Program Review Grant to Dr. Eric Wiseman for \$5,000. Motion was seconded by Trustee Lilly. Discussion: results of these studies will be submitted to Trustees prior to dissemination to the public. Trustee Brodbeck will share results of similar NUCFAC study. Motion carried.



#### Old Business:

- **Trustee and Committee Member Recruitment:** Governance Committee Chair Geist emphasized commitment to diversity on the board. Reviewed term limits for committee Chairs and members. Trustees were asked to submit candidates for Trustees and Committee members to Governance Committee Chair Geist.
- **December meeting schedule:** Trustees were asked to note different scheduling times for this year's meetings. President and CEO noted that none of our current researchers had current or new reports that would work for a dinner address, but asked Trustees to contact him if they had suggestions. Trustees were asked to consider alternative meeting locations (considerations include airline hub for multiple carriers, meeting/hotel/food per diem costs, access from either coast, and climate) for December 2018 meeting and be prepared to discuss December 4 and 5. President and CEO Smith noted that an analysis of the factors mentioned above favored Dallas-Fort Worth and Houston. Trustee Lilly suggested Atlanta as well.
- **Trustee Campaign and Operating Support:** President and CEO Smith confirmed that annual appeal letters have been sent. He will be contacting each Trustee individually in early 2018 regarding the Endowment Building Campaign, per Trustees' unanimous vote in May 2017 to 100% participation in the Campaign.
- **Ratify prior electronic vote to accept David Krause as Trustee:** Motion was made by Treasurer Henning to accept David Krause as Trustee; seconded by Trustee Barborinas. No discussion. Motion carried.

#### New Business:

- **Vote on Revised Governance Policies:** Motion was made by Treasurer Henning to accept Section Two through Section Six of the newly revised and condensed Governance Policies; seconded by Trustee Barborinas. Trustee Lilly raised a question about Committee Chair terms in discussion and President and CEO Smith clarified this section of the policies. Motion carried.
- **Vote on Tree and Soil Research Fund for Landscape Architecture:** Motion was made by Chair Elect Geist to ratify Trustee statement of resolution to adopt the Tree and Soil Research Fund for Landscape Architecture; seconded by Treasurer Henning. No discussion. Motion carried.
- **2018 Grant Calendar:** Two grant cycles; one in Spring opening January 15 and one in the Fall opening August 1. Fall schedule includes Duling and Kimmel. Spring cycle includes all other grants and scholarships.

Executive session commenced at 2:42pm Central Time. Meeting adjourned at 3:02pm Central Time.

Respectfully submitted by Barbara Duke.

# TREE FUND MEMORANDUM

Date: November 21, 2017

To: TREE Fund Board of Trustees

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

Re: Report for December 4, 2017 Trustee Meeting

## INTRODUCTION:

My report for our December meeting is a relatively brief one, since it has only been five weeks since our October teleconference. I know that the Committee meeting schedules and report deadlines also will cause other reports to be light or potentially incomplete, since some of our Committees will only have met once since our last Trustee meeting before reports are due.

To allay this compression in the future and to support other organizational needs and changes, I have put an item on the agenda to discuss our meeting calendar for 2018, as our consolidated grant award/review cycle means we will only have to vote on grants in May and December, and we won't need to meet in October as we did this year to award summer grants.

Ideally, I'd like to see us have quarterly meetings: two calls (nominally March and August), and two in-person meetings (nominally May and December). I would suggest a lighter written report rubric from Committees for the teleconferences, with full written reports from the Committees for the in-person meetings. I would also respectfully suggest moving the December meeting back a week (e.g. December 10-11, 2018 instead of December 3-4, 2018) to give Committees and staff more time to complete the November meeting cycles, and get reports and agenda items ready without being jammed up on top of Thanksgiving holiday.

Finally, a reminder that we need to decide where we want to do the December meeting next year, as we have proposed a warmer climate location. We have evaluated viable markets for hub airports, climate, central location in the U.S., average market expense for lodging and food, and connections with local chapters and/or researchers, and the Dallas-Fort Worth, Phoenix, Houston and Atlanta markets score highest in our assessment. The Trustees will need to make this decision at our Monday meeting, and we will then present it to the Liaisons on Tuesday morning as part of our joint meeting with them.

As I note in all of my written reports to you, I believe that frank communications from me best allow you to properly fulfill your fiduciary and governance responsibilities to our organization. By necessity, such candor also dictates that my reports be held closely and considered company sensitive information. Therefore, I respectfully request that you do not forward or share this report beyond the Board of Trustees, Barb Duke and I, with thanks in advance and as always for your discretion.

## **FINANCES:**

I submitted the proposed 2018 budget to the Finance Committee on November 7, and we have calls scheduled on November 21 and November 29 to discuss it. The Finance Committee will come out of the second meeting with a Budget Resolution which will be presented to the Trustees for action at our December meeting.

I have proposed a conservative, cash positive budget reflecting the response to the unexpected operating deficits we experienced in 2017 that I detailed in my last report to you, while still meeting all 2018 Strategic Plan goals. While the budgeted level for new grant awards is modest, we have higher than usual payouts for prior year grants to make in 2018, so our net commitment and spend on research will still remain robust. We are still budgeting to meet the Endowment target of \$4.75 million by the end of 2018 as defined in the Strategic Plan, with focused fundraising on the Tree and Soil Research Fund, Skiera Memorial Building Bridges Fund, Larry Hall Memorial Fund, and John White Memorial Fund. We have also scrubbed the expense side hard, and will be streamlining/consolidating most of our digital platforms, saving significant money in the process.

This budget is less complex in many ways than our 2016 and 2017 budgets were as we have stabilized our staffing structure, finished with the contracted campaign work with CCS that was included in both of those years, and finished our second year within the current reporting and budgeting structure that simplifies our accounting and properly reflects the relationship with Chicago Community Trust in terms of cash flows between the organizations. The only structural change of note this year was to create a standalone Communications line on the expense side, pulling related work into a single category to allow our new Communications Committee to govern and oversee that area more clearly. This change came out of the Strategic Planning process, and I agree it makes management and tracking easier than our current structure.

For 2017, our approved budget had us operating with a positive \$12,247 net income against expenses of \$1,192,253 (1.0% surplus). My current year-end forecast has us at a negative \$16,000 net income against expenses of \$1,083,000 (1.5% deficit). While the dollar value of the deficit is small, we would like to close it, so we are working hard to secure as many 15<sup>th</sup> Anniversary Appeal and Partnership commitments/payments as we can over the last month of the year. We're ahead of last year at this point in both areas, so I am cautiously optimistic that we can make it up.

## **STRATEGIC PLAN:**

I added an agenda item for us to briefly discuss Strategic Plan Implementation for 2018. It is our intention to add all 2018 deliverables to each Committee's monthly agenda, so we keep them in front of us throughout the year as our roadmap for achieving all goals. Reminder that our plan is to assess performance each year, adjust (where necessary) to reflect changing situations, and add a new third year to the plan on a rolling basis, so as part of our meeting in 2018 and beyond, we should keep that goal in front of us as part of the meeting planning and scheduling.

## **TOUR DES TREES:**

We are well underway on the 2018 Tour des Trees in Ohio. Tour Manager Paul Wood has already laid out our draft route and has visited Ohio to drive and refine it, while also visiting and seeking quotes from three affordable hotel stops (we are preserving some of the “hub and spoke” model we used in Washington). The Tour Planning Committee is very active and engaged, and we have good contacts for educational and community engagement stops along the way. We are updating our website to have the landing platform for the Tour be at [treefund.org](http://treefund.org), are developing new marks and brands that remove STIHL’s logos and name, and are implementing our new registration/fundraising platform that will more seamlessly integrate with our other online points of sale and accounting system. We are working to develop “virtual Tour” options that will allow supporters around the country to fundraise for us without actually committing to the seven-day endurance ride in Ohio. We will go live for registrations on January 15, and expect to announce the Tour route in December. Per the Strategic Plan, I will conduct an analysis of Tour options for 2019 and beyond before the Ohio Tour, and we are not publicly announcing anything about the Tour beyond Ohio 2018 at this time. If we went with our “normal” model, we would return to Southern Chapter for a Tour based out of Knoxville, Tennessee in 2019.

## **RESEARCH AND EDUCATION:**

Dr. Hudler will be requesting Trustee approval of two Kimmel grants and one Duling grant at our December meeting. We have completed the contract and made first payment on the \$5,000 Educational Benchmark Grant you approved in October. We have not received the signed contract back from University of Florida for the \$20,000 Research Needs, Outcomes and Impacts Study, so are following up there to see what the delay is on their end. We will make sure it gets signed with first installment paid before year end.

As noted above, we are looking at the return on investment on all of our digital platforms, and as part of this review we will eliminate WizeHive as our grant management software in 2018. We pay over \$10,000 per year for a platform that is difficult for use for applicants and reviewers alike, and Barb Duke, Dr. Hudler and I are already doing a lot of the process management manually at this point. We will be creating simple application templates that can be edited and completed by applicants and emailed for review, and then using Excel templates for rating and screening going forward. I suspect all parties will find the new approach easier, with significant cost savings.

## **CONCLUSION:**

Please don’t hesitate to let me know if you have any questions, comments, or concerns with anything contained in this report. Thanks, as always, for your support and wise counsel.

All best,



J. Eric Smith,  
President and Chief Executive Officer



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

**Meetings:**

**Date:** October 17, 2017

**Participants:** Ray Henning, Tom Wolf, J. Eric Smith.

**Topics and actions:** : Reviewed the August CCT statement and September, 2017 financial statements. Appleton Fund has reached \$100,000 goal; scholarship to be offered in 2018. Barborinas Fund close to \$100,000 goal. Endowment has exceeded \$4 Million. Plan to award two Kimmel Grants and one Duling Grant on December 5 totaling \$45,000. Next Sonoma State payment is due first quarter 2018. Next Fellowship payment is due late summer 2018. New awards for Fellowship and Arboriculture Education Grants are on hold until endowed. Davey is interested in funding arboriculture education. Appeals were sent to Illinois constituents for the Lawrence Hall Scholarship Fund and to Wisconsin constituents for the Skiera Fund. Board will vote on October 18 to ratify the Tree and Soil Research Fund for Landscape Architecture. Appeal letters will go out to 40 industry leaders.

Dipika Vyas has accepted an offer as contract bookkeeper. She will start November 1 and have one month training with Laura Flamion.

**Date:** November 21, 2017

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

**Topics and actions:** Reviewed the September CCT statement and October 2017 financial statements. Market performance continues to be good this year; earnings on endowment at CCT are doing well. Financials are about the same as last month and are overall favorable year to date. The meeting went into Executive Session and the draft 2018 budget was reviewed. The Committee agreed to review the budget and reconvene on November 29, 2017 for a final review and vote on the 2018 budget.



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; assisted with the development of joint financial strategic plans with the Audit Committee, reviewed the monthly CCT and financial statements and have continued meeting monthly.

Objectives for the next 3 months: Maintain the financial integrity of the TREE Fund by monitoring the monthly financial statements and assisting with preparation of the 2018 budget. Upon approval implementation of the Strategic plan items.

**Next Meeting Date:** November 29, 2017

**The TREE Fund  
Balance Sheet  
As of October 31, 2017  
Oct 31, 17**

**ASSETS**

**Current Assets**

**Checking/Savings**

1003 - Petty cash 204.27

1006 - Wintrust 175,621.42

**Total Checking/Savings** 175,825.69

**Accounts Receivable**

1510 - Pledge Receivables 170,650.00

**Total Accounts Receivable** 170,650.00

**Other Current Assets**

**Prepaid expenses**

1490 - Prepaid Rent 2,150.00

1493 - Prepaid Other 1,155.54

**Total Prepaid expenses** 3,305.54

**Investments held at CCT**

**CCT - Permanently Restricted**

1520.99 - General Endowment Fund 172,524.67

1520.61 - Bartlett Fund 46,921.56

1520.91 - Bob Skiera Memorial Fund 371,849.73

1520.92 - OH Chapter ISA End. Fund 142,800.70

1520.30 - Safe Arborist Techniques Fund 281,384.07

1520.94 - Collier Fund 174,421.25

1520.41 - Barborinas Fund 91,223.62

1520.51 - Frank Gamma Arbor. Ed. Fund 151,973.83

1520.13 - John White Fund 70,779.18

1520.22 - Dr. Mark McClure Research Fund 129,658.13

1520.81 - Larry R Hall Memorial Fund 54,546.61

1520.12 - John Wright Memorial Schol Fund 29,884.30

1520.71 - Utility Arborist Research Fund 1,092,609.20

1520.95 - Bonnie Appleton Memorial Fund 98,386.60

1520.11 - John & Evelyn Duling End Fund 560,908.49

1520.21 - Robert Felix Memorial Fund 670,990.74

**Total CCT - Permanently Restricted** 4,140,862.68 <sup>1</sup>

**Total Investments held at CCT** 4,140,862.68

**Total Other Current Assets** 4,144,168.22

**Total Current Assets** 4,490,643.91

**Fixed Assets**

1600 - Fixed Assets 3,678.00

**Total Fixed Assets** 3,678.00

**TOTAL ASSETS** 4,494,321.91

**LIABILITIES & EQUITY**

**Liabilities**

**Current Liabilities**

**Accounts Payable**

2000 - Accounts Payable 65,463.34

# The TREE Fund Balance Sheet As of October 31, 2017

	Oct 31, 17	
2050 - Grants Payable	332,280.60	
Total Accounts Payable	397,743.94	
Other Current Liabilities		
2450 - Accrued PTO	18,707.12	
Total Other Current Liabilities	18,707.12	
Total Current Liabilities	416,451.06	
Total Liabilities	416,451.06	
Equity		
3200 - Unrestricted-Operating		
3200.01 - Prior Period Adjustments	67,965.50	2
3200 - Unrestricted-Operating - Other	110,718.69	
Total 3200 - Unrestricted-Operating	178,684.19	
3600 - Temporarily Restricted	210,668.75	3
3800 - Permanently Restricted	3,919,113.31	4
3900 - Retained Earnings	-288,552.54	
Net Income	60,457.14	
Total Equity	4,080,370.85	
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>4,496,821.91</b>	

## Notes to the financial statement:

- 1 Transfers to permanently restricted net assets not yet reflected on CCT financial statement \$41,587.18  
September 2017 transfer \$29,848.64  
October 2017 transfer \$11,738.54
- 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 PG&E/UAA residual funds for West Coast Research on Sonoma plots.  
\$50,000 UAA funds held for first 2018 grant  
\$5,903.75 Fran Ward Scholarship Fund  
\$64,755 CCT distributions not yet received  
\$37,010 surplus non-endowed UAR-C funds from prior years.
- 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 October 2017

PROFIT AND LOSS STATEMENT WITH YEAR END FORECAST, OCTOBER 31 2017

	Jan - Oct 17	Budget	Over Budget	% of Budget	Annual Budget	YE Forecast	Notes
Ordinary Income/Expense							
Income							
4001.00 ·Annual Oper Campaign Unrestrict	117,352	147,600	(30,248)	79.51%	184,500	185,000	YE Appeal +~\$40K, Partners +~\$25 K
4100.00 ·Other Income	894	8,200	(7,306)	10.9%	10,000	3,000	Store launch late -\$7
4700.00 ·Sponsored Grants/Scholarship	535,751	472,150	63,601	113.47%	665,000	600,000	YE Forecast reduced to reflect Duke Energy grant not received
4900.00 ·Special Events	479,421	671,300	(191,879)	71.42%	685,000	515,000	Bartlett -\$85K, Bandit -\$25K, Shifts to Restricted -\$40K, Tour Host -\$20K
Total Income	1,133,418	1,299,250	(165,832)	87.24%	1,544,500	1,303,000	
Gross Profit	1,133,418	1,299,250	(165,832)	87.24%	1,544,500	1,303,000	
Expense							
6010.00 ·Board & Liason Expense	3,636	7,000	(3,364)	51.94%	14,000	12,000	Less for May meeting than budget
6020.00 ·Grants and Contracts	175,990	227,500	(51,510)	77.36%	350,000	241,000	Directed +\$25K, Duling +\$25K, Kimmel +\$20K
6050.00 ·Occupancy & Equipment Expense	23,259	21,840	1,419	106.5%	28,000	28,000	Rent slightly up, storage unit eliminated
6100.00 ·Office Expense	30,730	41,272	(10,542)	74.46%	46,900	35,000	Conserving supplies, using credit points, etc.
6150.00 ·Personnel Expenses	257,869	262,796	(4,927)	98.13%	312,853	305,000	+DiCarlo PTO payout/severance, offset by unexpected position vacancies
6200.00 ·Professional Fees	132,583	145,985	(13,402)	90.82%	150,500	145,000	Less for Book-keeping
6300.00 ·Service Fees	6,127	8,500	(2,373)	72.09%	10,000	10,000	Based on YTD usage levels; slight increase since September
6900.01 ·Special Event	246,483	230,000	16,483	107.17%	230,000	257,000	Tour director montly payments still due, all else done
7000.00 ·Technology Expense	14,172	15,800	(1,628)	89.7%	20,000	22,000	Increased since September for one-time fees on new platforms
7100.00 ·Travel & Meetings	25,993	25,800	193	100.75%	30,000	28,000	Slight increase since September to reflect actual expenses
Total Expense	916,843	986,493	(69,650)	92.94%	1,192,253	1,083,000	
Net Ordinary Income	216,575	312,757	(96,182)	69.25%	352,247	220,000	
Other Income/Expense							
Other Income							
5999 ·Transfers From CCT	213,386	225,000	(11,614)	94.84%	225,000	214,000	Actual payout less than budget estimate
Total Other Income	213,386	225,000	(11,614)	94.84%	225,000	214,000	
Other Expense							
8999 ·Transfers To CCT	369,504	401,150	(31,646)	92.11%	565,000	450,000	YE forecast reduced to reflect Duke, UARF, and timing of transfers
Total Other Expense	369,504	401,150	(31,646)	92.11%	565,000	450,000	
Net Other Income	(156,118)	(176,150)	20,032	88.63%	(340,000)	(236,000)	
Net Income	60,457	136,607	(76,150)	44.26%	12,247	(16,000)	



THE CHICAGO  
COMMUNITY TRUST  
AND AFFILIATES

**Financial Summary of  
Tree Research and Education Endowment Fund (F726)  
For the Quarter Ended September 30, 2017**

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Beginning Market Value 06/30/2017	\$ 4,012,151.78
Contributions (see attached detail)	190,541.26
Grants Paid (see attached detail)	(56,340.00)
Net Realized/Unrealized Gain/Loss	123,994.70
Net Investment Earnings	8,643.92
Administrative Fees	(2,805.00)
Administrative Expenses	0.00
Transfers	0.00
Miscellaneous Income	0.00
Miscellaneous Expenses	0.00
<b>Ending Market Value 09/30/2017</b>	<b>\$ 4,276,186.66</b>

**Account Holdings**

Investment Pool A	\$ 4,328,736.58
- 5,623.9373 units @ \$769.70 per share	
Short Term Investment Pool	(52,549.92)
- Pending Redemption from Investment Pool on 10/01/17	

<b>Total</b>	<b>\$ 4,276,186.66</b>
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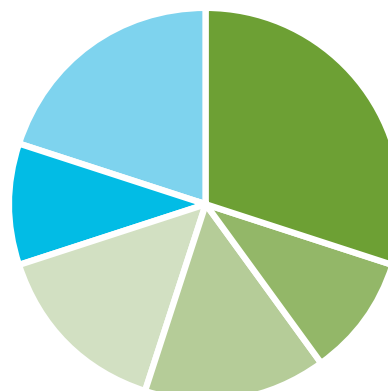
If you have questions about this statement or your fund, please contact:

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

# THE CHICAGO COMMUNITY FOUNDATION GROWTH POOL

## ASSET ALLOCATION TARGET

<b>Equity and “Equity Like”</b>	<b>70%</b>
Large Cap Domestic	30%
Small Cap Domestic	10%
International	15%
Hedged Equity	15%
<b>Fixed Income and “Fixed Income Like”</b>	<b>30%</b>
Fixed Income	10%
Absolute Return	20%
Cash	0%



## INVESTMENT MANAGERS

### Large Cap Equities

- Convexity
- Holland Capital
- Merrill Lynch
- Northern Trust Company

### International Equities

- Capital Guardian
- Dodge & Cox Intl
- Edgbaston
- GQG
- Kabouter Intl Opps
- Newport Asia
- William Blair

### Absolute Return

- Anchorage
- Canyon Value
- Davidson Kempner
- Farallon Capital Institutional Partners
- Fir Tree
- Och Ziff
- Senator

### Small Cap Equities

- Ariel Capital Management
- Dimensional SCV

### Hedged Equities

- Coatue
- Highfields
- Indus Funds
- Maverick Capital
- Marshall Wace
- Raptor Global

### Fixed Income

- Calvert Impact Capital
- Northern Trust Company
- Payden

## INVESTMENT PERFORMANCE

As of September 30, 2017 net of fees

	<b>YTD</b>	<b>1 Year</b>	<b>3 Year</b>	<b>5 Year</b>	<b>7 Year</b>	<b>10 Year</b>
<b>Growth Pool</b>	<b>10.66%</b>	<b>12.31%</b>	<b>6.13%</b>	<b>8.48%</b>	<b>8.07%</b>	<b>5.27%</b>
Policy Index 1 <sup>2</sup>	11.89%	13.42%	7.82%	9.41%	9.53%	6.02%
Policy Index 2 <sup>3</sup>	10.82%	12.28%	6.27%	7.86%	7.21%	3.94%

<sup>1</sup> Total Fund Median: The median composite returns of the Wilshire Associates Cooperative, which includes over 19,000 institutional portfolios (corporate, governmental, multi-employer benefit plans, eleemosynary and personal trust accounts)

<sup>2</sup> Policy index 1: 45% S&P 500; 10% Russell 2000; 7.5% MSCI EAFE; 7.5% MSCI Emerging Markets; 30% Barclays US Aggregate

<sup>3</sup> Policy index 2: 30% S&P 500; 10% Russell 2000; 7.5% MSCI EAFE; 7.5% MSCI Emerging Markets; 15% Barclays US Aggregate; 15% HFRX Absolute Return; 15% HFRX Hedged Equity

## INVESTMENT MANAGEMENT FEE 0.8%

THE CHICAGO COMMUNITY TRUST

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**Development Committee Report**  
**Prepared by: Paul Fletcher, Chair**  
**Date Submitted: November 21, 2017**

Meetings:

**October 10, 2017**

Attending: P. Fletcher, R. Miller, W. Nutter, K. Ottman, J.E. Smith, J. Wilson, M. Otting

**Topics:**

1. President and CEO J.E. Smith reported on final Tour 2017 results, which will be included in September financials and forwarded to Finance and Audit committees. Riders met goals partners did not. Result: shortfall against budgeted net proceeds. Stihl backed out of partnership for Tour 2018. Davey committed \$50,000 for Tour 2018. They will provide marketing and media coverage. The Tour will ride the week before the ISA conference in Columbus, Ohio. New Tour Safety Committee Chair is Don Roppolo. New Mentoring Chair is Jeff Iles. Per new Strategic Plan, Tour to be reevaluated for 2018/2019. On the table: change it, leave it the same, or eliminate it?
2. Discussed ideas/leads for securing unrestricted operating funds. Endowment goal reached at \$4 million level. Focus to shift to shoring up budget shortfalls by increasing fundraising for unrestricted funds. Hyland Johns is co-chairing the year-end appeal, which is being pulled forward into October.

Appeal ideas from the meeting to secure unrestricted donations:

- J. Wilson suggested contacting Mark Garvin. Re: Bandits \$25,000 commitment. Making personal appeals to Chapter Presidents and Boards and local tree care companies. Consider smaller community events to increase awareness of TREE Fund and fundraise. Bike rides, walks, runs.
  - W. Nutter offered to contact Trees Inc. about their \$20,000 commitment and Jerry Morey about the Bandit plans and commitment.
  - K. Ottman suggested resurrecting the larger live auction. Larger prizes, increase attendance, raise more money, charge admission.
3. Annual Appeal Update. Discussed timing and targeted donors.

4. M. Otting reported receiving several gifts on behalf of John Hendricksen's birthday for the Hall Fund.

## **November 14, 2017**

Attending: P. Fletcher, W. Nutter, J.E. Smith, M. Otting

### **Topics:**

1. Brainstorm Ideas/Leads for Securing Unrestricted Operating Funds. Letters sent to Corporate Partners and Corporate Prospects in October. The committee will help follow up, each member will be assigned blocks of prospects.
2. W. Nutter called Brent Asplundh, resulting in Trees, LLC payment of \$20,000. Bandit is still considering a gift to TREE Fund. W. Nutter reached out to Jerry Morey. Bandit was already credited for the offer of an auction to benefit TREE Fund.
3. Tree and Soil Research Fund Appeal Update. J. Urban sent a personal appeal to 57 of his prospects (high profile LAs) seeking \$5,000 or above. In addition, J. Urban sent out two leadership gift requests.
4. Half of 2018 Endowment Budget submitted to the Finance Committee will come from the TSRF, while the rest will come from Skiera, Hall, and White funds.
5. Annual Appeal Update. The 15<sup>th</sup> anniversary appeal generated \$13,000 as of this meeting. The appeal started a month earlier than last year. \$30,000 was generated in each of the last 2 years. There was optimism that this year would exceed those years. A mid-December follow up campaign will be supported by committee members.
6. Other Business. Tour Update: Paul Wood completed a preliminary map. The Tour will be about 520 miles and have three hotel stops: Columbus, Mohegan State Park, and Kent. In January, the Tour website for all things Tour will move to [treefund.org/tourdestrees](http://treefund.org/tourdestrees). The Stihl site will come down. In 2018, the committee will receive alternative scenarios to consider for future Tours.

Our December 12 meeting may change because of the close proximity to the Trustees meeting in early December, and to allow for follow up reports on individual solicitations.

### **Accomplishments:**

Will Nutter helped move along a donation from Trees, LLC.

### **Objectives for the next 3 months:**

To recruit riders and promote the next Tour.

To continue feeding fundraising ideas to the executive staff.

Next Meeting Date: TBD Late December, 2017





## **Communications Committee Report**

**Prepared by: Dave Krause, Chair**

**Date Submitted: November 19, 2017**

### **Meetings:**

**Date:** October 17, 2017

**Participants:** Dave Krause, Chair; Rebecca Johnson; John Suffern; J. Eric Smith; Karen Lindell

### **Topics:**

- Communications Dashboard/Circulation
- Budget
- Google Ads
- New Business

### **Actions:**

- The number of sent emails and number of opens (along with percentage of opens) will be added to the report. The terminology will be revised to “click through” vs. “email clicks.” The end of year stats will be used as the starting benchmark.
- Committee recommended ad placements in ASCA and SMA publications., website work, etc.
- President and CEO Smith is currently preparing the 2018 TREE Fund operating budget, which will feature a consolidated expense account for Communications.
- Karen Lindell will review details and benefits of Google Ads with social media consultant.
- STIHL will not be a partner in 2018 and have been asked them to shut down the STIHL Tour des Trees website December 31, 2017 redirect to TREE Fund website. STIHL has been asked to share their media contacts and clarify who owns graphic marks.

**Accomplishments:**

- Davey has committed to 2018 media support (pick up STIHL loss).
- President and CEO Smith announced that the Tree and Soil Research Fund for Landscape Architecture will be proposed for Trustee approval this week; this new fund has a \$500,000 goal by the end of 2019. President and CEO Smith submitted articles for ISA Arborist News and UAA Newslane.
- Research findings will be documented for distribution in TREE Press and outside publications.

**Objectives for the next 3 months:**

- Current and new partners will be solicited for 2018 support at TCI Expo. 15<sup>th</sup> anniversary appeal will be sent this month signed by President and CEO Smith and Hyland Johns.
- President and CEO Smith will be looking for capacity building grants to underwrite website and other communications platforms updates in 2018, per budget notes above.
- Mailing will be sent to 50 key influencers in landscape architecture field by year end.
- Evaluate using “snail mail” to issue a quarterly TREE Press, supplementing the monthly digital one, within budget constraints noted above.
- Updates on new partners and impact on communications.



## **Research and Education Committee Report**

**Prepared by: George Hudler, Chair**

**Date Submitted: November 17, 2017**

### **Meetings:**

June 5, 2017 - Conference call w/ members of the Scholarship and Education Subcommittee to choose winners of the John Wright Scholarship Program. Attending - J. Barborinas, H. Dozier, S. Geist, J. Grimes, G. Hudler, R. Swanson

The winner is Savannah Haines, University of Maine, Forestry

June 22, 2017 - Conference call w/ members of the Scholarship and Education Subcommittee to choose winners of the Fran Ward Women in Arboriculture (\$2,000) and the Horace M. Thayer Scholarship (\$2,000) Programs. Attending - J. Barborinas, H. Dozier, S. Geist, D. Miller, R. Swanson, and K. Wild. Two applications for the Thayer scholarship; the subcommittee selected Tim Lentz, University of Delaware, Landscape Architecture. One application for the Ward scholarship; the lone candidate had exceptional credentials so the subcommittee approved the award to Jennifer Halterman, Penn State University, Plant Science/Horticulture.

September 20, 2017 - Conference call with a special subcommittee to review the Directed Grants applications intended to provide information on (1) other organizations offering financial awards for arboriculture education and (2) impacts of TREE fund-sponsored research on progress in the profession. Attending: J. Barborinas, S. Geist, G. Hudler, S. Lilly. The subcommittee awarded the arboriculture education grant (\$5000) to Eric Wiseman and the TREE Fund impacts grant (\$20,000) to Andrew Koeser and Richard Hauer.

Upcoming before the December meeting of TREE Fund trustees - teleconference meeting of the Research Subcommittee to choose winners of the Kimmel International Research (2 possible, each \$10,000) and the Duling Arboricultural Research (1 for sure; 2 maybe, each \$25,000) grants.

**Accomplishments:**

(1) In addition to the awards decisions noted above, the Research subcommittee experimented with revised verbiage for announcement of the Kimmel and Duling grants and for reviewer evaluation/ranking of the proposals received. All of this in an effort to minimize redundancy that seemed to plague many previous proposals as PIs tried to fill whatever word limits were posted and to level the playing field for young vs. veteran proposal writers. The changes are understood to be "works in progress", to be subsequently modified as appropriate following future meetings of the Research subcommittee.

(2) Chair Hudler reviewed and approved two final reports.

One was for a Kimmel grant awarded to Dr. Haiying Liang, Clemson Univ.(14-JK-04; Development of molecular markers for redbay (*Persea borbonia* L.). Liang's "layman's summary" was nearly unintelligible and Hudler noted such to him. But Hudler also concluded that the most expeditious resolution was for him (Hudler) to try to write the summary and then run it past Liang for final polishing. Hudler was confident that even though he didn't understand Liang's "message", he could find others in his home department to work him through it. To illustrate the magnitude of the problem ahead, Hudler's first resource for the rewrite - a highly respected USDA scientist who works on molecular biology of bacterial plant pathogens and plant defenses - couldn't decipher Liang's paragraph, either ... because Hudler's resource worked on bacterial molecular biology and Liang's work was with plant molecular biology. Hudler's notion that when you get down to work with DNA, it's all the same ...was totally wrong and the Liang rewrite remains in limbo (but still on the drawing board) for the time being. (Note: These comments are not meant to be critical of Prof. Liang but rather to illustrate an ongoing problem with translation of some contemporary basic research to verbiage that "regular people" can understand. Please see the comments for what they are but don't circulate them beyond the Board of Trustees.)

The second final report was from the Holden Arboretum (Ohio Chapter ISA Education Grant #16-OH-01) to develop a youth (13-15 yrs) education program in "arboriculture". The PIs did what they said they would do but Hudler was disappointed to learn that only 10 students participated in the effort.

**Objectives for the next 3 months:**

For the foreseeable future, the Committee will continue to operate as two separate subcommittees to deal with their respective specialties. Efforts are afoot to try to improve publicity regarding the scholarship programs and to further refine the RFPs for the research grants.

**Next Meeting Date:** November 21, 2017



**Governance Committee Report**  
**Prepared by: Steve Geist, Chair**  
**Date Submitted: November 18, 2017**

**Meetings:**

		Nov 8 2017
<b>Attending</b>		
<b>Chair</b>	Steve Geist	P
<b>Trustee</b>	Sharon Jean-Philippe	A
<b>Trustee, Treasurer</b>	Ray Henning	P
<b>Trustee, Vice Chair</b>	Tom Wolf	P
<b>Staff</b>	Barb Duke	P
<b>Staff</b>	Eric Smith	P

**P – Present**

**A – Absent**

**Accomplishments:**

1. Reviewed Brett Heinrich's Trustee Application.
2. Discussed and decided to bring to the Board of Trustees in December, a proposal to combine Executive and Governance Committees as well as Audit and Finance.

**Objectives for the next 3 months:**

1. Continue to look for an encourage diversity amongst our board and committees.
2. Plan for and help implement the rollout of the new Trustee Handbook in January 2018.
3. Work on committee structure and implement committee member terms.

Next Meeting Date:

December 13, 2017



**Liaison Committee Report**  
**Prepared by: Beau Brodbeck, Chair**  
**Date Submitted: 12.04.2017**

**A. Meetings:**

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

Chapter	Name	Liaison Status	June 2017	August 2017	Oct. 2017
Florida	Eric Hoyer	1		X	X
Illinois	Brian Sprinkle	3	X	X	X
Indiana	Tom Ordway	1	X	X	X
Kentucky	Dave Leonard	2	X	X	X
Michigan	Christian Siewert	3			X
Mid-Atlan.	Doug Peterson	1	X		X
Midwestern	Pete Smith	3	X		
Minnesota	Ryan Gustafson	1		X	X
New England	Chris Donnelly	3			X
New Jersey	Jeff Picher	3		X	X
New York	Frazer Pehmoeller	2			
Ohio	Henry Gulich	3			
Pacific NW	Evan Sussman	3			
Penn-Del	Kristin Wild	1	X	X	
Rocky M.	Jon Elliott	1	X	X	X
Southern	Beau Brodbeck	1	X	X	
Texas	Gene Gehring	1		X	X
Texas	Zaina Gates	1			
Utah	Randy Miller	3		X	X
Western	Rick Cober	1	X	X	
Wisconsin	Nate Schuettpelz	1	X		X
Staff	Karen Lindell		X	X	X
Staff	Eric Smith		X	X	X

- 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*

**b. Meeting Details:**

i. October 10, 2017:

1. Updated liaisons on Duling and Kimmel grants and that results would be announced in January.
2. 15<sup>th</sup> anniversary Year-end-appeal update
  - a. Reminded liaisons that letters were coming shortly for distribution
3. 2018 Tour de Trees update on location, dates and committees
  - a. Informed liaisons that STIHL would no longer be partnering
4. Eric Smith provided a report :
  - a. Visited all chapters since 2016
  - b. UARF Endowment met \$1million goal
  - c. General endowment exceeds \$4million
  - d. Appeals sent out for Skiera and Hall Funds
5. Future Liaison/Trustee meeting locations
  - a. Discussed the possibility of moving future meetings to convenient new location
  - b. Asked liaisons to email Barb Duke any topics of interest for the December 2017 liaison meeting

**B. Accomplishments Since October 2017:**

a. Outreach Webinars:

- i. Continue to promote Dr. Andrew Hiron from the U.K. webinar on drought tolerance of trees on November 30 at Noon Mountain Time

b. Onboarding New Liaisons:

- i. Chris Donnelly – NE Chapter
- ii. Henry Gulich – Ohio Chapter
- iii. Evan Sussman – Pacific NW Chapter
- iv. Jeff Picher – New Jersey Chapter
- v. Christian Siewert – Michigan Chapter

c. Reminded Liaisons to Promote Year-End Appeal

**C. Objectives for the Next 3 Months:**

- a. Continue to develop the webinar schedule for 2018
- b. Karen Lindell is working on finalizing a handout of funded research by topic for liaison use at conferences
- c. Discuss compiling a Speakers Bureau with Trustees and Liaisons
  - i. A list of past research grant awardees willing to speak at education events
- d. Convert the research by topic publication into a poster for use at conferences.

**D. Next Meeting Date:**

- December 5, 2017 – Chicago, IL



## Council of Representatives Report

Allan West

Tree Fund Representative to the ISA Council of Representatives

November 11, 2017

**Meetings:** There have been no meetings or conference calls since my last report dated October 9, 2017. One action has been taken since the last report. The last report mentioned that the annual CoR Meeting associated with the ISA annual meeting is always in conflict with the ITCC event. An e-mail was circulated to all CoR members asking for input as to when the CoR Annual meeting should be held. I recommended that it continue to be held ahead of the ISA Annual meeting, however the CoR Executive Committees reviewed all CoR representatives input and decided that it should be held at the end of the annual meeting so that there is no conflict with ITCC or the Educational Program being held in conjunction with the ISA annual meeting. It also means that the CoR meeting will only be for half a day. Therefore, the 2018 meeting will be held in Columbus, Ohio on August 8, 2018 starting at 1:00pm.

The CoR Executive Committee attended the ISA Leadership Workshop held at the end of October.

**Future Meetings:** Conference calls are scheduled for Wednesday December 13 and April 11, 2018. If there are any issues you would like me to present to CoR, please let me know before December 11.



## **TREE FUND BUDGET RESOLUTION FOR 2018**

Following extensive review and discussions during its November 21 and November 29 teleconferences regarding the 2018 Operating Budget submitted by President and CEO Smith on November 8, 2017 (summary attached), Trustee Schleizer advanced the following motion, which was seconded by Mr McGonegle. With no additional discussion, the Committee unanimously voted to approve the following resolution for Trustee action:

*The Finance Committee recommends the Board of Trustees' approval of a 2018 operating budget containing the following key financial elements, presented on an accrual basis:*

- *Total revenues of \$1,330,000; which includes \$515,000 in permanently or temporarily restricted funds for TREE Fund's programmatic mission, supporting the approved Strategic Plan goal of an endowment balance of \$4.75 million by December 31, 2018;*
- *Total expenses of \$957,500; which includes \$217,000 in new grant awards, to be issued atop all prior year awards payable in 2018 and beyond;*
- *Total investments in endowment funds of \$450,000 to be invested at Chicago Community Trust (CCT), offset by withdrawals from CTT of \$140,000 in Endowment Earnings, and a \$14,000 donor advised distribution from the Collier Arborist Training Trust.*
- *A net positive income of \$76,500 to offset operating shortfalls in 2017, and ensure adequate cash flow in 2018.*

## 2018 TOP LEVEL SUMMARY OPERATING BUDGET (ACCRUAL BASIS)

	FY 2017		FY 2018
	APPROVED BUDGET	ESTIMATED YEAR-END	REQUESTED BUDGET
<b>INCOME:</b>			
Unrestricted Operating	\$184,500	\$185,000	\$185,000
Other Income	\$10,000	\$3,000	\$5,000
Restricted Income	\$665,000	\$600,000	\$515,000
Special Events	\$685,000	\$515,000	\$625,000
<b>TOTAL INCOME:</b>	<b>\$1,544,500</b>	<b>\$1,303,000</b>	<b>\$1,330,000</b>
<b>EXPENSES:</b>			
Board and Liaison	\$14,000	\$12,000	\$15,000
Grants and Contracts	\$350,000	\$241,000	\$217,000
Occupancy	\$28,000	\$28,000	\$28,000
Office Expense	\$46,900	\$35,000	\$20,000
Personnel Expense	\$312,853	\$305,000	\$338,000
Professional Fees	\$150,500	\$145,000	\$45,500
Service Fees	\$10,000	\$10,000	\$10,000
Special Events	\$230,000	\$257,000	\$213,000
Technology	\$20,000	\$22,000	\$10,000
Communications	\$0	\$0	\$40,000
Travel	\$30,000	\$28,000	\$21,000
<b>TOTAL EXPENSE:</b>	<b>\$1,192,253</b>	<b>\$1,083,000</b>	<b>\$957,500</b>
<b>ORDINARY INCOME</b>	<b>\$352,247</b>	<b>\$220,000</b>	<b>\$372,500</b>
<b>EARNINGS FROM ENDOWMENT</b>	<b>\$225,000</b>	<b>\$214,000</b>	<b>\$154,000</b>
<b>TRANSFER TO ENDOWMENT</b>	<b>\$565,000</b>	<b>\$450,000</b>	<b>\$450,000</b>
<b>NET INCOME</b>	<b>\$12,247</b>	<b>(\$16,000)</b>	<b>\$76,500</b>

## **Recommendations for Duling and Kimmel awards – 2017**

The Research sub-committee of TREE Fund Research and Education Committee met via Zoom conference on Tuesday, Nov. 21, 2017 to discuss applicants for the Kimmel and Duling grant programs and to choose who among them would be awardees.

For the Kimmel program, of which two awards were available, the subcommittee agreed that a proposal by Drs. Franco-Lara and Brochera to study insect vectors of a phytoplasma disease of *Quercus* in Colombia was worthy of funding. And they now put that recommendation before the Board for consideration as one of the two awards.

However, the committee found enough significant deficiencies in the rest of the viable Kimmel proposals in the current cycle to make them wary about approving any further awards from the current cohort.

Meanwhile, of the Duling proposals, the subcommittee strongly endorsed funding of one by Dr. Nina Bassuk to measure the real value of root pruning in the nursery to success of follow-on transplants in the field, especially of notoriously hard to transplant species.

They also found a proposal by Dr. E. Crocker to document populations of microbiota in ash trees that are tolerant of or resistant to attack by emerald ash borer appealing and they recommend that for funding *if there are sufficient funds in the Duling account as year-end approaches*.

A third proposal in the Duling cohort, one by Dr. R. Antwis, was appealing to the subcommittee but not quite so persuasive as the other two. However, without a strong second for the Kimmel International Grants program and because Antwis – with roots in the U.K. – would have been a strong contender for a Kimmel award had she chosen to enter that competition, the committee respectfully requests that they be allowed to explore the possibility of a modified proposal by Antwis to fit into the lesser financial award that Kimmel offers. Although we're not sure what an offer for negotiation of this sort to Antwis might yield, if we're able to get useful information via a scaled back version of the original, we agree that that would be preferable to funding one of the other Kimmel proposals that has such conspicuous deficiencies.

Deliberations of the committee concluded at that point, obviously with a few still unresolved issues for the full Board of Trustees to consider.

Respectfully submitted,  
George Hudler