

**Dean Fund Committee Meeting
April 8, 2014
Wheeler Center
4251 Stone School Rd., Ann Arbor
MINUTES**

Members Present: John Bassett, Edith Bletcher, Jane Immonen, Patrick Ion, Ben Muth

Members Absent: Sue Perry

Staff Present: Kerry Gray and Steve Goebel

Jane Immonen called the meeting to order at 9:08 a.m.

Public Comment: None

Action Item #1- Approve April 8 Agenda

DFC reviewed April 8 agenda **John Bassett** motioned to approve the agenda; **Patrick Ion** seconded. Committee unanimously approved.

Action Item #2- March 11 Meeting Minutes

DFC reviewed March 11 meeting minutes. **Mr. Bassett** motioned to approve the minutes as amended; **Edi Bletcher** seconded. Committee unanimously approved.

Information Item #1: Elizabeth Dean Fund Trust

City Treasurer, Matt Horning and Assistant City Treasurer Mike Pettigrew provided information about the Dean Fund Trust.

The City's investments are governed by state law, Public Act 20. Investments can be in US Treasury and instrumentalities, CDs, commercial paper and simple investments. The City cannot buy stock or foreign funds.

The City's investment policy, which is adopted by City Council, states that the City can invest an unlimited amount of money in US Treasury with a maximum maturity horizon of 15 years.

Per Ms. Dean's Will the Dean Fund can only be invested in US Treasury, which Mr. Horning said are the safest investment.

Mr. Horning reviewed the Elizabeth Dean Fund Trust report provided by Cutwater Asset Management, the City's investment advisor.

- Dean Fund's annualized return year to date is 1.19%. The Dean Fund is outperforming the City's pool of investments which is earning about 1%.

- The Dean Fund is invested utilizing a ladder strategy (2-3 bonds maturing each year) which takes the volatility out of the portfolio because it not subject to interest rate fluctuations. The market will rise quicker than the Dean Fund's portfolio but the Dean Fund will eventually outperform.

- Short term interest rates are at or near 0% so the Dean Fund's 1.2% is a pretty respectable return. The Dean Fund portfolio is at the bottom. Forecast for interest rates:
 - 3-month T-Note from 0.1% this year to 0.3% next year
 - 10-year T-Note at 2.4% this year, 3% next year and 3.5% the year after that.

Information Item #2: Update FY14 Budget

Project Name	Approved Amount	Status
Remove stumps and replace the two dead Honeylocust trees in the Dean Promenade	\$2,000.00	Stump removal and tree planting spring 2014
Watering of street trees (Post Planting Care in budget)	\$12,600.00	Due to the relatively wet summer, there has not been a lot street tree watering.
Replacement of dead newly planted street trees	\$10,000.00	Completed. Dean Fund cost \$9,400.
Citizen Pruner Tools	\$1,000.00	Will purchase from local source – estimate from Stadium Hardware- 15 hand saws and 15 loppers.
Total	\$25,600.00	
Remaining Unencumbered Budget	\$26,400.00	

Information Item #2: Next Meeting Date (05.13.2014)

Agenda Items: Tree planting at Dean Grove; discussion of May 30 tree planting program.

Discussion Item #1: Elizabeth Dean Fund 50th Anniversary

Events:

Elizabeth Dean Grove planting in celebration of the 50th anniversary and in honor of Nancy Stone on May 13, 2014

Dean Promenade tree planting on May 30 at 11:30 a.m.

Table at the Mayor's Green Fair in June.

Publicity:

Kerry Gray will draft a press release to announce and publicize May 30th event.

Ms. Gray will mock-up a tree tag to be placed on the trees in the Dean Promenade. She will share with the Committee via email. The Committee would like to look into giveaway options, like fliers, buttons, bookmarks or refrigerator magnets. Ms. Gray will look into these items and provide information at the next meeting. Systems Planning can help to purchase some items for the 50th anniversary celebration

Edi Bletcher will contact Rebekah Warren to have a State Resolution.

Discussion Item #2: Conference Call with John Hilton of the Ann Arbor Observer

Mr. Muth and the Committee talked with Mr. Hilton about the celebration events that will be happening. Mr. Hilton will discuss with Jim Leonard who previously wrote an article about the Dean Fund to discuss writing a piece for the May Ann Arbor Observer.

Discussion Item #3: Future Project Ideas

City staff have a lot of project to complete this spring and will not be able to take on additional Dean Fund projects.

The Committee will review A2 Open City Hall, an on-line public forum the City uses to gain public feedback on specific topics. This may be an option to solicit project ideas from the community. At any upcoming meeting the Committee will discuss A2 Open City Hall, whether they think it is a good mechanism for seeking project ideas and if yes, what questions they may want posted.

Ms. Immonen adjourned the meeting at 10:40 a.m.

DEAN FUND BUDGET	FY 14	FY 15
Investment Income <i>(Projected)</i>	\$27,000	\$25,000
Prior Year Fund Balance	\$25,000	\$35,000
Total	\$52,000	\$60,000

Current FY2014 Approved Projects-- Budget: \$52,000

Project Name	Approved Amount
Remove stumps and replace the two dead Honeylocust trees in the Dean Promenade	\$2000.00
Watering of street trees (Post Planting Care in budget)	\$12,600.00
Replacement of dead newly planted street trees	\$10,000.00
Citizen Pruner Tools	1,000.00
Total	\$25,600.00
Remaining Unencumbered Budget	\$26,400.00