

Agenda

FFE Board of Directors

Kalamazoo Foundation for Excellence

Monday, October 24, 2022 2:00 PM

City Hall – Community Room, Second Floor - 241 West South Street

A. CALL TO ORDER

1. Public Comment Rules

B. APPROVAL OF MINUTES

1. Approve minutes of the September 12 meeting

C. REPORTS AND COMMUNICATIONS

1. Introduction of Guests: Richard O. Cherry, Lead Counsel; Aimee Jachym; John McFarland; Alex Page, Miller Johnson Attorneys.
2. Finance Committee Report
3. Executive Committee Report

D. REGULAR AGENDA

1. Amend 2022 Schedule and Approve 2023 Schedule of Meetings
2. Recommend the Draft 2023 FFE-City Budget to the City Commission for Inclusion in the 2023 Budget
3. Confirm Stakeholder Director Renewals
4. Appoint Nominating Committee Members for Terms Expiring April 24, 2023
5. Approve Updates to FFE Bylaws and Articles of Incorporation
6. Approve Adjustment of Budget Date in Bylaws

7. Approve Updated Investment Consulting Agreement for FFE Endowment
8. Approve Draft Support Service Agreement with the City of Kalamazoo
9. Approve Draft Grant Agreement with the City of Kalamazoo
10. Approve Draft Executive Director Position Description
11. Approve Draft Executive Director Employment Agreement
12. Appoint FFE Manager Steve Brown to Executive Director

E. PUBLIC COMMENTS

F. BOARD MEMBER COMMENTS

G. ADJOURNMENT

KALAMAZOO FOUNDATION OF EXCELLENCE

PUBLIC COMMENT RULES

General information about the Foundation for Excellence (FFE) including board meeting schedules, meeting agendas and minutes, bylaws, and much more can be accessed at: <https://www.kalamazoocity.org/ffe>.

Agendas and previous minutes and video streams for FFE meetings are available directly at: <https://kalamazoomi.civicclerk.com/>.

Questions regarding agenda items may be answered prior to the meeting by contacting the FFE Manager at 269.337.8047 or ffe@kalamazoocity.org.

Meetings are held in person in the Community Room on the second floor of City Hall at 241 W. South St. 49007. They are also streamed live and archived on the City's Facebook page (<https://www.facebook.com/KalamazooCity/>) and YouTube Channel (www.kalamazoocity.org/youtube).

Persons attending a regular or special meeting of the Board of Directors of the Kalamazoo Foundation for Excellence are permitted to address the Board at the noted time on the Agenda and in conformity with this rule and the Michigan Open Meetings Act.

An individual wishing to address the Board shall wait to be recognized by the presiding officer. A person addressing the Board shall provide their name and whether they are a resident of the City. Remarks by a speaker shall be confined to matters within the purview of the Board and FFE. An individual may comment once for up to three (3) minutes. No comment is permitted on secondary or procedural motions to a main motion. A speaker is not permitted to yield any unused portion of speaking time to other speakers. A speaker may be ruled out of order for conduct that interrupts or disrupts the meeting.

Individuals also have the option to provide public comments over the phone at 888.382.9556 during the public comment period announced by staff during the meeting. Callers will enter a queue and be prompted to offer comments in turn. Callers will be given three minutes to comment live.

Updated April 5, 2022.

**KALAMAZOO FOUNDATION FOR EXCELLENCE
BOARD OF DIRECTORS**

MINUTES

Meeting of September 12, 2022

A meeting of the Kalamazoo Foundation of Excellence (KFFE) Board held on September 12, 2022, in the Community Room of City Hall, 241 W. South St, Kalamazoo, MI was called to order by President Calderon-Huezo at 2:02 pm.

Board members present: Calderon-Huezo, Ritsema, Carrel, Anderson, Hess, Balkema, Bostrom, Harrison (2:06 pm), Lonberg, Salas, Washington, and Hopewell.

Board members absent: Miller, Hoffman, C. Taylor, and A. Taylor.

City staff present: Legal Counsel/Recording Secretary Clyde J. Robinson, FFE Manager Steve Brown, Deputy City Manager Laura Lam, and City Grants Specialist Kerry Lyn Williams.

Motion by Director Hess, seconded by Director Carrel to add an item to the Agenda to address conflict of interest. Motion approved by unanimous voice vote.

The minutes of the Annual Meeting held April 25, 2022, were moved for approval by Director Washington and seconded by Director Lonberg. The motion to approve the minutes was adopted by unanimous voice vote.

Mr. Brown presented the Finance Committee and Executive Committee Reports. The reports were accepted with the appointment of Directors Carrel, Balkema, and Bostrom as members of the Audit Subcommittee to serve until the April 2023 Annual Meeting.

Mr. Brown presented the Executive Committee recommendation that the Miller-Johnson law firm be retained as FFE Legal Counsel. Director Balkema moved, Director Ritsema seconded the appointment of Miller-Johnson as FFE Legal Counsel. Director Lonberg questioned whether a possible conflict of interest existed since the law firm does work for the City of Kalamazoo. Acting Legal Counsel informed the Board that no conflict existed since the legal work being done for the City was unrelated to the FFE. By unanimous voice vote the motion was adopted.

Mr. Brown presented the Executive Committee recommendation that a Nominating Committee be created. This is being proposed in light of the mutual desire on the part of the FFE Board and the Kalamazoo Community Foundation (KCF) that the latter no longer vet candidates to fill FFE Board vacancies. Director Washington asked whether the Committee would use a process similar to that of the KCF or create its own. President Calderon-Huezo indicated that the Committee would use a hybrid model based on the KCF approach. After a motion by Director Washington, seconded by Director Balkema, the Board by unanimous voice vote approved the creation of a Nominating Committee. No members were appointed to the Committee at this meeting.

Mr. Brown presented the Executive Committee recommendation that the Board create the position of Executive Director and that staff be directed to present the Executive Committee with a detailed job description and hiring proposal for review. Mr. Brown shared with the Board that the ability for the Board to hire an Executive Director existed within the Bylaws and that after 5 years of

operations, the time seemed appropriate to consider added dedicated FFE staff. Director Balkema questioned the ability of the City Commission to provide advise and consent on the hiring of the individual for the position. Discussion ensued outlining the checks and balances intentionally built into the FFE structure so as to require communication and cooperation between the FFE Board and the City Commission. Director Washington moved and Director Balkema seconded that the Board create the position of Executive Director and that staff present to the Executive Committee a job description and hiring proposal for the position. By voice vote the motion unanimously approved.

Mr. Brown presented the Executive Committee recommendation that the Bylaws and Articles of Incorporation be amended to reflect corrections and changes to reflect current practices. Although the recommendation was approved, Director Anderson questioned whether the Board had followed the required notice provisions for the consideration of Bylaw amendments. It was recognized that a error in providing notice had been made, so the approval of the proposed amendments was ruled a nullity. The matter will instead be taken up at the October 24, 2022, meeting of the Board.

Mr. Brown outlined the proposed 2023 budget process and shared a draft proposed budget. He indicated that a more formal proposal would be presented to the Board for adoption at its October 2022 meeting, so no action on the part of the Board was needed at this time.

Mr. Brown presented the Board with its Conflict of Interest Policy and requested action that a \$5,000 contract between Director Harrison and the City of Kalamazoo did not violate the Policy. Director Harrison was hired by the City to perform work in a program which help prepare skilled building tradespersons acquire licensed status with the State. The work has been completed, and the individuals assisted will be taking their certification exams soon. While no decision has been made about continuing to offer the program, it is hoped that it will be continued; but at this time the work performed by Director Harris is complete and he has been paid. Director Harrison left the room while the Board deliberated on the matter. The motion by Director Ritsema, seconded by Director Washington that no conflict or violation of the policy existed was adopted by unanimous voice vote. Director Harrison rejoined the meeting and was informed of the Board's decision.

President Calderon-Huezo asked if there was any public comment and informed that there was none.

President Calderon-Huezo asked if there were any Board Member Comments. Director Anderson requested that name cards be provided in the future to identify Board members and that a roll call of members occur at the beginning of meetings, and that absent members be formally excused.

President Calderon-Huezo adjourned the meeting at 3:27 pm

Minutes Drafted: September 15, 2022

Minutes Approved: _____

Clyde J. Robinson, Recording Secretary

Date: **10/24/2022**

FFE

Item: **D.1.**

Foundation for Excellence

Agenda Report

Kalamazoo Foundation for Excellence

TO: Foundation for Excellence Board of Directors

FROM: Prepared by: Steve Brown, FFE Manager

DATE: October 24, 2022

SUBJECT:

Amend 2022 Schedule and Approve 2023 Schedule of Meetings

RECOMMENDATION:

Amend the 2022 meeting schedule to include an Audit Subcommittee meeting at 2:30 p.m. and Nominating Committee meeting at 3:30 p.m. on Monday, December 12, 2022, and approve the 2023 meeting schedules including guidance to live stream only full Board meetings.

BACKGROUND:

A 2023 FFE meeting schedule has been made and recommended by the Finance and Executive Committees to the Board for approval. The meeting schedule template used in 2021 and 2022 was successful and staff recommends maintaining it in 2023 using the attached calendar. It is important to strike the right cadence and timing with FFE committee meetings and Board meetings and with City Commission meetings for the FFE to effectively conduct its business. New meetings can be added throughout the year and canceled as needed in accordance with the Open Meetings Act (OMA).

The only change recommended in this schedule is to stream only Board meetings via YouTube and Facebook. Subcommittee and committee meetings now number 17 in 2023. They are not required to be streamed under OMA and have garnered very minimal viewership in the last years. As these are primarily deliberating and recommending bodies and Board meetings will still be streamed, this recommendation seeks to strike a balance.

STRATEGIC VISION ALIGNMENT:



Good Governance- Ensuring the City organization has the capacity and resources to effectively implement the community's Strategic Vision in a way that is sustainable over the long term.

FISCAL IMPACT:



2023 Schedule of FFE Board and Committees

Board, Finance and Executive Committee meetings are open to the public in City Hall at 241 W. South Street. Board meetings are broadcast live on the City's Facebook and YouTube channels.

	Committees					Board of Directors
Date of Meeting	Finance	Audit	Executive	Nominating	Investment	
Monday, January 30	2:00 p.m.		3:00 p.m.	3:30 p.m.		
Wednesday, February 22					11:00 a.m.	
Monday, February 27				1:30 p.m.		2:00 p.m.
Monday, April 10	2:00 p.m.	2:30 p.m.	3:00 p.m.	3:30 p.m.		
Monday, April 24						2:00 p.m. Annual
Wednesday, May 24					11:00 a.m.	
Wednesday, August 23					11:00 a.m.	
Monday, August 28	2:00 p.m.	2:30 p.m.	3:00 p.m.			
Monday, September 25						2:00 p.m. Business
Monday, October 9	2:00 p.m.		3:00 p.m.			
Monday, October 30						2:00 p.m. Business
Monday, December 11	2:00 p.m.	2:30 p.m.	3:00 p.m.	3:30 p.m.		
<i>Approved</i>				10.24.2022		
<i>Posted Publicly</i>				10.2022		

Date: **10/24/2022**

FFE

Item: **D.2.**

Foundation for Excellence

Agenda Report

Kalamazoo Foundation for Excellence

TO: Foundation for Excellence Board of Directors

FROM: Prepared by: Steve Brown, FFE Manager
Reviewed by: Steve Vicenzi, CFO

DATE: October 24, 2022

SUBJECT:

Recommend the Draft 2023 FFE-City Budget to the City Commission for Inclusion in the 2023 Budget

RECOMMENDATION:

Recommend that Draft 2023 FFE-City Budget to the City Commission for inclusion in the 2023 Budget.

BACKGROUND:

The attached draft 2023 FFE-City Budget has been recommended by the Finance Committee for Board action to recommend it to the City Commission for inclusion and approval with its annual budget.

The attached Budget Transmittal Memo contains a full summary and introduction to the draft 2023 FFE-City Budget. As in previous years, City staff worked internally and with partner organizations to determine an Aspirational budget that marries financial need and program capacity of the City and partners for continuing and innovating new programs that are aligned with the FFE and Imagine Kalamazoo 2025.

The process of formally conveying the budget began with discussions at the FFE Finance Committee on August 29 and moved through an initial full presentation to the FFE board on September 12. A full presentation to the City Commission followed on October 17. Pending approval of this recommended FFE disbursal, it will be included in the City budget for approval by the City Commission.

Staff remain grateful for the ongoing positive and fruitful discussions among board members and commissioners regarding Imagine Kalamazoo alignment in service to the entire community of Kalamazoo.

STRATEGIC VISION ALIGNMENT:



Good Governance- Ensuring the City organization has the capacity and resources to effectively implement the community's Strategic Vision in a way that is sustainable over the long term.

FISCAL IMPACT:



MEMORANDUM

10/12/2022

To: President Sandra Calderon-Huezo and the Board of Directors

From: Steve Brown, FFE Manager

Subject: **Fiscal Year 2023 City FFE Budget**

I am pleased to present the fiscal year 2023 City FFE budget recommendation.

The proposed budget is **\$23,860,732**, which includes \$4,514,210 for budget stabilization, \$13,986,662 for tax reduction to City property taxpayers, \$3,871,492 for aspirational activities, and \$1,488,368 for operations as outlined in the budget detail. This budget follows the method of determining the annual distribution set forth in section 9.03 of the bylaws and the FFE's mission to support the goals of the City of Kalamazoo, fund aspirational investments in the city, and empower Kalamazoo residents to achieve the lives they want for themselves and their families.

Between 2017 and 2022, \$20.5 million contributed to support the FFE's goals have provided unprecedented financial stability for the City. With a stable budget, City services are being maintained and adapted to community needs based on the Imagine Kalamazoo 2025 Strategic Vision. Kalamazoo City property taxpayers have experienced relief from \$74 million of tax liability since 2017 following the reduction of the City's property tax millage from 19.2705 mills to 12.0000 mills. This reduction makes Kalamazoo more competitive in retaining and attracting residents, businesses, and jobs.

Finally, \$53.3 million has been budgeted for aspirational projects since 2017 for innovative projects and programs that align with the Imagine Kalamazoo vision, including youth development programs, affordable housing initiatives, complete streets and park improvements, and assistance to small businesses.

Visit www.kalamazoocity.org to interact with and map data about FFE program investments.

On behalf of the City of Kalamazoo I would like to thank the Board of Directors for its commitment to realizing the unique vision and impact of the Foundation for Excellence.

Respectfully Yours,

A handwritten signature in blue ink, appearing to read 'Steve Brown'.



DRAFT Fiscal Year 2023 FFE Budget

Budget Stabilization

Total 2017-2022

Proposed 2023

Tax Reduction

Subtotal

Aspirational Projects

Safe Community

Lead Services Replacements

\$2,500,000

Safe Housing

\$406,000

Complete Neighborhoods, Connected City, Inviting Public Places

Great Neighborhoods: Infrastructure

\$11,762,500

\$1,750,000

Great Neighborhoods: Park Enhancements

\$4,234,500

Neighborhood Engagement and Activation

\$636,500

Downtown Investment or Ambassador Program

\$500,000

\$150,000

Youth Development

MyCity Summer Youth Employment

\$4,800,000

\$825,000

All Things Possible (ATP)

\$594,474

\$135,725

SuperRec

\$758,758

\$195,219

Youth Action Council, Youth Development Stipends

\$35,000

Youth Mobility Fund (YMF)

\$750,000

Digital Access for All (DAFA) & Learning Hubs

\$300,000

Childhood Savings and Wealth Building

\$50,000

Shared Prosperity

Shared Prosperity High Impact Fund & DRF**

\$2,744,000

United Way Partnership Continuum of Care

\$30,000

Economic Vitality

Business Development Fund (BDF), KSBLF/KMEG**

\$11,029,700

\$350,000

Affordable Housing – Site Acquisition

\$9,245,000

\$250,000

Environmental Responsibility

322 Stockbridge Site Assessment and Planning

\$100,548

Kalamazoo Roots

\$35,000

\$50,000

Home Energy Efficiency Audits

\$158,000

Tire Blitz

\$14,000

Good Governance, Program Costs

Personnel (Historical and proposed)

\$2,265,688

\$586,368

FFE Projected Expenses (Itemized in budget detail)

\$236,500

\$902,000

Total 1% Contingency per Goal Area

\$97,983

Subtotal

\$53,283,620

\$5,359,860

TOTAL

\$147,798,524

\$23,860,732

**Disaster Relief Fund; Kalamazoo Small Business Loan Fund; Kalamazoo Micro-Enterprise Grants



APPENDIX A

Budget Descriptions

1. TAX REDUCTION

Bylaws, Section 9.03, Subsection A: "Equal to the difference between the amount that the City would have received in real estate tax and personal property tax revenue for the fiscal year-in-question calculated using a millage rate of 19.2705 mills (\$19.2705 per \$1000 of taxable value) less the amount of real and personal property taxes that the City is budgeted to receive for the fiscal year-in-question under the City's proposed millage rate, so as to provide the City a tax rate that is correlative to other municipalities in the Kalamazoo area (...)"

- Total 2023 Projected Taxable Values = \$1,923,755,188
- Projected difference in taxes under 19.2705 mills and current 12 mills = \$13,986,662

2. BUDGET STABILIZATION

Bylaws, Section 9.03, Subsection B: \$4 million for budget fiscal 2019 and thereafter adjusted annually by the Municipal Cost Index developed by the American City & County Magazine, or another credible model addressing the price of the unique market basket of goods and services purchased by local governments, to address the structural revenue imbalance to City finances due to Michigan's broken municipal finance system. Historic stabilization: 2017, N/A; 2018, \$3.8M; 2019, \$4M; 2020, \$4.12M; 2021, \$4.23M; 2022, \$4.37; 2023 \$4.51M.

3. ASPIRATIONAL PROJECTS AND PROGRAMS

Bylaws, Section 9.03, Subsection C: Additional annual distributions may be approved (...) (i) consistent with the purposes set forth in Article II in the Articles of Incorporation of this Corporation; and, (ii) consistent with donor intent as specified in the Statement of Donor Intent (...)

A. Complete Neighborhoods, Inviting Public Places, Connected City

- a. Great Neighborhoods: Infrastructure: More than \$1.5 million is requested to continue the historic investment in Kalamazoo's distressed sidewalks with a priority and emphasis placed within one-quarter mile of community assets and daily needs. There are an estimated 300 miles of sidewalk in the City of Kalamazoo. Depending on the mix of new sidewalk and repaired sidewalk, the City is able to update between 5-15 miles each year.
- b. Downtown Ambassadors: This program was created as a direct result of the growing downtown area and the needs of the community. The program will meet the cleaning and hospitality needs downtown seven days a week as the district continues to attract new businesses, residents, and visitors.

B. Youth Development

- a. MyCITY: This program of the Kalamazoo Regional Educational Service Agency (KRESA) has partnered with the City since 2006. MyCITY Kalamazoo was modified because of COVID-19 to a predominantly virtual model for 2020 to allow for a safe and productive paid career exploration experience for youth ages 14-21 in the City of Kalamazoo. The CareerNOW pathway of MyCITY Kalamazoo provided short term training opportunities in Certified Nurse Aide, Construction Trades, and Early Childhood Education through a combination of in-person and virtual classroom sessions.



- b. All Things Possible (ATP): A middle to high school summer transition program designed to eliminate skill gaps from the “summer slide.” Each day consists of work skills, life skills, recreational activities, talent development, and career/educational exposure. Attendance of ATP grew from 30 to 50 participants in 2018 and 2019.
 - c. SuperRec: SuperRec works in City neighborhoods to offer free, socially enriching experiences to children aged 7 to 14, primarily those from underprivileged communities and backgrounds. Unique participants grew from 290 in 2017 and 304 in 2018 to 400 in 2019. Because of COVID-19, capacity was reduced to 50% at each site and a total of 146 unique were served youth throughout six, one-week sessions.
 - d. Youth Action Council, Youth Development Stipends: 30-40 Councilor In Training (CIT) participants receive \$500.00 stipends each. The program helps teach teens leadership, teamwork, build self-confidence, patience with working with younger kids, and communication skills that will eventually contribute to their transition to the workforce. These youth typically serve 40 hours each week for the nine-week period, or a total of 360 hours.
- C. Economic Vitality, Shared Prosperity
 - a. Continuum of Care: This coordinates efforts to address homelessness and oversees the strategic deployment of resources.
 - b. Economic Development
 - i. Business Development Fund (BDF) Technical Assistance: This program will offer \$5,000 grants to small businesses (less than 10 employees) prioritized toward SPK Neighborhoods and women / minority-owned businesses. This grant can be used for website development, brand or logo consultation, hiring a bookkeeper, purchase of point-of-sale platform (Square), inventory software, purchase of a laptop or preparing past year taxes. Additionally, funds can also be used to prepare architectural drawings to prepare a business for code compliance during expansion or renovation.
 - ii. Business Development Fund (BDF) Capacity Building: These funds are used to support small businesses with training opportunities facilitated in small groups led by a professional in the field.
 - c. Affordable Housing: This project supports site acquisition in priority places to rebuild housing and mixed-use buildings. This funding will be used to acquire properties that meet specific goals of other CPED and City programs: Infill housing strategy, anti-gentrification efforts, natural features protection, and the implementation of pre-permitted plans and the land bank partnership plans.
- D. Environmental Responsibility: Kalamazoo Roots helps increase access to healthy food and foster skills. Three neighborhoods (Oakwood, Vine, and Eastside) are prioritized based on actions listed in their Neighborhood Plans surrounding access to healthy food options. The program is currently in its second year (2022) and has expanded to include the Edison Neighborhood and 150 new participants and 60 returning participants. In 2023, the program would expand to include the Northside Neighborhood.

DRAFT 2023 Foundation for Excellence City Budget

10.13.22

IK2025 Goal Alignment		Request Name	Fund Balance	Endowment Withdrawal	All Sources
STRUCTURAL GRANTS					
City Property Tax Relief	Projected Taxable Values = \$1,923,755,188 Projected difference 19.2705 - 12 mills.			13,986,662	
City Budget Stabilization	Rolling two-year CPI of 3.3% as of 12.2021			4,514,210	
				18,500,872	
PROGRAMS GRANT					
Youth Development	Summer Youth Employment		825,000		
Youth Development	Super Rec Summer Camp		195,219		
Youth Development	All Things Possible Summer Camp		135,725		
Youth Development	Youth Development Stipend Payments		20,000		
Youth Development	Youth Action Council		15,000		
Shared Prosperity	Kalamazoo Continuum of Care		30,000		
Safe Community	Downtown Kalamazoo Ambassador Program		150,000		
Environmental Responsibility	322 Stockbridge Continued Planning		100,548		
Environmental Responsibility	Kalamazoo Roots		50,000		
Economic Vitality	BDF Technical Assistance Grants		300,000		
Economic Vitality	BDF Capacity Building Training Program		50,000		
Connected City	Sidewalk Projects - Compliance, Gaps, GIS Inventory		1,565,000		
Connected City	Portage Street Shared Use Path Survey and Design		85,000		
Complete Neighborhood	Site Acquisition		250,000		
Complete Neighborhood	Traffic Calming		100,000		
			3,871,492		
OPERATIONS - FIXED COSTS					
Personnel	Four (4) full-time equivalent City positions		586,368		
Legal Services Agreement	Retainer for one-year of services (1.1.-12.31)			80,000	
D&O Insurance	Director and Officer Insurance			25,000	
Professional Development	Ongoing personnel development		10,000		
Communications and Engagement	Communications and marketing strategies		20,000		
Fund Management	Fund Mngr. Fees			160,000	
Endowment Custory Fees	Custody Fees			135,000	
Endowment Investment Mgmt.	Consulting Fees			180,000	
Independent Audit	Independent Audit and 990 service			12,000	
			616,368	592,000	
OPERATIONS - POTENTIAL*					
Personnel (2)	Two (2) full-time equivalent FFE positions		235,000		
Endowment Development services	One-year agreement for development planning		25,000		
Development supports	Meeting and engagement expenses		20,000		
			280,000		
SUBTOTAL			4,767,860	19,092,872	
TOTAL					23,860,732

* Potential operations costs are contingent on Board actions at the October meeting.

Date: **10/24/2022**

FFE

Item: **D.3.**

Foundation for Excellence

Agenda Report

Kalamazoo Foundation for Excellence

TO: Foundation for Excellence Board of Directors

FROM: Prepared by: Steve Brown, FFE Manager

DATE: October 24, 2022

SUBJECT:

Confirm Stakeholder Director Renewals

RECOMMENDATION:

Confirm Intent to Renew by the Following Stakeholder Directors Eligible for Renewal:

Alisa Carrel, Arts Sector: June 1, 2023 - May 31, 2026 (3/3 current eligible terms)

Ida Salas, Business/Banking Sector: June 1, 2023 - May 31, 2026

Alice Taylor, Neighborhood Sector: June 1, 2023 - May 31, 2026 (3/3 current eligible terms)

Charlene Taylor, Affinity/Nonprofit Sector: June 1, 2023 - May 31, 2026 (3/3 current eligible terms)

BACKGROUND:

Staff and the Nominating Committee will conduct the next steps in the Stakeholder Director process following confirmation of renewals or pending vacancies.

STRATEGIC VISION ALIGNMENT:



Good Governance- Ensuring the City organization has the capacity and resources to effectively implement the community's Strategic Vision in a way that is sustainable over the long term.

FISCAL IMPACT:

Board Group	Board Position	Notes 1	Name	Original Appointment	Current Expiration	Term Limit	Officer	Comm. 1	Comm. 2	Comm. 3	Comm. 4
City Director	<i>Mayor and Ex officio Director</i>		David Anderson	11/11/2019	11/8/2023	N/A					
City Director	<i>City Manager and Ex officio Director</i>		James K Ritsema	10/17/2017	Employment	N/A	Vice Preside	Executive	Finance		
City Director	Commission Director		Jeanne Hess	6/1/2020	(11/13/23)	N/A		Executive			
City Director	Commission Director		Stephanie Hoffman	3/21/2022	(11/10/25)	N/A					
City Director	At Large City Director		Michael Harrison	3/21/2022	5/31/2024	5/31/2030					
Stakeholder Director	Neighborhood	Edison	Sandra Calderon-Huezo	1/2/2018	5/31/2025	5/31/2025	President	Executive	Finance	Audit Subcomm	Nominating
Stakeholder Director	Arts Community		Alisa Carrel	1/2/2018	5/31/2023	5/31/2026	Treasurer	Executive	Finance	Audit Subcomm	
Stakeholder Director	Healthcare		Dr. Andrea Bostrom	6/1/2022	5/31/2024	5/31/2030				Audit Subcomm	Nominating
Stakeholder Director	Housing Sector		Mary Balkema	6/1/2022	5/31/2025	5/31/2028			Finance	Audit Subcomm	
Stakeholder Director	Affinity Organization		Charlene Taylor	1/2/2018	5/31/2023	5/31/2026					
Stakeholder Director	Business/Banking		Ida Salas	6/1/2022	5/31/2023	5/31/2029					Nominating
Stakeholder Director	Neighborhood	Oakland/Win	Barbara Miller	1/2/2018	5/31/2024	5/31/2024	Secretary	Executive			
Stakeholder Director	Neighborhood	Northside	Alice Taylor	1/2/2018	5/31/2023	5/31/2026					Nominating
Stakeholder Director	Education		Von Washington Jr.	1/2/2018	5/31/2024	5/31/2024		Executive	Finance		
Stakeholder Director	Faith-Based Org.		Rachel Lonberg	6/1/2019	5/31/2025	5/31/2025					Nominating
Non-Voting	Member Emeritus		Bobby J Hopewell	10/17/2017	Lifetime	N/A					

Date: **10/24/2022**

FFE

Item: **D.4.**

Foundation for Excellence Agenda Report

Kalamazoo Foundation for Excellence

TO: Foundation for Excellence Board of Directors

FROM: Prepared by: Steve Brown, FFE Manager

DATE: October 24, 2022

SUBJECT:

Appoint Nominating Committee Members for Terms Expiring April 24, 2023

RECOMMENDATION:

Appoint the following four Directors to the Nominating Committee for Terms Expiring April 24, 2023:

- Dr Andrea Bostrom
- Pastor Rachel Lonberg
- Ida Salas
- Alice Taylor

BACKGROUND:

Following the creation of the Nominating Committee at the September 12, 2022, meeting, four Directors have stepped forward to be appointed by the President as the inaugural committee. The President is also included in all committees as ex officio.

STRATEGIC VISION ALIGNMENT:



Good Governance- Ensuring the City organization has the capacity and resources to effectively implement the community's Strategic Vision in a way that is sustainable over the long term.

FISCAL IMPACT:

Date: **10/24/2022**

FFE

Item: **D.5.**

Foundation for Excellence

Agenda Report

Kalamazoo Foundation for Excellence

TO: Foundation for Excellence Board of Directors

FROM: Prepared by: Steve Brown, FFE Manager
Reviewed by: Clyde J Robinson, Legal Counsel

DATE: October 24, 2022

SUBJECT:

Approve Updates to FFE Bylaws and Articles of Incorporation

RECOMMENDATION:

Approve updates 1, 2, and 3 to the FFE Bylaws and updates 1 and 2 to the Articles of incorporation as outlined in the attached memorandum.

BACKGROUND:

The FFE's Articles of Incorporation (AOI) outline its purpose, organization, and aspects of governance, while the Bylaws set forth detailed rules and procedures for managing decisions and operations. Both documents were written with the best information available and attempted to balance present and possible future needs. Over the five years since FFE was founded, the organization has been professionalized with an engaged board, full policies, and multiple years of programming and auditing. In that time, certain aspects of the Bylaws and AOI have become obsolete and need updating. The attached memo outlines the list of changes that staff recommend for Board action. Each item includes the reason for the recommended changes, the relevant passages of text, and edits recommended. Evidence of the required 21-day notice is also attached.

STRATEGIC VISION ALIGNMENT:



Good Governance- Ensuring the City organization has the capacity and resources to effectively implement the community's Strategic Vision in a way that is sustainable over the long term.

FISCAL IMPACT:



MEMORANDUM

8/22/2022

To: President Sandra Calderon-Huezo and the Board of Directors

From: Steve Brown, Foundation for Excellence Manager

Subject: Overview of proposed changes to the FFE Bylaws and Articles of Incorporation

OVERVIEW

The FFE's Articles of Incorporation (AOI) outline its purpose, organization, and aspects of governance while the Bylaws set forth detailed rules and procedures for managing decisions and operations. Both documents were written with the best information available and attempted to balance present and possible future needs. Over the five years since FFE was founded the organization has been professionalized with an engaged board, full policies, and multiple years of programming and auditing. In that time certain aspects of the Bylaws and AOI have become obsolete and need updating. The following memo outlines the list of changes that staff recommend for Board action. Each item includes the reason for the recommended changes, the relevant passages of text, and edits needed.

PROCESS FOR BYLAWS

Section 11.01 Amendments:

- A. *Subject to its Articles of incorporation, the Corporation's Bylaws may be altered or amended by the affirmative vote of three quarters (3/4) of all Directors then in office, which must include the affirmative vote of a majority of the City Directors present at the meeting, provided a quorum exists and that notice of the meeting has been given to all Directors at least twenty one (21) days before the meeting together with a copy of the proposed amendment. The type of notice shall be that which is allowed for a regular meeting of the Board of Directors, as provided in Section 4.06A.*
- B. *Any such amendment to these Bylaws can only be effective with the concurrence of the City Commission and the approval of the Michigan Attorney General's Charitable Trust Division or its successors.*

SPECIFIC BYLAW ITEMS

1. Remove "Grant Making Committee"
 - a. Reason: Language should not have been approved in final draft. It could confuse decisionmakers and the public.
 - b. Appears in Section 6.02 one time.
 - c. Recommendation: Remove "and Grant Making" from sentence.
 - d. Status: Board approved on 10.22.2018; pending approval by State of Michigan
2. Remove "Governance Facilitator"
 - a. Reason: This language is obsolete. The Governance Facilitator helped establish the FFE but the FFE Board has been established and built capacity for this work.
 - b. Appears ten (10) times in Bylaws: Section 4.02, Item B. numbers 2, 3, 5, and 6; Section 4.04; Section 4.08

- c. Recommendation: In all instances replace the words “a Governance Facilitator” or “the Governance Facilitator” with “The Board or appointed Committee”
 - d. Status: Pending Board action and approval by State of Michigan
- 3. Remove “Kalamazoo Community Foundation”
 - a. Reason: This language is obsolete. In the process of navigating numerous challenges and opportunities to establish the FFE Endowment it was determined that the City would be the fiduciary for funds to be invested in their current manner. The current language needs to be changed to avoid confusing decisionmakers and the public.
 - b. Appears two (2) times in Bylaws: Section 4.02.B.2 and 9.06.
 - c. Recommendation:
 - i. 4.02.B.2: Remove “, such as the Kalamazoo Community Foundation,”
 - ii. 9.06: Remove “Kalamazoo Community Foundation”
 - d. Status: Pending Board action and approval by State of Michigan
- 4. Adjust Budget Approval Deadline
 - a. Reason: The City has found inefficiencies in creating separate workflows for an FFE draft budget to be done by October 31 and the larger comprehensive City’s budget due December 31. This can create rework for the City and FFE that can be avoided.
 - b. Appears in Section 4.05
 - c. Recommendation: Replace “October 31” with “December 31”
 - d. Status: Pending Board action and approval by State of Michigan

PROCESS FOR ARTICLES OF INCORPORATION

ARTICLE XII - These Articles of Incorporation, as they now exist and as they may be further amended, may be amended upon unanimous vote of the Board of Directors and the concurrence of the City Commission and the Michigan Attorney General's Charitable Trust Division or its successor. This reservation of powers to the City Commission is granted pursuant to MCL 450.2209(E) and is intended to limit the discretion or powers of the Corporation's Board of Directors on those specific matters which are to be decided by the City Commission or on which the City Commission has the power to act.

- 1. Remove “Governance Facilitator”
 - a. Reason: This language is obsolete. The Governance Facilitator helped establish the FFE but the FFE Board has been established and built capacity for this work.
 - b. Appears fourteen (14) times in Bylaws: Article IV item B number 2 points a, b, c; numbers 3, 5, and 6; and item D.
 - c. Recommendation: In all instances replace the words “a Governance Facilitator” or “the Governance Facilitator” with “The Board or appointed Committee”
 - d. Status: Pending Board action and approval by State of Michigan
- 2. Remove “Kalamazoo Community Foundation”
 - a. Reason: This language is obsolete. In the process of navigating numerous challenges and opportunities to establish the FFE Endowment it was determined that the City would be the fiduciary for funds to be invested in their current manner. The current language needs to be changed to avoid confusing decisionmakers and the public.
 - b. Appears in Article IV.B.2.a.
 - c. Recommendation: Remove “, such as the Kalamazoo Community Foundation,”
 - e. Status: Pending Board action and approval by State of Michigan



Kalamazoo
Foundation for
Excellence

CITY OF KALAMAZOO
FOUNDATION FOR EXCELLENCE
241 West South Street
Kalamazoo, Michigan 49007

NOTICE OF PROPOSED AMENDMENTS TO BYLAWS

The next regular meeting of the **Foundation for Excellence Board of Directors** will take place on Monday, October 24, 2022, at 2:00 p.m., in the Community Room at City Hall. At this meeting, the Board will consider the following amendments to its bylaws:

1. Remove “Grant Making Committee” from Section 6.02 (1 instance)

Reason: Language should not have been approved in final draft. It could confuse decisionmakers and the public.

2. Remove “Governance Facilitator” from Section 4.02, Item B. numbers 2, 3, 5 and 6; Section 4.04; Section 4.08 (10 instances)

Reason: This language is obsolete. The Governance Facilitator helped establish the FFE but the FFE Board has been established and built capacity for this work.

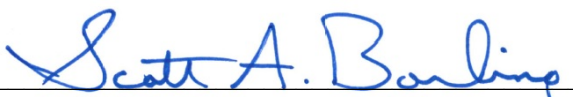
3. Remove “Kalamazoo Community Foundation” from Sections 4.02.B.2 and 9.06. (2 instances)

Reason: This language is obsolete. In the process of navigating numerous challenges and opportunities to establish the FFE Endowment it was determined that the City would be the fiduciary for funds to be invested in their current manner. The current language needs to be changed to avoid confusing decisionmakers and the public.

4. Adjust Budget Approval Deadline from “October 31” to “December 31”.

Reason: The City has found inefficiencies in creating separate workflows for an FFE draft budget to be done by October 31 and the larger comprehensive City’s budget due December 31. This can create rework for the City and FFE that can be avoided.

Posted on September 29, 2022
2:00 p.m.


Scott A. Borling, City Clerk

Date: **10/24/2022**

FFE

Item: **D.6.**

Foundation for Excellence

Agenda Report

Kalamazoo Foundation for Excellence

TO: Foundation for Excellence Board of Directors

FROM: Prepared by: Steve Brown, FFE Manager
Reviewed by: Clyde J. Robinson, Legal Counsel

DATE: October 24, 2022

SUBJECT:

Approve Adjustment of Budget Date in Bylaws

RECOMMENDATION:

Approve an adjustment of the FFE annual budget approval deadline in the Bylaws from October 31 to December 31, bullet point 4 outlines in the Bylaws Memo attached to agenda item D.5.

BACKGROUND:

See memo. Evidence of the required 21-day notice is also attached to the previous item (D.5.).

STRATEGIC VISION ALIGNMENT:



Good Governance- Ensuring the City organization has the capacity and resources to effectively implement the community's Strategic Vision in a way that is sustainable over the long term.

FISCAL IMPACT:

Date: **10/24/2022**

FFE

Item: **D.7.**

Foundation for Excellence

Agenda Report

Kalamazoo Foundation for Excellence

TO: Foundation for Excellence Board of Directors

FROM: Prepared by: Steve Brown, FFE Manager
Reviewed by: Steve Vicenzi, CFO

DATE: October 24, 2022

SUBJECT:

Approve Updated Investment Consulting Agreement for FFE Endowment

RECOMMENDATION:

Approve Updated Investment Consulting Agreement for the FFE Endowment for a period of three (3) years.

BACKGROUND:

The Finance Committee recommended this item to the Board for approval.

Merion Capital has been of service to FFE Investment Subcommittee (FFEIS) and its endowment since its inception. Merion Capital was awarded a three-year contract to provide Investment Advising services. Merion's owner and principal, Chris Ruppel, announced his coming sale of Merion to Zhang Financial of Portage, MI, in 2022. Post transition, Chris Ruppel will work with Zhang Financial and continue to be the main point of contact for the FFEIS. The FFEIS was asked on the agenda of its August 24, 2022, meeting to approve the transfer of services to the new combined entity. From the draft minutes of the August 24 FFEIS meeting: "A motion was made by Mr. Salisbury and seconded by Mr. Bergy that the committee approves that Zhang Financial take over the consulting responsibility for the Retirement Investment Committee and recommend that the City of Kalamazoo enter into a contract with Zhang Financial for such services with the same terms as the existing contract with Merion Capital." The motion carried unanimously.

STRATEGIC VISION ALIGNMENT:



Good Governance- Ensuring the City organization has the capacity and resources to effectively implement the community's Strategic Vision in a way that is sustainable over the long term.

FISCAL IMPACT:

INVESTMENT CONSULTANT AGREEMENT

between

**KALAMAZOO FOUNDATION
FOR EXCELLENCE**

and

ZHANG FINANCIAL LLC

January 1, 2023

Attachments are integral parts of the Agreement
Attachment A: Scope of Services
Attachment B: Fee Structure

INVESTMENT CONSULTANT AGREEMENT

THIS AGREEMENT is made October 24, 2022, between the KALAMAZOO FOUNDATION FOR EXCELLENCE, A Michigan Nonprofit Corporation, of 241 West South Street, Kalamazoo, MI 49007 (“Client”) and ZHANG FINANCIAL LLC, a Michigan limited liability company, of 5931 Oakland Drive, Portage, Michigan 49024 (“Consultant”).

Background

Client desires to contract for services in the area of investment consulting, and Consultant is willing to provide such services. Client has created the Investment Subcommittee of the Kalamazoo Foundation for Excellence (“FFEIS”), which shall select consultant and shall oversee services provided by Consultant.

1. Duties of Consultant. Consultant agrees to provide the services set forth in Attachment A, Scope of Services, attached hereto. The services to be provided by Consultant shall be provided by Chris C. Ruppel and/or Zhang Financial LLC on behalf of Consultant.

2. Reports. Consultant shall submit reports to the FFEIS as set forth in Attachment A, Scope of Services. At the FFEIS’s request and at mutually agreed upon times, Consultant shall meet with the FFEIS to review investment performance. Consultant shall be available to answer questions by FFEIS members and client staff from time to time as needed without additional charge.

3. Authority to Direct Consultant Activities. Upon execution of this Agreement, the FFEIS shall provide Consultant with a list of Authorized Persons who will be permitted to advise, inform, and direct Consultant on the Client’s behalf. The list of Authorized Persons and any changes to such list shall be made in writing to Consultant and signed by the FFEIS’s Chairman or the Chairman’s designee. Until notified of any change, Consultant may rely on and act upon instructions and notices received from an Authorized Person identified on the then current list furnished by the FFEIS.

4. Changes in Work. In the event the FFEIS requires a major change in scope, character, or complexity of the work after the work has progressed, the FFEIS shall so authorize in writing, subject to Consultant’s approval. If that change in scope requires a

change in compensation, the parties shall agree on such change and it shall be set forth in writing signed by Consultant and the Client. No claim for additional compensation shall be made by the Consultant in the absence of such a signed writing.

5. Compensation. Consultant's annual compensation for services shall be billed in quarterly increments as specified in Attachment B, Compensation, attached hereto. Michigan law requires that Consultant shall not be compensated on the basis of a share of capital gains upon or capital appreciation of funds or any portion of the funds of Client.

6. Duration and Termination. This Agreement shall be for a period of 3-years ending December 31, 2025 and may be renewed for successive 3-year periods with mutual agreement of all parties. Notwithstanding the foregoing, this agreement may be terminated at any time by either party in accordance with the following: (a) by the Client upon written notice to Consultant; or (b) by Consultant at any time, without penalty, upon thirty (30) days prior written notice to Client. Consultant's fees will be prorated to the date of termination. Consultant has no termination or other back-end load charge. Upon termination of this Agreement, Client acknowledges that Client's account may incur fees or charges by third parties (other than Consultant) for closing out investments, backend loads or other expenses. The consulting fee shall be reviewed at the at the request of either party. This Agreement shall remain in full force in the event that Chris C. Ruppel is no longer providing services.

7. Liability of Consultant. Consultant shall exercise its discretion in making decisions within the authority conferred upon it under this Agreement based upon information and data that is from time to time in its possession. Consultant shall endeavor to receive such information on data from sources which are considered reliable, but Consultant does not guaranty the accuracy of such information. Except for negligence or misconduct or violation of applicable law, neither Consultant nor any of its officers, managers or employees shall be liable for any action performed or permitted to be performed or any errors of judgment in providing the services of this Agreement. Consultant shall make a good faith effort to require brokers, dealers and investment advisers selected to effect any transactions affecting Client's account to perform their obligations properly, but Consultant's liability for improper actions of any broker, dealer, custodian or investment adviser of the account is limited by the standards described in federal securities laws. Federal securities laws impose liabilities under certain circumstances on persons who act in good faith, and therefore nothing herein shall in any way constitute a waiver or limitation of any rights which the Client may have under any federal securities laws.

8. Standard of Care. The sole standard of care imposed upon Consultant by this Agreement is to act with the care, skill, prudence, and diligence then prevailing under the circumstances that a prudent person acting in a like capacity and familiar with such matters would use in conducting an enterprise of like character and with like aims. In connection

therewith, Consultant shall exercise its discretion in making recommendations based upon information and data that is from time to time in its possession. Consultant shall endeavor to receive such information and data from sources which it considers reliable, but it does not guaranty the accuracy of such information.

9. Confidentiality. All information and advice furnished by either party to the other under this Agreement shall be treated as confidential and shall not be disclosed to third-parties except as required by law.

10. Benefit and Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective successors, assigns, heirs and legal representatives. No assignment of this Agreement, as the term “assignment” is defined in the Investment Advisers Act of 1940, shall be made by Consultant without the written consent of Client.

11. Non-Exclusive Contract. The Client acknowledges that Consultant is acting as an investment advisor to other clients and nothing in this Agreement shall restrict Consultant’s right to render investment advice or other services to others. The Client understands that Consultant may give advice and take action with respect to other clients which may differ from the advice given to the FFEIS or the timing or nature of action taken with respect to the account.

Consultant or its managers, officers or employees may, from time to time, recommend to the FFEIS to buy or sell securities that are also recommended to clients, and its managers, officers and employees may maintain accounts with Consultant. Consultant has adopted the written policy that transactions for clients have priority over personal transactions of Consultant or its officers, directors or employees, and personal transactions shall not operate adversely to the interests of any client.

12. Representations. Consultant represents that it is registered as an investment advisor with the Securities and Exchange Commission under the federal Investment Advisers Act of 1940. Client represents that the employment of Consultant is authorized by the governing documents relating to the account and that the terms of this Agreement do not violate any obligation by which Client is bound, whether arising by contract, operation of law or otherwise. Client further acknowledges that it has received a disclosure statement as is required by Rule 204-3 of the Investment Advisers Act of 1940.

13. Miscellaneous.

13.1 Notices. All notices, demands and requests required or permitted to be given under the provisions of this Agreement shall be in writing and shall be deemed given: (a) when personally delivered to the party to be given such notice or other communication; (b) on the business day that such notice or other communication is sent by

facsimile or similar electronic device, fully prepaid, which facsimile or similar electronic communication shall promptly be confirmed by written notice; (c) on the third business day following the date of deposit in the United States mail if such notice or other communication is sent by certified or registered mail with return receipt requested and postage thereon fully prepaid; or (d) on the business day following the day such notice or other communication is sent by reputable overnight courier, to the address set forth above or to such other addresses as the parties may designate in writing.

13.2 Entire Agreement and Governing Law. This Agreement constitutes the entire Agreement of the parties with respect to the management of the account and can be amended only by a written document signed by the parties. Except to the extent that federal law applies, this Agreement shall be governed by the laws of the State of Michigan.

13.3 Independent Contractor. Both parties hereto, in the performance of this Agreement, will be acting in an individual capacity and not as agents, employees, partners, joint ventures, or associates of one another. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purposes whatsoever. Neither party will assume any liability for any injury (including death) to any persons, or any damage to any property arising out of the acts or omissions of the agents, employees or subcontractors of the other party.

13.4 Authorization. The person executing this Agreement on behalf of Client hereby acknowledges and agrees that he or she is duly authorized to execute this Agreement on behalf of Client and that Client shall be bound thereby.

IN WITNESS WHEREOF, the parties have executed and made this Agreement effective as of the date first written above.

Client:

KALAMAZOO FOUNDATION FOR EXCELLENCE

By: _____

Its: _____

Consultant:

ZHANG FINANCIAL LLC

By: _____

Its: _____

Attachment A

Scope of Services

INVESTMENT CONSULTANT AGREEMENT

between

**KALAMAZOO FOUNDATION
FOR EXCELLENCE**

and

ZHANG FINANCIAL LLC

January 1, 2023

ATTACHMENT A: Scope of Services

Zhang Financial LLC will provide general investment consulting services to the Kalamazoo Foundation for Excellence (“FFE”, or “Client”, or “Foundation”). These services include the following:

A. Meeting Participation/Availability

Attend the following meetings with the Investment Subcommittee and/or staff on and off site:

- Quarterly Investment Subcommittee meetings;
- Routine due diligence meetings with investment managers and service providers;
- Formal interviews with existing and potential investment managers and service providers;
- Ad hoc investment meetings with the Investment Subcommittee members and/or Foundation staff;
- Ad hoc due diligence meetings with investment managers, service providers, and Foundation staff.

B. Formulation and Review of Investment Goals, Objectives, and Policies

Provide ongoing advice and technical support in the establishment and refinement of portfolio asset allocation, investment goals, objectives, and policies. The consultant will use asset allocation models, as requested by the Investment Subcommittee and/or staff, to determine the influence of differing asset mixes and investment style strategies on the projected return to the Foundation and the projected risk resulting from differing asset mixes and strategies.

C. Asset/Liability and Spending Policy Modeling Studies

Provide the Investment Subcommittee with one asset/liability modeling study over the initial three year term of this contract. Consultant will work with the staff under terms defined by the Investment Subcommittee. Additional asset/liability and modeling studies, if needed, will be provided on a pre-approved fee basis.

D. Investment Manager Search/Selection

Provide the Investment Subcommittee with two manager searches each calendar year of this Agreement under general investment consulting services. An investment manager search is defined by the specific investment role, style, or mandate, not by the number of managers selected to implement the investment. Additional searches, if needed, will be provided on a pre-approved fee basis. The search and selection process will include the following:

- Meeting with the Investment Subcommittee to discuss the search objectives;
- Providing the Investment Subcommittee with a preliminary list of candidates and summary analysis;
- Meeting with Investment Subcommittee to determine candidates for further analysis and interviews;
- Providing the Investment Subcommittee with a detailed written comparative analysis (a

search report) on each candidate surviving the initial review process;

- Arranging and participating in preliminary candidate interviews and assisting in the finalist selection
- Conducting on-site due diligence visits with Investment Subcommittee and primary search candidates, as appropriate;
- Developing summary interview materials for the use;
- Scheduling and attending finalist presentations
- and, assisting the Investment Subcommittee in selecting investment managers

E. Performance Monitoring

- Perform ongoing review of portfolio performance; of the underlying investments; and of the investment managers.
- Evaluate investment manager performance in terms of effective implementation of investment strategy, performance versus established benchmarks, organizational stability, and adherence to the investment contract.
- Identify current or anticipated underperformance within the portfolio, recommend corrective action, and participate in implementing the recommendations.
- The consultant will also assist Client with rebalancing activities and transition management as needed.

F. Educational Sessions /Policy Development

Provide the Investment Subcommittee with up to two educational sessions on specific topics per year. The purpose of these sessions is to educate and update the Investment Subcommittee members and staff regarding current investment topics and trends in the capital market.

G. Performance Measurement and Reporting

- Prepare and present written and verbal quarterly summaries of investment manager activities and performance to the Investment Subcommittee. Review calculations of investment performance.
- Reconcile discrepancies in the returns calculated by custodian/master trustee versus the returns calculated by investment managers.

H. Review of Fees and Contracts

- Review guidelines and objectives for new and existing investment managers, review benchmarks, contracts and fees, recommend revisions, and participate in negotiations with investment managers or service providers to effect revisions.
- Identify and recommend new investment opportunities, liquidation or restructuring of existing investments and allocations to existing managers.

I. Other

Conduct such services under the contract as may be reasonably asked of an investment

consultant.

Attachment B

Fee Structure

INVESTMENT CONSULTANT AGREEMENT

between

**KALAMAZOO FOUNDATION
FOR EXCELLENCE**

and

ZHANG FINANCIAL LLC

January 1, 2023

ATTACHMENT B: Fee Structure

Zhang Financial LLC (“Consultant”) will provide general investment consulting services pursuant to the Scope of Services, Attachment A, to the Kalamazoo Foundation for Excellence (“Client”).

The annual retainer will be \$180,000 effective January 1, 2023 through December 31, 2025.

The retainer will be paid retrospectively in equal quarterly installments of \$45,000 beginning on March 31, 2013, and thereafter on June 30, September 30, and December 31, or the nearest workday following the calendar quarter ending date this Attachment is in force.

Should the Investment Consultant Agreement be terminated by either party in accordance with Paragraph 6 of the Agreement, Consultant’s fees will be prorated to the date of termination and any underpayment promptly remitted to Consultant by the Client.

By the signatures affixed hereunder this Attachment B, Fee Structure, supersedes and replaces any and all previous fee structure agreements between the Consultant and Client.

Client

KALAMAZOO FOUNDATION FOR EXCELLENCE

By: _____

Its: _____

Consultant

ZHANG FINANCIAL LLC

By: _____

Its: _____

Date: **10/24/2022**

FFE

Item: **D.8.**

Foundation for Excellence

Agenda Report

Kalamazoo Foundation for Excellence

TO: Foundation for Excellence Board of Directors

FROM: Prepared by: Steve Brown, FFE Manager
Reviewed by: Clyde J. Robinson, Legal Counsel

DATE: October 24, 2022

SUBJECT:

Approve Draft Support Service Agreement with the City of Kalamazoo

RECOMMENDATION:

Approve the Draft Support Service Agreement with the City of Kalamazoo.

BACKGROUND:

The FFE is seeking to retain and formalize the services that the City has provided to it since its founding. The attached agreement provides detailed information on the services. The Executive Committee has recommended this item for Board approval.

Considering the continued FFE payment in fiscal year 2023 to the City of Kalamazoo for substantial personnel costs (totaling \$586,368) there shall be no added compensation during the term of this contract.

Please Note: This item has been corrected from an earlier version that stated "The cost of the agreement would remain \$180,000 per year."

STRATEGIC VISION ALIGNMENT:



Good Governance- Ensuring the City organization has the capacity and resources to effectively implement the community's Strategic Vision in a way that is sustainable over the long term.

FISCAL IMPACT:

**FFE-City
Support Services Agreement**

Kalamazoo Foundation for Excellence 241 West South Street Kalamazoo, MI 49007-4796 www.kalamazoocity.org/ffeAttn: Executive Director	City of Kalamazoo ("City") 241 West South Street Kalamazoo, Michigan 49007 Attn: Chief Financial Officer
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The City and FFE agree:

1. Term of Agreement.

It is agreed that the City shall perform certain accounting and financial functions, benefits processing, treasury, information technologies, human resources, and purchasing/risk management, for FFE for a one-year period beginning on January 1, 2023, and ending on December 31, 2023. The term of this Agreement may be extended by the mutual agreement of the parties.

2. City Responsibilities.

The City shall perform the following accounting services and financial support functions for CCTA:

a. Payroll/Vendor Payments.

- i. Provide full payroll services for FFE employees including the preparation of payroll checks, direct deposits, processing and submission of tax withholding payments and tax reporting documents. Payroll will be processed in accordance with the City's standard payroll procedures and timekeeping software.
- ii. Process and pay FFE invoices, including payments to vendors.
- iii. Process annual information returns including unemployment taxes, W-2's and 1099's as needed.
- iv. Work with the Kalamazoo City Accounting Specialist to use FFE funds to finance payroll and vendor payments.

b. Pension & Retiree Health Care Management

- i. Calculate employee pension benefits, process pension checks, pay retiree health care claims and related expenses, and administer annual reporting and actuarial studies relative to FFE retirees and active FFE employees who are eligible to receive pension and/or defined retiree health care benefits.

ii. Administer the assets entrusted to pay FFE employee and retiree defined benefit pension and retiree health care benefits, as well as related reporting, legal compliance, investments, cash management, payment of expenses, and related ministerial tasks.

iii. Administer retiree healthcare savings accounts for FFE employees and retirees.

c. Annual Reporting

i. Coordinate with independent auditors selected by FFE, to the extent necessary, to complete the annual financial statements and single audit of federal awards in accordance with generally accepted accounting practices and applicable statutes.

ii. Consult with FFE on financial policies and procedures.

d. General Ledger.

i. Prepare and maintain a year-to-date general ledger and provide detailed information supporting financial statement numbers to FFE, including recording financial activity in the City's financial enterprise resource program (Eden, or another system) and balancing the general ledger module with subsidiary systems.

ii. Bank account and balance sheet account reconciliations including inventory, and prepaid asset accounts.

e. Information Technology

i. Will provide the following: computers, emails services, Office 365, Exchange, Active Directory Licensing; server availability; VoIP phone service, network devices; Antivirus software; current software maintenance; IT security and data.

ii. Will provision and administer the accounts as necessary and respond to requests within 24 hours.

iii. FFE agrees to abide by the IT security rules and policies enacted by City IT.

iv. FFE agrees to share all data from City supported systems with City IT.

f. City Clerk

i. The City Clerk will provide records maintenance according to the retention and destruction schedules established by the City and/or FFE and provide records to FFE as requested by FFE.

g. Human Resources

i. Provide recruitment, hiring, firing promotion, discipline, pay scales, benefit administration, workers compensation, collective bargaining, grievances, mediation, arbitration, affordable health care reporting, EEO reporting and training services, in a manner consistent with FFE policies.

h. Purchasing & Risk Management

i. Purchasing, including support, review and approval of purchase orders, requisitions, competitive bidding, contract management, and vendor qualification.

ii. Risk management including evaluation, settlement and processing of insurance claims related to including liability, property, underground storage tanks, workers compensation and unemployment.

iii. Notwithstanding termination rights under Section 9 of this Agreement, services under this section may be discontinued in whole or in part at the discretion of FFE at any time upon notification to the City.

i. Facilities

i. The City will provide well-maintained facilities for office space.

j. Timeliness

i. City staff is to be provided 48 business hours to respond to any information request from the FFE; reasonable requests for expedition by the FFE will be honored by the City.

k. Planning Meetings

i. The City's Grants Manager and Chief Financial Officer and the FFE's Executive Director and any appropriate staff and/or consultants will meet on a regular basis to identify outstanding issues, their resolutions and the resources assigned to the same within the scope of this Agreement.

3. **FFE Responsibilities.** FFE agrees to do the following to assist the City in performing the services and functions being provided under this Agreement:

i. Provide general information on a timely basis to the City to allow the City to perform its tasks.

- ii. Provide hourly and/or salary information for employees as needed to allow City to perform payroll functions.
- iii. Timely submission of approved accounts payable documents in a manner provided by the City.
- iv. Timely submission of approved payroll forms in a manner provided by the City.
- v. Assist with the annual FFE audit.

4. Compensation.

Considering the continued FFE payment in fiscal year 2023 to the City of Kalamazoo for substantial personnel costs (totaling \$586,368) there shall be no added compensation during the term of this contract.

In the event that FFE requests that the City perform any additional services not enumerated in this Agreement, including any transition services and related costs. Such services shall be billed to FFE at the cost of \$50.00 per hour plus the actual costs of materials and services and shall be payable with the next scheduled Service Agreement payment installment. Additional services shall not be provided by the City without prior written approval from FFE. The City can decline to provide any additional services requested by FFE.

5. City as Independent Contractor.

The City, in providing the services set forth in this Agreement, shall be acting as an independent contractor and not as an agent, partner, joint venturer or employee of the FFE. Neither City nor its employees are entitled to benefits provided by the FFE to its employees. The FFE is not responsible for any compensation, FICA, withholding taxes, employment compensation or any other similar payment for the City or the City's employees.

6. Non-Discrimination.

City agrees not to discriminate against any employee or applicant for employment with respect to hire, tenure, terms, conditions or privileges of employment, or any other matter directly or indirectly related to employment, because of sex, color, age, national origin, religion, height, weight, marital status, disability, political affiliation, sexual orientation, or gender identity. City further agrees to require compliance with this paragraph of the Agreement by any of City's subcontractors providing services under this Agreement. Breach of this paragraph of the Agreement may be regarded as a material breach of the Agreement.

7. No Third-Party Rights.

This Agreement is made solely for the benefit of the parties who are signatories to it and is not for the benefit of any third party. No third party can enforce any obligations under this Agreement.

8. Termination Rights.

This Agreement may be terminated by either party at any time, either with or without cause, by providing the other party with the required written notice of the same. The right to terminate this Agreement is not an exclusive remedy.

a. Termination For Cause. For purposes of this Agreement, “for cause” is deemed to be a material breach by either party of the terms of this Agreement.

For purposes of terminating this Agreement for cause, the terminating party shall provide the non-terminating party with written notice of the default and at least fifteen (15) days to cure the same. The fifteen (15) day period to cure the default shall begin to run when written notice of the default is deemed received by the non-terminating party as determined by paragraph 13 of this Agreement. If, at the end of this fifteen (15) day period, the non-terminating party has failed to cure the default, this Agreement will terminate.

b. Termination Without Cause. Either party may terminate this Agreement at any time without cause by providing the other party with sixty (60) days advance written notice of the same. This Agreement shall be deemed to terminate sixty (60) days from the date that written notice is deemed received by the non-terminating party as determined by paragraph 12 of this Agreement.

c. Compensation. If this Agreement is terminated by either party, FFE shall have no obligation to pay the City for any work done by the City after the date the Agreement is deemed terminated.

9. Indemnification.

City agrees to fully indemnify and hold harmless FFE and its employees, officers, directors, and representatives from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, including reasonable attorney fees arising from or relating to any proceedings, actions, demands, causes of action, liability and suits of any kind and nature, made upon FFE directly or indirectly in any way arising out of or resulting from the willful acts or negligence of City, its agents, employees or contractors.

FFE agrees to fully indemnify and hold harmless City and its employees, officers, directors, and representatives from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, including reasonable attorney fees arising from or relating to any proceedings, actions, demands, causes of action, liability and suits of any kind and nature, made upon City directly or indirectly in any way arising out of or resulting from the willful acts or negligence of FFE, its agents, employees or contractors.

10. Severability.

If any provision of this Agreement is determined to be invalid or unenforceable, the other provisions of the Agreement will remain valid and enforceable in accordance with their respective terms, and any such invalid or unenforceable provision will be deemed to be modified with retroactive effect to render such provision valid and enforceable.

11. FFE Documents.

During the course of this Agreement, the City will have access to information of FFE. The City agrees that this information will not be used for any purpose other than to carry out the terms of this Agreement. In the event the City receives a Freedom of Information Act ("FOIA") request for any public record of FFE in the City's possession, the City shall immediately advise FFE of the FOIA request. The City agrees to work with FFE in preparing a response to the FOIA request.

12. Notice.

Any notice, consent or approval required or permitted to be given under this Agreement shall be:

- a. in writing;
- b. addressed to the recipient at the address of the recipient set forth on this Agreement's first page, or to such other address as that party may hereafter designate in writing to the other party; and
- c. deemed to have been received upon (i) personal delivery, (ii) one business day after being deposited with Federal Express or another reliable, nationally-recognized overnight courier service for next day delivery or transmission, or (iii) two business days after being deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required.

13. Miscellaneous.

This Agreement shall be governed by the laws of the State of Michigan. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. This Agreement is personal to each of the parties and neither party may assign or delegate any of its rights or obligations under this Agreement without first obtaining the other party's written consent. This Agreement may not be amended, altered, or modified except by written agreement signed by both of the parties. The headings contained in this Agreement are for convenience only and shall not affect the interpretation or construction of this Agreement.

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the parties hereto as of the date first above written.

The City of Kalamazoo

By: _____
James K. Ritsema
City Manager

Date

Kalamazoo Foundation for Excellence

Date

By: _____
Sandra Calderon-Huezo
Board President

Date: **10/24/2022**

FFE

Item: **D.9.**

Foundation for Excellence Agenda Report

Kalamazoo Foundation for Excellence

TO: Foundation for Excellence Board of Directors

FROM: Prepared by: Steve Brown, FFE Manager
Reviewed by: Clyde J. Robinson, Legal Counsel

DATE: October 24, 2022

SUBJECT:

Approve Draft Grant Agreement with the City of Kalamazoo

RECOMMENDATION:

Approve Draft Grant Agreement with the City of Kalamazoo.

BACKGROUND:

This action will approve the draft only, not enter into the agreement. A final version of this agreement will come before the Board for approval before execution by the Board President.

STRATEGIC VISION ALIGNMENT:



Good Governance- Ensuring the City organization has the capacity and resources to effectively implement the community's Strategic Vision in a way that is sustainable over the long term.

FISCAL IMPACT:

DRAFT AGREEMENT
Between the
Kalamazoo Foundation for Excellence
And
The City of Kalamazoo

THIS AGREEMENT, entered this _____ day of January, 2023 by and between the Kalamazoo Foundation for Excellence (the "FFE"), a registered 501c3 type 3 non-profit corporation located at 241 W. South Street, Kalamazoo, and the City of Kalamazoo (the "City") a Michigan municipal corporation located at 241 W. South Street, Kalamazoo.

WHEREAS, the FFE was created in 2017 to support the City by stabilizing its budget, reducing property taxes, and committing up to \$10 million per year for aspirational programs;

NOW, THEREFORE, it is agreed between the parties that;

I. PURPOSE OF INVESTMENT

The FFE and City agree to:

- a. collaborate to (a) develop and commit resources to address generational poverty, promote youth development and remove barriers to employment opportunities for youth, under-employed and unemployed individuals, and persons seeking re-entry to the Kalamazoo community; (b) address capital and human infrastructure improvement and/or maintenance needs as identified by ongoing studies and by the City of Kalamazoo's designated Capital Improvement Program; and (c) develop and implement neighborhood improvement efforts and projects which reimagine and reinvest public spaces to attract and connect people (Articles of Incorporation);
- b. collaborate on the shared goals of the City, including Imagine Kalamazoo 2025 and subsequent or related plans.

II. SCOPE OF SERVICES

The FFE will be responsible for:

- a. Annually approving a grant to the City delivered with a detailed budget (APPENDIX A - annual transmittal memo);
- b. Making grant payments on a quarterly basis to the City using the Endowment Draw Schedule set forth in Section IV of this Agreement.

The City will be responsible for:

- a. Selecting programs to propose for FFE funding based on the FFE Aspirational Process and City needs (APPENDIX B – Process Model);
- b. Approving an annual City FFE budget;
- c. Delivering aspirational programs and associated data as described in the annual FFE Workbook (APPENDIX C - annual workbook);

III. DURATION OF AGREEMENT

The effective date of this Agreement will be the date this Agreement is signed by the FFE.

IV. BUDGET AND PAYMENT

a. Total Budget

It is expressly agreed and understood that the total amount to be paid to the City under this Agreement shall not exceed \$_____. Any monies received by the City from the FFE pursuant to this Agreement will be used in furtherance of the operations of the program described in the Scope of Services and enumerated Appendices.

b. Payments

The budget for aspirational projects will be distributed in four (4) increments along with FFE payments to reduce property taxes for all payers in the City and to stabilize the City's budget beginning in 2024.

V. PERFORMANCE

The City agrees to comply with all timeliness requirements and work towards achieving the goals outlined in the Scope of Service and as required below:

a. Time Period

Services funded by the FFE and provided by the City under this Agreement will begin on the 1st day of January 2023 and end on the 31st day of December 2023. The term of this Agreement and the provisions herein shall cover any additional period during which The City remains in control of FFE funds or other FFE assets.

b. Tracking and Progress Reports

In addition to basic descriptive information for each program, the following list will be tracked in the Workbook by the City and available for quarterly reviews by FFE:

- i. The logic model of impact that establishes the need for the work and explains why the City's activities will achieve desired results specifically addressing at least one aspect of Section I;
- ii. quantitative annual objectives and outputs proving results;
- iii. personal testimonials of impacted and/or involved community members;
- iv. multi-year data where relevant.
- v. Communications and public relations plan

c. Modifications

- i. The City may modify the Scope of Services or the required budget if circumstances change throughout the year that requires an amendment. The City must submit a written request to the FFE for review. The FFE has 15-days to respond to the request.
- ii. Mid-Year emergency requests of specific amounts may be made by a majority vote of the City Commission requesting support from the FFE Board and approved by a majority vote of the FFE Board, in two categories:
 1. Acts of God that significantly threaten the health or economic well-being of a significant portion or severely affected minority of Kalamazoo residents and for which no other funds are immediately available;
 2. Unique opportunities to significantly advance Imagine Kalamazoo goals that cannot wait to be fitted into the annual budgeting timeline of the City.

VI. SPECIFIC CONDITIONS

The money being granted by the FFE to the City is subject to the following terms and conditions:

- a. The City shall take all reasonable steps to ensure that 100% of people intended to benefit directly from FFE-funded programs will be residents of the City at the time of the program. Participant information obtained by the City (and made available to the FFE in its reporting) will include the participants' addresses and such other non-confidential demographic information (race, gender identity, income, age, household information) that would assist in assessing that the programs and services are involving residents.
- b. The City shall operate its programs and activities consistent with the program description as set forth herein and as set forth in the Scope of Services. If at any time during the duration of this Agreement, the City makes significant changes in its program, those changes must be communicated to the FFE.
- c. The FFE Workbook will be the repository for all summary and quantitative data pertaining to Aspirational projects and serve as the final source of information once approved by departments or partners.

VII. COMMUNICATIONS AND PROMOTION

- a. The City shall acknowledge the FFE's involvement in all projects funded in part, or in entirety, through FFE funds. Such acknowledgement shall apply to all public statements, whether written or verbal. The appropriate credit line will be that "This activity is funded, in part, by the Foundation for Excellence."
- b. The City shall include a requirement to acknowledge "This activity is funded, in part, by the Foundation for Excellence" in all agreements with third parties delivering FFE-funded scope items on its behalf.
- c. The City shall provide quantitative, narrative, and audio/visual proof of delivering aspirational programs in a single public report by the end of each calendar year with projected numbers allowed where actual numbers are not available.
- d. At least one public presentation will be made each year in areas of major investment, including Youth Development, Great Neighborhoods, Economic Development, Affordable Housing, Shared Prosperity, Good Governance, Safe Community, and any others identified in the annual budget.

VIII. NON-COMPLIANCE

- a. Accountability will be based on a concept of non-compliance based on objective program measures of the City's responsibilities recorded in the Workbook, appropriate supporting information, and a qualitative review of factors such as major changes to the material conditions underlying the premise of the work or so-called acts of God.
- b. There will be quarterly reviews with departments and program partners as needed to review the Workbook and determine areas progress, needed improvement, or non-compliance. In the event of a single year of non-delivery programs will be placed on probation. Programs on probation will be lowest priority for following year funding. Funding will not be permitted to continue for at least one year in the event of two consecutive years of non-delivery.
- c. If during the Agreement period, the City is considered to be in non-compliance with the terms and conditions herein, the annual goals and objectives, or that the funds being made available to the City are not being expended consistent with this Agreement, the

FFE will send notification specifying the issues and concerns and will stop any payments to the City. Within thirty (30) days of receipt of the notification, the City shall provide a written response to each issue cited. If the issues are resolved to the satisfaction of the City, payment to the City will resume.

- d. However, if after ninety (90) days past the notification the issues are not satisfactorily resolved, the FFE reserves the right to terminate its aspirational program funding with the City.

IX. TERMINATION

X. CONTACT / NOTICES

Communication and details concerning this Agreement shall be directed to the following Agreement representatives:

City
Laura Lam
Chief Operations Officer

FFE
Steve Brown
Foundation for Excellence Manager

KALAMAZOO FOUNDATION FOR EXCELLENCE

Signature: _____
Name: _____
Its: Board President
Date: _____

CITY OF KALAMAZOO

Signature: _____
Name: James K. Ritsema, ICMA-CM
Its: City Manager
Date: _____

Date: **10/24/2022**

FFE

Item: **D.10.**

Foundation for Excellence Agenda Report

Kalamazoo Foundation for Excellence

TO: Foundation for Excellence Board of Directors

FROM: Prepared by: Steve Brown, FFE Manager
Reviewed by: Clyde J. Robinson, Legal Counsel

DATE: October 24, 2022

SUBJECT:

Approve Draft Executive Director Position Description

RECOMMENDATION:

Approve Draft Executive Director Position Description.

BACKGROUND:

Following the creation of the Executive Director position at the September 12, 2022, Board meeting, a draft position description has been recommended to the Board by the Executive Committee for approval.

STRATEGIC VISION ALIGNMENT:



Good Governance- Ensuring the City organization has the capacity and resources to effectively implement the community's Strategic Vision in a way that is sustainable over the long term.

FISCAL IMPACT:



Executive Director Position Description

Revised 9.28.2022

Background

The Foundation for Excellence (FFE) was incorporated in October 2017, as a 501c3 type III organization with the sole purpose of supporting the City of Kalamazoo. The FFE provides philanthropic resources for significant tax relief to all City taxpayers, budget stabilization to the City government, and annual aspirational projects that reduce generational poverty in the City of Kalamazoo. The goals of completing a \$500 million endowment and creating a permanent, durable institution of superlative integrity remain key. The FFE Executive Director is a position created by unanimous action by the Board of Directors on September 12, 2022, to operate the Foundation for Excellence. The position reports to the Board and is hired with the additional consent of the Kalamazoo City Commission per the FFE's Bylaws. The Executive Director is currently the sole staff member of the FFE.

Description and Distinguishing Features

The Executive Director is responsible for ensuring exceptional strategic staff support to the Board of Directors, including enacting Board decisions; overseeing FFE administration, daily operations, finances, compliance, and reporting; building fundraising capacity for the viability and sustainability of the FFE endowment; being the primary point of contact and spokesperson of the organization. The Executive Director is also responsible for stewarding and ensuring a close and positive relations with the City of Kalamazoo to maximize the impact of grant funds in alignment with Imagine Kalamazoo.

Examples of Duties

- Manage contracts and agreements executed by the Board of Directors.
- Ensuring compliance with all applicable policies.
- Managing complete and accurate records of FFE business including retention schedules.
- Schedule, coordinate and manage Board meetings in collaboration with the Board President, including acting as recording secretary for committee meetings.
- Maintain compliance with the Open Meetings Act (OMA) required transparency, including meeting notifications, document posting, and record keeping.
- Ensure annual financial compliance and reporting are met as outlined by law and FFE bylaws, including the annual independent audit and 990, year-end documentation with City administration and producing the FFE's annual report.
- Ensure the highest reputational quality of the FFE as a responsible and just institution.
- Play an active role in City financial processes including the annual budgeting process.
- Collaborate with City staff on program performance improvement for FFE-funded programs.
- Establish annual endowment draw schedule and administratively approve all endowment draws.
- Providing full cycle involvement in fundraising activities including overseeing creation of a fundraising plan and execution of its components, including making donor calls.
- Ensuring a complete full cycle of gift processing and donor development.
- Hiring, supervising, and developing staff.
- Other duties as assigned through action by the Board of Directors.

Empowering City of Kalamazoo residents to achieve the lives they want for themselves and their families.



Essential Qualifications

- Bachelor's degree in Business or Public Administration, or relevant professional experience.
- Minimum of five (5) years of experience with roles demonstrating increasing responsibility in non-profit or foundation management; minimum of three (3) years of experience in grant management; minimum of two (2) years.
- Knowledge of non-profit management, financial standards and compliance, grant administration, program evaluation, local government and community organizations in general with a preferred understanding of Kalamazoo in particular, fund accounting and non-profit funding practices.
- Demonstrated record of success working for a Board of Directors.
- Demonstrated record of success managing multiple high-stakes projects simultaneously.
- Strong, clear communicator and excellent interpersonal skills; proven ability to communicate with all levels effectively and positively within the organization; excellent customer service skills.
- Demonstrates a sense of urgency, prioritizes well, shows energy, responds to opportunities, instills urgency in others, and meets deadlines.
- Demonstrated proficiency with Microsoft Office, Google ecosystem, donor tracking software, data-management, and information analysis.

Physical Requirements

A qualified individual with a disability must be able to perform the essential functions of the position with or without reasonable accommodation.

- Frequently required to use hands and fingers to handle, feel or operate equipment and reach with hands and arms.
- Occasionally required to lift, move, carry, pull, and push files/objects up to 10 pounds while sitting, standing, climbing or walking.
- Required to regularly talk and hear.
- Required to occasionally stand and walk.
- Specific vision abilities required include: close vision, distance vision, color vision, peripheral vision, depth perception, and the ability to adjust focus.
- Regularly speaks clearly, using the English language.

Compensation and Benefits

- Salary range \$_____-\$_____ commensurate with experience
- A competitive benefits package.

Date: **10/24/2022**

FFE

Item: **D.11.**

Foundation for Excellence Agenda Report

Kalamazoo Foundation for Excellence

TO: Foundation for Excellence Board of Directors

FROM: Reviewed by: Clyde J. Robinson, Legal Counsel
Prepared by: Steve Brown, FFE Manager

DATE: October 24, 2022

SUBJECT:

Approve Draft Executive Director Employment Agreement

RECOMMENDATION:

Approve Draft Executive Director Employment Agreement

BACKGROUND:

The attached draft Executive Director employment agreement was recommended by the Executive Committee for approval by the Board. It is based on the City of Kalamazoo's contract for Directors. This action will approve the draft only, not enter into the agreement. A final version of this agreement will come before the Board for approval before execution by the Board President.

STRATEGIC VISION ALIGNMENT:



Good Governance- Ensuring the City organization has the capacity and resources to effectively implement the community's Strategic Vision in a way that is sustainable over the long term.

FISCAL IMPACT:



DRAFT EMPLOYMENT AGREEMENT

This Employment Agreement (hereafter “Agreement”), made and entered into this _____, by and between the Kalamazoo Foundation for Excellence (“FFE”), a 501c3 Type III nonprofit incorporated in 2017 to support the City of Kalamazoo, and EMPLOYEE, both of whom understand and agree as follows:

The Board of Directors (“Board”) of the FFE wishes EMPLOYEE to hold the position of Executive Director for the FFE, subject to the following terms and conditions of employment.

Section 1. Duties and Responsibilities

A. The FFE agrees to employ EMPLOYEE and EMPLOYEE agrees to be employed as Executive Director for the FFE and to perform all the duties, responsibilities, and functions of Executive Director as set forth by the Board in the approved position description.

B. As a full-time FFE employee, EMPLOYEE will be expected to comply with all FFE policies applicable to full time employees and any policies implemented by the Board.

Section 2. Terms of Employment and Separation

This Agreement shall become effective between the FFE and EMPLOYEE as of January 1, 2023, and shall continue in effect, except as modified or amended pursuant to Section 14 below, unless and/or until terminated pursuant to paragraphs A, B, C, or D below.

A. EMPLOYEE shall have the right to terminate the Agreement and voluntarily resign as Executive Director upon giving forty-five (45) calendar days advance written notice to the Board President.

B. The Board shall, upon securing a majority vote of current Directors conducted at an open meeting and giving written notice to EMPLOYEE, have the right to immediately terminate the Agreement, the parties’ employment relationship, and the services of EMPLOYEE, without cause (“at-will”). Nothing in this agreement shall be construed as interfering with or altering this right. If the Board terminates this Agreement without cause, the FFE agrees to provide EMPLOYEE with a six (6) month severance separation payment equal to six (6) months of wages.

The severance separation payment will increase according to the following schedule:

- On the fifth anniversary of employment, will equal 30 weeks of wages
- On the tenth anniversary of employment, will equal 34 weeks of wages
- On the fifteenth anniversary of employment, will equal 40 weeks of wages
- On the twentieth anniversary of employment, will equal 52 weeks of wages.

In addition, EMPLOYEE will be paid for any unused vacation days, which have accumulated (as set forth in Section 6) as of the Agreement's effective termination date.

The Board shall, upon giving written notice to EMPLOYEE, have the right to immediately terminate the Agreement, the parties' employment relationship, and the services of EMPLOYEE, with cause. Cause as defined for this agreement is any illegal activity with a nexus to the job and any misconduct as identified in Section II of the EMPLOYEE Code of Conduct. If the Board terminates this Agreement with cause, EMPLOYEE will not receive any severance separation payment. EMPLOYEE will, however, be paid for any unused vacation days which have been accumulated (as set forth in Section 6) as of the Agreement's effective termination date.

Both parties to this Agreement understand, agree, and affirm that EMPLOYEE shall at all times, hold the office of Executive Director at the will and pleasure of the Board and that employment with the FFE will not be covered by any other agreement, civil service provision(s), or labor contract. This Agreement should not be understood or interpreted as creating an agreement of employment for any specific term of days, months, or years.

C. Regardless of which party exercises their right to terminate the Agreement and the parties' employment relationship pursuant to either (A) or (B) above, EMPLOYEE understands and acknowledges that all benefits described by this Agreement (and any other benefits which EMPLOYEE may receive from the FFE), shall cease, terminate, and be discontinued effective on the last day of the month in which the Agreement and the parties' employment relationship is terminated (except as otherwise required by law, e.g., COBRA).

D. This Agreement will automatically terminate upon EMPLOYEE's death or immediately following passage of a period of twenty-four (24) weeks to run concurrently with use of paid sick leave) in which EMPLOYEE is unable to perform the essential functions of the job of the Executive Director with or without reasonable accommodations by the FFE. Upon exhausting paid sick leave, any remaining portion of the six (6) month period will be without pay, unless EMPLOYEE is eligible for benefits payments pursuant to FFE benefits plans or programs referenced in the Agreement's Section 5.

Section 3. **Other Employment**

Except as set forth below, EMPLOYEE agrees not to be or take a position as an EMPLOYEE, director, or any other agent of any other person, firm, corporation, or municipal, political, or other legal entity of any kind during their employment with the FFE. EMPLOYEE may engage in civic and charitable activities that do not interfere with employment under this Agreement and that do not conflict with the FFE's interests. EMPLOYEE may engage in a paid or unpaid teaching assignment at a local college, university, or institution of higher education, provided prior written approval by the Board. EMPLOYEE may also engage in personal business activities, found businesses, or make investments that do not conflict with the FFE's interests.

Section 4. **Salary**

The FFE shall pay EMPLOYEE, and EMPLOYEE shall accept as full compensation for all services rendered or contemplated hereunder, a base salary at the annual rate of \$.00 per year effective January 1, 2023, (subject to all legally required withholdings), and payable in approximately equal installments at such intervals as are consistent with the pay period for regular salaried EMPLOYEES of the City of Kalamazoo, which conducts FFE payroll through the support service agreement.

EMPLOYEE's base salary shall be reviewed on an annual basis and may be adjusted on an annual basis at the discretion of the Board and based upon satisfactory performance. The annual performance evaluation and the FFE budgetary process will be considered by the Board when making its decision regarding yearly salary adjustments for EMPLOYEE.

Section 5. **Benefit Plan**

Except as otherwise specified or modified herein, EMPLOYEE shall receive and/or participate in the same retirement, group insurance, or other benefits plans or programs generally available to other exempt non-bargaining unit management EMPLOYEES of the City of Kalamazoo. All compensation shall be subject to all applicable withholding and similar requirements under applicable law. With respect to life and long-term disability insurance plans, if EMPLOYEE is found to be uninsurable under commonly accepted standards in the insurance industry, the FFE shall not be required to obtain alternate insurance for EMPLOYEE or to substitute some other form of compensation. Accumulated but unused sick days will not be paid upon termination of the Agreement.

All benefits described and/or referenced in this Section will terminate and be discontinued effective the last day of the month in which the Agreement and the parties' employment relationship terminates (except as otherwise required by federal law, e.g., COBRA).

Section 6. **Paid Vacation**

EMPLOYEE will be granted five (5) weeks (25 days) of paid vacation per calendar year, accrued and earned as per City policy governing non-union EMPLOYEES. EMPLOYEE will be allowed to carry up to one-year vacation accrual into the following year and will lose hours more than the yearly accrual in the next fiscal year.

At no time will EMPLOYEE be permitted to take more than two (2) consecutive weeks (10 days) of vacation time, unless with the Board President's prior written approval. EMPLOYEE will be paid for any unused vacation days, accumulated at the time of the Agreement's effective termination date.

Section 7. **Car Allowance**

EMPLOYEE shall be allowed and provided a \$_____.00 per-month car allowance effective January 1, 2023, and while this Agreement is in effect. It is understood and agreed that EMPLOYEE may in the future request that this amount be adjusted, but any increase in the car allowance requires the Board's prior written approval.

Section 8. Professional Development

The FFE will pay for EMPLOYEE's reasonable travel and subsistence expenses associated with their professional development dependent upon the fiscal situation of the FFE. (e.g., seminars, conferences, meetings, courses, functions, institutes, etc.) The FFE encourages participation in professional organizations. Memberships specifically budgeted or otherwise approved by the Board President will be paid for by the FFE.

Section 9. Limitation of Remedies

EMPLOYEE agrees that, because of the high-level position that is held, reinstatement of employment as Executive Director shall not be available as a remedy for any claimed breach of this Agreement or other dispute arising from or out of the termination of the employment relationship. Pursuant to this Agreement, EMPLOYEE agrees to waive any statutory or common law rights to the contrary.

Section 10. Choice of law

This Employment Agreement shall be constructed and enforced in accordance with the laws of the State of Michigan.

Section 11. Severability

If any provision of this Employment Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, then the unenforceable provision shall be severed from the Agreement and the remaining provisions shall be enforced as though the unenforceable provision were not a part of the Agreement.

Section 12. Assignment

The Employment Agreement shall benefit the FFE and its successors and assigns. The Agreement, however, is personal to EMPLOYEE, upon whose reputation and skill the FFE is relying by entering this Agreement and may not be assigned by EMPLOYEE.

Section 13. No implied Waivers

The failure to either party to insist upon strict performance of any portion of this Agreement shall not be considered a waiver of either party's right to such performance and shall not prevent either party from subsequently insisting upon strict performance of any provision.

Section 14. Limitation on Actions

EMPLOYEE agrees to bring any claim or suit against the Foundation for Excellence and/or its EMPLOYEES, officers, officials, agents, or other affiliates arising out of their employment or termination of employment, including but not limited to claims arising under state or federal civil rights statutes, within the following time limits or be forever barred: (a) for claims requiring a Notice of Right to Sue from the EEOC, within 90 days after the EEOC issues that Notice; or (b) for all other claims, within (i) 9 months of the event(s) giving rise to the claim, or (ii) the time limit specified by statute, whichever is shorter. EMPLOYEE knowingly and voluntarily waives any statute of limitations that exceeds these stated time limits.

Section 15. Entire Agreement

This Employment Agreement constitutes the entire agreement between the parties relating to the FFE's employment of EMPLOYEE as Executive Director. All prior or contemporaneous understanding, promises, representations, or agreements, written or oral, are void and unenforceable, and barred by execution of this Agreement. No modification or amendment to this Agreement shall be effective unless formal action is taken by the Board to so modify and/or amend, and such modification or amendment is reduced to writing and signed by the Board President, and unless EMPLOYEE agrees in writing to such modification or amendment.

In particular, but without limitation, EMPLOYEE acknowledges that no oral representation concerning the length or other terms of employment were made prior to the execution of this Agreement, that has not been furnished any conflicting handbook or policy applicable to being an at-will EMPLOYEE of the FFE, and that there is no reliance upon any assurance or promises relating to the employment relationship with the FFE (whether written or oral) made after the execution of this Agreement unless they are the product of a formal written action taken by the Board.

By: _____ Date _____
Sandra Calderon-Huezo, Board President

By: _____ Date _____
EMPLOYEE

Date: **10/24/2022**

FFE

Item: **D.12.**

Foundation for Excellence

Agenda Report

Kalamazoo Foundation for Excellence

TO: Foundation for Excellence Board of Directors

FROM: President Calderon-Huezo and The Executive Committee
Prepared by: James K. Ritsema, City Manager, and Laura Lam, Chief Operating Officer

DATE: October 24, 2022

SUBJECT:

Appoint FFE Manager Steve Brown to Executive Director

RECOMMENDATION:

Appoint FFE Manager Steve Brown to the role of Executive Director, subject to approval by the City Commission and successful completion of the Executive Director employment agreement.

BACKGROUND:

The Executive Committee voted unanimously to recommend the Board's appointment of FFE Manager Steve Brown to the role of Executive Director, subject to City Commission approval and successful completion of an employment agreement, with a target effective date of January 1, 2023.

This action followed Board creation of the Executive Director position in September 2022. Multiple factors were considered, including eliminating the possibility and appearance of conflicts of interest for staff serving both the City and FFE, building endowment development capacity, managing the annual grant agreement between the FFE and City, and ensuring exceptional strategic staff support to the Board and partners.

Brown began his work with the City as a Grant Specialist in 2016 and was tapped, alongside Laura Lam, to co-found the new organization in 2017 due to his experience directing nonprofits. He was subsequently promoted to the position of Coordinator in 2018 and Manager in 2020 with continually growing responsibilities and a record of success serving the board and City.

STRATEGIC VISION ALIGNMENT:



Good Governance- Ensuring the City organization has the capacity and resources to effectively implement the community's Strategic Vision in a way that is sustainable over the long term.

FISCAL IMPACT: