MINUTES
FFE Board of Directors

Kalamazoo Foundation for Excellence

Monday, April 24, 2023 2:00 PM

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

A. CALL TO ORDER - by Vice President Ritsema at 2:03 PM

B. ROLL CALL

Staff present: Legal Counsel/Recording Secretary - Richard Cherry & Alex Page from Miller Johnson; FFE Executive Director - Steve Brown; Chief Financial Officer – Steve Vicenzi

ROLL CALL

PRESENT- Ritsema, Carrel, Miller, Anderson, Hess (2:07), Hoffman, Balkema, Harrison (2:05), Washington Jr., Lonberg, Hopewell, Calderon-Huezo, Bostrom, and Taylor

ABSENT- Salas

C. APPROVAL OF AGENDA

Executive Director Brown requested that Agenda Summary Action Items #1-6 be moved to a Consent Agenda and Agenda Summary Action Items #7-8 remain on the regular agenda. There was discussion regarding splitting the agenda into consent and regular agenda items going forward, and producing those separate agendas prior to meeting.

ACTION: Director Miller moved to adopt the Agenda as-is and seconded by Director Balkema. The motion to approve the agenda was adopted by unanimous voice vote, subject to producing two separate agendas, consent and regular, prior to the meeting going forward.

D. APPROVAL OF MINUTES

1. Approve Minutes of February 27, 2023 meeting

   ACTION: The minutes of the Regular Business Meeting held February 27, 2023 were moved for approval by Director Bostrom and seconded by Director Washington, Jr. The motion to approve the minutes was adopted by unanimous voice vote.

2. Approve corrections to Minutes of October 24, 2022 meeting

ACTION: The corrections to the minutes of the Regular Business Meeting held October 24, 2022, including the budget approval vote and spelling errors, were moved for approval by Founding Director Emeritus ("FDE") Hopewell and seconded by Director Hoffman. The motion to approve the minutes was adopted by unanimous voice vote.

E. REPORTS AND COMMUNCIATIONS

1. Finance Committee Reports and Recommendations

Recommendation #1: Executive Director ("ED") Steve Brown on behalf of the Finance Committee recommended approval of the FFE Purchasing Policy for endowment expenditures.

- Director Lonberg voiced concern regarding local purchasing and prioritizing FFE values.
- ED Brown clarified that there is a local preference process in the City of Kalamazoo regarding bids and discussed the new prevailing wage law passed recently.
- Director Harrison raised the question regarding community benefit agreements.
- Director Balkema discussed whether community benefit agreements are applicable to FFE when FFE funds the City.
- FDE Hopewell questioned whether community benefit agreements apply to FFE – subject to FOIA and OMA but not the City.
- Director Calderon-Huezo clarified that values can be a factor in purchasing.
- ED Brown clarified that these votes would be taken after discussion of each item.

Recommendation # 2: ED Brown on behalf of the Finance Committee recommended the approval of the following reappointments to the Investment Subcommittee:

a. the re-appointment of Dean Bergy for a three-year term ending in 2025;
b. the re-appointment of Daniel DeMent for a three-year term ending in 2026;
c. the re-appointment of Sandi Doctor for a three-year term ending in 2025;
d. the re-appointment of Randy Eberts for a three-year term ending in 2026;
e. the re-appointment of Robert Salisbury for a three-year term ending in 2026;
f. the re-appointment of Joshua Sledge for a three-year term ending in 2025; and
g. the re-appointment of Nick Griffith for a three-year term ending in 2025.

- Director Lonberg requested clarification regarding the Investment Subcommittee.
- ED Brown explained the Investment Subcommittee invests City's pension and County pension and Kalamazoo Community Foundation ("KCF") endowment without conflicts of interest.

2. Audit Subcommittee Reports and Recommendations

- ED Brown discussed the Memorandum to the City from FFE included in the Agenda and noted that it is unchanged from the last 5 years, but next year it will change because there will be FFE endowment expenditures to the City. Prior to next year, all of the funds were from the Stryker-Johnson foundation. ED Brown also discussed the performance of FFE and the audit.
- CFO Vicenzi noted that there were no errors and nothing of concern regarding internal controls.
- ED Brown discussed the $400 million pledge from 2.5 years ago is an asset but no cash on hand, still waiting on installments.
- FDE Hopewell discussed the pledge, and CFO Vicenzi discussed inflation adjustments and investments.
- Director Balkema stated that the Audit Subcommittee does not have an action item regarding the budget.
- ED Brown discussed the annual report published on the website.

3. Executive Committee Reports and Recommendations

Recommendation #1: Director Calderon-Huezo on behalf of the Executive Committee recommended the approval of the Employment Agreement for Steve Brown as a leased employee with the City of Kalamazoo with the yearly base salary of $130,000 effective 1/1/2023.

Recommendation #2: ED Brown on behalf of the Executive Committee recommended the adoption of the 2023 SWOT priorities and action including the Executive Director assessment framework.

- ED Brown discussed the purpose of FFE, actionable items, a Board self-assessment, and proposal to move towards goals that the Board can continue to improve.
- Director Miller requested the Board review the effectiveness of aspirational programs and the need to review those programs.
- Director Balkema noted the importance of identifying what projects, how they are being approved, whether it has been effective, how to make changes, and how to nail down a good process.
- Director Lonberg noted that the Board has not approved funds towards aspirational projects.
- ED Brown discussed the redoubling of efforts towards workbook tracking and to determine a way to track and review funded projects effectively.
- Director Harrison requested that the Board evaluate how FFE is progressing on SWOT analysis and action items.

4. Nominating Committee Reports and Recommendations

Recommendation #1: ED Brown on behalf of the Nominating Committee recommended the approval of the Nominating Committee description and expansion of onboarding new directors.

- ED Brown discussed the background regarding the KCF boilerplate policies which is effective and important for onboarding and decisions on Nominating Committee's own committee work.

Recommendation #2: ED Brown on behalf of the Nominating Committee recommended the approval of the following appointments and reappointments to the FFE Board:

a. the re-appointment of Alisa Carrel as Arts Stakeholder Director for a three-year term ending in 2026;
b. the re-appointment of Ida Salas as Business/Banking Stakeholder Director for a three-year term ending in 2026;
c. the re-appointment of Alice Taylor as Neighborhood Stakeholder Director (Northside) for a three-year term ending in 2026; and
d. the appointment of Jonathan Yarbrough as Affinity Organization Stakeholder Director for a three-year term ending in 2026.

- ED Brown discussed the re-appointments and appointment.
- Director Bostrom on behalf of the Nominating Committee noted that it was an efficient process this time.
- Director Calderon-Huezo discussed the nominating process and the affinity stakeholder position.
- Director Harrison voiced concern regarding Mr. Yarbrough changing his position and potentially no longer holding a position as an affinity organization stakeholder. ED Brown noted that the Board would address it if it comes up.

ACTION: Director Anderson moved to adopt the FFE Purchasing Policy for endowment expenditures and seconded by Director Balkema. The motion to approve the FFE Purchasing Policy for endowment expenditures was approved by unanimous voice vote.

ACTION: Director Balkema moved to approve the Employment Agreement for Steve Brown as a leased employee with the City of Kalamazoo with the yearly base salary of $130,000 effective 1/1/2023, and seconded by Director Miller. The motion to approve Employment Agreement for Steve Brown was approved by unanimous voice vote.

ACTION: Director Balkema withdrew the previous motion after discussion with Attorney Cherry.

ACTION: Director Balkema moved to approve the lease agreement between the City of Kalamazoo and FFE, and seconded by Director Washington. The motion to approve the lease agreement between the City of Kalamazoo and FFE was approved by unanimous voice vote.

ACTION: Director Balkema moved to approve the salary in the employment agreement between Steve Brown and the City of Kalamazoo with the yearly base salary of $130,000 effective

1/1/2023, and seconded by Director Washington. The motion to approve the lease agreement between the City of Kalamazoo and FFE was approved by unanimous voice vote.

ACTION: Director Balkema moved to adopt the 2023 SWOT priorities and action including the Executive Director assessment framework with flexible target guidelines, and seconded by Director Hess. After discussion by Director Harrison regarding evaluation tools and communication, the motion to approve the 2023 SWOT priorities and action including the Executive Director assessment framework with flexible target guidelines was approved by unanimous voice vote.

ACTION: Director Balkema moved to approve the Nominating Committee description and expansion of onboarding new directors and seconded by Director Bostrom. The motion to approve the Nominating Committee description and expansion of onboarding new directors was approved by unanimous voice vote.

ACTION: Director Hoffman moved to the following appointments and reappointments to the FFE Board:

a. the re-appointment of Alisa Carrel as Arts Stakeholder Director for a three-year term ending in 2026;
b. the re-appointment of Ida Salas as Business/Banking Stakeholder Director for a three-year term ending in 2026;
c. the re-appointment of Alice Taylor as Neighborhood Stakeholder Director (Northside) for a three-year term ending in 2026; and
d. the appointment of Jonathan Yarbrough as Affinity Organization Stakeholder Director for a three-year term ending in 2026.

The motion was seconded by Director Ritsema. The motion to approve the agenda was approved by unanimous voice vote.

ACTION: Director Miller moved to approve the following reappointments to the Investment Subcommittee.

a. the re-appointment of Dean Bergy for a three-year term ending in 2025;
b. the re-appointment of Daniel DeMent for a three-year term ending in 2026;
c. the re-appointment of Sandi Doctor for a three-year term ending in 2025;
d. the re-appointment of Randy Eberts for a three-year term ending in 2026;
e. the re-appointment of Robert Salisbury for a three-year term ending in 2026;
f. the re-appointment of Joshua Sledge for a three-year term ending in 2025; and
g. the re-appointment of Nick Griffith for a three-year term ending in 2025.

The motion was seconded by Director Washington. The motion to approve the aforementioned reappointments to the Investment Subcommittee was approved by unanimous voice vote.

F. REGULAR AGENDA

1. Annual Election of Officers

ACTION: Director Anderson moved to approve the following appointments for one-year terms ending at the Annual FFE meeting in April of 2024:

a. President Sandra Calderon-Huezo
b. Vice President James K. Ritsema
c. Treasurer Alisa Carrel
d. Secretary Barbara Hamilton-Miller

The motion was seconded by Director Hess. The motion to approve the aforementioned appointments for one-year terms ending at the Annual FFE meeting in April of 2024 was approved by unanimous voice vote.

2. Finance and Executive Committee Nominations

- The Board discussed Finance Committee nominations and appointments. The prior Finance Committee consisted of:
  - Mary Balkema
  - Alisa Carrel
  - Von Washington, Jr.
  - Steve Vicenzi
  - James K. Ritsema
- Directors Balkema and Washington, Jr. were nominated and agreed to serve another year on the Finance Committee.
- The Board discussed the Executive Committee. The prior Executive Committee included:
  - President Sandra Calderon-Huezo
  - Vice President James K. Ritsema
  - Treasurer Alisa Carrel
  - Secretary Barbara Hamilton-Miller
- Director Anderson, Harrison, Hess, Hoffman are all eligible for the fifth seat for the Executive Committee.
- Director Washington nominated Director Balkema. Director Balkema departed at 3:22pm and therefore could not accept the nomination yet.
- Director Hess nominated Director Hoffman. Director Hoffman accepted the nomination.

3. Nominating Committee Appointments

- The Board discussed the Nominating Committee:
  - President Calderon-Huezo
  - Dr. Andrea Bostrom

- Pastor Rachel Lonberg
- Ida Salas
- Alice Taylor

4. Audit Subcommittee Appointments

The Board noted that all committee and subcommittee appointments would be voted on now.

ACTION: Director Miller moved to approve the following Finance Committee appointments for one-year terms ending at the Annual FFE meeting in April of 2024:

i. President Calderon-Huezo
ii. Alisa Carrel
iii. Steve Vicenzi
iv. James K. Ritsema
v. Von Washington, Jr.
vi. Mary Balkema

The motion was seconded by Director Bostrom. The motion to approve the aforementioned appointments to the Finance Committee for one-year terms ending at the Annual FFE meeting in April of 2024 was approved by unanimous voice vote.

ACTION: Director Hess moved to approve the following Executive Committee appointments for one-year terms ending at the Annual FFE meeting in April of 2024:

i. President Sandra Calderon-Huezo
ii. Vice President James K. Ritsema
iii. Treasurer Alisa Carrel
iv. Secretary Barbara Hamilton-Miller
v. City Director Hoffman
vi. Director Washington, Jr.

The motion was seconded by Director Harrison. The motion to approve the aforementioned appointments to the Executive Committee for one-year terms ending at the Annual FFE meeting in April of 2024 was approved by unanimous voice vote.

ACTION: Director Washington, Jr. moved to approve the following Nominating Committee appointments for one-year terms ending at the Annual FFE meeting in April of 2024:

i. President Calderon-Huezo
ii. Dr. Andrea Bostrom
iii. Pastor Rachel Lonberg

iv. Ida Salas
v. Alice Taylor

The motion was seconded by Director Carrel. The motion to approve the aforementioned appointments to the Nominating Committee for one-year terms ending at the Annual FFE meeting in April of 2024 was approved by unanimous voice vote.

ACTION: Director Ritsema moved to approve the following Audit Subcommittee appointments for one-year terms ending at the Annual FFE meeting in April of 2024:

i. President Calderon-Huezo
ii. Alisa Carrel
iii. Dr. Andrea Bostrom
iv. Mary Balkema

The motion was seconded by Director Hoffman. The motion to approve the aforementioned appointments to the Audit Subcommittee for one-year terms ending at the Annual FFE meeting in April of 2024 was approved by unanimous voice vote.

FDE Hopewell noted that he erroneously voted on the motion to approve corrections to the October 24, 2022 minutes, rendering the previous motion on that issue invalid.

ACTION: The corrections to the minutes of the Regular Business Meeting held October 24, 2022, including the budget approval vote and spelling errors, were moved for approval by Director Bostrom and seconded by Director Washington, Jr. The motion to approve the minutes was adopted by unanimous voice vote.

G. PUBLIC COMMENTS

No public comments.

H. BOARD MEMBER COMMENTS

- Director Harrison noted the responsibility to share with stakeholders and citizens regarding FFE's community presence and accountability process to make sure the Board represents FFE and voiced a desire for outlined duties.
- Director Calderon-Huezo voiced her desire for FFE to pay attention, engage, and ask questions. She noted the ongoing priority to learn in the community, bring back issues to Board, and bring solutions back to the community, as well as the importance of engagement.
- ED Brown noted that public participation plan is helpful and he can share draft minutes.

- Director Ritsema discussed sector representation while FFE transitions to include aspirational processes out of its endowment but noting that FFE will get input for the City prior to beginning.
- Director Taylor noted that the public thinks FFE has a part in what the city commission is doing, so she emphasized the importance of attending city commission meetings because FFE is not making decisions, City is making decisions.
- Director Miller highlighted the upcoming Chicken & Biscuits show.

I. ADJOURNMENT - The meeting was adjourned at 3:13pm.

Richard O. Cherry

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Richard O. Cherry
Recording Secretary