

Roll Call

A work session of the Kalamazoo City Commission was held on Monday, October 24, 2016 at 6:00 p.m. in Room 128 of Anna Whitten Hall, located at 202 North Rose Street on the Arcadia Commons Campus of Kalamazoo Valley Community College.

COMMISSIONERS PRESENT:

Mayor Bobby Hopewell
Vice Mayor Don Cooney
David Anderson
Erin Knott
Matt Milcarek
Shannon Sykes
Jack Urban

COMMISSIONERS ABSENT:

None

Also present were City Manager Jim Ritsema, City Attorney Clyde Robinson, and City Clerk Scott Borling.

Adoption of the Agenda

By unanimous consent the City Commission adopted its meeting agenda as presented.

Communications

When an opportunity was offered for general communications, City Manager Ritsema announced the October meeting of the Transportation Parking and Mobility Committee would be open to the public and would take place on October 26, 2016 at 8:00 a.m. in the Discover Kalamazoo Conference Room – second floor, located at 141 E. Michigan Avenue.

Regular Agenda

Regular Agenda Items were considered next.

Approval of a Memorandum of Understanding re: the Foundation for Excellence

City Manager Ritsema delivered a PowerPoint presentation entitled Kalamazoo City Commission Work Session: *Kalamazoo Foundation for Excellence Memorandum of Understanding*. A copy of this presentation was filed with the papers for this meeting.

In response to a question from Commissioner Anderson, City Attorney Robinson stated the proposed Memorandum of Understanding (MOU) was an attempt to capture the flavor of the discussions between the Mayor, the City Manager, and the donors as well as the commitments made during those discussions.

In response to a question from Commissioner Sykes, City Manager Ritsema stated there might be a need for some adjustments to the budget stabilization portion of the Foundation for Excellence (FFE) funding plan in the years beyond 2019 due to inflationary expenditure increases.

When an opportunity was given for citizens to comment on the Memorandum of Understanding for the proposed Foundation for Excellence, the following people addressed the Commission:

Bob Cinabro, City resident and President of the Union of Retired Government Employees (URGE), expressed support for the FFE both personally and on behalf of URGE.

Gary Hettrick, City resident, expressed support for the FFE.

Joanna Dales, Vice President for Donor Relations with the Kalamazoo Community Foundation (KCF), expressed support for the FFE and stated the KCF was ready to support the City in whatever capacity was needed.

Peter Battani, City resident, expressed support for the FFE.

Mattie Jordan-Woods, City resident, expressed support for the FFE.

Mary Balkema, City resident and Kalamazoo County Treasurer, expressed support for the FFE.

Chris Wahmhoff, City resident, questioned how the donors had helped the community with their taxes, spoke about the need for the City to better communicate with residents, and stated there was no trust in the community.

Richard Light, City resident, expressed support for the FFE and urged the City to communicate about the FFE with precision and clarity to keep the community on the same page.

Bill Lindsey, City resident, stated the FFE was a great gift that placed a great responsibility on the City's leaders.

Max Tibbitts, City resident, expressed support for the FFE and suggested the FFE documents include language that would give the City the flexibility to address future needs.

Gerry Albertson, City resident, remarked on the ways the FFE could dovetail with other community initiatives like the United Way, the KCF, and The Kalamazoo Promise.

Zachary Lassiter, City resident, expressed support for the FFE and noted an income tax was rejected by the Blue Ribbon Revenue Panel.

Doris McClain, City resident, urged City to take a "trust but verify" approach to the FFE.

Bruce Martin, City resident, stated he had concerns about the FFE, but he was impressed that City leaders were able to get a commitment from the donors.

Kennedy, a City resident, stated she did not feel comfortable with a public/private partnership unless the donors were willing to commit to solving the City's budget problem in a permanent way.

Chan Pratt, City resident, stated the City needed to get more input from neighborhood residents and from diverse groups of people.

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Memorandum of
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Excellence (cont'd)

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Excellence (cont'd)

Evan Driscoll, City resident, stated there needed to be better and more diverse forms of communications between the City and residents.

Dana Underwood, City resident, questioned why the donors did not work through an existing community foundation. Ms. Underwood stated it was human nature to look differently at people who made large donations, and she expressed concern about this relative to the FFE.

Ricky Thrash, City resident, expressed support for the FFE.

Dean Houck, City resident, stated she had received a lot of feedback on the FFE from her customers at the Michigan News Agency, and she reported that people wanted the City Commission to manage the FFE correctly, be smart about how it was setup and used, and create a separate board to manage the FFE.

Mark Fricke, City resident, remarked on the uniqueness of the FFE and urged people to participate in the IK2025 process.

John Schmitt, City resident, expressed support for the FFE and especially the aspirational projects.

Vice Mayor Cooney, seconded by Commissioner Knott, moved to approve the Memorandum of Understanding for the proposed Foundation for Excellence and authorize the Mayor, the City Manager, the City Attorney, and the City Clerk to sign all documents on behalf of the City.

Prior to a vote on the motion, Commissioner Milcarek stated he wanted to see the model for the FFE moving forward and asked the following questions: will \$500 million be enough to sustain the goals of the FFE beyond the initial three years?; do City leaders really want to make one-third of the general fund budget dependent on the stock market?; how will the FFE plan be sustained in perpetuity with the growth potential of the tax base by 40% because of the millage reduction?

Commissioner Urban noted that approval of the MOU was the first step in the process to create the FFE, and there were a lot of details that still needed to be worked out. Commissioner Urban indicated the MOU was a memorial of the work of the Mayor, the City Manager, and the donors, and it represented an agreement to go in a certain direction. Commissioner Urban indicated his support for the MOU but indicated he was content to wait on the approval to allow time for people to reflect on the import of the action the Commission was being asked to take. Commissioner Urban noted the MOU would take discussion of an income tax off the table for 3 years, but it would be an option the FFE was not realized. Commissioner Urban urged people to participate in the IK2025 process, to give to the FFE, to support businesses in the City, and to engage in community projects.

Commissioner Sykes stated she had hoped to see more detail in the MOU, but it was not the intent for the MOU to include a lot of details. Commissioner Sykes indicated it would be incredibly important for City leaders and the community to pay attention to every detail of the FFE design, and she asked that the FFE design details be made available to Commissioners and the public well in advance of any future Commission actions. Commissioner Sykes stated she would not be in favor of having City staff and donors on the board of the FFE. Commissioner Sykes expressed support for the aspirational goal of ending generational poverty, but she asked people to consider the amount of work and resources needed to achieve this goal.

Commissioner Anderson stated money alone would not address the needs of the community, and he spoke about the need for the community to support initiatives like The Kalamazoo Promise and the FFE. Commissioner Anderson stated many children in the City lived in poverty and deserve to have safe streets, great parks, and recreational and educational programs, but there had been zero capacity for the City to address these needs and others. Commissioner Anderson offered remarks on risk management and contrasted the failure of property taxes to offer a stable revenue source with the tremendous success of the City's pension fund investments. Commissioner Anderson stated public/private partnerships could be done with transparency, and he expressed confidence that every City Commissioner and City official wanted the FFE to be a transparent, intelligent, well managed program. Commissioner Anderson stated people would remember this moment, and it was exciting to have a chance to shape how the FFE would look.

Vice Mayor Cooney offered remarks on the City's fiscal challenges and stated the City and its people were in trouble because of the economy and poverty. Vice Mayor Cooney spoke about the need to address poverty in order to remove roadblocks to success for both individuals and initiatives like The Kalamazoo Promise. Vice Mayor Cooney stated the FFE was a chance to get resources for the City, and he thanked the Mayor, the City Manager, Mr. Johnston, and Mr. Parfet.

Commissioner Milcarek requested a timeframe for when the City could begin exploring an income tax if it became apparent the FFE was not going to work. Commissioner Milcarek also requested a timeframe for when the City would put forward a ballot question to make the 12 mill property tax levy permanent.

Mayor Hopewell spoke about historic moments when the City's aspirations seemed "too big" and stated Kalamazoo was up to the challenge. Mayor Hopewell stated the City had been reaching out to the community through the media, through social media, through the IK2025 process, and through direct contact. Mayor Hopewell noted the FFE was proposed by the City, not the donors. Mayor Hopewell indicated a lot of work had been done on the FFE, and a lot of heavy lifting remained to be done. Mayor Hopewell expressed confidence in the City Attorney, the City Manager, the City Commission, and the community to do this work.

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With a roll call vote the motion passed 6-1.

AYES, Commissioners: Anderson, Knott, Sykes, Urban, Vice Mayor
Cooney, Mayor Hopewell

NAYS, Commissioners: Milcarek

An opportunity was given for general citizen comments, but no comments were offered.

Finally, an opportunity was given for miscellaneous comments and concerns from City Commissioners.

Commissioner Milcarek explained he voted "no" on the MOU because he wanted be a voice for the skeptics in the community. Commissioner Milcarek stated he was committed to work on the FFE going forward.

Commissioner Anderson offered the following quote from a recent TED Talk by Mia Birdsong: "Optimism is a form of resistance."

Commissioner Urban asked that recommendations from Rob Collier, President and CEO of the Council of Michigan Foundations, be put on the City's website so people could more fully participate in future discussions of the FFE.

Commissioner Sykes stated she had planned on voting "no," on the MOU but explained that comments from citizens had made a difference. Commissioner Sykes indicated she still had philosophical concerns about privatizing a portion of the City's budget, but she was excited to move forward.

Mayor Hopewell thanked Bill Johnston and Bill Parfet for their investments in the community over the years, including the FFE.

Adjournment

The meeting adjourned at 8:00 p.m.

Respectfully submitted,

Scott A. Borling
City Clerk

For City Commission approval on November 7, 2016

Approved by: _____
Bobby J. Hopewell, Mayor
Dated: November 7, 2016

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