

CITY OF KALAMAZOO
Regular Meeting
SHARED PROSPERITY KALAMAZOO (SPK) ORGANIZING COMMITTEE
12:30 pm
March 4, 2024

Members Present: Brenda Hughes, Carol McGlinn, Don Cooney, *Ben Damerow, Bobby Hopewell, Kym Hollars

Members Absent: Alyssa Stewart, Patrice Griffin, Alonzo Wilson

City Staff: Kevin Ford, Shared Prosperity Kalamazoo Coordinator, Beth Cheeseman, Executive Administrative Assistant

CALL TO ORDER

The meeting was called to order at 12:32 p.m.

ROLL CALL

Kevin Ford conducted a roll call of the organizing committee and determined a quorum existed.

A motion was made by Brenda Hughes, to excuse the absent members, seconded by Carol McGlinn. A voice vote was taken, and the motion passed.

ADOPTION OF AGENDA

Bobby Hopewell asked to move most agenda items before the Kalamazoo Investment presentation. All agreed. **The agenda was approved as amended.**

APPROVAL OF MINUTES

A motion was made by Brenda Hughes, to approve the minutes of January 8, 2024 as presented, seconded by Kym Hollars. A voice vote was taken, and the motion passed.

PUBLIC COMMENTS

None.

Bobby Hopewell asked for public comments and committee member comments to be changed to the end of the agenda going forward. Kevin Ford agreed that he would request a change to the agenda template.

COMMITTEE MEMBER COMMENTS

None.

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UNFINISHED BUSINESS

City Commission & SPK OC Alignment Discussion – Bobby Hopewell, Carol McGlenn, Kevin Ford.

Carol McGlenn, Bobby Hopewell, and Kevin Ford shared that they met with some City Commissioners about the future of the SPK Organizing Committee. They indicated that the City Commissioners need to have some discussion about the role of the committee.

In response to a question about the City Commission and 2Gen work, Kevin Ford shared that he spoke at the City Commission retreat. He said he talked about Rx Kids and some other things. Kevin and Bobby Hopewell explained 2Gen for the students in attendance.

COMMUNICATIONS AND ANNOUNCEMENTS

None.

*Ben Damerow entered the meeting before this point.

NEW BUSINESS

1. Staff Introduction: Justin Gish, City of Kalamazoo Sustainability Planner.

Kevin Ford introduced Justin Gish, Sustainability Planner. Kevin mentioned that Justin had made him aware of a grant for green jobs that may benefit people in core neighborhoods. The grant application is due in November. Kevin thought it would be good to get some partners involved.

Justin Gish explained that his main job was to make sure progress is made on the goals for the Community Sustainability Plan. He said that sustainability focuses on people, planet, and profit. Justin said he also gets topics like deer, crickets, and bikes. His biggest task is to create a greenhouse gas plan and get emissions to zero.

Committee members and Justin discussed education for green jobs, solar panel installation on blighted land, the use of Styrofoam containers, litter at encampments, and Graphics Packaging.

SPK Committee members introduced themselves and talked about their specialty.

2. The Kalamazoo Investment – Josh Gottlieb & KPS Class

Kevin Ford explained that he received an email from Josh Gottlieb, Physics Teacher at Kalamazoo Public Schools, about a proposed Investment program on which he and his students were working.

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Mr. Gottlieb and several students from his class presented on a two tier program of investment that would provide a retirement account and a basic income account. The students talked about the Kalamazoo Promise being an amazing gift and that many students are not prepared to use it. They stated that, “poverty is the enemy of achievement,” and they also shared that student achievement is correlated with family income.

Don Cooney talked about the Asset Limited, Income Constrained, Employed (A.L.I.C.E.) population.

Tier 1 was to create a retirement account. Each kindergartener would have \$5000 invested for them from an endowment. Every day after, students would invest \$5 per day through their senior year in high school. The students presented possible options for subsidizing the \$5 per day investment. They estimated that the account would grow to roughly \$7 million per student by age 65. Tier two of the program offers assistance for people struggling to meet their basic needs. This part of the program would operate the same way as Tier 1. At age 18, students would be able to withdraw approximately \$500 per month from this investment fund. The money withdrawn would be covered by the 10% interest on the account.

Because their investment program focuses on building generational wealth, Josh Gottlieb said he was happy to hear about SPK’s 2Gen approach.

Students reported that the annual cost estimates were around the same grant size as the Kalamazoo Promise.

Josh Gottlieb indicated he would welcome any ideas. He said they talked with someone who can put him in contact with Greenleaf Trust. Josh said he would welcome a partnership with SPK. If SPK was not the right entity, then he asked that they let him know who to contact.

Students shared that part of the plan would be financial literacy education.

Don Cooney mentioned the Flint initiative for Rx Kids and their use of TANF money. Don was in favor of the investment program, but he thought they could make it a lower investment and use other funds. Josh Gottlieb said engagement would be important. Wealthy donors would provide money for Tier 1 and then they could use other funds for Tier 2.

Carol McGlenn thought the idea was fascinating and important. She cautioned that there was never one fix to any problem. Carol encouraged them to look at the educational piece and noted that there has to be a combination of solutions to make progress with poverty.

Students noted that mental health, reading level, parenting issues, and stress at home are all variables. They also indicated that they didn’t want to tie the program to achievement/success, so they didn’t exclude any students.

Kym Hollars spoke about how many adults don’t have a high school diploma or GED. She clarified that \$5 per day means for 365 days. She also asked about any appeals process if a

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student drops out or moves out of district. Students clarified that the money would stay in the account for those students, but additional funds wouldn't be invested.

Carol McGlenn asked how they could make this legal. She noted there are issues around 401ks. Josh Gottlieb agreed that they would need to talk to financial advisors and lawyers. Bobby Hopewell thought they would have an Investment Committee and the student would be the beneficiary of their account at age 65.

Josh Gottlieb said he wants students to be able to track their own funds and have immediate access to Tier 2 upon graduation. There was a discussion about each person having their own individual account; what the starting point would be for the program – just kindergarten class or all in school; child savings accounts. Josh Gottlieb said that within two generations, they are trying to create a situation where no family in Kalamazoo is unable to provide basic needs for their families.

Brenda Hughes commented that it is the only thing she had seen that could be a systems changer. She thought the financial literacy piece could make a difference right away.

Don Cooney proposed that they should form a partnership. He also wanted to study the slides.

The students noted that even with average inflation, the retirement fund would still be worth \$3-4 million. Bobby Hopewell alerted them that donors may give them a counteroffer. He encouraged them to continue with what they are doing. Students indicated that if they have to do with less, they felt it was important to focus on the at-risk population.

Committee members discussed targeted programs vs universal programs. Don Cooney shared that universal programs get more support but were more expensive. Josh Gottlieb said that in this proposal everyone would get the \$5,000 initial investment, but not everyone would be subsidized for the \$5 daily investment. Brenda Hughes made the point that many people could not come up with an extra \$150 /month.

Bobby Hopewell believed there was a consensus that they wanted to be a support for this program. He also suggested an annual challenge for student innovation.

STAFF REPORTS AND UPDATES

Kevin Ford provided the following summaries/updates.

1. YLAI Fellowship

The Young Leaders of the Americas Initiative (YLAI) Fellowship Program is a four week program for entrepreneurs, funded by the U.S. Department of State's Bureau of Educational and Cultural Affairs. YLAI brings 280 promising leaders from Latin America, Canada, and the Caribbean each year to the United States to expand their leadership and entrepreneurial skills and

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network through skills-building workshops and opportunities to learn from and exchange with U.S. counterparts.

SPK will have a Fellow from Chile who will engage with strategic partners, including local government and organizations, gain deeper understanding of social impact measurements, community engagement, and the identification of stakeholder needs.

2. 2023 Economic Development Annual Report

Recently completed by the CPED Economic Development Team and revealed at the Economic Development Corporation/Brownfield Development Authority retreat. SPK will work to share with SPK OC and the public.

3. Edison Neighborhood Economic Tool Development

The SPK Coordinator is working with the Neighborhood Activator and the Edison Neighborhood Association (ENA) to assist ENA in determining the most effective economic development tool to assist neighborhood businesses and residents. Exploring best practices such as a Corridor Improvement Authority or Business Improvement District.

4. City Commission Retreat Priorities

The City Commission retreat was on 2/17/24. Commissioners set priorities for 2025. Regarding SPK, it was the 1) RX Kids model and 2) continued support in the childcare sector. The RX Kids model came from Flint. It is the first-ever citywide cash prescription program for pregnant moms and babies. Rx Kids provides all pregnant moms in the City of Flint with no-string-attached cash of \$1,500 during pregnancy and \$500 each month throughout the baby's first year. Rx Kids is launching a 5 year pilot with enrollment beginning January 2024. There's interest and conversation on how Kalamazoo might replicate this program locally.

ADJOURNMENT

Bobby Hopewell adjourned the meeting at 2:15 p.m.