

Agenda

FFE Board of Directors

Monday, February 24, 2025 2:00 PM

Kalamazoo City Hall – 241 West South Street

A. CALL TO ORDER

1. Roll Call
2. Approve Agenda
3. Welcome Guests

B. APPROVAL OF MINUTES

1. Approve the minutes of October 28, 2024.

C. REPORTS AND COMMUNICATIONS

1. (No Action) FFE Endowment Update
2. (No Action) Multi-Year FFE-Funded Program Data
3. (No Action) City FFE Special Request Process Review
4. (No Action) 2024 and 2025 SWOT
5. (No Action) Annual Board Survey

D. CONSENT AGENDA

E. REGULAR AGENDA

1. Executive Director Annual Review and Compensation

F. PUBLIC COMMENTS

G. BOARD MEMBER COMMENTS

H. ADJOURNMENT

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.

KALAMAZOO FOUNDATION OF EXCELLENCE

PUBLIC COMMENT RULES

1. Persons attending a regular or special meeting of the Board of Directors of the Kalamazoo Foundation for Excellence shall be permitted to address the Board in conformity with this rule and the Michigan Open Meetings Act.
2. An individual wishing to address the Board shall wait to be recognized by the presiding officer.
3. A person addressing the Board shall provide their name and whether they are a resident of the City.
4. Remarks by a speaker shall be confined to matters within the purview of the Board and KFFE.
5. The chairperson of the meeting or a majority of the Board in attendance may permit individuals to speak once, for up to four (4) minutes, on specific matters being considered on the meeting agenda of the Board, except no comment is permitted on secondary or procedural motions to a main motion.
6. A speaker is permitted to address the Board once during the Public Comment portion of the meeting for up to four (4) minutes.
7. A speaker is not permitted to yield any unused portion of speaking time to other speakers.
8. A speaker may be ruled out of order for conduct that interrupts or disrupts the meeting.

Updated October 23, 2023



MINUTES

FFE Board of Directors

Monday, October 28, 2024

2:00 PM

Mayor's Riverfront Park – 251 Mills Street, Kalamazoo, MI 49048

A. CALL TO ORDER - by President Sandra Calderon-Huezo – 2:02pm

ROLL CALL

Staff present: Legal Counsel/Recording Secretary - Richard Cherry & Jacob Eccleston from Miller Johnson; FFE Executive Director (“ED”) - Steve Brown; Chief Financial Officer – Steve Vicenzi

Guests present: Bobby Hopewell, Rebekah Kik, and Christina Anderson

PRESENT- Anderson, Bogan, Bostrom, Calderon-Huezo, McKague, Parker, Ritsema, Salas, and Vazquez-Altore

ABSENT- Balkema (Excused), Carrel (Excused), Decker (Excused), Hoffman, Lonberg (Excused), and Taylor

APPROVAL OF AGENDA - ACTION: Director Anderson moved to approve the agenda. Motion was seconded by Director Bostrom. The agenda of the October 28, 2024 meeting was approved by unanimous voice vote. There was no discussion.

B. APPROVAL OF MINUTES

ACTION: Director Bogan moved to approve the September 23, 2024 Meeting Minutes with minor modification that Director Bogan was present at the meeting but came late. Motion was seconded by Director McKague. The minutes of the September 23, 2024 meeting were approved by unanimous voice vote. There was no discussion.

C. REPORTS AND COMMUNICATIONS

1. Imagine Kalamazoo 2035 Strategic Planning Engagement

- Presentation by Rebekah Kik and Christina Anderson from the City of Kalamazoo
- Kicking off strategic plan with a book read – Happy City
- Working on engaging residents with meetings on the go

- Have annual celebrations of the strategic plan to show how much progress has been made and what is coming next
- Only one more year remaining in the 2025 strategic plan
- Have adopted 9 neighborhood plans, 25 Historic Housing Workshops & Tours, 60+ Neighborhood Projects
- Continuing to improve transportation within the City
- 3 step process for creating the 2035 Strategic Plan
 - Imagine It
 - Plan It
 - Design It
- Working to get more input from young people and college students to retain young people
- Requested the Foundation for Excellence Board Member's help in promoting the request for input

D. REGULAR AGENDA

1. Approve the 2025 Public Meeting Schedule

ACTION: Director Bogan moved to approve the 2025 Public Meeting Schedule. Motion was seconded by Director Anderson and unanimously approved by voice vote at 2:57 PM.

2. Approve Amending the At-Large Director Eligibility

ACTION: Director Anderson moved to approve amending the At-Large Director Eligibility. Motion was seconded by Director Bogan and unanimously approved by roll call vote at 2:58 PM.

3. Approve Amending Officer Eligibility in the Bylaws and Articles

ACTION: Director McKague moved to approve amending Officer Eligibility in the Bylaws and Articles. Motion was seconded by Director Vazquez-Altore and unanimously approved by roll call vote at 2:59 PM.

4. Approve an Updated Endowment Investment Allocation

- CFO Vicenzi reviewed the reasons for why the endowment investment allocation needed to be updated
- Director Anderson asked whether this pertained to all investments, but CFO Vicenzi indicated it only pertained to Endowment Investment Allocations

ACTION: Director Anderson moved to approve an updated Endowment Investment Allocation. Motion was seconded by Director Ritsema and unanimously approved by roll call vote at 3:02 PM.

5. Approve the 2025 Budget

ACTION: Director Bostrom moved to approve the 2025 Budget. Motion was seconded by Director Parker and unanimously approved by roll call vote at 3:04 PM.

6. Approve the 2025 Aspirational Grant Agreement with the City of Kalamazoo

ACTION: Director McKague moved to approve the 2025 Aspirational Grant Agreement with the City of Kalamazoo. Motion was seconded by Director Bostrom and approved by roll call vote at 3:06 PM with eight yays and Director Ritsema abstained due to the fact he is a signatory for the agreement.

7. Approve Renewal of the Annual Service Agreement with the City of Kalamazoo

ACTION: Director Bostrom moved to approve the renewal of the Annual Service Agreement with the City of Kalamazoo. Motion was seconded by Director Salas and approved by roll call vote at 3:08 PM with eight yays and Director Ritsema abstained due to the fact he is a signatory for the agreement.

8. Approve Renewal of Legal Services Agreement with Miller Johnson Attorneys

ACTION: Director Anderson moved to approve Renewal of Legal Services Agreement with Miller Johnson Attorneys. Motion was seconded by Director Vazquez-Altore and unanimously approved by roll call vote at 3:09 PM.

9. Approve Renewal of Liability and Director and Officer Insurance through the Nonprofit Insurance Alliance

- ED Brown noted that the Insurance amounts are not yet, known but are expected to increase slightly with inflation.

ACTION: Director Bostrom moved to approve Renewal of Liability and Director and Officer Insurance through the Nonprofit Insurance Alliance, not to exceed \$1,500.00 dollars in total and baring any material changes. Motion was seconded by Director McKague and unanimously approved by roll call vote at 3:11 PM.

E. PUBLIC COMMENTS

No members of the Public present.

F. BOARD MEMBER COMMENTS

No Board Member Comments

G. ADJOURNMENT – 3:12pm

Richard O. Cherry
Recording Secretary

DRAFT



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FFE Board of Directors Staff Report

TO: Foundation for Excellence Board of Directors

FROM: Steve Brown, Executive Director

DATE: February 24, 2025

SUBJECT: (No Action) Parks and Recreation 2024 Presentation

RECOMMEDATION:

(No Action) Parks and Recreation 2024 Presentation

BACKGROUND:

Chad Wendt, Recreation Manager for the City of Kalamazoo Parks and Recreation Department, will make a presentation on 2024 FFE-funded projects. A question and answer period will follow the presentation.



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FFE Board of Directors Staff Report

TO: Foundation for Excellence Board of Directors

FROM: Steve Brown, Executive Director

DATE: February 24, 2025

SUBJECT: (No Action) FFE Endowment Update

RECOMMEDATION:

(No Action) FFE Endowment Update

BACKGROUND:

The summary page of the draft FFE endowment report dated 12.31.2024 is attached to accompany a presentation by staff. A question and answer period will follow the presentation.

Performance of the
Kalamazoo Foundation for Excellence
December 31, 2024

The market value of portfolio assets increased from \$302.1 million to \$303.8 million during the fourth quarter of 2024, an increase of \$1.7 million or 0.56%. During the quarter there were contributions of \$111.5 million and withdrawals of \$111.6 million (including intra-account transfers). In the investment account there were dividends and interest income of \$784,912.66.

The portfolio weighted average return for the quarter, net of manager fees, was 0.55%. The 1-year return, net of manager fees, was 17.34%.

Equities comprised 69.6% of the Kalamazoo Foundation for Excellence portfolio at the end of the quarter. The equity portion of the portfolio returned 2.4% for the quarter, and 24.98% over the last year.

Fixed Income comprised 25.5% of the Kalamazoo Foundation for Excellence portfolio at the end of the quarter. The fixed income portion of the portfolio returned -3.01% for the quarter, and 1.70% over the last year.

Real Estate comprised 4.9% of the Kalamazoo Foundation for Excellence portfolio at the end of the quarter. The real estate portion of the portfolio returned -7.57% for the quarter and 5.08% over the last year.

Cash and equivalents totaled \$9, or essentially 0.0% of the total assets.

The portfolio target allocation approved by the investment committee on August 25, 2021 is 70% equities, 25% fixed income, 5% real estate, and 0% cash.

The inflation-adjusted, or real return, for the quarter was 0.45% as the US BLS All Urban inflation rate for the quarter was 0.10%. With an annual inflation rate of 2.89% the one-year real return was 14.45%. Since May 1, 2020, the return on the portfolio, net of manager fees, has been 10.48% nominal and 5.93% real with a since-inception inflation rate of 4.55%.

Respectfully submitted,
February 26, 2025

Zhang Financial



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FFE Board of Directors Staff Report

TO: Foundation for Excellence Board of Directors

FROM: Steve Brown, Executive Director

DATE: February 24, 2025

SUBJECT: (No Action) Multi-Year FFE-Funded Program Data

RECOMMEDATION:

(No Action) Multi-Year FFE-Funded Program Data

BACKGROUND:

A presentation will be made by staff covering multi-year data for FFE-funded Aspirational investments made by the City. The areas of focus include the data initiative itself, the overall quantitative information for investments, location and neighborhood data of investments, demographic information of investments, and key performance information (KPI) information for investments. A question and answer period among directors and staff will follow the presentation.



FFE Board of Directors Staff Report

TO: Foundation for Excellence Board of Directors

FROM: Steve Brown, Executive Director

DATE: February 24, 2025

SUBJECT: (No Action) City FFE Special Request Process Review

RECOMMEDATION:

(No Action) City FFE Special Request Process Review

BACKGROUND:

A presentation will be made by staff on the 2026 fiscal year budget planning special request process for FFE aspirational funds. The process remains mostly unchanged from previous years and involves the submission of proposals by City departments to a City review panel that assesses applications based on set criteria and priorities. Following this process and administrative review, a draft budget request will be presented to the FFE Board for review and approval in the autumn of 2025. The presentation will be followed by a question and answer period.



Kalamazoo
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FFE Board of Directors Staff Report

TO: Foundation for Excellence Board of Directors

FROM: Steve Brown, Executive Director

DATE: February 24, 2025

SUBJECT: (No Action) 2024 and 2025 SWOT

RECOMMEDATION:

(No Action) 2024 and 2025 SWOT

BACKGROUND:

A presentation will be made by staff regarding the 2024 and 2025 Strengths, Weaknesses, Opportunities, and Threats assessments. A question and answer period will follow the presentation.

2023 FFE SWOT

	Priority Group	Topic	Definition	ACTION	TARGET	Status	Notes
2024	Primary Focus	Board Meetings	Professional public deliberation and decision-making are required to conduct FFE business and key to transparency	Director Attendance Policy	April Adoption	DONE	
2024	Primary Focus	Budget/ing	Fundamental necessity for sound and prudent planning and operations	Imagine Kalamazoo 2035 document and tracking updates	End of 2024 going into 2025 year of engagement ensure language and categories are aligned	On Track, Ongoing	In process via City - WMU Demographic engagement tracking collaboration.
2024	Primary Focus	Organizational Resiliency	Prudent long-term management requires hardening and testing the organization	1) Focus on Nominating Committee governance and Stakeholder Group outreach and preparation 2) consider concentration of power reduction policy or Bylaw change	February and September	DONE	New Nominating Committee up and running well, Bylaws changes all approved.
2024	Primary Focus	Daily Operations	Smooth and efficient daily operations	Hire Support Staff		Paused	Following pivot from fundraising need was unclear to Board and ED. All processes under effective service contract or automated and efficient.
2024	Primary Focus	Aspirational	City programs funded by FFE are among the most important values that FFE offers	Generate Aspirational Grant Memo for second year in Q1 following March 6th Investment Subcommittee meeting and Endowment reports.	April 22 Board meeting	Done	Grant memo and all budget milestones delivered on time with little or no rework and established consensus/unanimous approval.
2024	Primary Focus	Program Impact Data Analysis	Necessary for meaningful program assessment as well as the Case for Support	Expand FFE's website Investment Map with new data and analysis	With publishing of 2024 NL and Investment Map updates (Dec/Jan)	On Track, Ongoing	The beta page is complete but decision needs to be made on what to publish to the website in Q1 of 2025.
2024	Primary Focus	Budget Stabilization / HPO Language	Required payment	Collaborating with City leaders on unique opportunities associated with launching IK 2035 plan	In concert with 2025 budget draft and start of IK engagement and plan (2026)	On Track, Ongoing	2025 Budget maximizes grant usage and tracks overhead, shows path to improve programs using KPIs.
2024	Primary Focus	Communications and External Relations	Fundamental duty to convey crucial information to the City and general public	1) Leverage City View with unique content throughout the year 2) time annual NL to be included in City View	Dec/Jan	On Track	FFE NL will go together inside City View for the first time in January 2025.

2023 FFE SWOT

	Priority Group	Topic	Definition	ACTION	TARGET	Status	Notes
2024	Primary Focus	Transparency	An informed and trusting public are important to smooth operation	Leverage interactive FFE Investment Map, Newsletter, Annual Report, and new City View newsletter more than in previous years	Dec/Jan	DONE	Resources made available again in 2024/2025.
2024	Secondary Focus	City-FFE Partnership	The FFE exists solely to support the City and has an outstanding working relationship between staff and officials	Holding standardized meetings with City leadership to intentionally ensure alignment of FFE capacity to serve City and Imagine Kalamazoo	Ongoing	DONE	Senior alignment has moved KPI initiative forward and ensured Board and CC alignment on endowment projections and grant spending limits.
2024	Secondary Focus	Endowment Sustainability	Basis of FFE and must exist in perpetuity	Endowment report to Board and CC	April and September	DONE	CC, Board, Donors all approve.
2024	Secondary Focus	Investment Subcommittee (FFEIS)	The Body responsible to the Finance Committee that conducts business pursuant to FFE Investment Policy Statement	Make succession plan in collaboration with members to fill vacancies that leads to better FFE outcomes in the form of stability and security.	Contribute to pipeline of candidates with process and networking assistance to FFEIS	Ongoing	Extensive rewrites of old IPS is being moved through Subcommittee, Committee, and Board for consensus and planned updates on schedule.
2024	Secondary Focus	Board of Directors	The Board is the owner of the FFE endowment and authority over the organization	Make officer and committee succession plan in collaboration with Committees to continually involve and train Directors for increased involvement that leads to better FFE outcomes in the form of stability and security.	Update annual Board survey	DONE	Survey results demonstrate a high degree of engagement and awareness by Board members of FFE and Director duties.
2024	Secondary Focus	Executive Development	Constant learning is needed to maintain critical skills	Book annual conference travel in nonprofit management, communications, and innovation	By December	DONE	Executive Management University of Indiana Certificate and ICMA/PoleCo Data Driven Decision Making Capstone Certificate.

2025 FFE SWOT

	Priority Group	Topic	Definition	ACTION	TARGET
2025	Primary Focus	Budget/ing	Fundamental necessity for sound and prudent planning and operations	Budgeting in context to the phasing out of ARPA resources for the City could create challenges in expected program support. Emphasize FFE Bylaw required Aspirational investment areas in budgeting process.	Q1 and Q2, Year-long
2025	Primary Focus	Endowment Risk Management	Prudent long-term management requires anticipating the unanticipated	Investment Subcommittee will recommend further allocation diversification for needed Finance and Board attention.	April Board meeting
2025	Primary Focus	IK 2025/2035	The City's guiding plan for FFE-funded investments	As IK 25 concludes reporting will be needed and continual improvement learning to integrate with IK 35 in collaboration with City staff.	Year-long
2025	Primary Focus	Board of Directors & Organizational Resiliency	Prudent long-term management requires hardening and testing the organization	Founding director term limits and transitions will lead to escalated rates of change in Board personnel and requires training and attention.	Q1 and Q2, April Board meeting.
2025	Primary Focus	Aspirational Program Impact Data Analysis	Necessary for meaningful program assessment as well as the Case for Support	2024 data creates first three-year trend info for basis of continual quality improvements and ongoing metric system improvement.	Q1 preparation for 2026 budget special request process with City.
2025	Primary Focus	Aspirational Program Impact Data Collection	Necessary for meaningful program assessment as well as the Case for Support	Improve previous year KPIs based on new trend data and include some project management phase information for multi-year projects.	Q1 prep, year-long
2025	Primary Focus	Transparency	An informed and trusting public are important to smooth operation	Leverage interactive FFE Investment Map, Newsletter, Annual Report, and new City View newsletter more than in previous years	Dec/Jan
2025	Primary Focus	Endowment Sustainability	Basis of FFE and must exist in perpetuity	Critical monitoring of endowment performance relative to long-term outlooks and adjustments.	Q1 and Q4

2023 FFE SWOT

	Priority Group	Topic	Definition	ACTION	TARGET
2025	Secondary Focus	Executive Development	Constant learning is needed to maintain critical skills	Annual continuing education opportunities esp. in areas of effective management, finance, communications, and innovation.	ICMA (Feb), DFA (April)
2025	Secondary Focus	Fundraising Technology	Maximizes efficient raising of funds for a modern donor base	Choose a simpler technology for retail level donation and vacate current contract.	TBD
2025	Secondary Focus	Investment Subcommittee (FFEIS)	The Body responsible to the Finance Committee that conducts business pursuant to FFE Investment Policy Statement	Make succession plan in collaboration with members to fill vacancies that leads to better FFE outcomes in the form of stability and security.	Contribute to pipeline of candidates with process and networking assistance to FFEIS
2025	Secondary Focus	Policies (including Bylaws and Articles)	Policies are necessary documents to guide decisions and proper behavior in key areas of operation	Work with Board post-April meeting to review policy roster per best practice every 5-7 years.	Q2 and Q3, September Board Meeting
2025	Secondary Focus	Operations Dashboard	An (automated) gathering in of crucial data in core areas of FFE operations and service that generate quick insights and signals to leaders for planning and action.	Stand up a dashboard of broad operations and program data to afford critical multi-year data in one place for strategic planning and periodic review by staff and Board.	Q1 and Q2
2025	Primary Focus	Communications and External Relations	Fundamental duty to convey crucial information to the City and general public	2026 Communications Budget and RFP planning for external Communications supports.	August Committees



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FFE Board of Directors Staff Report

TO: Foundation for Excellence Board of Directors

FROM: Steve Brown, Executive Director

DATE: February 24, 2025

SUBJECT: (No Action) Annual Board Survey

RECOMMEDATION:

(No Action) Annual Board Survey

BACKGROUND:

Staff will make a presentation on the 2025 board survey. The 2025 board survey was reviewed by the Nominating and Executive Committees. A question and answer period will follow the presentation.



Kalamazoo
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FFE Board of Directors Staff Report

TO: Foundation for Excellence Board of Directors

FROM: Steve Brown, Executive Director

DATE: February 24, 2025

SUBJECT: Executive Director Annual Review and Compensation

RECOMMEDATION:

Approve a 3.1% cost of living increase and 5% merit increase to the Executive Director's compensation effective immediately retroactive to January 1, 2025.

BACKGROUND:

The Executive Committee assigned Treasurer Balkema at the 12/9/2024 meeting to compile the reviews and make a recommendation to the Executive Committee and the full board at the February meeting. Based upon the reviews and the feedback, this is the recommendation:

Cost of Living 3.1%

Merit Raise 5.0%

Final salary amount for 2024: \$157,426.69

The ratings noted that Steve consistently meets and exceeds expectations. Further comments include, Steve is honest and ethical in his dealings and is responsive to board leadership; Steve is responsive and accountable, I enjoy working with him very much; keep up the Elite work.

The raise and cost of living are effective 1/1/2025.