

Roll Call

A regular meeting of the Kalamazoo City Commission was held on Monday, December 16, 2024 at 7:00 p.m. in the City Commission Chambers at City Hall.

COMMISSIONERS PRESENT:

Mayor David Anderson
Vice Mayor Jeanne Hess
Don Cooney
Qianna Decker
Stephanie Hoffman
Chris Praedel
Alonzo Wilson

COMMISSIONERS ABSENT:

None

Also present were City Manager Jim Ritsema, City Attorney Aaron Leal, and City Clerk Scott Borling.

Invocation

The invocation, given by Deacon Joe Schmitt, St. Thomas More, was followed by the Pledge of Allegiance.

Adoption of the Agenda

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

Public Comments

Next, when an opportunity was given for general public comments, the following people addressed the City Commission:

Jim VanTuinen, non-resident, spoke about Kalamazoo Valley Gleaners, a non-profit organization that collected and processed surplus vegetables for distribution to needy people all over the world.

Jane VanTuinen, non-resident, spoke about Kalamazoo Valley Gleaners, a non-profit organization that collected and processed surplus vegetables for distribution to needy people all over the world.

Daniel, a City resident, invited Commissioners to volunteer at the Impact Visions annual coat drive on January 5th in Martin Luther King Jr. (MLK) Park.

2024-50-01

Jody Dozeman, City resident, thanked the City for The Lodge House and spoke about various other topics. Ms. Dozeman distributed a document with information on patents. A copy of the document was filed with the papers for this meeting.

Margie, a City resident, described her volunteer efforts to help the unhoused and invited people to the coat drive in MLK Park on January 5th.

Matt Milcarek, City resident, thanked the City Commission for its consideration of housing-related items on the Consent Agenda. Mr. Milcarek reported Kalamazoo Public Schools (KPS) was planning to move El Sol Elementary School from its current location in the Vine Neighborhood to a location outside the City. Mr. Milcarek asked Commissioners to use their influence with KPS board members and administrators to get an extension of the decision-making process so there could be more community input.

Gwendolyn Hooker, City resident and CEO of HOPE Thru Navigation, thanked the City for its help and support for the Tiny Houses of Hope project.

Morgan, a City resident, described the work of Trashlovekzoo and invited people to help pick up trash in the community on the first Saturday of each month. Morgan thanked the City for providing bags and for picking up the bagged trash.

Shona Espinoza, City resident, spoke about homeless children and stated the City needed to establish daytime and nighttime shelters for the unhoused.

Tina McClinton, City resident, spoke about flooding and the loss of green space in her neighborhood. Ms. McClinton spoke about high rents and the declining quality of life in the City.

Charles, a City resident, offered remarks on actions at the state level that had contributed to the growth of homelessness.

Darrius Williams, City resident, talked about the need for change and indicated he wanted to be involved with the City's efforts to improve the community. Mr. Williams stated there needed to be more activities, events, and opportunities for young people.

Chase Platte, City resident, advocated for a greater sense of urgency around the issue of housing and food security. Mr. Platte asked the City not to build on green spaces. Mr. Platte asked the City Commission to allow call-in public comments at its meetings and to allow the public to move items from the Consent Agenda to the Regular Agenda so they could be discussed.

At 7:51 p.m. Mayor Anderson opened a public hearing to receive comments on the Fiscal Year 2025 Proposed Budget for the City of Kalamazoo.

City Manager Ritsema announced the following change to the proposed 2025 Budget: in response to a suggestion from Commissioners Hoffman and Decker, staff was proposing the allocation of \$500,000 to create emergency shelter space for the unhoused. The proposed \$500,000 would come from reallocated American Rescue Plan Act (ARPA) funding in the amount of \$330,000 that was previously designated for the Kalamazoo County Undue Medical Debt effort. This allocation was no longer needed because the County was able to cover the entire cost of the program. The remainder of the \$500,000 would come from ARPA interest.

Management Services Director and Chief Financial Officer (CFO) Steve Vicenzi provided an overview of the proposed Fiscal Year 2025 Budget.

In response to questions and comments from Commissioners, CFO Vicenzi provided the following information:

- Item G-5 is a budget amendment to reallocate ARPA funds for various projects to allow flexibility in planning and the ability to obligate funds utilizing the revenue replacement category. ARPA funding must be obligated by December 31st. Staff will not have the ability to have all invoices paid and reconciled to show full obligation of these funds in the year-end Federal report, which is due on January 15th. The proposed budget amendment is being requested to accommodate the Federal reporting requirements.

Public Comments
(cont'd)

2024-50-02

Public Hearing re:
the FY2025 Budget

2024-50-02

Public Hearing re:
the FY2025 Budget
(cont'd)

- over the past five years, increases in allocated positions have tracked with overall budget increases. The new positions have addressed needs in the Public Safety and Public Services Departments. Some of these needs have been related to stricter water quality standards and an increase in capital projects for the water and wastewater utilities. Regarding the sustainability of these positions, the City has a five-year plan, and over the next five years the General Fund is projected to stay within its fund balance targets. The City's number one job is to provide services, and that happens with people.
- property tax revenues are expected to grow 3-4% annually, which is more in line with historic averages than the 5-7% growth that has occurred over the past few years. Growth in capped property values is limited to the rate of inflation as measured by the Consumer Price Index.
- the amount of revenue realized from new development projects will depend on the tax incentives offered. Some revenue from new construction might be diverted in the short term to fund specific programs and initiatives, like downtown development.
- state revenue sharing is expected to grow 2-3% annually. One new form of revenue sharing is the Public Safety Trust Fund, which will give the City an estimated \$1.8 million in 2025.
- the 2025 proposed budget and 2024 budget included several new internally focused positions that would support the work being done by public-facing departments. These positions increase the City's capacity to get work done in and for the community.

Commissioner Praedel noted the 2025 proposed budget was 35% higher than the 2024 budget. This increase was the result of once-in-a-generation opportunities for significant state and federal funding to address some large infrastructure projects.

When an opportunity was given for public comments, the following people addressed the City Commission:

Tobi Hanna-Davies, City resident, spoke on behalf of the Interfaith Strategy for Advocacy and Action in the Community (ISAAC) and thanked the City for adding funding in the proposed budget for an emergency shelter. Ms. Hanna-Davies read from the covenant to which ISAAC subscribed.

At 8:11 p.m. Mayor Anderson closed the public hearing.

Consent Agenda

Consent Agenda items were presented as follows with a recommendation to approve the items and authorize the City Manager to sign all related documents on behalf of the city:

2024-50-03

- approval of a contract extension with Rathco Safety Supply, Inc for sign installation and maintenance services in the amount of \$182,275.

2024-50-04

- approval of a three-year contract with HydroCorp LLC for administration of the Cross Connection Program in the amount of \$205,200.

2024-50-05

Resolution 24-77

- adoption of a **RESOLUTION** approving a change in the street lighting contract with Consumers Energy for 335 Kalamazoo Avenue.

- | | |
|---|---------------------------------------|
| - adoption of a RESOLUTION approving four new Neighborhood Enterprise Zone (NEZ) Homestead applications in the Vine Neighborhood. | 2024-50-06
Resolution 24-78 |
| - approval of a budget amendment to reallocate American Rescue Plan Act funds for various projects. | 2024-50-07 |
| - approval of Fiscal Year 2024 year-end budget amendments. | 2024-50-08 |
| - acceptance of a donation of recreation equipment from Sinclair Recreation for Verburg Park Improvements with an estimated value of \$43,177.95. | 2024-50-09 |
| - approval of an amendment to the 2022 Home Energy Efficiency and Weatherization Grant Agreement with Kalamazoo Neighborhood Housing Services for a budget increase of \$9,500. | 2024-50-10 |
| - approval of an agreement with Southwest Childcare Resources for a grant of ARPA funds in the amount of \$132,000 for early childcare business supports. | 2024-50-11 |
| - approval of an agreement with the Kalamazoo County Land Bank for a grant of ARPA funds in the amount of \$480,000 for the construction of housing units utilizing the city's pre-approved plans. | 2024-50-12 |
| - approval of amendments to the Foundation for Excellence (FFE) Bylaws and Articles of Incorporation. | 2024-50-13 |
| - approval of a public utility easement with Advia Credit Union for water main installed as part of the Advia Credit Union construction project. | 2024-50-14 |
| - approval of a request from New Year's Fest of Kalamazoo to publicly display fireworks from the Epic Center parking structure on Tuesday, December 31, 2024 at midnight as part of the annual New Year's Fest event. | 2024-50-15 |

Commissioner Praedel, seconded by Commissioner Cooney, moved to approve the consent agenda requests and authorize the City Manager to sign all related documents on behalf of the City.

With a roll call vote this motion passed unanimously.

AYES: Commissioners Cooney, Decker, Hoffman, Praedel, Wilson, Vice Mayor Hess, Mayor Anderson

NAYS: None

Regular Agenda items were considered next.

City Manager Ritsema introduced consideration of a contract extension with Solenis LLC for biosolids dewatering polymer.

An opportunity was given for questions from City Commissioners, but no questions were offered.

An opportunity was given for public comments on this item, but no comments were offered.

Regular Agenda

2024-50-16
Contract Extension
with Solenis LLC
for Biosolids
Dewatering Polymer

2024-50-16

Contract Extension
with Solenis LLC
for Biosolids
Dewatering Polymer
(cont'd)

Vice Mayor Hess, seconded by Commissioner Wilson, moved to approve a contract extension with Solenis LLC for biosolids dewatering polymer in the amount of \$1,321,910.37.

With a roll call vote this motion passed unanimously.

AYES: Commissioners Cooney, Decker, Hoffman, Praedel, Wilson, Vice Mayor Hess, Mayor Anderson

NAYS: None

2024-50-17

Agreement with the
DEGA re: Loan
Consolidation

CFO Vicenzi provided an overview of agreements with the Downtown Economic Growth Authority (DEGA) and Downtown Development Authority (DDA) to consolidate outstanding interfund loans.

In response to questions and comments from City Commissioners, CFO Vicenzi provided the following information:

- 3.75% is the market interest rate, based on the 10-year Treasury yield. The current interest rate is higher, but it is anticipated there will be multiple rate reductions over the next year.
- having these agreements in place will eliminate the need for the DEGA and DDA to file Deficit Reduction Plans with the Michigan Department of Treasury.
- the DEGA tax capture was adversely affected for the first few years of its existence (2019) due to properties being demolished or becoming tax exempt. Since the end of the COVID-19 pandemic, growth in property values has helped the DEGA regrow its income.

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

Commissioner Hoffman, seconded by Commissioner Praedel, moved to approve an agreement with the Downtown Economic Growth Authority (DEGA) to consolidate outstanding interfund loans in the amount of \$1,060,000.

Prior to a vote on the motion, Commissioner Praedel noted this situation was not ideal, but these types of actions were necessary to maintain a vibrant community.

In response to a question from Commissioner Decker, CFO Vicenzi stated payback of the two loans did not start until December 31, 2026 because the DEGA and DDA needed to repay other debts first. CFO Vicenzi explained the agreements took effect on December 31st of this year, and interest would begin accruing at that point, even though the first payments were not due for two years.

Commissioner Decker stated the City did not want to see these entities go away, as they did a lot for the development of the downtown area.

In response to a question from Mayor Anderson, CFO Vicenzi stated the commencement date in the DDA agreement was December 31, 2026, which was incorrect; the correct date should be December 31, 2024. CFO Vicenzi stated the mistake was considered a scrivener's error, and it would be corrected before the document was signed.

Discussion took place about whether the motion approving the agreement should include language to correct the commencement date.

City Attorney Leal recommended that the motion approving the DDA agreement include language to correct the date.

With a roll call vote the motion to approve the DEGA loan agreement passed unanimously.

AYES: Commissioners Cooney, Decker, Hoffman, Praedel, Wilson, Vice Mayor Hess, Mayor Anderson

NAYS: None

City Manager Ritsema introduced for consideration an agreement with the Downtown Development Authority to consolidate outstanding interfund loans.

An opportunity was given for questions from City Commissioners, but no questions were offered.

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

Commissioner Decker, seconded by Commissioner Hoffman, moved to approve an agreement with the Downtown Development Authority to consolidate outstanding interfund loans in the amount of \$1,070,680, with the amendment that the start date of the agreement should be December 31, 2024.

With a roll call vote this motion passed unanimously.

AYES: Commissioners Cooney, Decker, Hoffman, Praedel, Wilson, Vice Mayor Hess, Mayor Anderson

NAYS: None

Shared Prosperity Kalamazoo (SPK) Coordinator Kevin Ford provided an overview of the RX Kids program and noted the City's \$1.5 million contribution was part of a larger effort to raise \$8.5 million for the program.

Alyssa Stewart, Chief Community Impact Officer (CIO) for the Kalamazoo Community Foundation, reported fund raising for RX Kids had been very successful: 15 donors, including the City, had contributed over \$8.9 million to-date. Ms. Stewart stated the anticipated launch date for the program was February of 2025. Ms. Stewart explained the Kalamazoo Community Foundation was the local fiscal sponsor for RX Kids, but the project was operated by a global non-profit organization called GiveDirectly, which would have a staff member on the ground in Kalamazoo to provide customer support.

In response to questions and comments from City Commissioners, Ms. Stewart provided the following information:

- Kalamazoo was chosen for the RX Kids pilot program because of its community readiness. Kalamazoo has considerable philanthropic resources and infrastructure already in place around prenatal care and improving maternal and child health outcomes.

2024-50-17

Agreement with the
DEGA re: Loan
Consolidation (cont'd)

2024-50-18

Agreement with the
DDA re: Loan
Consolidation

2024-50-19

ARPA Grant
Agreement for the
RX Kids Program

2024-50-19

ARPA Grant
Agreement for the
RX Kids Program
(cont'd)

- the time before and after the birth of a child was a stressful time; poverty rates and contacts with Child Protective Services increase during pregnancy and in the first year of a child's life. Economically, there could be a loss of income during this time due to unpaid time off from work or complete loss of employment, while child-related expenses increase significantly.
- the program will be available to any City resident who has a child after the launch of the program, which is estimated to be mid- to late-February. The RX Kids program is universal with no income limits, but on the back-end funds from the state (Temporary Assistance for Needy Families) and the City will be focused on Medicaid births.
- the University of Michigan's Poverty Solutions Center is conducting a comprehensive mixed methods evaluation in Flint. Kalamazoo will be included in that evaluation once the program starts. The early data from Flint shows promising outcomes, especially birth outcomes.

When an opportunity was given for public comments, the following people addressed the City Commission:

Zach Lassiter, City resident, expressed support for this item and noted Item G-13 included an incorrect time for the New Year's Fest fireworks display.

Gwendolyn Hooker, City resident, expressed support for the RX Kids program and stated it would change the trajectory of peoples' lives. Ms. Hooker observed the City Commission was doing a lot of good work, and this work was being noticed by the State of Michigan. Ms. Hooker suggested the City needed do a better job of communicating with residents about the good things that were happening.

Commissioner Cooney, seconded by Commissioner Hoffman, moved to approve an agreement with Kalamazoo Community Foundation for an ARPA grant in the amount of \$1,500,000 for the RX Kids Kalamazoo pilot.

Prior to a vote on the motion, Commissioner Praedel acknowledged Commissioner Cooney's long-standing service on the City Commission and his efforts to end poverty. Commissioner Praedel stated it was difficult to imagine a City Commissioner from 25 years ago taking an action like this. Commissioner Praedel stated the contribution to RX Kids was a great of example of the way the City could address poverty: not by solving the whole problem but by being a propellant or accelerant to solve a part of the problem.

Commissioner Cooney spoke about the success of the federal Refundable Child Tax Credit, which demonstrated that giving money to parents was an effective way to reduce child poverty.

Vice Mayor Hess stated the W.E. Upjohn Institute for Employment Research would be involved in the collection of data on the RX Kids program and would make the data available for researchers and other communities.

With a roll call vote this motion passed 6-0 with one abstention.

AYES: Commissioners Cooney, Hoffman, Praedel, Wilson, Vice Mayor Hess, Mayor Anderson

NAYS: None

ABSTAIN: Commissioner Decker

City Manager Ritsema recognized City staff for their hard work in 2024 and thanked City Commissioners and the community for their support.

Next, an opportunity was given for miscellaneous comments from City Commissioners.

Commissioner Cooney thanked Commissioners Decker and Hoffman for finding funds in the 2025 budget for an emergency shelter.

Commissioner Praedel highlighted items that had been approved on the Consent Agenda, including amendments to the Foundation for Excellence Board bylaws, funding for early childcare business supports, and acceptance of donated playground equipment. Commissioner Praedel thanked staff in the Public Safety and Public Services Departments who would be working over the holidays. Commissioner Praedel commended Gwendolyn Hooker for her success with the Tiny Houses of Hope project.

Commissioner Decker recognized the team that prepared the 2025 budget and thanked them for making the draft budget available earlier than usual. Commissioner Decker stated she was looking forward to 2025.

Commissioner Hoffman thanked Commissioners and staff for their work to find \$500,000 in the 2025 budget for an emergency shelter.

Vice Mayor Hess offered remarks on local educator John Reeves, who recently passed away, and she thanked Deacon Schmitt for talking about Mr. Reeves during the invocation. Vice Mayor Hess acknowledged the work of the Kalamazoo Valley Gleaners. Vice Mayor Hess announced the Tiny Houses of Hope needed furniture and appliances, and she encouraged people to donate to this project.

Mayor Anderson remarked on the life and death of Dr. Jesse Duranceau and stated the true wealth of community was its people. Mayor Anderson thanked employees in the Public Safety and Public Services Departments for working through the holidays in the cold and snow.

The meeting adjourned at 9:05 p.m.

Scott A. Borling
City Clerk

Approved by the City Commission on: _____

2024-50-19
ARPA Grant
Agreement for the
RX Kids Program
(cont'd)

City Manager's
Report

Commissioner
Comments

Adjournment