

Agenda

Northside Cultural Business District Authority Board of Directors



City of Kalamazoo

Thursday, June 26, 2025

6:00 PM

Northside Association for Community Development, 612 N. Park Street

A. CALL TO ORDER/ROLL CALL

B. ADOPTION OF AGENDA

(Action: Motion to approve the agenda)

C. APPROVAL OF MINUTES

1. Approval of the minutes from the Northside Cultural Business District Authority Board meeting on May 22, 2025. **(Action: Motion to approve)**

D. PUBLIC COMMENTS

E. DIRECTOR COMMENTS

F. NEW BUSINESS

G. UNFINISHED BUSINESS

1. Budget Template
2. Budget Administration
3. Budget Amendment **(Action: Motion to move \$10,987 from the fund balance to the 2025 budget).**
4. TIF Revenue Action Item **(Action: Motion to approve keeping the annual TIF revenue in the annual budget instead of the fund balance.)**
5. 2025 Budget Discussion - Steve Vicenzi

6. 2026 Budget Discussion

H. COMMUNICATIONS AND ANNOUNCEMENTS

1. Transformational Brownfield Project - Antonio Mitchell

I. STAFF REPORTS AND UPDATES

J. ADJOURNMENT

NORTHSIDE CULTURAL BUSINESS DISTRICT AUTHORITY BOARD
May 22, 2025 Meeting Minutes – Draft for Review

A meeting of the Northside Cultural Business District Authority (NCBDA) Board of Directors was held on Thursday, May 22, 2025, at 612 N Park St, Kalamazoo, MI.

DIRECTORS PRESENT:

- Damian Henderson
- Mattie Jordan-Woods
- Marilyn Pulley
- Tami Rey
- Ricky Thrash

DIRECTORS ABSENT:

- Mayor Anderson
- Chad Dodd
- Kiar Gamsho

ALSO PRESENT FROM THE CITY:

- Erin Hahn, Community Investment Administrative Assistant
- Antonio Mitchell, Director of Community Planning & Economic Development
- Chelsie Downs-Hubbarth, Community Investment Manager
- Jessica Wood, Legal Counsel from Dickinson Wright

I. CALL TO ORDER

Director Jordan-Woods called the meeting to order at 6:02 P.M.

II. ROLL CALL

Roll call was taken. A quorum was present.

III. ADOPTION OF AGENDA

**DIRECTOR PULLEY MOTIONED TO ADOPT THE MAY 22, 2025 AGENDA AS PRESENTED.
DIRECTOR REY SECONDED. NO OBJECTIONS, MOTION CARRIED.**

Following the initial motion, Director Jordan-Woods initiated discussion on additional items to be added to the agenda:

- Change of June meeting date due to Juneteenth holiday
- Board authorization for payment of attorney fees
- Discussion of an upcoming Planning Conference and proposed Northside tour

DIRECTOR REY MOTIONED TO ADOPT THE AMENDED MAY 22, 2025 AGENDA. DIRECTOR PULLEY SECONDED. NO OBJECTIONS. MOTION CARRIED.

IV. APPROVAL OF MINUTES

Director Rey stated that the April 18, 2025 minutes should be edited to include Chad Dodd as present.

DIRECTOR REY MOTIONED TO APPROVE THE MINUTES FROM THE MEETING OF THE NORTHSIDE CULTURAL BUSINESS DISTRICT AUTHORITY ON APRIL 18, 2025, WITH CORRECTIONS. DIRECTOR HENDERSON SECONDED. ALL IN FAVOR. MOTION CARRIED.

PUBLIC COMMENTS

None.

V. DIRECTOR COMMENTS

None.

VI. UNFINISHED BUSINESS

1. Financial Report Presentation and Budget Explanation with Chelsie Downs-Hubbarth

During the financial report presentation, Chelsie Downs-Hubbarth, Community Investment Manager, provided an overview of the NCBDA's current fiscal status and clarified various aspects of the budget. She began by sharing finalized tax capture numbers: \$20,171.89 for 2024—slightly below the projected \$21,000—and \$11,514.58 for 2023. Ms. Downs-Hubbarth noted that earlier documents had rounded the 2023 figure to \$11,515 for ease of reading. She explained that only \$526.98 of the 2024 budget was spent, including \$26.98 for supplies and \$500 for administrative expenses. The unspent \$10,987.60 rolled into the fund balance and is available for use, though it is not included in the 2025 active budget. She

stated that the officially budgeted amount for 2025 is \$17,900, despite the total available balance being \$31,000 when including the prior year's rollover.

Director Jordan-Woods emphasized the importance of using actual, unrounded figures and requested that all financial reporting include clear, one-page summaries showing projected, actual, and remaining balances. Referring to formats like those used in QuickBooks, she expressed frustration over needing to reference multiple pages to fully understand the financials. She also questioned why a budget not approved by the board appeared in the materials, and requested to see the written policy that prohibits the inclusion of projected income, such as grants, in the official budget. Director Jordan-Woods emphasized the importance of having monthly treasury-style reports that provide transparency for both board members and the public. Additionally, she advocated for including projected grants in a separate, aspirational budget to aid with long-term planning—particularly as the board plans to pursue over \$1 million in grants for 2026. She stated that treating remaining funds as “savings” requiring commission approval creates unnecessary barriers, and that the board should have direct access to those funds within its budget.

Ms. Downs-Hubbarth responded that city policy does not permit the inclusion of projected income in official budgets until such funds are secured. She explained that grant funding is tracked separately using project codes to maintain accurate and auditable financial records apart from the board's operational funds. She acknowledged the board's concerns and committed to providing simplified, easy-to-read monthly reports showing actual expenditures and balances. Ms. Downs-Hubbarth also agreed to prepare a QuickBooks-style one-page format and noted that Mr. Mitchell would share a reference template with the board. She reiterated that accessing additional funds beyond the approved budget would require a formal budget amendment and city commission approval.

Director Pulley expressed agreement with the need for full transparency and supported Director Jordan-Woods' request for visibility into the entire \$31,000 fund balance. She inquired whether the policy on projected income originated from a formal budget committee. Director Rey also supported the request for a budget amendment to make the full fund balance accessible and available for board-directed use.

The board concluded the financial discussion with agreement to vote on a 2025 budget amendment at the next meeting. Ms. Downs-Hubbarth will prepare revised reporting in a simplified format, and relevant city policies will be distributed to all board members. The board also agreed to consider a dual-budget approach—one reflecting actual secured funds and another outlining projected or aspirational income—to improve transparency and assist with future planning efforts.

2. Step-Aside Policy Discussion with Attorney Wood

During the discussion of the step-aside policy, Attorney Jessica Wood provided an overview of the procedural agreement between the Northside Cultural Business District Authority

(NCBDA) and the Brownfield Redevelopment Authority (BRA). Ms. Wood explained that this agreement was originally adopted in December and is intended to ensure that the NCBDA board is properly informed when a developer applies for Brownfield reimbursement within the district. She emphasized that the document does not commit the NCBDA to share tax increment financing (TIF) revenue, nor does it specify any percentages or terms. Instead, it outlines the process for notification and board review. According to the policy, city staff must notify the NCBDA board when a Brownfield application is submitted for a project located within the NCBDA boundaries. If the board agrees to consider a request, the developer—along with city staff—is expected to present detailed information at a public board meeting.

Director Jordan-Woods clarified that the board's intent has always been for developers to appear before the board themselves, not just city or Brownfield staff. She emphasized that during the December meeting when the policy was adopted, board members had agreed that developers must present in person, and that it should be a requirement—not an option—for them to engage directly with the NCBDA. She expressed concern that the current wording, "in conjunction with city staff," could create a loophole allowing city representatives to speak on the developer's behalf. She asked that this phrase be removed to eliminate ambiguity.

Ms. Wood acknowledged the request and confirmed that the board has the authority to amend the document. She explained that any amendment would also need to be approved by the BRA to remain valid. Director Jordan-Woods responded that if the BRA chooses not to adopt the changes, the developer would not receive the NCBDA's support, which is necessary for reimbursement approval.

The board then discussed the role of the Executive Committee in reviewing potential step-aside requests. Director Jordan-Woods explained that the Executive Committee—consisting of the Mayor, Director Pulley, and herself—had already been functioning informally to set agendas and review materials, but had not been formally established in writing. She emphasized the need to formalize the committee's role in the review process to ensure transparency and continuity for future board members. Ms. Wood supported the idea of integrating the Executive Committee into the procedural policy as a recommending body that would review applications before they are presented to the full board. This would help streamline the review process while maintaining full board authority over final decisions.

Director Rey asked how Executive Committee members are appointed, and Ms. Downs-Hubbarth clarified that appointments are made on an annual basis. Director Pulley emphasized that the Executive Committee should not be making final decisions, only recommendations.

Further discussion clarified that the intended process would involve the Executive Committee meeting first to review materials and ask preliminary questions. A full public board meeting would then be held where the developer presents directly, and the board

may choose to vote at that meeting or at a subsequent one, depending on the complexity of the proposal. Director Jordan-Woods stressed the importance of transparency and allowing adequate time for public engagement and board deliberation. She stated that developers should not expect expedited decisions, especially if they delay engaging with the board until late in the planning process.

Ms. Wood reminded the board that closed session discussions are limited by the Michigan Open Meetings Act and may only be used under specific legal conditions, such as attorney-client privileged discussions. Director Jordan-Woods noted that closed sessions may still be useful for legal clarifications but emphasized that the final vote must take place in an open meeting. She reiterated that the NCBDA's procedure must be clearly documented and consistently followed to ensure accountability and protect the district's interests.

The board agreed that the procedural agreement should be amended to include: 1) a requirement that the developer present in person; 2) formal recognition of the Executive Committee's role in the review process; and 3) clear timelines that prevent last-minute requests from bypassing due process. Ms. Wood confirmed that she would prepare a draft with these amendments and work with both the NCBDA and BRA to finalize the updated procedure.

VII. NEW BUSINESS

a. Board date for Juneteenth

Director Jordan-Woods explained that the regularly scheduled June meeting falls on Juneteenth, a national holiday when City offices will be closed. The board agreed to reschedule the meeting to June 26th, 2025 to ensure quorum and staff availability.

DIRECTOR PULLEY MOTIONED TO CHANGE THE JUNE NCBDA MEETING DATE FROM JUNE 19TH, 2025 TO JUNE 26TH 2025. DIRECTOR HENDERSON SECONDED. NO OBJECTIONS. MOTION CARRIED.

b. Attorney fees

Director Jordan-Woods requested approval to use board funds to cover legal fees associated with tonight's meeting, and a recent virtual meeting attended by herself, Mayor Anderson, and Director Pulley, during which Attorney Jessica Wood provided consultation on the step-aside policy.

Ms. Downs-Hubbarth stated that the board has \$5,000 budgeted for legal expenses in 2025, and that she would work with Attorney Wood to get an agreement in writing for an hourly rate of \$250.

DIRECTOR THRASH MOTIONED TO APPROVE PAYMENT OF THE ATTORNEY FEES USING THE NCBDA BUDGET. DIRECTOR PULLEY SECONDED. NO OBJECTIONS. MOTION CARRIED.

c. Planning Conference

Director Jordan-Woods introduced an opportunity for the NCBDA to be featured during an upcoming planning conference in October. She proposed organizing a Northside tour for conference attendees to promote the district. The tour may include either a walking or bus format, with stops at local businesses and cultural sites. She invited board members to participate in planning the event, and Director Thrash volunteered to assist, particularly with food and hospitality. The board expressed support for moving forward with planning the tour as a promotional opportunity for the district.

VIII. STAFF UPDATES

During the staff updates portion of the meeting, Antonio Mitchell addressed the board to clarify the role of the Executive Committee. He noted that the current minutes only reflect the committee's responsibility for setting agendas and expressed the need for a formal document outlining the full scope of the committee's roles and responsibilities to ensure shared understanding among board members.

Director Rey asked how members of the Executive Committee are selected. In response, Ms. Downs-Hubbarth explained that appointments are made annually. Director Mitchell added that the Executive Committee is not currently defined in the board's bylaws, reinforcing the importance of creating written guidance to establish its structure and authority moving forward.

IX. ADJOURNMENT

Director Henderson motioned to adjourn the meeting. Director Pulley seconded. All in favor. Motion carried.

NCBDA Annual Budget Tracking Spreadsheet

January - May 2025 Report

Revenue	2024 Projected Revenue	2024 Actual Revenue	2024 Fund Balance	2025 Projected Revenue	2025 Actual Revenue	2025 Revenue Balance	2026 Projected Budget	Notes
Tax Increment Financing	\$10,858.00	\$11,514.58	\$11,514.58	\$20,171.89	\$20,171.89	\$20,171.89	38,567.32	The 2026 TIF is an estimate. Will receive final numbers in June 2026.
Grants*	\$0.00	\$0.00	\$0.00	\$397,900.00	\$0.00	\$0.00		Potential grant opportunity. No grant money has been awarded as of June 2025.
Total Revenue	\$10,858.00	\$11,514.58	\$11,514.58	\$418,071.89	\$20,171.89	\$20,171.89		
Expenses	2024 Projected Expenses	2024 Actual Expenses	2024 Budget Balance	2025 Projected Expenses	2025 Actual Expenses	2025 Budget Balance		
Fundraising	\$0.00	\$0.00	\$0.00	\$400,000.00	\$0.00	\$0.00		Unavailable to spend this without the approval by the board and acceptance of a grant by City Commission
Meeting Supplies	\$200.00	\$26.98	\$173.02	\$200.00	\$0.00	\$200.00		
Postage	\$200.00	\$0.00	\$200.00	\$200.00	\$0.00	\$200.00		
Professional and Contractual Services	\$5,000.00	\$0.00	\$5,000.00	\$5,000.00	\$0.00	\$5,000.00		Legal Counsel
Audit Fees	\$0.00	\$0.00	\$0.00	\$2,000.00	\$0.00	\$2,000.00		
Professional Development	\$2,458.00	\$0.00	\$2,458.00	\$5,000.00	\$0.00	\$5,000.00		Board Development & Trainings
Administrative Fees	\$500.00	\$500.00	\$0.00	\$500.00	\$0.00	\$500.00		City Bookkeeping Services
Advertising and Promotion	\$2,500.00	\$0.00	\$2,500.00	\$5,000.00	\$0.00	\$5,000.00		Community engagement, printed materials, and digital marketing
TOTAL EXPENSES	\$10,858.00	\$526.98	\$10,331.02	\$417,900.00	\$0.00	\$17,900.00		
FUND BALANCE		\$10,987.60			\$20,171.89			Total TIF Revenue 2024 & 2025 \$31,159.49

* As of June 16, 2025, NCBDA has not received any grant funding, so no grant money has been spent or is available to spend. Once a grant is awarded, the funds will be placed in a separate account dedicated to that specific grant and funds will become available. The separate project fund helps ensure the mon used according to the budget and is easy to track. Grant funds will not be included in the annual operating budget shown here.

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PURPOSE:

To establish policies for the administration of the budget for the year 2016

POLICY:**I. BUDGETED FUNDS**

The annual appropriation resolution shall apply to all funds except internal service funds, debt service funds, permanent funds and trust and agency funds. The City Commission is also required to approve the administrative budget for the pension trust fund.

II. OPERATING BUDGET

- A. The operating budget will be based on the principle of financing current expenditures with current revenues or accumulated reserves. Expenditures shall include adequate funding of the retirement system and adequate maintenance and replacement of capital and operating assets.
- B. Budgeted expenditures will reflect the City's perceived needs and desires of the community based on current surveys and long-range planning. The budget will be based on generally accepted accounting principles.
- C. Five-year projections are included for the General Fund, the Major and Local Street Funds, and the Capital Projects Fund. The five-year projection for the Capital Improvement Program for the Water and Wastewater funds is also included.
- D. The Operating Budget provides for general services including personnel costs, supplies, services, and capital equipment and improvements. These capital purchases are on-going and include vehicles such as cars and trucks, miscellaneous machinery and equipment, and building improvements under \$20,000. Revenues for the Operating Budget include property taxes, user fees and intergovernmental sources.

III. LIMITATIONS ON EXPENDITURES

- A. It shall be the duty of the City Manager to oversee that each department director, excluding the City Attorney, City Clerk, and Internal Auditor, does not exceed the amount appropriated for their department except by prior authority of the City Commission. Only the City Commission shall make new or additional

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appropriations. It shall be the duty of the City Attorney, City Clerk, and Internal Auditor to see that they do not exceed the amount appropriated for their department except by prior specific authority of the City Commission.

- B. The City Manager is authorized to accept grants and donations under \$25,000. The acceptance of grants shall be considered as authority to expend funds for those purposes. A summary of grants and donations accepted by the City Manager will be presented to the City Commission twice a year as an informational item.
- C. Legislative action by the City Commission to issue bonds, accept grants, and authorize special assessment projects shall be considered as authority to expend funds for those purposes, and no further appropriation authority will be necessary.

IV. TRANSFERS

- A. City Commission Approval
Transfers shall require City Commission approval if the transfer will result in an increase or decrease in one or more items in the annual appropriation resolution. All transfers from the City Commission contingency account shall require City Commission approval regardless of the amount.
- B. City Manager Approval
The City Manager may approve the transfer of operating funds to capital projects for changes up to the greater of \$10,000 or to 10% of the project cost per project. The City Manager or designee may also approve the reallocation of funds within the capital accounts on the same basis, or in any amount as long as the funds are still used for the purpose for which they were originally appropriated. All other transfers affecting capital projects shall require City Commission approval.
- C. After receiving a request for transfer from the City Manager and hearing any objections to the request, transfers may be approved or disapproved by the City Commission. When approved by the City Commission or City Manager the transfer shall be considered an amendment to the budget and shall become effective immediately.

V. MONTHLY REPORT

The City Manager shall submit to the City Commission a brief executive summary of the City's financial activity on a monthly basis.

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VI. CONTRIBUTIONS FROM THE GENERAL FUND TO THE CIP FUND

- A. General fund capital transfers to the CIP Fund and the Major and Local Street funds will be budgeted, to the extent possible, over and above operating and capital outlay budgets provided that the estimated ending unreserved General Fund balance will remain in a range of 13% - 15% of estimated revenues for fiscal year 2016.
- B. General fund balance, for the purpose of calculating the capital transfers to the CIP Fund, the Major and Local Street Funds and retainage mentioned in Paragraph A above, will be based on the accrual of all property taxes estimated to be collected by the annual property tax levy, regardless of whether the collections are received in the year levied or in subsequent years. This method of accrual of property taxes may be different than the method required by General Accepted Accounting Principles for preparation of the Comprehensive Annual Financial Report.

VII. CAPITAL PROJECTS FUND

This fund is used to account for acquisitions and construction of major capital facilities other than those financed by proprietary fund operations and special assessments.

VIII. ALLOCATION OF ADMINISTRATIVE COSTS

- A. A cost allocation plan will be developed each year to determine an appropriate amount to be allocated for central service costs to the various operations of the City. The allocation plan will be prepared in accordance with federal laws and guidelines for allocation of costs to federal grants. Allocation of costs to operations and cost centers other than federal grants may include allocation of costs that are disallowed for federal grants. A qualified, independent firm will prepare the allocation plan.
- B. Utility operations will be allocated the full costs as provided in the plan. Metro Transit will be allocated actual costs as provided in the plan. No allocation will be charged to general fund operations since this would only inflate general fund revenues and expenses equally without impacting the financial position of the fund.
- C. All other funds will be charged an amount not to exceed the allocation determined by the plan. In order to make the allocations determined by the plan, some funds

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may be provided with a General Fund subsidy if for some reason the fund cannot be reasonably expected to pay the full allocation.

IX. CARRY FORWARDS

Unexpended balances, both encumbered and unencumbered, of previously authorized construction or capital improvements not completed as of December 31 are hereby re-appropriated. Any such carry forwards shall be presented to the City Commission as an informational item at a regular City Commission meeting. Carry forward requests for non-capital items, shall be submitted to the City Commission for approval.

X. REVENUES**A. Tax Levy**

The amount annually to be raised shall not exceed 2% (\$20 per \$1,000) of the assessed valuation as equalized of all real and personal property in the City, per Section 77 of the Charter.

B. Special Assessments

Section 108 of the Charter states the City Commission shall have power to determine, with or without a petition, that all or part of the expense of any public improvement or repair may be defrayed by special assessments upon the parcels or property especially benefited, and declare by resolution.

C. User Fees

The City Commission has jurisdiction over establishing schedules of charges, including recreational activities, cemetery fees, and neighborhood and community development fees and charges.

D. Metro Transit System

The Transit Authority Board has the jurisdiction to levy the special assessment for mass transit, and the City Commission joint with the Transit Authority Board establishes the fare structure.

E. Enterprise Functions

The enterprise funds include the City Market, Metro Transit System, Water Division, Wastewater Division, and the Kalamazoo Municipal Golf Association which are fully self-supporting from user fees and charges, or subsidies from other intergovernmental sources.

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- F. Payment In-Lieu of Taxes (PILOT)
PILOT is charged to the Water and Wastewater Divisions.
- G. Interest Earnings
Interest earnings from the investment of temporarily idle funds are credited to the fund which generates the earnings.

XI. RESERVES

- A. General Fund Undesignated Reserve
A balance will be maintained within a range of 13% to 15% of current projected revenues. For purposes of this calculation, all property taxes levied for the current fiscal year, except for a reserve for delinquent taxes, are accrued to the current year.
- B. Capital Contingency Reserve
Funds will be designated in a capital reserve account within the General Fund equal to 0.5% - 1.0% of the General Fund operating budget. The funds will be used for emergency capital needs and may be transferred with City Manager approval. The Capital Contingency Reserve stipulates that purchases must meet capitalization criteria, and any expense that causes the balance to fall below the recommended level will be replaced within a three year period, in equal installments.
- C. Reserve for Self-Insurance
A reserve will be established to provide funding of a risk management program whereby the City is self-insured for workers' compensation, auto comprehensive and collision coverage, and is a member of the Michigan Municipal Risk Management Authority and Michigan Transit Pool with various deductibles and coverage limitations. This reserve is to be held in the Insurance Fund.

XII. BUDGET AMENDMENTS

Only the City Commission shall make new or additional appropriations. Budgets may be amended after adoption with approval of the City Commission if changes result in an increase in appropriation. Budget amendment requests must be made in writing and approval is required from the appropriate department director, the Management Services Director/CFO, and the City Manager. The City Manager ultimately requests approval from the City Commission.

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XIII. CAPITAL IMPROVEMENTS PROGRAM

- A. In addition to budgets for City Operations, the City of Kalamazoo Budget includes the Capital Improvement Program. The Capital Improvements Program (CIP) is a six-year forecast of capital expenses together with available funding resources. The first year of the forecast is adopted as the current year CIP budget.
- B. Capital outlay for the purpose of the Capital Improvements Program is defined as expenditures that result in the acquisition or addition to fixed assets that have an estimated life of at least five years and monetary value of at least \$20,000. Examples include construction of buildings or other structures, roads, sewers, parks, and the purchase of heavy equipment, fire trucks and buses. Funding for CIP include bond proceeds, donations, grants, and intergovernmental sources.
- C. The debt service for bonds associated with the CIP for the Enterprise funds are recorded directly in the Enterprise Funds. In Governmental funds, the debt service is paid from a separate Debt Service fund, not included in the City Budget. In this case, the transfer to the debt service fund is made from the CIP fund.
- D. The Capital Improvements Program (CIP) will reflect a consensus of the perceived needs and desires of the community based on current surveys and long range planning. Projects included in the Capital Improvements Program shall be consistent with the City of Kalamazoo Comprehensive Plan. The CIP provides funding for those operations exclusive of enterprise funds. Eligible uses include capital projects, major equipment, debt service, and non-utility environmental expenses. The City will develop and maintain a CIP to plan and fund capital projects over a minimum five year period coordinated with the Operating Budget. The Capital Improvements Program will, to the extent possible, be designed to protect the City's investments in capital and operating assets through timely and adequate maintenance and replacement of those assets.

XIV. DEBT POLICIES

- A. Subject to the applicable provisions of statutory and constitutional debt provisions and the City Charter, the City Commission, by proper ordinance or resolution, may authorize the borrowing of money for any purpose within the scope of the powers vested in the City. The City Commission may pledge the full faith credit and resources of the City for the payment of debt obligations. Section 21 of Article VII of the Michigan Constitution establishes the authority, subject to statutory and constitutional limitations, for municipalities to incur debt for public purposes. State law limits the rate of ad valorem property taxation for municipal

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purposes, and restricts the powers of cities and villages to borrow money and contract debts. Each city and village is granted power to levy other taxes for public purposes, subject to limitations and prohibitions provided by this constitution or by law.

- B. In accordance with the foregoing authority granted to the State Legislature, the Home Rule Cities Act limits the amount of debt a city may have outstanding at any time. The Act provides that the net indebtedness incurred for all public purpose shall not exceed ten percent of the assessed value of all real and personal property in the city plus the combined constitutional and statutory state revenue sharing amount divided by the City's millage rate.
- C. Exceptions to the debt limitation have been permitted by the Home rule Cities Act for certain types of indebtedness. All special assessment bonds, Michigan Transportation Fund bonds, revenue bonds payable from revenues only, whether secured by a mortgage or not, and bonds issued or contract obligations assessments incurred to comply with an order of the Water Resources Commission of the State of Michigan or a court of competent jurisdiction. Any obligations incurred for water supply, sewage, drainage or refuse disposal or resource recovery projects necessary to protect the public health by abating pollution, and bonds issued or assessments or contract obligations incurred for the construction, improvement or replacement of a combined sewer overflow abatement facility.
- D. Although the City has sufficient legal debt margin, all decisions to enter in debt obligations are contingent upon the City's ability to make debt service payments and maintain adequate reserves.
- E. The City has historically issued short-term tax anticipation notes for cash flow purposes because the fiscal year is January 1 to December 31 and operating taxes are levied on July 1 of each year. The City plans to continue issuing short-term tax anticipation notes for the foreseeable future.
- F. Debt will be used to finance long term capital and operating assets within the constraints of maintaining or improving bond ratings and debt service capacity.
- G. Debt management will provide for the protection of bond ratings, the maintenance of adequate debt service reserves, compliance with debt instrument provisions and appropriate disclosures to investors, underwriters, and rating agencies.

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XV. INVESTMENT POLICY

Investment management will strive to maximize investment return on the City's funds through pooling of funds where permitted, frequent market analysis, cash forecasting procedures, and competitive bidding. Interest income is applied on a percentage basis to each fund based on the fund's balance compared to total fund balances.

XVI. DISCRETIONARY FUNDS POLICY

The Kalamazoo City Commission may set aside discretionary funds for community programs and projects geared toward improving the quality of life for our residents. During the budget cycle, applications are accepted from organizations that sponsor programs and projects that perpetuate a positive influence on the lives of residents of all ages.

Funding awards range from \$3,000 to \$16,000. Organizations must meet the following criteria:

- The physical location of the organization must be within the Kalamazoo city limits;
 - the organization must be a 501(c)(3) organization under the Internal Revenue Code;
 - the organization must support programs and projects geared toward improving the quality of life of City residents throughout the year.
- A. Organizations are required to submit completed grant applications with all supporting documentation. All organizations which have received previous funding are required to submit a final report outlining the scope of services provided as well as a financial report itemizing City fund usage with this application. Failure to submit the final report will disqualify an organization from future funding considerations.
- B. Applications are reviewed by the Community Development Act Advisory Committee (CDAAC) and City Manager staff. Reviewers measure how well applicants answer the questions that correlate with the following eight categories of focus which include program objectives, benefits to residents, need in the community, other programs provided by the applying agency throughout the year, organizational resources, community partnerships, and the organizations overall budget.

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XVII. THE COMMUNITY DEVELOPMENT ACT ADVISORY COMMITTEE (CDAAC)

- A. A thirteen-member citizen's advisory panel made up of seven members-at-large, and six representatives from Kalamazoo's core neighborhoods, will coordinate the review of applications, and submit funding recommendations to City Manager staff. CDAAC will base its recommendations on the quality, need, and impact each program/project has on the community's goal structure as it relates to the Blueprint for Action.
- B. Scoring in each category is based on 1 (lowest) to 5 (highest). The reviewer scores are tallied, and divided by the number of reviewers to obtain a committee average "score" for each project. City Manager staff prepares funding recommendations based on the feedback from CDAAC for City Commission approval. After City Commission approval, organizations are notified of funding decisions.

XVIII. USE OF PUBLIC FUNDS

Acceptable uses of City funds for food, awards, and appropriations to outside organizations are as follows:

- A. The City may host events in appreciation of the City's workforce and provide tokens of appreciation to employees to recognize new hires, years of service and retirements.
- B. The City may provide beverages to employees, volunteer workers, elected officials and business guests during regular working hours and events that require public participation.
- C. The City may provide meals to employees, volunteer workers and elected officials for work conducted during normal meal times.
- D. Awards or prizes may be given to employees or outside parties in association with fundraising efforts.
- E. The City may host Wellness Luncheons to provide education to employees in an effort to reduce the City's health care costs.
- F. The City may make financial payments to outside organizations where a written agreement between the City and such organization has been executed.

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EFFECTIVE DATE: January 19, 2016

HISTORY:

This policy was adopted with the Annual Appropriation Resolution for FY2016 (Resolution 16-02)