

# Agenda

## FFE Board of Directors – Finance Committee

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Kalamazoo Foundation for Excellence

**Monday, February 10, 2020**

**1:30 PM**

|                                                                         |
|-------------------------------------------------------------------------|
| <b>City Hall – Community Room, Second Floor - 241 West South Street</b> |
|-------------------------------------------------------------------------|

**A. CALL TO ORDER**

**B. APPROVAL OF MINUTES**

1. Approve Draft Minutes of September 16, 2019 Finance Committee Meeting

**C. REPORTS AND COMMUNICATIONS**

1. Fundraising, Endowment, Funding
2. Financial Report

**D. REGULAR AGENDA**

1. Annual Audit and Annual Reporting Update
2. 2020 Finance Committee Meeting Schedule

**E. PUBLIC COMMENTS**

1. As Reference Materials: Rules of Public Comment

**F. BOARD MEMBER COMMENTS**

**G. ADJOURNMENT**

# Foundation for Excellence Agenda Report

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Date: **2/10/2020 FFE**

Item: **B.1.**

Kalamazoo Foundation for Excellence

**TO:** Foundation for Excellence Board of Directors

**FROM:** Steve Brown, FFE Coordinator and Resource Specialist

**DATE:** February 10, 2020

**SUBJECT:**

Approval of Minutes

## **RECOMMENDATION:**

It is recommended that the Finance Committee approve the draft minutes of its September 16 meeting.

## **BACKGROUND:**

## **STRATEGIC VISION ALIGNMENT:**

## **FISCAL IMPACT:**

**KALAMAZOO FOUNDATION FOR EXCELLENCE  
BOARD OF DIRECTORS  
FINANCE COMMITTEE**

**MINUTES**

Meeting of September 6, 2019

The meeting of the Kalamazoo Foundation for Excellence (KFFE) Finance Committee was called to order at 11:03 am in the second floor Community Room conference room of City Hall by Committee Chairman McFarlin. CFO Steve Vicenzi as well as Directors Washington, Carrel, and Ritsema were present.

A quorum was present.

Director Washington moved to approve the minutes of the May 17, 2019, and July 29, 2019, Finance Committee Meetings. Director Ritsema second. The motion was approved by unanimous voice vote.

The Draft FFE Administration Guidelines was recapped by staff and discussed by directors. No action was requested. Staff was directed to present the item to the next executive committee for inclusion on the October board meeting.

CFO Vicenzi presented the FFE Projected Expenses. No action was requested. Staff were directed to include the document as an appendix to the budget presentation at the September 13 board meeting.

The draft budget allocation of the 2020 annual FFE distribution to the City of Kalamazoo was presented by staff, including the addition of a transmittal memo this year for added context. Directors discussed the budget and were complementary of its detail. It was recommended for presentation to the board at the September 13 meeting by consensus.

No public comments.

No board comments.

Director McFarlin adjourned the meeting at 11:42.

Minutes Drafted: September 6, 2019.

Minutes Approved: \_\_\_\_\_

\_\_\_\_\_  
Steve Brown, Recording Secretary

Date: **2/10/2020 FFE**

Item: **C.1.**

# Foundation for Excellence Agenda Report

Kalamazoo Foundation for Excellence

**TO:** Foundation for Excellence Board of Directors

**FROM:** Steve Brown, FFE Coordinator, Resource Specialist

**DATE:** February 10, 2020

**SUBJECT:**

Fundraising, Endowment, Funding

## **RECOMMENDATION:**

## **BACKGROUND:**

### **FUNDRAISING**

The fundraising consultant CCS that was engaged in 2019 by the FFE campaign co-chairs has advanced from the research and outreach phase to begin finalizing a development plan and recommendations for proceeding with fundraising. This will include a “case for support” and other elements. A timeline for the campaign roll-out is forthcoming in early 2020.

### **ENDOWMENT**

Staff worked throughout the second half of 2019 to complete the administrative and procedural aspects of the FFE endowment set-up. This work built on the April 2019 adoption of the Investment Policy Statement, creation of the FFE Investment Subcommittee, contracting of an Investment Consultant, and approval of a Custodian Contract with State Street Bank and Trust Company. The FFE is now fully prepared to invest contributions to the endowment in accordance with the Investment Policy Statement. The new quarterly FFE Investment Subcommittee meeting schedule and Finance Committee reporting processes will begin in the second quarter of 2020.

### **FUNDING**

The Stryker Johnston Foundation recently approved a multiyear Aspirational Funding grant to the City of Kalamazoo to fulfill the mission of the Foundation for Excellence, which represents \$28.2 million additional dollars to be awarded in the coming three fiscal years through December 31, 2022. This agreement was approved by City Commission on January 21, 2020, and comes in addition to the multi-year amendment to the existing budget stabilization and tax reduction grant that totaled approximately \$57.7 million new dollars, which was approved by City Commission on October 7, 2019. Both grants continue operational and governance success of the FFE to date.

## **STRATEGIC VISION ALIGNMENT:**

**FISCAL IMPACT:**

**Kalamazoo Foundation For Excellence**  
**PRELIMINARY STATEMENT OF NET POSITION**  
**December 31, 2019**

| <b>ASSETS</b>                                | 2018      | 2019      |
|----------------------------------------------|-----------|-----------|
| Current assets                               |           |           |
| Cash                                         | \$ 10,307 | \$ 16,655 |
| Contributions receivable from City           | 28,085    | 28,119    |
|                                              | <hr/>     | <hr/>     |
| TOTAL ASSETS                                 | \$ 38,392 | \$ 44,774 |
|                                              | <hr/>     | <hr/>     |
| <b>LIABILITIES AND NET ASSETS</b>            |           |           |
| Current liabilities                          |           |           |
| Accounts payable                             | \$ 446    | \$ 500    |
| Due to City of Kalamazoo                     | 500       | 500       |
|                                              | <hr/>     | <hr/>     |
| TOTAL LIABILITIES                            | 946       | 1,000     |
|                                              |           |           |
| Net assets                                   |           |           |
| With donor restrictions - purpose restricted | 37,446    | 43,774    |
|                                              | <hr/>     | <hr/>     |
| TOTAL LIABILITIES AND NET ASSETS             | \$ 38,392 | \$ 44,774 |
|                                              | <hr/>     | <hr/>     |

**Kalamazoo Foundation For Excellence**  
**PRELIMINARY DRAFT STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2019**

|                                       | 2018      | 2019      |
|---------------------------------------|-----------|-----------|
| <b>SUPPORT AND REVENUE</b>            |           |           |
| Contributions                         | \$ 38,180 | \$ 6,889  |
| Net assets released from restrictions | -0-       | -0-       |
|                                       | <hr/>     | <hr/>     |
| TOTAL SUPPORT AND REVENUE             | 38,180    | 6,889     |
|                                       |           |           |
| <b>EXPENSES</b>                       |           |           |
| Program services                      |           |           |
| Operational assistance                | -0-       | -0-       |
| Aspirational projects                 | -0-       | -0-       |
|                                       | <hr/>     | <hr/>     |
| Total program services                | -0-       | -0-       |
|                                       |           |           |
| Supporting services                   |           |           |
| General and administrative            | 734       | 561       |
|                                       | <hr/>     | <hr/>     |
| TOTAL EXPENSES                        | 734       | 561       |
|                                       | <hr/>     | <hr/>     |
| CHANGE IN NET ASSETS                  | 37,446    | 6,328     |
|                                       |           |           |
| Net assets, beginning of year         | -0-       | 37,446    |
|                                       | <hr/>     | <hr/>     |
| Net assets, end of year               | \$ 37,446 | \$ 43,774 |
|                                       | <hr/>     | <hr/>     |

# Foundation for Excellence Agenda Report

Kalamazoo Foundation for Excellence

**TO:** Foundation for Excellence Board of Directors

**FROM:** Steve Brown, FFE Coordinator and Resource Specialist

**DATE:** February 10, 2020

**SUBJECT:**

Annual Audit and Annual Reporting Update

## **RECOMMENDATION:**

It is recommended that that Finance Committee Select Maner Costerisan CPA to conduct the annual independent financial audit of the Foundation for Excellence and engage the annual financial procedures outlines in Section 4:18 of the bylaws.

## **BACKGROUND:**

The Finance Committee recommended at its first meeting of the year to complete annual financial compliance as laid out in Sections 4 and 6 the FFE Bylaws, which includes selecting an auditor and preparing financial statements and reports. Final reports will be available for review at the Board's Annual business meeting on April 27, 2020.

1. **Section 6-02** – “Recommend the selection of an auditor to prepare annual audited financial statements, 990s and other reports and tax filings and meet with the auditor to review and discuss these (...)”
2. **Section 4-18** – to be presented at the Annual April board meeting – direct Staff to coordinate with management services; must be presented to City Commission prior to Annual April meeting
  1. FFE Income Statement
  2. Year-end balance sheet, including trust funds and funds restricted by donors or the Board
  3. Statement of source and application of funds, if the Corporation prepared that statement
  4. A written notice addressed to the City Manager and Mayor describing the type and amount of all of the support the Corporation provided to the City during the Corporation’s taxable year immediately preceding the taxable year in which the

written notice is provided.

5. A copy of the Corporation's Form 990
6. An annual report from the City Manager to reflect its use of funds received from the Corporation for the previous year and a report regarding projects and initiatives undertaken with the funds distributed by the Corporation.

**STRATEGIC VISION ALIGNMENT:**

**FISCAL IMPACT:**

Date: **2/10/2020 FFE**

Item: **D.2.**

# Foundation for Excellence Agenda Report

Kalamazoo Foundation for Excellence

**TO:** Foundation for Excellence Board of Directors

**FROM:** Steve Brown, FFE Coordinator, Resource Specialist

**DATE:** February 10, 2020

**SUBJECT:**

2020 Finance Committee Meeting Schedule

## **RECOMMENDATION:**

It is recommended that the Finance Committee approve a schedule of its 2020 meetings to be posted within 10 days of this first meeting of the year in accordance with the Open Meetings Act.

## **BACKGROUND:**

Held in the Community Room of City Hall, 241 W. South St. Kalamazoo, MI 49007

1:30 p.m. - Monday, February 10, 2020

2:00 p.m. - Monday, April 6, 2020

2:00 p.m. - Monday, July 6, 2020

2:00 p.m. - Monday, August 31, 2020

2:00 p.m. - Monday, September 28, 2020

2:00 p.m. - Monday, December 14, 2020

## **STRATEGIC VISION ALIGNMENT:**

## **FISCAL IMPACT:**



## **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 preview 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.