Agenda
City Commission Business Meeting

City of Kalamazoo

Tuesday, September 8, 2020 7:00 PM

Electronic Meeting

A. CALL TO ORDER/ROLL CALL

B. OPENING CEREMONY

1. Invocation: Bill Schuhmacher from Missional Chaplains

2. Introduction of Guests

3. Proclamations

C. ADOPTION OF FORMAL AGENDA

D. COMMUNICATIONS

E. PUBLIC HEARINGS

1. Public hearing to receive comments on an ORDINANCE to rezone 118 Fellows Avenue and 110, 114, 120 and 124 Burr Oak Street from Zone CN-1 (Commercial – Neighborhood District) and Zone CC (Commercial – Community District) to Zone RM-36 (Residential – Multi Dwelling District). **(Action: Motion to adopt the ordinance)**

F. PUBLIC COMMENTS

G. CONSENT AGENDA

(Action: Motion to approve items "1-7" and authorize the City Manager to sign all documents on behalf of the City)

1. Approval of a three-year sole source contract with Asana, Inc. for the purchase of project management software in the amount of $103,950.

2. Approval of a sole source purchase with ANP Consulting for conducting a Small Business Needs Assessment, in the amount of $130,000.

3. Approval of a one-year contract extension with Solenis, LLC for cationic emulsion polymer K144L in the amount of $245,185.93.

4. Approval of a one-year contract with Republic Services for the transportation and disposal of screenings from the Kalamazoo Water Reclamation Plant in the amount $111,800.

5. First reading of an ordinance amending Chapter 2 - Article X Employee Retirement System, § 2-243 and § 2-245.

6. Adoption of RESOLUTIONS #1-3, for the purpose of approving the 2019 Kalamazoo Mall Sidewalk Maintenance Assessment at a per front foot cost of $15.753. Adoption of Resolution #3 schedules a public hearing for October 19, 2020.

7. Approval of a grant in the amount of $100,000 from the Community Planning and Economic Development Department for the rehabilitation of an existing building owned by the Edison Neighborhood Association.

H. REGULAR AGENDA

1. Adoption of an ORDINANCE amending Chapter 18, *Non-Discrimination.* **(Action: Motion to adopt the ordinance)**

2. Adoption of an ORDINANCE amending Chapter 18A, *Fair Housing*. **(Action: Motion to adopt the ordinance)**

3. Adoption of an ORDINANCE amending the Kalamazoo City Code, Chapter 2-Article X Employee Retirement System, § 2-224, §2-232 and §2-237. **(Action: Motion to adopt the ordinance)**

I. REPORTS AND LEGISLATION

1. City Manager's Report

J. UNFINISHED BUSINESS

K. POLICY ITEMS

L. NEW BUSINESS

M. COMMISSIONER COMMENTS

N. CLOSED SESSION

O. ADJOURNMENT

ADDITIONAL INFORMATION

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Date: **9/8/2020**
Item: **E.1.**

City Commission Agenda Report

City of Kalamazoo

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager
Reviewed by: Rebekah, Kik, Director of Community Planning & Econ. Dev.
Prepared by: Pete Eldridge, Assistant City Planner

DATE: September 8, 2020

SUBJECT: Request to Rezone 118 Fellows Avenue and 110, 114, 120 and 124 Burr Oak Street to Zone RM-36 (Residential – Multi Dwelling District) from Zone CN-1 (Commercial – Neighborhood District) and Zone CC (Commercial – Community District)

RECOMMENDATION:

It is recommended that the City Commission adopt an ordinance to rezone 118 Fellows Avenue and 110, 114, 120 and 124 Burr Oak Street from Zone CN-1 (Commercial – Neighborhood District) and Zone CC (Commercial – Community District) to Zone RM-36 (Residential – Multi Dwelling District).

BACKGROUND:

Kalamazoo Neighborhood Housing Services (KNHS) acquired these properties in the Vine Neighborhood between 2016 and 2018. The properties either have or had residential structures on them. The KNHS Home Ownership program hopes to utilize these lots for infill housing providing five residential building sites.

The current zoning of CC (Community Commercial) and CN-1 (Commercial Neighborhood) limit the use of the properties for residential as both districts prohibit ground floor residential uses. This is in conflict with the size and scale of the lots and the adjacent streets. Fellows Avenue is a narrow, court-style street that historically has been residential in use. Burr Oak Street has a mix of uses but is not a commercial mixed-use street like adjacent Burdick Street.

STRATEGIC VISION ALIGNMENT:

Relevant Priority Based Budgeting Program (program name and description):
Shared Prosperity - The resulting infill housing will increase affordable owner - occupied housing near the downtown.

Strategic Goal Impact:

Good Governance- Ensuring the City organization has the capacity and resources to effectively implement the community's Strategic Vision in a way that is sustainable over the long term.

Discussion **-** This rezoning helps further align the Zoning Map with the vision of Future Land Use Map.

Economic Vitality - A supportive infrastructure for growing businesses and stabilizing the local economy for the benefit of all.

Discussion - The KNHS incentive-based program is creating a pathway toward home ownership

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement
Consult - The community will have a chance to react to the project through two-way communication.

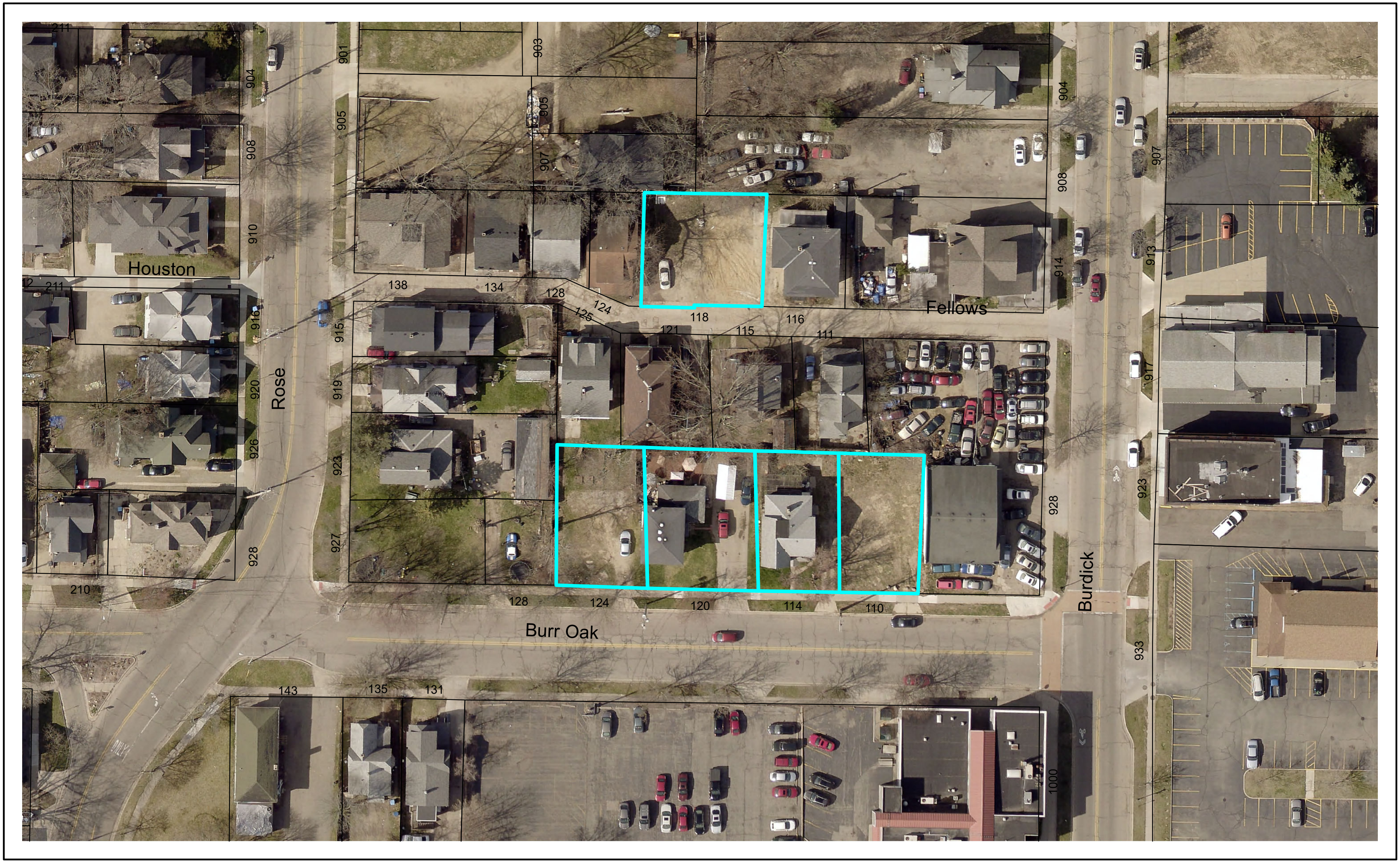
Discussion: A rezoning involves notification for the public hearing per the Michigan Planning and Zoning Enabling Act of all property owners within 300 feet by the City of Kalamazoo. In addition, staff also provides notice to the Neighborhood Association.

Engagement/Communication Tools: KNHS also conducted outreach efforts including a presentation to the Vine Neighborhood Association Board, sending letters to adjacent property owners to explain the project and mailing fliers to additional nearby property owners.

FISCAL IMPACT:

The properties are not being actively used for commercial purposes despite their commercial zoning designations. Rezoning them to a residential district will put these properties into active use.

P.C. #2020.10 – 118 Fellows Ave. / 110, 114, 120 and 124 Burr Oak St.
Rezoning Request from CC and CN-1 to RM-36



P.C. #2020.10 – 118 Fellows Ave. / 110, 114, 120 and 124 Burr Oak St.
Rezoning Request from CC and CN-1 to RM-36

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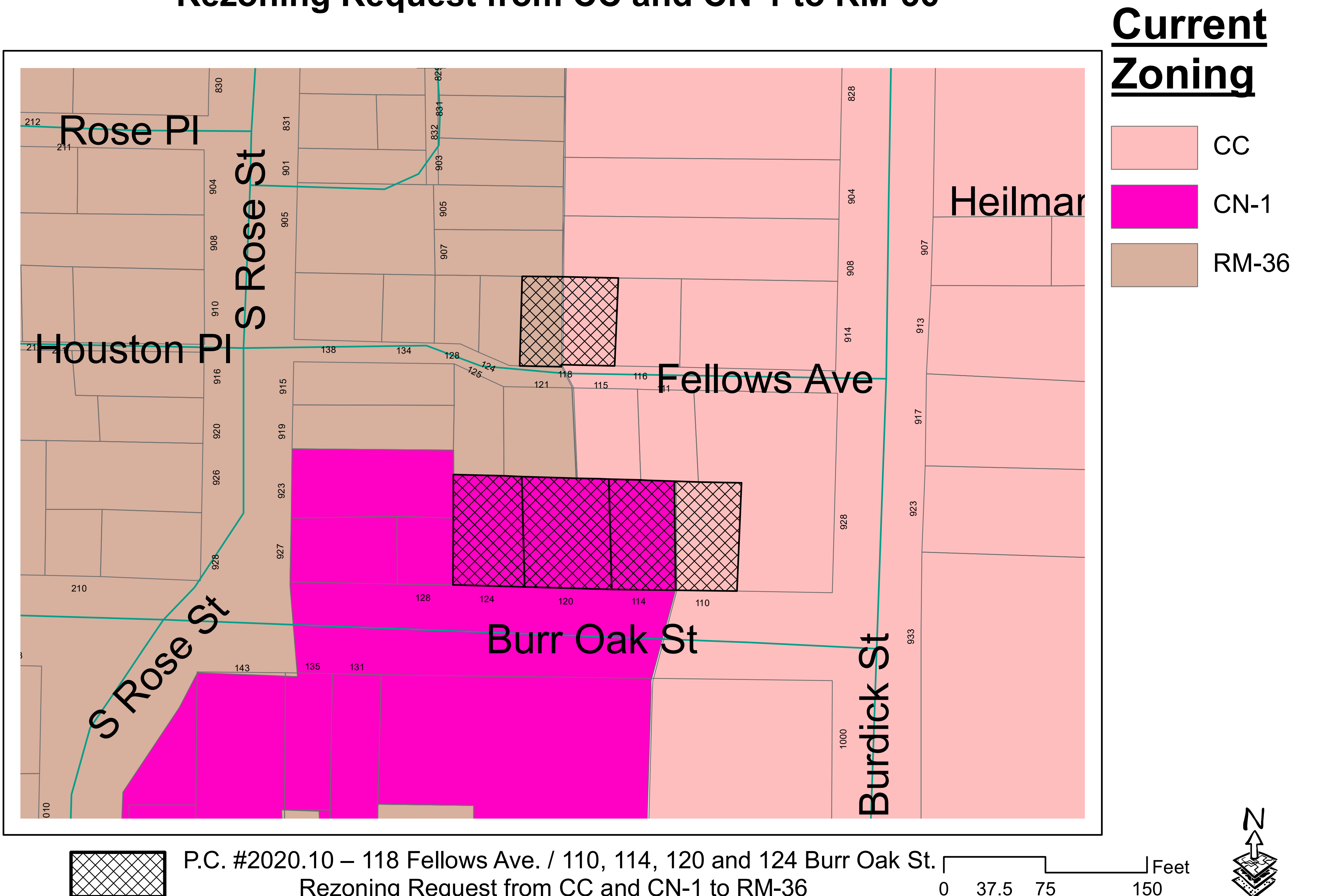
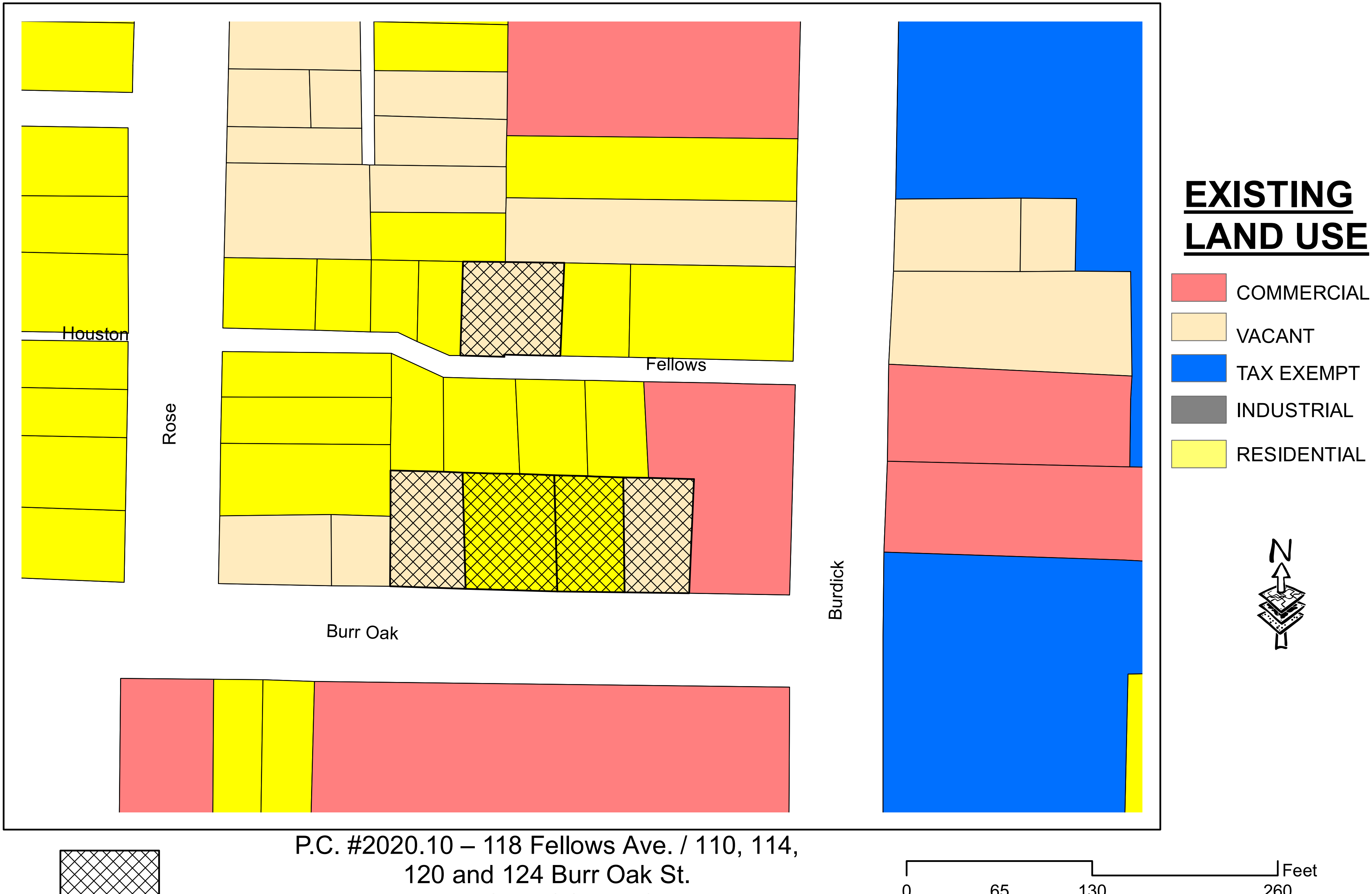
P.C. #2020.10 – 118 Fellows Ave. / 110, 114, 120 and 124 Burr Oak St. Rezoning Request from CC and CN-1 to RM-36



P.C. #2020.10 – 118 Fellows Ave. / 110, 114, 120 and 124 Burr Oak St.
Rezoning Request from CC and CN-1 to RM-36



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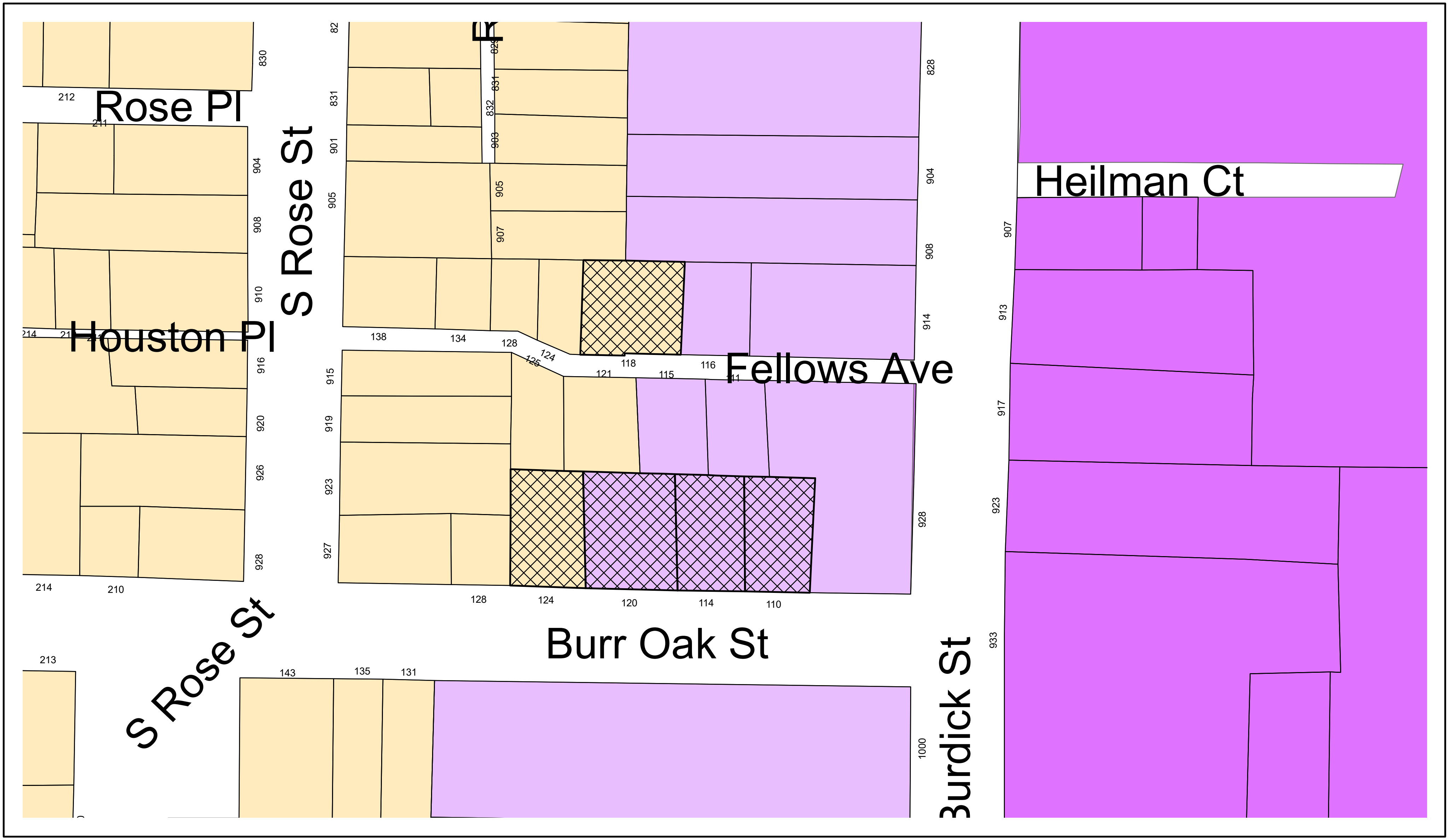
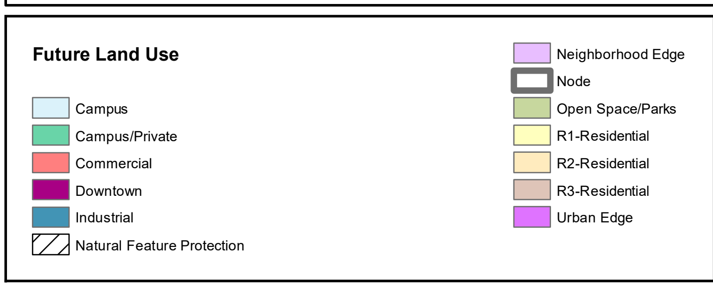
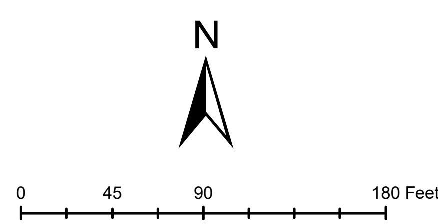




P.C. #2020.10 – 118 Fellows Ave. / 110, 114, 120 and 124 Burr Oak St.

Rezoning Request from CC and CN-1 to RM-36



City of Kalamazoo
PLANNING COMMISSION
Special Meeting Minutes
July 29, 2020
DRAFT

Electronic meeting
under the authority of Executive Order 2020-110
issued by Governor Gretchen Whitmer

Members Present:	Gregory Milliken, Chair; Emily Greenman Wright, Vice Chair; Shardae Chambers; Derek Wissner; Coreen Ellis; Brian Pittelko; Alfonso Espinosa; Sakhi Vyas
Members Excused:	James Pitts
City Staff:	Pete Eldridge, Assistant City Planner; Clyde Robinson, City Attorney; Beth Cheeseman, Executive Administrative Assistant; Joseph Ulery, Deputy Chief Information Officer; Neal Conway, Communications Coordinator

A. CALL TO ORDER

Commissioner Milliken called the meeting to order at 7:01 p.m.

B. ROLL CALL

Planner Anderson proceeded with roll call and determined that the aforementioned members were present.

C. ADOPTION OF FORMAL AGENDA

Planner Anderson clarified that the Annual Report is for 2019 and not 2018 asshown on the Agenda.

Commissioner Espinosa, supported by Commissioner Greenman Wright, moved approval of the July 29, 2020 Planning Commission agenda as amended. With a voice vote, the motion carried unanimously.

D. APPROVAL OF MINUTES

Commissioner Ellis, supported by Commissioner Chambers, moved approval of the May 7, 2020 Planning Commission minutes. With a voice vote, the motion carried unanimously.

E. COMMUNICATIONS AND ANNOUNCEMENTS

None.

F. NEW BUSINESS

None.

G. PUBLIC HEARINGS

Commissioner Milliken reviewed the process for the public to comment on the public hearings.

1. P.C. #2020.10: A request to rezone the subject lots from Zone CN-1 (Commercial – Neighborhood District) and Zone CC (Commercial – Community District) to Zone RM-36 (Residential – Multi Dwelling District): 118 Fellows Ave./ 110, 114, 120 and 124 Burr Oak St. **[Recommendation: The Planning Division supports a recommendation to the City Commission to approve the rezoning.]**

Commissioner Milliken explained that he needed to abstain from the discussion and vote on this item because he is a member of the KNHS board. Planner Anderson announced that Vice Chair Greenman Wright would be leading the discussion.

Planner Eldridge shared the maps and pictures of the properties. He stated there were five parcels in the proposed rezoning, all owned by KNHS. Some of the parcels were zoned CC and some were CN-1 with one parcel having split zoning. Planner Eldridge explained there is a mix of vacant, commercial and residential lots in the area with the predominant use being residential. KNHS is proposing infill housing for these sites. The lots are small and not easily developed for commercial use. Planner Eldridge spoke about the outreach efforts to the neighborhood. Planning staff sent out the usual mailings in the 300-foot radius of the properties. KNHS reached out to the Vine Neighborhood Association, and they provided a letter of support. Planner Eldridge forwarded that letter to the Planning Commissioners. KNHS sent letters to adjacent property owners and then sent fliers to three additional parcels in each direction of the area to be rezoned.

Planner Eldridge stated that the request is consistent with the 2025 Master Plan. The rezoning better aligns the zoning map with the future land use map. The commercial zoning designation hasn’t brought significant changes to the interior of the block due to traffic flow and the small lot sizes. The infill housing will result in five new homes in the downtown. The zoning designation RM-36 extends up to all the properties, so this is a logical extension of that zoning district. Rezoning supports the Strategic Vision Goal of Complete Neighborhoods by creating a variety of housing types.

The applicant, Mr. Matt Lager, Executive Director of KNHS, shared that their mission is to foster homeownership and revitalize neighborhoods. They work with low- and moderate-income homeowners or prospective homeowners. Mr. Lager explained that their focus has been on the Vine, Northside, Edison and Eastside neighborhoods with a fair amount of time spent in the Oakwood and Stuart neighborhoods. He spoke about how a group of nonprofits (Building Blocks, the Vine Neighborhood Association, Community HomeWorks, KNHS, Kalamazoo Collective Housing, the Land Bank), and the City of Kalamazoo came together and pooled energies and resources in this area of the Vine neighborhood due to concerns of deteriorating conditions.

A few years ago, KNHS purchased 12 parcels in this area. They have rehabbed and sold four houses with two more slotted to be sold. They have partnered with Kalamazoo Collective Housing to rehab another one of those houses. KNHS just recently entered into an agreement where the Public Housing

Commission purchased another house. Mr. Lager explained that all these houses are for residential use, focused on low- and moderate-income residents - under 80% AMI. He shared that last year, in partnership with the Homebuilders Association, the City and LISC, they have been building infill houses. Mr. Lager explained that last year was a pilot year. They are looking to build four new houses on these lots now. FFE is providing some of the funding to make this possible. He said the housing they propose to build will be valued at about $185,000 not including all the soft costs. The appraised values of homes that will sell in this area are in the $140,000. Mr. Lager said that KNHS helps people with credit repair and home readiness. At any given time, they have a few dozen customers shopping for mortgages and houses. Each year they help 100 low to moderate income households become homeowners. He anticipates finding excited home buyers for these houses.

Mr. Matt Milcarek spoke about the project. Last year they used a two-story, three- or four-bedroom home model and built one home in the Eastside, Vine, Edison and Douglas neighborhoods. He said they will use the same model with some modifications based on feedback from last year's buyers. Mr. Milcarek said they will use appropriate design and setbacks to match the neighborhood. He was excited to share that they have arranged a pilot project to partner with Consumer's Energy this year. These homes will be very energy efficient, so homeowners should have very low energy costs. They will have solar rigs on the roofs. KNHS will be tracking energy uses and savings. Mr. Milcarek said these homes are high quality, and the buyers have been very satisfied.

Commissioner Espinosa asked Mr. Lager if the people going into the houses need credit repair and mortgage help, will they own the properties or rent them. Mr. Lager confirmed that all these properties will be for home ownership.

Commissioner Greenman Wright opened up the public comment portion of the hearing.

Ms. Tina McClinton, resident, asked Planning Commissioners to vote no on this item. She said that the Southtown neighbors were not notified about this rezoning. She said they should have been involved in this planning since it will affect their neighborhood.

Mr. Richard Stuart, resident, called to say that the parcels at 914 and 908 were shown in yellow as residential. He said that is not true. He recently sold those to the hospital, and they were zoned CC. Mr. Stuart said he fought to keep them CC because it raised the value of them. He asked Commissioners to vote no or postpone their vote until this can be presented to the Southtown neighborhood. He said it borders this property, but it was never brought to them for discussion. Mr. Stuart said they were excluded from the conversation. He believes that high-density residential like RM-36 can have a negative influence on surrounding properties. Mr. Stuart said he didn't think that good faith was done to include the neighbors. He also commented that they would like the Southtown Neighborhood Plan to be considered with all other neighborhoods. Mr. Stuart said they continue to be excluded and it is well known that they exist.

Commissioner Greenman Wright closed the public comment portion of the public hearing.

<u>Commissioner Vyas, supported by Commissioner Espinosa, made the motion to approve P.C. #2010.10: the request to rezone the subject lots from Zone CN-1 (Commercial – Neighborhood District) and Zone CC (Commercial – Community District) to Zone RM-36 (Residential – Multi Dwelling District): 118 Fellows Ave./ 110, 114, 120 and 124 Burr Oak St.</u>

Commissioner Vyas said it seemed like a great plan from KNHS. She appreciated the research that goes into rezoning and knowing the lots will be put to a use that aligns with Imagine Kalamazoo. She commented on the two callers not knowing about the zoning and asked City staff to talk about the protocol being used to inform neighbors about upcoming zoning changes.

Planner Anderson said the neighborhood map for the City shows these properties in the Vine neighborhood. The Vine neighborhood was consulted by the applicant and they provided a letter of support to him. That letter was given to the Commissioners as a result of that interaction. Planner Eldridge mentioned all of the activities done for outreach. Planner Anderson said that on occasion applicants present at neighborhood meetings. It is not currently required, and other methods are being used. Planner Anderson said that for the most part, the typical process was followed.

Planner Eldridge added that they did a 300-foot radius around the properties for the City mailings. He also sent an email to the Vine Neighborhood Director. Mr. Lager had already scheduled a Vine Neighborhood meeting at that time.

Commissioner Ellis asked about the process from start to finish to getting people inside a brand-new home. Mr. Matt Lager said they are a NeighborWorks organization, and they are a HUD certified counseling agency. They provide home buyer education and have home ownership coaches – financial capabilities and mortgage readiness. The education portion is an eight-hour course. They pull a full credit report and go through it with the customer to see how the loan officer will evaluate them. In that process, they create a customer action plan for each of them. Action plans can last from a few months to a number of years. Coaches meet with the customer on a monthly or quarterly basis. When a customer has achieved their goals on the plans, the coach does an assessment to see if the mortgage lender will say yes. If they believe it will be possible to get a mortgage, KNHS gives referrals to a number of lenders in the area. They will then assist the lender and the customer getting from that point to closing. In partnership with the City, there is down payment assistance available. Mr. Lager said they follow the national industry standards for coaching, and they meet HUD standards. He said they see 300 customers a year with 100 customers per year achieving home ownership.

Commissioner Chambers asked about the voice mails and the Vine Neighborhood. Planner Anderson responded that the addresses listed by the callers do not fall into the Vine neighborhood.

Planner Eldridge added that the parcels in yellow on the current land use map were residential along with an office on the property. It was zoned commercial, but it did have a residential unit on it. Planner Eldridge thought that was why the land use showed up as residential. The map hasn't been updated, but he said they will take care of that.

Roll call vote was taken, and the motion passed. Commissioner Milliken abstained.

1. P.C. #2020.11: Presentation of Parkview Hills Neighborhood Plan for incorporation into the 2025 Master Plan. This is a joint request of the Neighborhood Association of Parkview Hills (NAPH) and the City's Community Planning and Economic Development Department**.** The neighborhood plan draft document is available for review at **http://www.imaginekalamazoo.com/plans/#neighborhood-plans** **[Recommendation: approve recommendation for neighborhood plan adoption by the City Commission]**

Planner Anderson stated that Ms. Katie Reilly, Neighborhood Activator, was attending another meeting, so she would introduce the Parkview Hills plan. She said this is the seventh neighborhood plan to come before the Commission. Mr. Greg Nakken was present to speak to the plan. Planner Anderson explained that the Parkview Hills process started with the re-creation of their Neighborhood Association. They are continuing to meet and organize even after the planning pieces for this document were done. They used focus groups, community events, meetings and 1:1 discussion to engage their residents and stakeholders. Planner Anderson explained that the Parkview Hills neighborhood is unique because it was all created at once as a planned unit development. Their plan focuses on the strategic vision goals of connected city, inviting public places, environmental responsibility, safe community, youth development, complete neighborhood and good governance.

Mr. Greg Nakken from Parkview Hills spoke on behalf of the neighborhood. He said their neighborhood development began in the 70s as a result of the vision of H. Lewis Batts and the financial backing of Burton Upjohn. Mr. Nakken said that Parkview Hills reflects the philosophy of commitment to environmental sustainability within a relatively densely populated area. He said it is a beautiful property with hills, water features and walking trails. It is governed by an elected board of neighborhood residents, the Parkview Hills Community Association. They have 1900 residents, 776 housing units - comprised of nine different condominium associations, two apartment complexes and individual homes. The neighborhood plan was started in 2018. In 2019 a committee met with Katie Reilly, Neighborhood Activator, to understand the process of initiating a neighborhood association. He said they created a neighborhood association in conjunction with the Parkview Hills Community Association. Mr. Nakken said they continued to work on what was initiated in 2018. The plan was finished in March of this year and submitted for review and approval and to be incorporated into the 2025 Master Plan.

Mr. Nakken shared that they have already accomplished a couple of items. They have the goal to create a safe and accessible pedestrian network. Their neighborhood was developed without sidewalks and many people walk along the road and feel unsafe. Sidewalks would be difficult to install because of cost and limited space. They will have two speed monitors installed with the data to be sent to KPS. He said they hope this will slow the speed of traffic and show when traffic surveillance is best. Mr. Nakken said they have an environmental goal of reducing the impact of invasive species. They have a couple committees, Trails Committee and Natural Area Stewardship Committee, looking at the invasive species. They are also addressing erosion and catch basins throughout the neighborhood. He believes that neighborhood plans will allow them to partner with the City to complete goals and do projects.

Commissioner Chambers asked when the monitors tracking the speed would be installed. Mr. Greg Nakken said there is no date yet. Everything is in place. They are just waiting for the monitors. He suggested that the City's Traffic Engineer might be able to answer that question.

Commissioner Espinosa gave a quick observation. He said it is a great plan, but when he looked at the partners to be engaged, he was struggling to find the City of Kalamazoo. Planner Anderson said that the City is not listed with other action partners because they have their own column.

Commissioner Espinosa said it is awesome that some things are already complete. He believes it will be important for Parkview Hills and the Oakwood Neighborhood Association to collaborate on common goals because they are neighbors.

Commissioner Milliken didn't notice any reference to the commercial section of the neighborhood. He asked Mr. Nakken to speak to that.

Mr. Nakken said they do not share a commercial corridor with any neighborhood or along the main street. Within Parkview Hills they have a small privately owned retail area. He said they reached out to the owners, and they did not have any specific concerns. Mr. Nakken said they didn't have a lot of commercial goals simply because they don't share commercial property. He added that they are unique in the fact their neighborhood is completely developed. He didn't think there was space for additional commercial development.

Commissioner Espinosa asked if Greenleaf Boulevard was City owned or privately owned. Mr. Nakken said it is a City street. He said there are several other ancillary streets in the neighborhood that are City owned. The streets associated with the condominium associations are private.

Commissioner Milliken opened up the public comment portion of the hearing.

Planner Eldridge reported there were no public comments.

Commissioner Milliken closed the public comment portion of the hearing.

Commissioner Ellis asked what inspires them to keep going and how do they plan to continue to sustain themselves?

Mr. Nakken said, from a financial perspective, they pay city taxes. He explained there are additional assessments done and the money from that is used to sustain the Parkview Hills public property – trails, water ways, walkways.

Commissioner Greenman Wright, supported by Commissioner Ellis, made the motion to recommend the Parkview Hills neighborhood plan for adoption by the City Commission.

Commissioner Greenman Wright said it was a wonderful work and thanked Mr. Nakken for the thoughtful presentation.

Commissioner Milliken said he appreciated the history of the development. He said the Neighborhood Plan is consistent with the current Master Plan and the requirements of the ordinance.

Roll call vote was taken, and the motion passed unanimously.

H. OTHER BUSINESS

1. Annual meeting:
   a. Review of annual report for 2019:

Planner Eldridge reviewed the Annual Report. Because of the late timeframe of the Annual Report (due to Covid-19), they have stretched the report to include some activities in the spring of 2020. Board members who moved on were Rachel Hughes-Nilsson, Charlie Coss, and Jack Baartman. Commissioners Coreen Ellis, Shardae Chambers, and Brian Pittelko came on the board. In 2019 there were nine regular meetings and one special meeting. Planner Eldridge mentioned they are linking Strategic Vision Goals with each item that has come before the board to make sure they're on track with the fulfillment of those goals. One rezoning was denied in 2019. It was an affordable housing project on Stockbridge Avenue with the Lyft Foundation. Planner Eldridge said the Lyft Foundation came back with a revised plan. They received a minor variance, and the project is moving forward in site plan review. He spoke about other notable items the Commissioners have reviewed: neighborhood plans, site plans in the WMU BTR park, demolition plans for the Sisters of St. Joseph church, and a site plan for the Bronson Hospital Cancer Center.

Planner Eldridge explained that the site plan review process is a responsibility of the Planning Commission that is delegated to staff. He said they did an update of the site plan process in 2018. Fully implemented the process in 2019. Site plan is a two-step process with pre-site plan meetings and full site plan meetings. Before Covid, they started reviewing and commenting on site plans digitally using Bluebeam software. Currently, they can review plans digitally and have Zoom meetings with applicants to talk about the plan. The site plans under review are posted on the website and are accessible to anyone who wants to look at them. There is a notification feature people can sign up for when new site plans are posted on the website. They can also specify to receive notice for certain neighborhoods. Properties within the NFP overlay go through an NFP site plan review in conjunction with the regular site plan review process to ensure that nothing is missed. They are preparing an online map to show where these site locations are for various projects. There were 70 pre-site plans submitted and 59 full site plans submitted.

He said they are doing public engagement in reference to an update of the NFP maps. They are making sure all the appropriate parcels are included. Planner Anderson is fully engaged in the downtown zoning process - D1, D2, and D3 districts – their boundaries and uses. Planner Eldridge reported that they should have a Transportation Planner in the Department before long.

Planner Eldridge said they continue to give the Commissioners the site plan spreadsheet to make sure they know of all the projects in the pipeline. In 2019, they had site plans for Graphics Packaging, Bronson Hospital Cancer Center, K-College Natatorium, a new hotel, and a number of medical marihuana provisioning centers. In 2020, they've had the Kalsee Credit Union project, an expansion at Vandersalm's Flower Shop & Garden Center, Graphics Packaging projects and the Kalamazoo Farmers Market expansion. They also had additional marihuana facilities approved.

   b. Site Plan Review Program administration discussion:

Planner Anderson asked Commissioners to renew the approval of the staff-run site plan process. She reported that the process is going well. The MEDC provided the City with Redevelopment Ready Certification. She said it was awarded, in part, because of a very smooth site plan process.

Commissioner Greenman Wright asked Planner Anderson to explain the criteria which bumps site plan to the Planning Commission.

Planner Anderson said the zoning code requires that any developments in WMU's BTR park go through the Planning Commission. Another reason site plans would come to the Planning Commission is if the Planning Commissioners requested to have a presentation on specific plans. Planner Anderson said they would continue to keep them up to date with a monthly list of site plans.

Commissioner Milliken said he thought the digital process that was adopted is great. He was glad that the site plan review process can continue even with the pandemic. Commissioner Milliken didn't think the board would be able to foster that type of growth and development. He was in favor of keeping the program as it is and letting the City handle that work as they are trained to do.

Commissioner Wissner, supported by Commissioner Vyas, moved to grant site plan administrative approval authority to staff for the next year. A voice vote was taken and passed unanimously.

b. Election of officers for the Planning Commission:

Chair
Commissioner Milliken expressed willingness to run for another term.

Commissioner Chambers, supported by Commissioner Wissner, nominated Greg Milliken for Chair of the Planning Commission.

No other nominations were offered.

A voice vote was taken, and the motion passed unanimously. Commissioner Milliken will continue as Chair of the Planning Commission.

Vice Chair
Commissioner Greenman Wright expressed willingness to run for another term.

Commissioner Vyas, supported by Commissioner Chambers, nominated Emily Greenman-Wright as Vice Chair of the Planning Commission.

No other nominations were offered.

A voice vote was taken the motion passed unanimously. Commissioner Greenman Wright will continue as Vice Chair of the Planning Commission.

Secretary
Commissioner Wissner expressed willingness to run for another term.

<u>Commissioner Espinosa, supported by Commissioner Vyas, nominated Derek Wissner for Secretary of the Planning Commission.</u>

No other nominations were offered.

A voice vote was taken, and the motion passed unanimously. Commissioner Wissner will continue as Secretary of the Planning Commission.

Commissioner Greenman Wright asked how many Commissioners would be rotating off the board the next term.

Planner Anderson said the terms expiring in March 2021 are Commissioners Greenman Wright, Pitts, and Ellis (she was serving a partial term).

I. CITIZENS' COMMENTS (Regarding non-agenda items)

None.

J. CITY COMMISSION LIAISON COMMENTS

None.

K. CITY PLANNER'S REPORT

Planner Anderson said two City led zoning items will come before them for review this fall. One item is the Natural Features Protection Phase II overlay update. They are doing some engagement online and at lunch time live.

The second item coming before them is the Downtown zoning. The downtown was divided from one large district into three different districts. She said they asked the community to take a look at a map, do walking tours and give feedback. The next activity will be a review of dimensional standards and uses in those three districts. They will also look at where adult use marihuana businesses would be located downtown. Engagement will include a survey online and attendance at lunchtime live.

Commissioner Milliken asked how that process relates to what they did several months ago.

Planner Anderson said that several months ago they created three districts, including uses and dimensional standards. She said they will be reviewing to confirm with the public now that it has been mapped. They will need to add adult use marihuana to the uses and anything else that may come up.

Planner Anderson reported that the NFP ordinance received the Planning Award of Excellence for Environmental Projects.

Attorney Robinson reported there was a tree protection ordinance adopted by Canton Township and that our ordinance is similar. The Canton ordinance was challenged in federal court and was struck down in part. He said he will keep his eye on that case and will keep the Commissioners informed.

Planner Anderson said the next night they would have their first in-person engagement activity since Covid. It is a Traffic Calming Information Meeting in LaCrone Park from 5:30-7:30pm. They will discuss traffic calming solutions that the City will pilot in the Northside. People will hear a presentation and see a demonstration. Those will run every half hour. She encouraged people to wear a mask and come out the next night.

Commissioner Milliken said that was good to see and thought they would learn a lot from that.

L. MISCELLANEOUS COMMENTS BY PLANNING COMMISSIONERS

Commissioner Chambers commented that they did an approval for Lakeside. Since the facility lost their license and are about to close, she wondered if the project just falls away. Attorney Robinson responded that the special use permit goes with land. He said it is possible that a new entity could come in and take advantage of that unless it expires first.

Commissioner Espinosa asked for a list of permitted uses for each zone district to be included in the staff reports. It would be a quick way to see all the possible uses when they review the packet. Planner Anderson said they can provide the use table as part of the packet or reference it online.

Commissioner Milliken asked if there was a Planning Commission meeting for August. Planner Anderson said there were no items for that meeting, so it was cancelled.

Commissioner Ellis reminded Commissioners to remember to vote.

Planner Anderson reminded Commissioners that the next Planning Commission meeting is before Labor Day. It will be a virtual meeting on Thursday, September 3rd.

M. ADJOURNMENT

Commissioner Milliken adjourned the meeting at 8:48 pm.

CITY OF KALAMAZOO, MICHIGAN
ORDINANCE NO.____________

AN ORDINANCE TO AMEND SECTION 1.8.A. ZONE DISTRICT MAP OF THE ZONING ORDINANCE, BEING APPENDIX A OF THE KALAMAZOO CODE

THE CITY OF KALAMAZOO ORDAINS:

Section 1. Pursuant to Section 1.8.E. the Zone District Map described in Section 1.8.A. is amended as follows:

The land area hereinafter described is rezoned from CN-1 (Commercial – Neighborhood Business District) and Zone CC (Commercial – Community District) to RM-36 (Residential – Multi Dwelling District).

The rezoned area of land being in Section 22 of the City of Kalamazoo, County of Kalamazoo, State of Michigan, being a portion of Bleyker's Addition, more specifically described as:

Parcel #06-22-190-110:
BLEYKER'S ADDITION, Liber 1 of Plats Page 49; The West 41.5ft of Lot 130, excluding the South 2ft. The North 66.62ft of the East 33.00ft of Lot 129.

Parcel #06-22-196-002:
BLEYKERS ADDITION W 48.42 FT OF E 118.92 FT OF LOT 124 EXC N 1 R

Parcel #06-22-196-001:
BLEYKERS ADDITION W 48.42 FT OF LOT 124 EXC N 1 R

Parcel #06-22-195-004:
BLEYKERS ADDITION S 5 R OF LOT 126

Parcel #06-22-195-003:
BLEYKERS ADDITION The East 3 Rods of the South 5 Rods of Lot 127.

A map identifying the land area is attached.

Section 2. **Repealer.** All former ordinances or parts of ordinances conflicting or inconsistent with the provisions of this ordinance are hereby repealed.

<u>Section 3.</u> Severability. If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional by any Court of competent jurisdiction, said portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions of this Ordinance.

<u>Section 4.</u> Effective Date. Pursuant to Section 13(a) of the City Charter, this ordinance shall take effect from and after 10 days from the date of its passage.

CERTIFICATE

The foregoing is a true and complete copy of an ordinance adopted by the City Commission of the City of Kalamazoo at a regular meeting held on ____________________________, 2020, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been available as required by said Act, and furthermore, said ordinance was duly recorded, posted, and authenticated by the Mayor and City Clerk as provided by the Charter of said City.

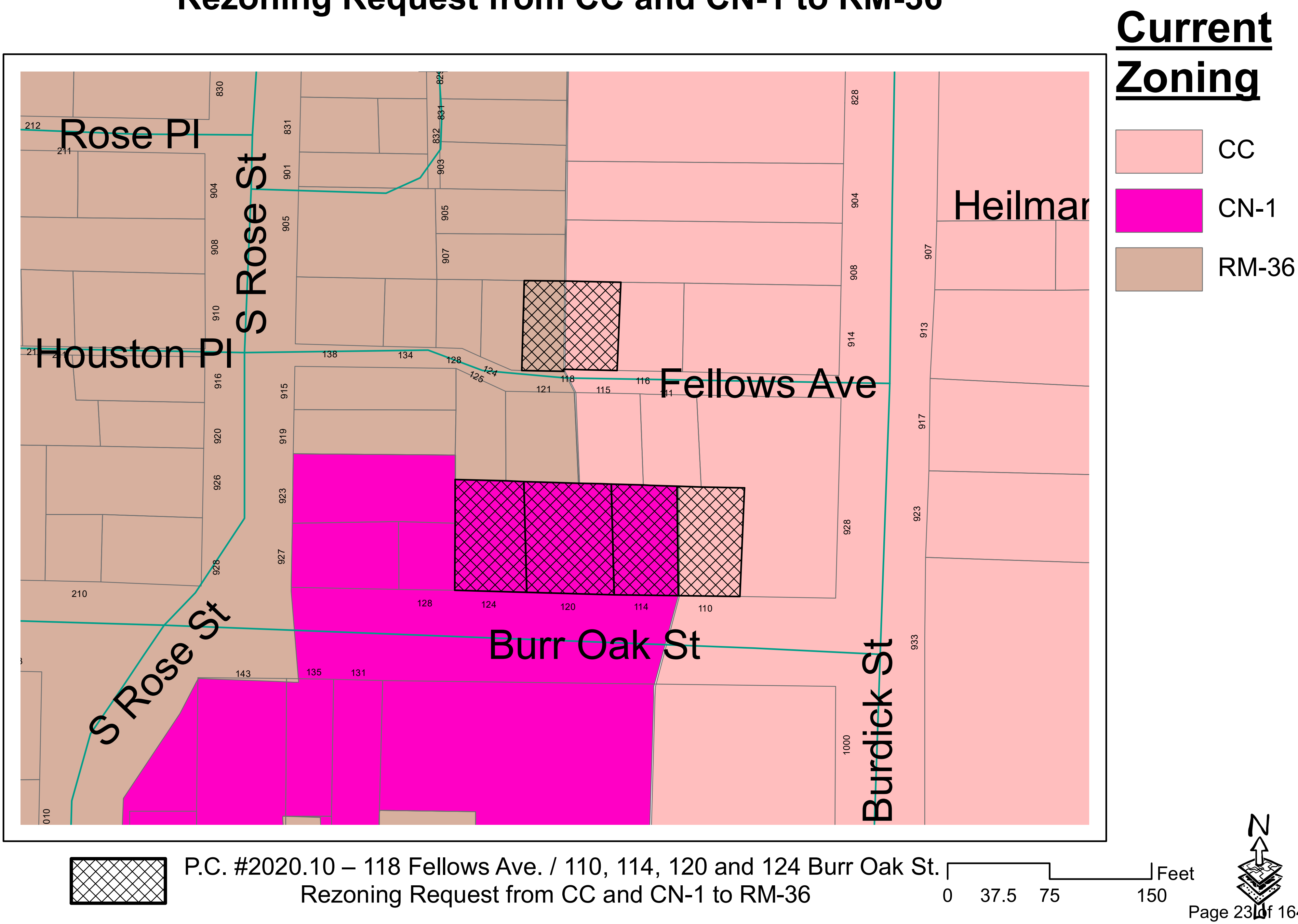
David F. Anderson, Mayor

Scott A. Borling, City Clerk

____

____

P.C. #2020.10 – 118 Fellows Ave. / 110, 114, 120 and 124 Burr Oak St.
Rezoning Request from CC and CN-1 to RM-36



Date: **9/8/2020**
Item: **G.1.**

City Commission Agenda Report

City of Kalamazoo

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager
Reviewed by: Tim Dubois, Chief Information Officer
Prepared by: Joseph Ulery, Deputy Chief Information Officer

DATE: September 8, 2020

SUBJECT: Three-Year Sole Source Purchase of Project Management Software (Bid Ref#00000-020.102)

RECOMMENDATION:

It is recommended that the City Commission approve a three-year sole source contract with Asana, Inc. for the purchase of project management software in the amount of $103,950.

BACKGROUND:

The City of Kalamazoo currently does not utilize centralized project management software or tracking tools. Asana is a highly rated application suite that will allow the City to create projects, assign tasks, and check progress of projects from one dashboard. This will aid in reporting and analysis of projects, assist in determining bottlenecks, and set a standard that will be used across the City. This software will be utilized by a total of 150 users and incorporate staff from all departments.

STRATEGIC VISION ALIGNMENT:

Relevant Priority Based Budgeting Program (program name and description):

ERP and City-Wide software

Strategic Goal Impact:

Good Governance- Ensuring the City organization has the capacity and resources to effectively implement the community's Strategic Vision in a way that is sustainable over the long term.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement
Inform (one-way conversation) – no feasible alternatives available due to legal/regulatory restrictions, standards and best practices, or resource limitations; the community will be made aware of the project.

FISCAL IMPACT:

The budget for Asana will be funded from the General Fund contingency reserves for 2020 and included in the General Fund Information Technology budgets in the years 2021 and 2022.

APPROVAL ROUTING FORM

Final Approval Required Of:	Subject:	Asana, Inc. (150) Business User License Bid Ref# 00000-020.102			
XXXX City Commission	Route to: **(Check if required)**		Date Received	Approved By:	Comments
Originating information					Please Return to **Monica Johnson** after the contract has been signed. Thank You!
Prepared by: Joe Ulery	X	Purchasing			
Department: I/T	X	City Attorney			
Phone: 8186	X	City Clerk			
Date Prepared: 8/26/20	X	CMO			
Date Action Desired by:	X	City Clerk			
September 21, 2020	X	Purchasing			
					Use reverse side for additional comments

Identify Attachments other than memo: CC Memo Sole Source Quote	For Manager's Use Action taken:

Revised 11/2005

Date: **9/21/2020**

Item: **F.6.**

City Commission Agenda Report

City of Kalamazoo

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager
Reviewed by: Tim Dubois, Chief Information Officer
Prepared by: Joseph Ulery, Deputy Chief Information Officer

DATE: September 21, 2020

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STRATEGIC VISION ALIGNMENT:

Relevant Priority Based Budgeting Program (program name and description):

Strategic Goal Impact:
[

Good Governance- Ensuring the City organization has the capacity and resources to effectively implement the community's Strategic Vision in a way that is sustainable over the long term.

Discussion]

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Discussion:

Engagement/Communication Tools

FISCAL IMPACT:

Funds for Asana are included in the fiscal year 2020, 2021, and 2022 budgets.

CITY OF KALAMAZOO
SOLE SOURCE PURCHASE DOCUMENTATION

Sole Source Purchase:	A purchase may be awarded without competition when the User Department advises in writing, after conducting a good faith review of the marketplace, that there is only one available vendor for the required good or service.

DATE: 8/26/2020

DEPARTMENT / DIVISION: Information Technology

REQUESTOR: Joseph Ulery, Deputy Chief Information Officer

VENDOR: Asana

BRIEF DESCRIPTION OF COMMMODITY OR SERVICE REQUESTED:

Project management software that will be used throughout the City

WHAT IS THE COMMODITY OR SERVICE BEING USED FOR: Project Management software

TOTAL COST: (Including delivery/installation) $103,950

OTHER VENDORS / SOURCES CONTACTED:

1. __________
2. __________
3. __________

HOW DOES THE REQUESTED PURCHASE MEET ONE OF THE SOLE SOURCE REQUIREMENTS BELOW:

This software is through the original manufacturer. Among other vendors researched, Asana was the only vendor that was able to meet the needs presented by the City.

PLEASE ATTACH A WRITTEN QUOTATION FROM VENDOR. A PURCHASE MUST MEET ONE OF THE FOLLOWING CIRCUMSTANCES TO BE DETERMINED BEING A SOLE SOURCE AND NOT REQUIRING COMPETITION:

1. There is a lack of responsible competition for a commodity or service which is vital to the operation and the best interest of the City;
2. A vendor possesses exclusive and/or predominant capabilities;
3. A product or service is unique and easily established as one-of-a-kind;
4. There is a patented feature providing a superior utility not obtainable from similar products;
5. A proprietary right exists and the product is available from only one prime source and not merchandised through wholesalers, jobbers or retailers.

Asana, Inc.
1550 Bryant St, Suite 200
San Francisco, CA 94103

Quote

CUSTOMER	DETAILS	
City of Kalamazoo	**ISSUE DATE**	Aug 21 2020
241 West South Street	**PERIOD**	Aug 31 2020 – Aug 31 2023
Kalamazoo, MI 49007	**CURRENCY**	USD
United States	**VALID THROUGH**	Aug 31 2020

TYPE	DESCRIPTION	AMOUNT (USD)
Business	150 member subscription	134,946.00
	Additional Discount	(30,996.00)

TOTAL QUOTE:	$103,950.00

Billing frequency: pre-payment upfront for multiple years.

FEIN/TIN: 26-3912448
Customers based in USA may also be subject to sales tax

*Amount approximate based on dates given

Date: **9/8/2020**
Item: **G.2.**

City Commission Agenda Report

City of Kalamazoo

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager
Reviewed by: Rebekah Kik, Community Planning Economic Development Department Director
Prepared by: Antonio Mitchell, Community Investment Manager; Marcy Dix, Program Finance Supervisor

DATE: September 8, 2020

SUBJECT: Professional Service Agreement with ANP Consulting for Conducting a Small Business Needs Assessment (Bid Ref# 00000-020.104)

RECOMMENDATION:

It is recommended that the City Commission approve a Sole Source Professional Service Agreement with ANP Consulting for conducting Small Business Needs Assessment, in the amount of $130,000.

BACKGROUND:

In 2019, the City Commission approved the creation of the Business Development Fund (BDF), which uses Foundation for Excellence funds to offer grants, loans, and technical assistance to small businesses in the City of Kalamazoo. Community Planning and Economic Development (CPED) staff oversees the fund's programs.

Now that the fund has awarded dollars in 2019 and 2020, CPED recommends that the City work with a consultant to conduct a needs assessment for businesses who have received BDF assistance. Staff worked with ANP Consulting to develop a scope of services including:

- Developing and administering a human-centered and culturally competent needs assessment
- Assessing businesses identified by City staff
- Providing recommendations and a full report of needs assessment findings
- Providing positive engagement with participants to increase overall community trust

ANP Consulting is recommended for this work because they have participated in previous outreach efforts in the local business community and are better qualified to provide a positive engagement experience for businesses who have received BDF funds. With the data and the high level of customer outreach that ANP Consulting can provide, CPED will be able to identify needs and prioritize resources to better help local small businesses.

STRATEGIC VISION ALIGNMENT:

Relevant Priority Based Budgeting Program (program name and description):
Small Business Development and Retention

Economic Vitality - A supportive infrastructure for growing businesses and stabilizing the local economy for the benefit of all.

Discussion: The Business Development Fund provides resources for growing local businesses and the needs assessment will enable the City to tailor programs to meet gaps in existing support programs.

Strength Through Diversity- an inclusive city where everyone feels at home

Discussion: ANP Consulting management team lead by Nicole Parker and Nicole Triplett has a impressive background with local women and minority businesses in the SPK neighborhoods as well as working with local nonprofits assisting business development in the City of Kalamazoo.

Shared Prosperity - Abundant opportunities for all people to prosper

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement **Inform (one-way conversation)** – no feasible alternatives available due to legal/regulatory restrictions, standards and best practices, or resource limitations; the community will be made aware of the project.

Discussion: ANP Consulting's community engagement is well known in the City of Kalamazoo with benefiting local small businesses.

FISCAL IMPACT:

The agreement with ANP Consulting will be spread over the 2020 and 2021 fiscal years. The proposed payment schedule requests $70,000 to be paid in 2020, which is reserved in the 2020 Business Development Fund budget. The remaining $60,000 is included in the 2021 Business Development Fund budget.

APPROVAL ROUTING FORM

Final Approval Required Of:		Subject:	Professional Service Agreement for Small Business Needs Assessment (Agreement#: 00000-020.104)		
XXXX	City Commission	Route to: (Check if required)	Date Received	Approved By:	Comments
Originating information					Please Return to **Michelle Emig** in Purchasing after agreement has been signed. Thank You
Prepared by:	Antonio Mitchell	X Purchasing			
Department:	CPED	X City Attorney			
Phone:	8165	X City Clerk			
Date Prepared:	8/31/20	X City Mgr's Office			
Date Action Desired by:	September 8, 2020	X City Clerk			
					Use reverse side for additional comments

Identify Attachments other than memo:	For Manager's Use Action taken:
Agreement	
Proposal (Exhibit A)	
Terms & Conditions (Exhibit B)	

Revised 11/2005

PROFESSIONAL SERVICE AGREEMENT

This Agreement, dated ___________, 2020 is between the City of Kalamazoo, a Michigan municipal corporation whose address is 241 West South St., Kalamazoo, MI, 49007-4707 ("City"), and ANP Consulting whose address is 1327 Ogden Avenue, Kalamazoo, MI 49006-2317 ("Firm").

Recitals:

A. The Firm has proposed to provide professional services for a Small Business Needs Assessment as detailed in their proposal. (Exhibit A)

B. The City further agrees to contract for these professional consulting services as described in the proposal for a total cost not to exceed $130,000.00.

C. The Firm further agrees to the attached Terms and Conditions provided by the City of Kalamazoo (Exhibit B).

THEREFORE, the parties agree that the contractor will perform the work described herein and the City will pay for that work. This agreement incorporates by reference the terms and conditions set forth in exhibits A and B attached.

ANP CONSULTING	CITY OF KALAMAZOO
____________________________ Signature	____________________________ James K. Ritsema, ICMA-CM *City Manager*
____________________________ Print Name	
____________________________ Title	____________________________ Date
____________________________ Date	

DESCRIPTION OF WORK

ANP Consulting is a social innovation firm that empowers our clients to be agents of social impact. We specialize in creating equitable and inclusive innovative solutions to execute and fulfill our client needs. ANP Consulting can assist in developing and administering a small business needs assessment. With our community connections, network, and expertise we are confident in our ability to provide support to the City of Kalamazoo.

SCOPE OF WORK

ANP Consulting will provide a needs assessment to businesses in the Kalamazoo area identified by the City of Kalamazoo economic development staff. The sole purpose of this needs assessment is to help identify the needs of business owners in order to provide recommendations on how the city can prioritize resources, support, collaboration, and or enhance current initiatives or develop new programs. In addition, support business owners on identifying needs to get the necessary support to be sustainable and thrive. ANP will execute this service by developing a business assessment tool and report of the findings that will include recommendations. We will design an equitable and culturally competent needs assessment tool, that encompasses a human-centered approach to gathering data.

DELIVERABLES

- Develop and administer a human-centered and culturally competent needs assessments
- Assess businesses identified by city staff
- Provide recommendations and a full report of needs assessment findings
- Provide positive engagement with participants to increase overall community trust

OUTCOMES

- Businesses can identify their needs and have language and path to access resources
- Assist in identifying gaps to make informed decisions on how to prioritize resources
- Identify programming and systems needs to ensure businesses are thriving
- Identify businesses that are in a place to successfully take advantage of City resources
- Filter businesses to match them with the appropriate resources and support system
- Have a comprehensive understanding of the state of businesses that are evaluated

SCOPE OF WORK BREAKDOWN

Project Management: ANP will provide project management to ensure project deliverables are on track. Including meetings, strategizing, staffing, and supervising.

Research and Evaluation: ANP will execute the necessary research and best practices to develop a needs assessment tool to capture necessary data to make informed decisions and provide a written report.

- Assessment may be executed in the form of surveys, interviews, focus groups or combination.

Participant engagement: ANP will build a strong strategy to engage participants to increase overall community trust as it relates to support for small business

Implementation Strategy & Communications: ANP will develop a comprehensive implementation strategy to reach the goal of assessing businesses

ROLES AND RESPONSIBILITIES

- ANP will serve in the capacity of consultants to the City of Kalamazoo. The responsibilities include thought partnership to the staff working to develop and administer a small business assessment.

COMMUNICATION

- ANP will respond to all forms of communication within a 48-hr period from the point of submission of proposal.

STAFF CONTACT

- ANP consulting chief strategist, Nicole Parker and project consultant Nicole Triplett will be lead on this project all communications concerning this proposal can be sent directly to both parties. anpcreate@gmail.com or by contacting 269-352-6330.

TIMELINE

- Timeline will be determined in partnership with Antonio Mitchell
- *Projected timeline six months*

PROJECT CLAUSE:

All materials developed are owned by ANP consulting including assessment tool. The city will have co-ownership of data collected and can utilize report findings. ANP will provide a report to City staff upon completion of the project.

COMPENSATION

Total Project Cost: **$130,000**

Below is a breakdown of project budget. Compensation would be dependent upon the number of projected hours determined in partnership with the City of Kalamazoo staff members.

Client Engagement Fee-To begin services, a nonrefundable client engagement fee of $10,00 is due at the time of signing the contract. The client engagement fee includes a $5000.00 deposit and $5000.00 retainer. The $5000.00 retainer will be applied to the overall final payment.

Payment Schedule		
Item	**Date**	**Amount**
Deposit	Upon signing contract	$10,000
First Payment	Two weeks after contract is signed	$60,000
Second Payment	Halfway point of project	$60,000

Budget Breakdown: Total Cost for the Needs Assessment Project is $130,000	
Item	**Cost**
Client Engagement Fee	$10,000
Project Management (Administrative Cost)	$50,000
Contractors (Evaluator & Tech support)	$45,000
Software & Other Supplies	$10,000
Participant Engagement	$1,000
Marketing and Communications	$2,000
Community Trust & Engagement	$8,000
Miscellaneous	$4,000
Total	$130,000

** Full budget narrative is available upon request!*

CITY OF KALAMAZOO
TERMS AND CONDITIONS

1. AWARD OF CONTRACT

A. The contract will be awarded to that responsible proposer whose proposal, conforming to this solicitation; will be most advantageous to the City according to the criteria outlined herein. The City reserves the right to accept or reject any or all proposals and waive informalities and minor irregularities in proposals received.

B. Notification of award will be in writing by the Purchasing Manager. Upon notification, the Consultant/ Professional Firm (hereinafter Firm) shall submit to the Purchasing Division all required insurance certificates and such other documentation as may be requested or required hereunder. Upon their receipt and subsequent approval by the City, the Purchasing Manager will forward to the Firm a written **NOTICE TO PROCEED**. Work shall **NOT** be started until such **NOTICE TO PROCEED** is received by the Firm.

C. Unilateral changes in proposal prices by the proposer shall not be allowed. However, the City, at its sole option, reserves the right to negotiate with proposers.

2. COMPLETE CONTRACT

This bid document together with its addenda, amendments, attachments and modifications, when executed, becomes the complete contract between the parties hereto, and no verbal or oral promises or representations made in conjunction with the negotiation of this contract shall be binding on either party.

3. SUBCONTRACTORS - NON ASSIGNMENT

Bidders shall state in writing any and all sub-contractors to be associated with this bid, including the type of work to be performed. The Contractor shall cooperate with the City of Kalamazoo in meeting its commitments and goals with regard to maximum utilization of minority and women-owned business enterprises.

The Contractor hereby agrees and understands that the contract resulting from this solicitation shall not be transferred, assigned or sublet without prior written consent of the City of Kalamazoo.

4. TAXES

The City of Kalamazoo is exempt from all federal excise tax and state sales and use taxes. However, depending upon the situation, the vendor or contractor may not be exempt from said taxes and the City of Kalamazoo is making no representation as to any such exemption.

5. **INVOICING**

All original invoice(s) will be sent to the Finance Division, 241 W. South Street, Kalamazoo, MI 49007 or via email at apinvoice@kalamazoocity.org. Faxed copies of invoice(s) will not be accepted, unless it is to replace an original invoice that was lost in the mail. The Finance Division processes payments after receipt of an original invoice from the Contractor and approval by the department.

The City of Kalamazoo policy is to pay invoice(s) within 30 days from the receipt of the original invoice, if the services or supplies are satisfactory and the proper paperwork and procedures have been followed. In order to guarantee payment to the vendor on a timely basis, the vendor needs to receive a purchase order number before supplying the City of Kalamazoo with goods or services. All original, and copies of original invoice(s), will clearly state which purchase order they are being billed against.

The City of Kalamazoo is a government municipality and therefore is tax exempt from all sales tax. Our tax exempt number is 38-6004627.

The vendor is responsible for supplying the Finance Division with a copy of their W-9 if they are providing a service to the City of Kalamazoo.

6. **PAYMENTS**

Unless otherwise specified by the City in this proposal, the Firm will be paid in not more than thirty (30) days after receipt of a properly executed invoice, the sum stipulated herein for service rendered and accepted. Payments are processed by the Budget and Accounting Division after receipt of an original invoice from the Firm and approval by the department.

7. **CHANGES AND/OR CONTRACT MODIFICATIONS**

The City reserves the right to increase or decrease quantities, service or requirements, or make any changes necessary at any time during the term of this contract, or any negotiated extension thereof. Price adjustments due to any of the foregoing changes shall be negotiated and mutually agreed upon by the Contractor and the City.

Changes of any nature after contract award which reflect an increase or decrease in requirements or costs shall not be permitted without prior approval by the Purchasing Agent. City Commission approval may also be required. **SUCH CHANGES, IF PERFORMED IN ADVANCE OF PURCHASING APPROVAL, MAY BE SUBJECT TO DENIAL AND NON-PAYMENT.**

8. **LAWS, ORDINANCES AND REGULATIONS**

The Contractor shall keep himself/herself fully informed of all local, state and federal laws, ordinances and regulations in any manner affecting those engaged or employed in the work and the equipment used. Contractor and/or employees shall, at all times, serve and comply with such laws, ordinances and regulations.

Any permits, licenses, certificates or fees required for the performance of the work shall be obtained and paid for by the Contractor.

This contract shall be governed by the laws of the State of Michigan.

9. **RIGHT TO AUDIT**

The City or its designee shall be entitled to audit all of the Contractor's records, and shall be allowed to interview any of the Contractor's employees, throughout the term of this contract and for a period of three years after final payment or longer if required by law to the extent necessary to adequately permit evaluation and verification of:

A. Contractor compliance with contract requirements,
B. Compliance with provisions for pricing change orders, invoices or claims submitted by the Contractor or any of his payees.

10. **HOLD HARMLESS**

If the acts or omissions of the Contractor/Vendor or its employees, agents or officers, cause injury to person or property, the Contractor/Vendor shall indemnify and save harmless the City of Kalamazoo, its agents, officials, and employees against all claims, judgments, losses, damages, demands, and payments of any kind to persons or property to the extent occasioned from any claim or demand arising therefrom.

11. **DEFAULT**

The City may at any time, by written notice to the Contractor, terminate this contract and the Contractor's right to proceed with the work, for just cause, which shall include, but is not limited to the following:

A. Failure to provide insurance and bonds (when called for), in the exact amounts and within the time specified or any extension thereof.

B. Failure to make delivery of the supplies, or to perform the services within the time specified herein, or any extension thereof.

C. The unauthorized substitution of articles for those bid and specified.

D. Failure to make progress if such failure endangers performance of the contract in accordance with its terms.

E. Failure to perform in compliance with any provision of the contract.

F. **Standard of Performance** - Contractor guarantees the performance of the commodities, goods or services rendered herein in accordance with the accepted standards of the industry or industries concerned herein, except that if this specification calls for higher standards, then such higher standards shall be provided.

Upon notice by the City of Contractor's failure to comply with such standards or to otherwise be in default of this contract in any manner following the Notice to Proceed, Contractor shall immediately remedy said defective performance in a manner acceptable to the City. Should Contractor fail to immediately correct said defective performance, said failure shall be considered a breach of this contract and grounds for termination of the same by the City.

In the event of any breach of this contract by Contractor, Contractor shall pay any cost to the City caused by said breach including but not limited to the replacement cost of such goods or services with another Contractor.

The City reserves the right to withhold any or all payments until any defects in performance have been satisfactorily corrected.

In the event the Contractor is in breach of this contract in any manner, and such breach has not been satisfactorily corrected, the City may bar the Contractor from being awarded any future City contracts.

G. All remedies available to the City herein are cumulative and the election of one remedy by the City shall not be a waiver of any other remedy available to the City.

12. **TERMINATION OF CONTRACT**

The City may, at any time and without cause, suspend the work of this contract for a period of not more than ninety days after providing notice in writing to the Contractor. The Contractor shall be allowed an adjustment in the contract price or an extension of the contract times, or both, directly attributable to the suspension if Contractor makes an approved claim.

The City may, without prejudice to any other right or remedy of the City, and with or without cause, terminate the contract by giving seven days written notice to the Contractor. In such case the Contractor shall be paid, without duplication, for the following items:

A. Completed and acceptable work executed in accordance with the contract documents prior to the effective date of termination, including fair and reasonable sums for overhead and profit on such work;

B. Expenses sustained prior to the effective date of termination in performing services and furnishing labor, materials or equipment as required by the contract documents in connection with uncompleted work, plus fair and reasonable sums for overhead and profit on such expenses;

C. All documented claims, costs, losses and damages incurred in settlement of terminated contracts with Subcontractors, Suppliers and others; and

D. Reasonable expenses directly attributable to termination.

The Contractor shall not be paid on account of loss of anticipated profits or revenue or other economic loss arising out of or resulting from such termination.

13. **INDEPENDENT CONTRACTOR**

At all times, the Contractor, any of his/her employees, or his/her sub-contractors and their subsequent employees shall be considered independent contractors and not as City employees. The Contractor shall exercise all supervisory control and general control over all workers' duties, payment of wages to Contractor's employees and the right to hire, fire and discipline their employees and workers. As an independent contractor, payment under this contract shall not be subject to any withholding for tax, social security or other purposes, nor shall the Contractor or his/her employees be entitled to sick leave, pension benefit, vacation, medical benefits, life insurance or workers' unemployment compensation or the like.

14. **PROJECT SUPERVISOR**

The Contractor shall employ an individual to act as Project Supervisor. The Project Supervisor shall be available to the Contractor's workers and the Project Manager at all times by use of a mobile phone, beeper or other reliable means. The Project Supervisor shall prepare daily work plans for the employees, monitor employee performance, attendance and punctuality; and work closely with the City's Project Manager in assuring contract compliance.

15. **MEETINGS**

The Contractor and/or Project Supervisor shall be available to meet with the Department Head or Project Manager at a mutually agreeable time to discuss problems, issues or concerns relative to the contract. Either party may call a meeting at any time. When such a request for a meeting is made, the meeting date shall, in no case exceed five (5) working days after the request; and, if in the sole opinion of the Department Head, the severity of the circumstance warrants, no more than one (1) working

16. **CONTRACT PERIOD, EXTENSIONS, CANCELLATION**

A. The contract shall be in effect for the term stated in the specifications.

B. The City may opt to extend this contract upon mutual agreement of both parties. The number of extensions shall be limited to that stated in the specifications.

C. The City may, from time to time, find it necessary to continue this contract on a month-to-month basis only, not to exceed a six (6) month period. Such month-to-month extended periods shall be by mutual agreement of both parties, with all provisions of the original contract or any extension thereof remaining in full force and effect.

D. All contracts, extensions and cost increases are subject to availability of funds and the approval of the City Commission (if required).

E. Notwithstanding other provisions of this contract, the City reserves the right to cancel the contract due to non-appropriation of funds by the City with thirty (30) days written notice.

F. Either party may terminate the contract (or any extension thereof) without cause at the end of any twelve (12) month term by giving written notice of such intent at least 60 days prior to the end of said twelve (12) month term.

G. All notices are in effect commencing with the date of mailing. Written notices may be delivered in person or sent by First Class mail; faxed or emailed to the last known address.

H. If cancellation is for default of contract due to non-performance, the contract may be canceled at any time (see Item 11, DEFAULT).

Date: **9/8/2020**
Item: **G.3.**

City Commission Agenda Report

City of Kalamazoo

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager
Reviewed by: James J. Baker, PE, Public Services Director and City Engineer
Prepared by: James Cornell, Wastewater Division Manager

DATE: September 8, 2020

SUBJECT: Contract Extension for Primary and Secondary Solids Cationic Emulsion Belt Press Polymer (Bid Ref#190-37-015.2)

RECOMMENDATION:

It is recommended that the City Commission approve a one year contract extension for Cationic Emulsion Polymer K144L with Solenis LLC of Wilmington, Delaware in the amount of $245,185.93.

BACKGROUND:

Invitations to Test were sent to polymer companies so performance based testing could be conducted by the Kalamazoo Water Reclamation Plant (KWRP) staff to prequalify polymers in 2016. All polymers tested were qualified to bid and the estimated amount of polymer to be supplied was based on the individual polymers performance and the estimated quantity of sludge to be processed annually. The polymers were tested on mixed primary and secondary solids flows. All bids were evaluated for polymer cost on the basis of testing conducted to determine the amount of polymer needed to process our solids annually. Test results indicated that Solenis K144L product was the most efficient dosing of all polymers tested for pounds of polymer per dry ton of solids produced.

STRATEGIC VISION ALIGNMENT:

<u>Relevant Priority Based Budgeting Program (program name and description):</u>
Water Reclamation Plant Operations and Maintenance

Safe Community- Creating a safe environment for living, working, and playing

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement
Inform (one-way conversation) – no feasible alternatives available due to legal/regulatory restrictions, standards and best practices, or resource limitations; the community will be made aware of the project.

FISCAL IMPACT:

The Solenis K144L product is priced at $1.21 per pound and represents a 0% increase over current recontract rate. Funds for the contract are included in the 2020 Wastewater fund budget. The 2020 amount will be $40,864.32. The 2021 portion of the contract will be included in the 2021 budget.

APPROVAL ROUTING FORM					
Final Approval Required Of:	Subject:	Belt Press Polymer Term Contract BID REF #190-37-015.2			
City Manager	Route to:		Date	Approved	
XXXX City Commission	(Check if required)		Received	By:	Comments
Originating information					Please Return to Gracia Mason in Purchasing after contract has been signed. Thank You
Prepared by: Jim Cornell		Dept. Head			
Department: Public Services		Budget/Finance			
Phone: 8644	X	Purchasing			
Date Prepared: 8/13/20	X	City Attorney			
Date Action Desired by:		City Mgr's Office			
ASAP	X	City Clerk			
					Use reverse side for additional comments

Identify Attachments other than memo:	For Manager's Use
Memo	Action taken:
Contract Extension	
	Revised 11/2005

Commission Agenda Report

City of Kalamazoo

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: James K. Ritsema, City Manager, ICMA-CM
Reviewed By: James J. Baker, PE, Public Services Director & City Engineer JJB
Prepared By: James Cornell, Wastewater Division Manager JHC

DATE: July 27, 2020

SUBJECT: Contract for the Purchase of Primary and Secondary Solids Cationic Emulsion Belt Press Polymers

RECOMMENDATION

It is recommended that the City Commission approve a one year contract extension for Cationic Emulsion Polymer K144L with Solenis LLC of Wilmington, Delaware in the amount of $245,185.93.

BACKGROUND

Invitations to Test were sent to polymer companies so performance based testing could be conducted by the Kalamazoo Water Reclamation Plant (KWRP) staff to prequalify polymers in 2016. All polymers tested were qualified to bid and the estimated amount of polymer to be supplied was based on the individual polymers performance and the estimated quantity of sludge to be processed annually. The polymers were tested on mixed primary and secondary solids flows. All bids were evaluated for polymer cost on the basis of testing conducted to determine the amount of polymer needed to process our solids annually. Test results indicated that Solenis K144L product was the most efficient dosing of all polymers tested for pounds of polymer per dry ton of solids produced.

STRATEGIC VISION ALIGNMENT

<u>Program Name</u> <u>Program Description</u>

Chemical Usage and Treatment Efficiency Analysis – Analyze chemical usage and plant treatment efficiency.

This program/project has a high degree of impact on the following Strategic Goal(s):

Environmental Responsibility
Safe Community

COMMUNITY ENGAGEMENT

Appropriate Depth of Engagement
Internal

FISCAL IMPACT

The Solenis K144L product is priced at $1.21 per pound and represents a 0% increase over current recontract rate. Funds for the contract are included in the 2020 Public Services Budget. The 2020 amount will be $40,864.32. The 2021 portion of the contract will be included in the 2021 budget.

ALTERNATIVES

Alternative polymers were tested during the “full scale performance run” portion of the “performance based” testing procedures in 2016. They were connected to our regular belt press system and were tested under normal running conditions. Lab tests were performed to check the quality of the biosolids produced as well as polymer dosing efficiency.

ATTACHMENTS

Ref #190-37-015.2

BID FORM FOR CONTRACT EXTENSION AWARD

The undersigned agrees to provide belt press polymer for the City of Kalamazoo Public Services Department in conjunction with a contract extension to the original contract. The term of the contract extension shall begin on or about November 1, 2020 and expire on or about October 31, 2021, depending on date of approval. The contract provides for changes in requirements and price adjustments based on the City's needs and changes in cost for the contactor. All other terms, requirements and conditions of the original contract, including any addendums, are hereby continued in force and effect during the term of this contract extension.

Polymer for both Primary and Secondary Sludge

1.	Primary/Secondary Sludge Polymer	Est. Qty. in lbs (*)	UNIT PRICE/LB	EXTENDED PRICING
A	**Polydyne C6266**	506,995 lb / yr	$ NO OFFER	$
B	**Polydyne CE1810**	289,475 lb / yr	NO OFFER	
C	**Polydyne CE1808**	241,505 lb / yr	NO OFFER	
D	**Solenis K144L**	202,633 lb / yr	$1.21	$245,185.93
E	**Tidewater 4267**	291,129 lb / yr	NO OFFER	
F	**Tidewater 7735**	330,829 lb / yr	NO OFFER	
G	**BASF 8849**	327,521 lb / yr	NO OFFER	
H	**BASF 8839**	267,971 lb / yr	NO OFFER	
	GRAND TOTALS			$245,185.93

OPTIONAL:
Provide polymer in totes:

1.	Primary/Secondary Sludge Polymer - TOTES	Number of Totes	UNIT PRICE/EA	EXTENDED PRICING
A	**Polydyne C6266**		$ NO OFFER	$
B	**Polydyne CE1810**		NO OFFER	
C	**Polydyne CE1808**		NO OFFER	
D	**Solenis K144L** Tote weight 2,290 lbs.	88	$2,816.70	$247,869.60
E	**Tidewater 4267**		NO OFFER	
F	**Tidewater 7735**		NO OFFER	
G	**BASF 8849**		NO OFFER	
H	**BASF 8839**		NO OFFER	
	GRAND TOTALS			$247,869.60

I hereby state that all of the information I have provided is true, accurate and complete. I hereby state that I have the authority to submit this bid which will become a binding contract if accepted by the City of Kalamazoo. I hereby state that I have not communicated with nor otherwise colluded with any other bidder, nor have I made any agreement with nor offered/accepted anything of value to/from an official or employee of the City of Kalamazoo that would tend to destroy or hinder free competition.

The firm's identification information provided will be used by the City for purchase orders, payment and other contractual purposes. If the contractual relationship is with, or the payment made to, another firm please provide a complete explanation on your letterhead and attach to your bid. Please provide for accounts payable purposes:

Tax Identification Number (Federal ID): 46-5612095

Remittance Address: Po Box 116232, Atlanta, GA 30368

I hereby state that I have read, understand and agree to be bound by all terms of the original contract and this bid for contract extension.

SIGNED: ____________ NAME: Jason Burhans
(Type or Print)

TITLE: Pricing Analytics and Administration Manager DATE: July 27, 2020

FIRM NAME: Solenis LLC
(if any)

ADDRESS: 2475 Pinnacle Drive, Wilmington, DE 19803
(Street address) (City) (State) (Zip)

PHONE: 302-502-0830 FAX: Please use email : Bidders@Solenis.com

EMAIL ADDRESS: Bidders@Solenis.com

AWARD (FOR CITY USE ONLY)

Proposed contract extension accepted at the unit prices stated herein for a term contract not to exceed $245,185.93. Contract expires October 31, 2021.

APPROVED BY: ____________________
James K. Ritsema, ICMA-CM

TITLE: City Manager

DATE: ____________________

Date: **9/8/2020**
Item: **G.4.**

City Commission Agenda Report

City of Kalamazoo

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager
Reviewed by: James J. Baker, PE, Public Services Director and City Engineer
Prepared by: James Cornell, Wastewater Division Manager

DATE: September 8, 2020

SUBJECT: Contract Extension for Transportation and Disposal of Plant Screenings (Bid Ref#968-71-014.2)

RECOMMENDATION:

It is recommended that the City Commission approve a one-year contract with Republic Services for the transportation and disposal of screenings from the Kalamazoo Water Reclamation Plant in the amount $111,800.

BACKGROUND:

The City of Kalamazoo Water Reclamation Plant (WRP) mechanically screens plastic and debris from the influent wastewater with barscreen units and fine screen units. Additionally, City vactor crews remove blockage in sewer lines before they reach the WRP to prevent sanitary sewer overflows (SSO's). The material removed by the screens and from the sanitary sewer lines are then transported to, and disposed of, at a landfill.

STRATEGIC VISION ALIGNMENT:

Relevant Priority Based Budgeting Program (program name and description):
Primary – To remove settable solids from the waste stream to be dewatered and landfilled. This includes waste debris collected from the sanitary system, barscreens, fine screens, and grit system.

Strategic Goal Impact:

Safe Community- Creating a safe environment for living, working, and playing

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement
Inform (one-way conversation) – no feasible alternatives available due to legal/regulatory restrictions, standards and best practices, or resource limitations; the community will be made aware of the project.

FISCAL IMPACT:

Funds have been budgeted for this expenditure in the Wastewater fund budget in the amount of $65,216.67 for the 2020 portion of the contract and $46,583.33 will be budgeted for the 2021 portion of the contract.

APPROVAL ROUTING FORM

Final Approval Required Of:		Subject:	Transportation & Disposal of Plant Screensings Bid Ref #968-71-014.2		
XXXX	City Commission	Route to: (Check if required)	Date Received	Approved By:	Comments
Originating information					Please Return to Michelle Emig in Purchasing after the contract has been signed. Thank You!
Prepared by:	Jim Cornell				
Department:	Public Services	X Purch Manager			
Phone:	8644	X Purchasing Agent			
Date Prepared:	8/24/20	X City Attorney			
Date Action Desired by:	ASAP	X City Clerk			
		City Mgr's Office			
					Use reverse side for additional comments

Identify Attachments other than memo:

- CC Memo
- Contract

For Manager's Use

Action taken:

Revised 11/2005

Commission Agenda Report

City of Kalamazoo

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager
Reviewed by: James J. Baker, P.E., Public Services Director & City Engineer
Prepared by: James Cornell, Wastewater Division Manager

Date: August 21, 2020

Subject: Republic Services Contract Extension for Transportation and Disposal of Plant Screenings

RECOMMENDATION:

City Commission approval is requested for a one year contract with Republic Services for the transportation and disposal of plant screenings from the Kalamazoo Water Reclamation Plant in the amount $111,800.00.

BACKGROUND:

The City of Kalamazoo Water Reclamation Plant (WRP) mechanically screens plastic and debris from the influent wastewater with barscreen units and fine screen units. Additionally City vactor crews remove blockage in sewer lines before they reach the WRP to prevent sanitary sewer overflows (SSO's). The material removed by the screens and from the sanitary sewer lines are then transported to and disposed of at a landfill.

STRATEGIC VISION ALIGNMENT

<u>Program Name</u> <u>Program Description</u>

Primary – To remove settable solids from the waste stream to be dewatered and landfilled. This includes waste debris collected from the sanitary system, barscreens, fine screens, and grit system.

This program/project has a high degree of impact on the following Strategic Goal(s):

Environmental Responsibility
Safe Community

COMMUNITY ENGAGEMENT

Appropriate Depth of Engagement
Internal

FISCAL IMPACTS:

Funds have been budgeted for this expenditure in the Public Services budget in the amount of $65,216.67 for the 2020 portion of the contract and $46,583.33 will be budgeted for the 2021 portion of the contract.

ALTERNATIVES:

No alternatives have been considered, as landfill disposal is the proper method of disposal for this material.

ATTACHMENTS:

Bid Ref. #968-71-014.2

BID FORM FOR CONTRACT EXTENSION AWARD

The undersigned agrees to provide transportation and disposal of plant screenings for the City of Kalamazoo Public Services Department in conjunction with a contract extension to the original contract. The term of the contract extension shall begin on or about June 1, 2020 and expire on or about May 31, 2021, depending on date of approval. The contract provides for changes in requirements and price adjustments based on the City's needs and changes in cost for the contactor. All other terms, requirements and conditions of the original contract, including any addendums, are hereby continued in force and effect during the term of this contract extension.

The undersigned having become thoroughly familiar with and understanding all of the bid/contract documents incorporated herein, agrees to provide a one-year term contract extension for transportation and disposal of plant screenings:

TRANSPORTATION AND DISPOSAL OF PLANT SCREENINGS

		UNIT PRICE	ESTIMATED QUANTITY	EXTENDED TOTAL
1.	Cost for transportation and disposal of plant screenings (screenings, grit, scum, etc.) 10-20-30 yard containers	$ 43.00	2600 tons	$ 111,800

The contract extension requires that Emergency Spill Response and Cleanup is the responsibility of Republic Waste Services in all jurisdictions through which the solids are hauled. The City of Kalamazoo requires that an Emergency Spill Response Plan is provided to the City for the contract period.

I hereby state that all of the information I have provided is true, accurate and complete. I hereby state that I have the authority to submit this bid which will become a binding contract if accepted by the City of Kalamazoo. I hereby state that I have not communicated with nor otherwise colluded with any other bidder, nor have I made any agreement with nor offered/accepted anything of value to/from an official or employee of the City of Kalamazoo that would tend to destroy or hinder free competition.

The firm's identification information provided will be used by the City for purchase orders, payment and other contractual purposes. If the contractual relationship is with, or the payment made to, another firm please provide a complete explanation on your letterhead and attach to your bid. Please provide for accounts payable purposes:

Tax Identification Number (Federal ID): 38-1841203

Remittance Address: 3432 Gembrit Circle kalamazoo , MI 49001

I hereby state that I have read, understand and agree to be bound by all terms and conditions of this bid document.

SIGNED: Lori Lomason NAME: Lori Lomason
(Type or Print)

TITLE: Account Manager DATE: 8/11/2020

FIRM NAME: Republic Services
(if any)

ADDRESS: 3432 Gembrit Circle Kalamazoo MI 49001
(Street address) (City) (State) (Zip)

PHONE: 2699985576 FAX: ____________

EMAIL ADDRESS: llomason@republicservices.com

FOR CITY USE ONLY - DO NOT WRITE BELOW

Proposed contract extension accepted at the unit prices stated herein for a term contract not to exceed $111,800.00. Contract expires August 31, 2021.

APPROVED BY: ____________________
James K. Ritsema, ICMA-CM

TITLE: City Manager

DATE: ____________________

Date: **9/8/2020**
Item: **G.5.**

City Commission Agenda Report

City of Kalamazoo

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: Clyde J. Robinson, City Attorney
Prepared by: Richard O Cherry, Deputy City Attorney

DATE: September 8, 2020

SUBJECT: Amendments to Chapter 2 Article X-Employee Retirement System

RECOMMENDATION:

It is recommended that the City Commission offer for first reading an ordinance amending Chapter 2 - Article X Employee Retirement System, § 2-243 and § 2-245.

BACKGROUND:

In the proposed amendments, the City's administration recommends amendments to sections 2-243 and 2-245 to add language to clarify that a member's application and award of duty disability benefits is an election of benefits. Therefore, if a member is awarded a duty disability retirement it is a benefit in lieu of a worker's compensation paid or payable under the Michigan workers disability compensation act, 1969 PA 279; MCL 418.101 et seq, for identical periods of time. Additionally, pursuant to Michigan workers disability compensation act, a general member's worker's compensation benefit is offset by any pension retirement benefits. These two amendments prevent members from "double dipping" while still making them whole.

STRATEGIC VISION ALIGNMENT:

Good Governance- Ensuring the City organization has the capacity and resources to effectively implement the community's Strategic Vision in a way that is sustainable over the long term.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement
Inform (one-way conversation) – no feasible alternatives available due to legal/regulatory restrictions, standards and best practices, or resource limitations; the community will be made aware of the project.

Alternatives

The alternative would be to reject the proposed amendments, which would allow employees to receive a windfall when these benefits, both duty disability and worker's compensation, are pursued by the employee. These benefits are only meant to make employee's whole.

FISCAL IMPACT:

None.

CITY OF KALAMAZOO

Ordinance No. _____________

AN ORDINANCE TO AMEND SECTIONS 2-243, AND 2-245 OF THE KALAMAZOO CODE OF ORDINANCES

THE CITY OF KALAMAZOO ORDAINS:

Section 1. Section 2-243 B of the Kalamazoo City Code shall be amended to read as follows:

B. If a member retires before his or her voluntary retirement age on account of his or her total and permanent disability, as provided in § 2-242, and the Board finds that his or her disability is the natural and proximate result of cause arising out of and in the course of his or her actual performance of duty in the employ of the City, he or she shall receive a disability retirement allowance computed according to § 2-236, if he or she is a Public Safety member or according to § 2-237, exclusive of Subsection B, if he or she is a general member. In computing his or her disability retirement allowance, the credited service to be used shall be the sum of his or her credited service in force at the time of his or her retirement and the number of years, and fraction of a year, in the period from the date of his or her retirement to the date he or she would attain his voluntary retirement age had he or she continued in City employment. ~~During his or her worker's compensation period, his or her disability retirement allowance shall not exceed the difference between his or her final compensation and his or her weekly worker's compensation award converted to an annual basis~~. For public safety members receipt of benefits from the retirement system is an election of like benefits in lieu of workers compensation wage loss benefits under the Michigan workers disability compensation act of 1969 as amended 1975 PA 279; MCL 418.101 *et seq.* His or her disability retirement allowance shall be subject to § 2-246. Prior to the date of his or her retirement, he or she shall have the right to elect to receive his or her retirement allowance under an option provided in § 2-240 in lieu of a straight life retirement allowance.

Section 2. Section 2-245 of the Kalamazoo City Code shall be amended to read as follows:

§ 2-245 Pension offset by worker's benefits worker's compensation for general members; subrogation of rights against third party.

A general member ~~beneficiary~~ receiving pension or retirement benefits shall be presumed not to have a loss of earnings or earning capacity as the result of an injury or disease under the Michigan workers disability act. Net benefits paid to a general member shall be reduced by 100% of the amount of workers compensation benefits paid or payable under the Michigan workers disability compensation act, 1969 PA 279; MCL 418.101 *et seq*, for identical periods of time except there will be no credit or reduction for specific loss benefits paid or received under the workers disability compensation ~~. In~~act. In the event a person becomes entitled to a pension or other benefits, payable by the retirement system, as the result of an accident or injury caused by the act of a third party, the City shall be subrogated to the rights of such person against such third party to the extent of the benefits which the City pays or becomes liable to pay.

Section 3. REPEALER

All former ordinances or parts of ordinances conflicting or inconsistent with the provisions of this ordinance are hereby repealed.

Section 4. SEVERABILITY

If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional by any Court of competent jurisdiction, said portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions of this ordinance.

Section 5. EFFECTIVE DATE

Pursuant to Section 13(a) of the City Charter, this ordinance shall take effect from and after 10 days from the date of its passage.

CERTIFICATE

The foregoing is a true and complete copy of an ordinance adopted by the City Commission of the City of Kalamazoo at a regular meeting held on ______________, 2020. Public notice was given, and the meeting was conducted in compliance with Executive Order 2020-154 issued by Governor Whitmer on July 17, 2020 suspending portions of the Michigan Open Meetings Act (PA 267, 1976). Minutes of the meeting will be available as required by the Act, and the ordinance was duly recorded, posted and authenticated by the Mayor and City Clerk as required by the Charter of said City.

____
David Anderson, Mayor

____
Scott A. Borling, City Clerk

CITY OF KALAMAZOO

Ordinance No. _____________

AN ORDINANCE TO AMEND SECTIONS 2-243, AND 2-245 OF THE KALAMAZOO CODE OF ORDINANCES

THE CITY OF KALAMAZOO ORDAINS:

Section 1. Section 2-243 B of the Kalamazoo City Code shall be amended to read as follows:

B. If a member retires before his or her voluntary retirement age on account of his or her total and permanent disability, as provided in § 2-242, and the Board finds that his or her disability is the natural and proximate result of cause arising out of and in the course of his or her actual performance of duty in the employ of the City, he or she shall receive a disability retirement allowance computed according to § 2-236, if he or she is a Public Safety member or according to § 2-237, exclusive of Subsection B, if he or she is a general member. In computing his or her disability retirement allowance, the credited service to be used shall be the sum of his or her credited service in force at the time of his or her retirement and the number of years, and fraction of a year, in the period from the date of his or her retirement to the date he or she would attain his voluntary retirement age had he or she continued in City employment. For public safety members, receipt of benefits from the retirement system is an election of like benefits in lieu of workers compensation wage loss benefits under the Michigan workers disability compensation act of 1969 as amended 1975 PA 279; MCL 418.101 *et seq*. His or her disability retirement allowance shall be subject to § 2-246. Prior to the date of his or her retirement, he or she shall have the right to elect to receive his or her retirement allowance under an option provided in § 2-240 in lieu of a straight life retirement allowance.

Section 2. Section 2-245 of the Kalamazoo City Code shall be amended to read as follows:

§ 2-2**45 Pension offset by worker's compensation benefits for general members; subrogation of rights against third party.**

A general member receiving pension or retirement benefits shall be presumed not to have a loss of earnings or earning capacity as the result of an injury or disease under the Michigan workers disability act. Net benefits paid to a general member shall be reduced by 100% of the amount of workers compensation benefits paid or payable under the Michigan workers disability compensation act, 1969 PA 279; MCL 418.101 et seq, for identical periods of time except there will be no credit or reduction for specific loss benefits paid or received under the workers disability compensation. In the event a person becomes entitled to a pension or other benefits, payable by the retirement system, as the result of an accident or injury caused by the act of a third party, the City shall be subrogated to the rights of such person against such third party to the extent of the benefits which the City pays or becomes liable to pay.

Section 3. REPEALER

All former ordinances or parts of ordinances conflicting or inconsistent with the provisions of this ordinance are hereby repealed.

Section 4. SEVERABILITY

If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional by any Court of competent jurisdiction, said portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions of this ordinance.

Section 5. EFFECTIVE DATE

Pursuant to Section 13(a) of the City Charter, this ordinance shall take effect from and after 10 days from the date of its passage.

CERTIFICATE

The foregoing is a true and complete copy of an ordinance adopted by the City Commission of the City of Kalamazoo at a regular meeting held on ______________, 2020. Public notice was given, and the meeting was conducted in compliance with Executive Order 2020-154 issued by Governor Whitmer on July 17, 2020 suspending portions of the Michigan Open Meetings Act (PA 267, 1976). Minutes of the meeting will be available as required by the Act, and the ordinance was duly recorded, posted and authenticated by the Mayor and City Clerk as required by the Charter of said City.

____
David Anderson, Mayor

____
Scott A. Borling, City Clerk

Date: **9/8/2020**
Item: **G.6.**

City Commission Agenda Report

City of Kalamazoo

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager
Reviewed by: James J. Baker, PE, Public Services Director and City Engineer
Prepared by: Brianna Clawson, CPA, Support Services Division Manager

DATE: September 8, 2020

SUBJECT: 2019 Kalamazoo Mall Maintenance Assessment

RECOMMENDATION:

It is recommended that the City Commission adopt Resolutions #1-3, for the purpose of approving the 2019 Kalamazoo Mall Sidewalk Maintenance Assessment at a per front foot cost of $15.753. Adoption of Resolution #3 schedules a public hearing for October 19, 2020.

BACKGROUND:

Historically, property owners on the Kalamazoo Mall have been assessed a per front foot cost to cover expenses associated with annual sidewalk maintenance activities performed by the City of Kalamazoo. This cost varies from year to year mainly due to snow removal activities associated with the snow melt system on the Mall. The 2019 assessment reflects natural gas costs associated with the Mall's snow melt system.

This assessment was originally designed to cover expenses for general sidewalk maintenance which also includes sweeping and cleaning, litter control, and brick repair. Please note that this assessment does not cover expenses for turf maintenance, lighting, flower plantings, crosswalk area maintenance or holiday decorations.

STRATEGIC VISION ALIGNMENT:

Relevant Priority Based Budgeting Program (program name and description):
Snowmelt

Strategic Goal Impact:

Connected City - A City networked for walking, biking, riding, and driving

Economic Vitality - A supportive infrastructure for growing businesses and stabilizing the local economy for the benefit of all.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement
Collaborate (two-way conversation) - the community will have a chance to shape the project by providing feedback.

Discussion: In 1999, the City of Kalamazoo, property owners and Downtown Kalamazoo Incorporated, (DKI), reached an agreement designed to protect property owners from significant increases due to weather conditions as well as to ensure that the City of Kalamazoo recovers the true cost of performing this work. The agreement included the following:

1. There will be one rate for mall maintenance, rather than one rate for those properties fronting on the snow melt system and those without snow melt.

2. The assessed rate will be an average of the last three years of actual costs to perform this work or the actual cost for the year being assessed, should it be lower than the three-year average.

3. If the actual cost for the year being assessed is greater than the three-year average, DKI (now Kalamazoo Downtown Partnership or KDP) will cover the "shortfall", up to $15,000. The 2019 assessment will require a subsidy from KDP of $5,846.73.

FISCAL IMPACT:

Per front foot costs and averages for Kalamazoo Mall sidewalk maintenance for the last three years are as follows:

	Actual Cost	Three Year Average
2017	$14.322	$14.983
2018	$15.168	$14.756
2019	$17.769	$15.753

Following the public hearing, assessment notices will be distributed in the amount of $15.753 per front foot for a total of $45,687.11.

This assessment will reimburse the General Fund for Mall maintenance activities performed during the 2019 season. It should be noted that this assessment roll represents only 16% of the 2019 Kalamazoo Mall Maintenance expenditures of $282,669.

CITY OF KALAMAZOO, MICHIGAN **#1**

RESOLUTION NO. ___________

RESOLUTION NO. 1 RE: 2019 KALAMAZOO MALL MAINTENANCE PROGRAM IMPROVEMENT PROJECT

Minutes of a regular meeting of the City Commission of the City held on September 8, 2020, at or after 7:00 o'clock p.m., local time, at Kalamazoo City Hall, 241 W. South Street, Kalamazoo, Michigan.

PRESENT, Commissioners:

ABSENT, Commissioners:

The following preamble and resolution was offered by _________________ and supported by ___________________.

WHEREAS, the City Commission deems it advisable and necessary to undertake the following improvement in the City:

> Maintenance services on the Kalamazoo Mall from Lovell Street to Eleanor Street (North End and South End) Maintenance Roll No. 49.

WHEREAS, part or all of the cost of said improvement may be defrayed by special assessment upon the properties specifically benefited thereby;

BE IT RESOLVED that the City Manager is directed to prepare such maps, diagrams or plans as will indicate the scope and estimated cost of the project and file the same with the City Clerk, together with his recommendations as to what portion of the cost thereof should be paid by special assessment and what part, if any, should be a general obligation of the City, the number of installments in which the special assessments may be paid, and the land which should be included in the special assessment district.

The above resolution was offered by _______________________ and supported by ____________________________.

AYES, Commissioners:

NAYS, Commissioners:

ABSTAIN, Commissioners:

RESOLUTION DECLARED ADOPTED.

CERTIFICATE

The foregoing is a true and complete copy of a resolution adopted by the City Commission of the City of Kalamazoo at a regular meeting held on September 8, 2020. Public notice was given and the meeting was conducted in full compliance with the Michigan Open Meetings Act (PA 267, 1976). Minutes of the meeting will be available as required by said Act.

Scott A. Borling, City Clerk

CITY OF KALAMAZOO, MICHIGAN

REPORT OF CITY MANAGER RE: IMPROVEMENT PROJECT

2019 KALAMAZOO MALL MAINTENANCE PROGRAM

Frontage on East and West Sides of the Kalamazoo Mall from Lovell Street to Eleanor Street. (North End and South End) Maintenance Roll. No. 49.

TO THE CITY COMMISSION:

I respectfully report the following regarding the 2019 Kalamazoo Mall Maintenance Program:

1. The total cost of the project is $45,687.11.

2. It is recommended that the special assessment be paid in one (1) annual installment.

3. It is recommended that the premises to be assessed and to constitute the special assessment district consist of all those lots and parcels of land abutting and fronting upon the improvement unless otherwise hereinafter indicated.

Respectfully submitted,

Date: ________________________, 2020

____
James K. Ritsema, City Manager

CITY OF KALAMAZOO, MICHIGAN **#2**

RESOLUTION NO. ________________

RESOLUTION NO. 2 RE: 2019 KALAMAZOO MALL MAINTENANCE PROGRAM IMPROVEMENT PROJECT

Minutes of a regular meeting of the City Commission of the City held on September 8, 2020, at or after 7:00 p.m., local time, at Kalamazoo City Hall, 241 W. South Street, Kalamazoo, Michigan.

PRESENT, Commissioners:

ABSENT, Commissioners:

The following preamble and resolution was offered by ______________________ and supported by __________________________________.

WHEREAS, the City Commission has directed the City Manager to prepare such maps, diagrams or plans as will indicate the scope and cost of the project, and the same have been prepared and filed with the City Clerk pursuant to said direction and the ordinances of the City, and the City Clerk has presented the same to this Commission; and

WHEREAS, the City Commission tentatively determines that it is necessary to proceed with and make said improvement;

BE IT RESOLVED:

(1) The report of the City Manager, with the maps, diagrams or plans, if any, shall be filed with the City Clerk and be available for public inspection.

(2) The City Commission tentatively determines to make the following improvement:

Maintenance services on the Kalamazoo Mall from Lovell Street to Eleanor Street (North End and South End). Maintenance Roll No. 49.

(3) The report, with maps, diagrams or plans, if any, and cost are hereby accepted and filed.

(4) The total cost of the project, hereby determined to be $45,687.11, has been expended from appropriate city funds for the purpose of this project. The estimated life of said improvement is determined to be one (1) year.

(5) The special assessment to be imposed shall be paid on November 2, 2020, and there shall be charged from such date a penalty of one-half (1/2) of one percent (1%) per month or major fraction thereof upon any sums not paid within thirty (30) days after the same shall become due and payable.

(6) The following described lots and parcels of land are hereby determined to be the properties specifically benefited by said improvement and are hereby designated as the special assessment district upon which that portion of the total cost to be assessed shall be assessed:

From Lovell Street to Eleanor Street - Frontage on
East Side: Maps 15-62; 15-51; 15-46 South End to North End.
West Side: Maps 15-62; 15-51; 15-46 South End to North End.

(7) The City Assessor is hereby directed to prepare a special assessment roll in accordance with the provisions of this resolution and include thereon all lots and parcels of land within the special assessment district herein designated and shall assess to each such lot or parcel of land such relative portion of the whole sum to be specially assessed as the benefit to such lot or parcel of land bears to total benefit to all lands in such district.

(8) When the City Assessor has completed the special assessment roll, he shall endorse thereon his certificate to the effect that said roll was prepared by him pursuant to a resolution of the City Commission adopted on this date and that in making the assessments therein, he has, as nearly as may be and according to his best judgment, conformed in all respects to the directions contained in said resolution and to the Charter and ordinances of the City, and he shall file said special assessment roll with such certificate with the City Clerk in whose office it shall be available for public inspection.

The above resolution was offered by ______________________________ and supported by ____.

AYES, Commissioners:

NAYS, Commissioners:

ABSTAIN, Commissioners:

RESOLUTION DECLARED ADOPTED.

CERTIFICATE

The foregoing is a true and complete copy of a resolution adopted by the City Commission of the City of Kalamazoo at a regular meeting held on September 8, 2020. Public notice was given and the meeting was conducted in full compliance with the Michigan Open Meetings Act (PA 267, 1976). Minutes of the meeting will be available as required by said Act.

____
Scott A. Borling, City Clerk

CITY OF KALAMAZOO, MICHIGAN **#3**

RESOLUTION NO. ______________

RESOLUTION NO. 3 RE: 2019 KALAMAZOO MALL MAINTENANCE PROGRAM IMPROVEMENT PROJECT

Minutes of a regular meeting of the City Commission of the City held on September 8, 2020, at or after 7:00 p.m., local time, at Kalamazoo City Hall, 241 W. South Street, Kalamazoo, Michigan.

PRESENT, Commissioners:

ABSENT, Commissioners:

The following preamble and resolution was offered by ____________________ and supported by __________________________.

WHEREAS, the City Commission by resolution heretofore adopted did direct the City Assessor to prepare a special assessment roll for the purpose of defraying the special assessment district's share of the cost of the improvement hereinafter more particularly described; and

WHEREAS, said special assessment roll has been prepared and certified as required by said resolution and the Charter and ordinances of the City, has been filed in the Office of the City Clerk, and has been presented to the City Commission;

BE IT RESOLVED:

(1) Said special assessment roll shall remain on file in the Office of the City Clerk and be available for public inspection.

(2) The City Commission shall meet at the City Hall in this City on October 19, 2020, at or after 7:00 p.m., local time, to review said special assessment roll.

(3) The City Clerk shall give notice of said hearing by first-class mail, posted at least ten (10) days prior to said hearing to each person or owner having an interest in property assessed in the special assessment district as shown on said roll, and said notice shall also be given by publication when required by general law.

(4) The notice of hearing shall be in substantially the following form:

CITY OF KALAMAZOO, MICHIGAN
NOTICE OF SPECIAL ASSESSMENT HEARING

PLEASE TAKE NOTICE that the City Commission has tentatively determined to make the following improvement and to defray part or all of the cost by special assessment upon the following described benefited lands:

> 2019 Kalamazoo Mall Maintenance Program - Frontage on each side of the Kalamazoo Mall from Lovell Street to Eleanor Street, east and west sides, Maps 15-62, 15-51, & 15-46. (North End and South End) Maintenance Roll No. 49.

TAKE FURTHER NOTICE that the report of the City Manager describing the proposed improvement and the special assessment roll are on file in the Office of the City Clerk and available for public inspection.

TAKE FURTHER NOTICE that the City Commission will meet at the Kalamazoo City Hall, 241 W. South Street in Kalamazoo on October 19, 2020, at or after 7:00 p.m., local time, for the purpose of reviewing said special assessment roll and hearing all persons interested therein and consider all written objections thereto, regarding the expense, necessity, and assessment thereof.

TAKE FURTHER NOTICE that if you object to or protest this special assessment, in order to appeal the amount of the special assessment to the State Tax Tribunal, you are first required to appear and protest at the above-described hearing the amount of the special assessment. You may appear in person at the hearing to protest the special assessment, or you are permitted to file your appearance or protest by letter, in which case your personal appearance shall not be required. The owner or any person having an interest in the real property upon which the special assessment is made may file a written appeal of the special assessment with the State Tax Tribunal within 30 days after the confirmation of the special assessment roll if that special assessment was protested at the hearing held for the purpose of confirming the roll.

SCOTT A. BORLING, CITY CLERK

The above resolution was offered by ________________________________ and supported by ________________________________ .

AYES, Commissioners:

NAYS, Commissioners:

ABSTAIN, Commissioners:

RESOLUTION DECLARED ADOPTED.

CERTIFICATE

The foregoing is a true and complete copy of a resolution adopted by the City Commission of the City of Kalamazoo at a regular meeting held on September 8, 2020. Public notice was given and the meeting was conducted in full compliance with the Michigan Open Meetings Act (PA 267, 1976). Minutes of the meeting will be available as required by said Act.

____
Scott A. Borling, City Clerk

CITY OF KALAMAZOO, MICHIGAN

CERTIFICATE OF CITY ASSESSOR - IMPROVEMENT PROJECT

2019 KALAMAZOO MALL MAINTENANCE PROGRAM
MAINTENANCE ROLL #49

I hereby certify that this assessment roll was prepared pursuant to a resolution of the City Commission, and that in making the assessments herein, I have, according to my best judgment, conformed in all respects to the directions contained in said resolution and to the Charter and ordinances of the City of Kalamazoo.

____

Aaron Powers, City Assessor

2019 MALL MAINTENANCE ROLL #49
NORTH END
RATE PER FRONT FOOT $15.753

Parcel Number & Address	Taxpayer	Send Bill to (if applicable)	Front Feet		Cost
06-15-340-201 225 N. Kalamazoo Mall	Downtown Development Authority 162 E. Michigan Avenue Kalamazoo, MI 49007		23.00	$	362.32
06-15-341-002 228 N. Kalamazoo Mall	Downtown Development Authority 162 E. Michigan Avenue Kalamazoo, MI 49007		20.00	$	315.06
06-15-341-004 251 N. Kalamazoo Mall	Kalamazoo Valley Community College 6767 West O Avenue Kalamazoo, MI 49009	Kalamazoo Valley Community College PO Box 4070 Kalamazoo, MI 49003-4070	130.79	$	2,060.33
06-15-341-291 252 N. Kalamazoo Mall	City of Kalamazoo Public Services 241 W. South Street Kalamazoo, MI 49007		9.86	$	155.32
06-15-341-301 230 N. Kalamazoo Mall, #101 Unit 1 - 230 N Kalamazoo Mall Condos	CenturyTel Fiber Company II 931 14th Street, Suite 103 Denver, CO 80202		14.54	$	229.05
06-15-341-302 230 N. Kalamazoo Mall, #201 Unit 2 - 230 N Kalamazoo Mall Condos	Valda I. Karlsons & Robert J. Brown 2646 Springbrook Drive Kalamazoo, MI 49004		4.15	$	65.37
06-15-341-303 230 N. Kalamazoo Mall, #202 Unit 3 - 230 N Kalamazoo Mall Condos	Alanta Lary 230 N. Kalamazoo Mall, #202 Kalamazoo, MI 49007		4.85	$	76.40
06-15-341-304 230 N. Kalamazoo Mall, #203 Unit 4 - 230 N Kalamazoo Mall Condos	John R Deleo 230 N. Kalamazoo Mall, #203 Kalamazoo, MI 49007		4.15	$	65.37
06-15-341-305 230 N. Kalamazoo Mall, #204 Unit 5 - 230 N Kalamazoo Mall Condos	Michael L. Willis 230 N. Kalamazoo Mall, #204 Kalamazoo, MI 49007		4.85	$	76.40
06-15-341-306 230 N. Kalamazoo Mall, #301 Unit 6 - 230 N Kalamazoo Mall Condos	Michael L. & Deborah M. Killarney 230 N. Kalamazoo Mall, #301 Kalamazoo, MI 49007		4.15	$	65.37
06-15-341-307 230 N. Kalamazoo Mall, #302 Unit 7 - 230 N Kalamazoo Mall Condos	Tom O'Brien Lisa Stech 230 N. Kalamazoo Mall, #302 Kalamazoo, MI 49007		4.85	$	76.40
06-15-341-308 230 N. Kalamazoo Mall, #303 Unit 8 - 230 N Kalamazoo Mall Condos	Frederick & Kimberly Searing 230 N. Kalamazoo Mall, #303 Kalamazoo, MI 49007		3.46	$	54.51
06-15-341-309 230 N. Kalamazoo Mall, #304 Unit 9 - 230 N Kalamazoo Mall Condos	Steven & Christine Kindy 230 N. Kalamazoo Mall, #304 Kalamazoo, MI 49007		4.85	$	76.40
06-15-341-310 230 N. Kalamazoo Mall, #401 Unit 10 - 230 N Kalamazoo Mall Condos	Richard & Joanne Stewart 5526 Lower Shore Drive Harbor Springs, MI 49740-8912		8.99	$	141.62

2019 MALL MAINTENANCE ROLL #49 NORTH END RATE PER FRONT FOOT $15.753				
Parcel Number & Address	***Taxpayer***	***Send Bill to (if applicable)***	***Front Feet***	***Cost***
06-15-341-311 230 N. Kalamazoo Mall, #402 Unit 11 - 230 N Kalamazoo Mall Condos	Beth A. McLaren, Trustee 230 N. Kalamazoo Mall, #402 Kalamazoo, MI 49007		10.38	$ 163.52
06-15-341-320 250 N. Kalamazoo Mall	S & K Properties of Kalamazoo, LLC 5108 North 36th Street Richland, MI 49083		44.72	$ 704.47
06-15-346-001 224 N. Kalamazoo Mall	Downtown Development Authority 162 E. Michigan Avenue Kalamazoo, MI 49007		20.00	$ 315.06
06-15-346-242 201 N. Kalamazoo Mall	Kalamazoo Valley Community College 6767 West O Avenue Kalamazoo, MI 49009	Kalamazoo Valley Community College PO Box 4070 Kalamazoo, MI 49003-4070	131.64	$ 2,073.72
06-15-346-301 222 N. Kalamazoo Mall, #300 Unit 1 - Arcadia Condominiums	Jon R Hogarth 222 N. Kalamazoo Mall, #300 Kalamazoo, MI 49007		3.91	$ 61.59
06-15-346-302 222 N. Kalamazoo Mall, #310 Unit 2 - Arcadia Condominiums	Ronald A. Cleveland 222 N. Kalamazoo Mall, #310 Kalamazoo, MI 49007		2.95	$ 46.47
06-15-346-303 222 N. Kalamazoo Mall, #320 Unit 3 - Arcadia Condominiums	Carol L. Hodges 222 N. Kalamazoo Mall, #320 Kalamazoo, MI 49007		4.31	$ 67.90
06-15-346-304 222 N. Kalamazoo Mall, #330 Unit 4 - Arcadia Condominiums	David S. & Virginia H. Antoniotti 386 Summit Drive Kalamazoo, MI 49001		2.89	$ 45.53
06-15-346-305 222 N. Kalamazoo Mall, #340 Unit 5 - Arcadia Condominiums	Nabil & Hessen Ghazal 222 N. Kalamazoo Mall, #340 Kalamazoo, MI 49007		3.66	$ 57.66
06-15-346-306 222 N. Kalamazoo Mall, #350 Unit 6 - Arcadia Condominiums	Theodore Baird & Gianna Service 222 N. Kalamazoo Mall, #350 Kalamazoo, MI 49007		4.19	$ 66.00
06-15-346-307 222 N. Kalamazoo Mall, #360 Unit 7 - Arcadia Condominiums	Scott R & Kimmie J Swope 222 N. Kalamazoo Mall, #360 Kalamazoo, MI 49007		2.91	$ 45.84
06-15-346-308 222 N. Kalamazoo Mall, #370 Unit 8 - Arcadia Condominiums	James M Teeter 222 N. Kalamazoo Mall, #370 Kalamazoo, MI 49007		3.58	$ 56.40
06-15-346-309 222 N. Kalamazoo Mall, #380 Unit 9 - Arcadia Condominiums	Rachel Hall 222 N. Kalamazoo Mall, #380 Kalamazoo, MI 49007		2.84	$ 44.74
06-15-346-310 222 N. Kalamazoo Mall, #390 Unit 10 - Arcadia Condominiums	Issa M & Michael M Malki 222 N. Kalamazoo Mall, #390 Kalamazoo, MI 49007		3.01	$ 47.42

2019 MALL MAINTENANCE ROLL #49
NORTH END
RATE PER FRONT FOOT $15.753

Parcel Number & Address	Taxpayer	Send Bill to (if applicable)	Front Feet		Cost
06-15-346-311 222 N. Kalamazoo Mall, #200 Unit 11 - Arcadia Condominiums	Patricia E Villalobos Nayda Collazo-Llorens 222 N. Kalamazoo Mall, #200 Kalamazoo, MI 49007		3.89	$	61.28
06-15-346-312 222 N. Kalamazoo Mall, #210 Unit 12 - Arcadia Condominiums	William Service 222 N. Kalamazoo Mall, #210 Kalamazoo, MI 49007		2.95	$	46.47
06-15-346-313 222 N. Kalamazoo Mall, #220 Unit 13 - Arcadia Condominiums	Marianne Amerine 222 N. Kalamazoo Mall, #220 Kalamazoo, MI 49007	Marianne Amerine 3790 Via Dela Valle #201 Delmar, CA 92014	4.30	$	67.74
06-15-346-314 222 N. Kalamazoo Mall, #230 Unit 14 - Arcadia Condominiums	Martha R. Cohen 222 N. Kalamazoo Mall, #230 Kalamazoo, MI 49007		3.03	$	47.73
06-15-346-315 222 N. Kalamazoo Mall, #240 Unit 15 - Arcadia Condominiums	Roger & Ada Sutton 222 N. Kalamazoo Mall, #240 Kalamazoo, MI 49007	Roger & Ada Sutton 7338 E. Maritime Drive Tucson, AZ 85756-9040	2.89	$	45.53
06-15-346-316 222 N. Kalamazoo Mall, #250 Unit 16 - Arcadia Condominiums	Mark A. Kraai & Linda M. Lesniak 222 N. Kalamazoo Mall, #250 Kalamazoo, MI 49007		4.95	$	77.98
06-15-346-317 222 N. Kalamazoo Mall, #260 Unit 17 - Arcadia Condominiums	Key Lime Properties, LLC 5207 Portage Road Portage, MI 49002	Key Lime Properties, LLC 2725 Airview Blvd, Ste 301 Portage, MI 49002	2.81	$	44.27
06-15-346-318 222 N. Kalamazoo Mall, #270 Unit 18 - Arcadia Condominiums	Monica Pender 222 N. Kalamazoo Mall, #270 Kalamazoo, MI 49007		3.54	$	55.77
06-15-346-319 222 N. Kalamazoo Mall, #280 Unit 19 - Arcadia Condominiums	Patrick McGuiggan 222 N. Kalamazoo Mall, #280 Kalamazoo, MI 49007		2.90	$	45.68
06-15-346-320 222 N. Kalamazoo Mall, #290 Unit 20 - Arcadia Condominiums	Tarik Monteiro 222 N. Kalamazoo Mall, #290 Kalamazoo, MI 49007		3.11	$	48.99
06-15-346-321 222 N. Kalamazoo Mall, #100 Unit 21 - Arcadia Condominiums	Hospice Care of Southwest Michigan 222 N. Kalamazoo Mall, #100 Kalamazoo, MI 49007		51.38	$	809.39
06-15-375-004 100 W. Michigan Avenue	Catalyst Development Co., L.L.C. 100 West Michigan Avenue, Suite 300 Kalamazoo, MI 49007		269.94	$	4,252.36
06-15-376-005 132 N. Kalamazoo Mall	Kalamazoo Valley Community College 6767 West O Avenue Kalamazoo, MI 49009	Kalamazoo Valley Community College PO Box 4070 Kalamazoo, MI 49003-4070	264.00	$	4,158.79
	TOTAL NORTH END		**1103.17**	**$**	**17,378.22**

2019 MALL MAINTENANCE ROLL #49
SOUTH END
RATE PER FRONT FOOT $15.753

Parcel Number & Address	Taxpayer	Send Bill to (if applicable)	Front Feet		Cost
06-15-381-001 107 W. Michigan Avenue, Unit 1 Unit 1 - Kalamazoo Building Condos	Mercantile Bank 310 Leonard Street NW Grand Rapids, MI 49504		10.09	$	158.95
06-15-381-002 107 W. Michigan Avenue, Unit 2 Unit 2 - Kalamazoo Building Condos	Del S Eldridge 4022 Broken Ridge Galesburg, MI 49053	Del S Eldridge 107 W Michigan Ave, #200 Kalamazoo, MI 49007	10.46	$	164.78
06-15-381-003 107 W. Michigan Avenue, Unit 3 Unit 3 - Kalamazoo Building Condos	Mercantile Bank 310 Leonard Street NW Grand Rapids, MI 49504		10.55	$	166.19
06-15-381-004 107 W. Michigan Avenue, Unit 4 Unit 4 - Kalamazoo Building Condos	Davis-Reed, LLC 107 W. Michigan Avenue, Ste 400 Kalamazoo, MI 49008		10.55	$	166.19
06-15-381-005 107 W. Michigan Avenue, Unit 5 Unit 5 - Kalamazoo Building Condos	VLG Holdings, LLC 107 W. Michigan Avenue, 5th Floor Kalamazoo, MI 49007		10.55	$	166.19
06-15-381-006 107 W. Michigan Avenue, Unit 6 Unit 6 - Kalamazoo Building Condos	Kal Building 6, LLC 107 W. Michigan Avenue, 6th Floor Kalamazoo, MI 49007		10.50	$	165.41
06-15-381-007 107 W. Michigan Avenue, Unit 7 Unit 7 - Kalamazoo Building Condos	GPS Acquisitions, LLC 905 Inkster Avenue Kalamazoo, MI 49008		10.50	$	165.41
06-15-381-008 107 W. Michigan Avenue, Unit 8 Unit 8 - Kalamazoo Building Condos	GPS Acquisitions, LLC 905 Inkster Avenue Kalamazoo, MI 49008		9.55	$	150.44
06-15-381-009 107 W. Michigan Avenue, Unit 9 Unit 9 - Kalamazoo Building Condos	Frances A Little, Trustee Frances A Little Trust 4415 Duke Street Kalamazoo, MI 49008		4.65	$	73.25
06-15-381-010 107 W. Michigan Avenue, Unit 10 Unit 10 - Kalamazoo Building Condos	Mercantile Bank 310 Leonard Street NW Grand Rapids, MI 49504		10.91	$	171.86
06-15-381-011 107 W. Michigan Avenue, Unit 11 Unit 11 - Kalamazoo Building Condos	Frances A Little, Trustee Frances A Little Trust 4415 Duke Street Kalamazoo, MI 49008		1.69	$	26.62
06-15-381-015 108 E. Michigan Avenue	Peregrine - 1st National, LLC 336 S. Kalamazoo Mall Kalamazoo, MI 49007	Peregrine - 1st National, LLC 3930 Lakeside Drive Kalamazoo, MI 49008	100.00	$	1,575.30
06-15-381-124 124 S. Kalamazoo Mall	Gilmore Real Estate, LLC 162 E. Michigan Avenue Kalamazoo, MI 49007		21.75	$	342.63
06-15-381-128 126 S. Kalamazoo Mall	Peregrine-128, LLC 336 S. Kalamazoo Mall Kalamazoo, MI 49007	Peregrine-128, LLC 3930 Lakeside Drive Kalamazoo, MI 49008	21.75	$	342.63

2019 MALL MAINTENANCE ROLL #49 SOUTH END RATE PER FRONT FOOT $15.753				
Parcel Number & Address	***Taxpayer***	***Send Bill to (if applicable)***	***Front Feet***	***Cost***
06-15-381-132 132 S. Kalamazoo Mall	AZ Venture, LLC 132 S. Kalamazoo Mall Kalamazoo, MI 49007		22.50	$ 354.44
06-15-381-222 136 S. Kalamazoo Mall	Lerner Building, LLC 146 S. Kalamazoo Mall Kalamazoo, MI 49007		66.00	$ 1,039.70
06-15-382-103 125 S. Kalamazoo Mall	Kalamahajan KCC, LLC Callander Commercial 628 W. Milham Avenue Portage, MI 49024		143.41	$ 2,259.13
06-15-386-002 210 S. Kalamazoo Mall	James & Laura Endres 8880 West G Avenue Kalamazoo, MI 49009		23.00	$ 362.32
06-15-386-005 230 S. Kalamazoo Mall Unit 1 - Burdick South Condominium	Rustica Property, LLC 6907 Hickory Point Drive East Portage, MI 49024		10.25	$ 161.47
06-15-386-006 230 S. Kalamazoo Mall Unit 2 - Burdick South Condominium	230 South Burdick Street, LLC 230 S. Kalamazoo Mall, Ste 200 Kalamazoo, MI 49007	230 South Burdick Street, LLC 7156 Inverness Drive Kalamazoo, MI 49009	10.25	$ 161.47
06-15-386-007 230 S. Kalamazoo Mall Unit 3 - Burdick South Condominium	Annie Waring Todd c/o Atlassian Level 6, 341 George Street Sydney, NSW 2000 Australia		10.25	$ 161.47
06-15-386-008 230 S. Kalamazoo Mall Unit 4 - Burdick South Condominium	Annie Waring Todd c/o Atlassian Level 6, 341 George Street Sydney, NSW 2000 Australia		10.25	$ 161.47
06-15-386-011 217 S. Kalamazoo Mall Unit 1 - Style Shop Bldg Condominium	Shannibear Properties, LLC 1035 Northampton Road Kalamazoo, MI 49006		8.12	$ 127.91
06-15-386-012 219 S. Kalamazoo Mall Unit 2 - Style Shop Bldg Condominium	Paul Stanley Lightle 219 S. Kalamazoo Mall Kalamazoo, MI 49007		7.42	$ 116.89
06-15-386-013 221 S. Kalamazoo Mall Unit 3 - Style Shop Bldg Condominium	Craig A LaPine 9418 East Shore Drive Portage, MI 49002		7.66	$ 120.67
06-15-386-101 214 S. Kalamazoo Mall	Catalyst Development Co. 4, LLC 100 W. Michigan Avenue, Suite 300 Kalamazoo, MI 49007		72.00	$ 1,134.21
06-15-386-223 154 S. Kalamazoo Mall	Catalyst Development Co. 7, LLC 100 W. Michigan Avenue, Suite 300 Kalamazoo, MI 49007		66.00	$ 1,039.70
06-15-386-226 236 S. Kalamazoo Mall	Rustica Properties, LLC 6907 Hickory Point East Portage, MI 49024		21.31	$ 335.70

2019 MALL MAINTENANCE ROLL #49 SOUTH END RATE PER FRONT FOOT $15.753				
Parcel Number & Address	***Taxpayer***	***Send Bill to (if applicable)***	***Front Feet***	***Cost***
06-15-386-230 202 S. Kalamazoo Mall	William & Susan Van Dis 202 S. Kalamazoo Mall Kalamazoo, MI 49007		43.00	$ 677.38
06-15-387-104 214 Farmers Alley Unit 4 - Milliner Center Condominium	Radiant Church 8157 E DE Avenue Richland, MI 49083		0.86	$ 13.55
06-15-387-106 213 S. Kalamazoo Mall Unit 6 - Milliner Center Condominium	Hassan R & Malda Ayad 213 S. Kalamazoo Mall Kalamazoo, MI 49007		5.25	$ 82.70
06-15-387-107 209 S. Kalamazoo Mall Unit 7 - Milliner Center Condominium	Radiant Church 8157 E DE Avenue Richland, MI 49083		10.24	$ 161.31
06-15-387-108 207 S. Kalamazoo Mall Unit 8 - Milliner Center Condominium	Joseph Cekola 207 S. Kalamazoo Mall Kalamazoo, MI 49007		5.74	$ 90.42
06-15-387-109 215 S. Kalamazoo Mall Unit 9 - Milliner Center Condominium	Radiant Church 8157 E DE Avenue Richland, MI 49083		18.73	$ 295.05
06-15-387-112 209 S. Kalamazoo Mall Rear Unit 12 - Milliner Center Condominium	Radiant Church 8157 E DE Avenue Richland, MI 49083		4.15	$ 65.37
06-15-387-113 206 Farmers Alley Unit 13 - Milliner Center Condominium	Cory & Anna Asbury 206 Farmers Alley Kalamazoo, MI 49007		6.82	$ 107.44
06-15-387-114 208 Farmers Alley Unit 14 - Milliner Center Condominium	Radiant Church 8157 E DE Avenue Richland, MI 49083		4.99	$ 78.61
06-15-387-115 212 Farmers Alley Unit 15 - Milliner Center Condominium	Radiant Church 8157 E DE Avenue Richland, MI 49083		1.33	$ 20.95
06-15-387-116 210 Farmers Alley Unit 16 - Milliner Center Condominium	Radiant Church 8157 E DE Avenue Richland, MI 49083		7.20	$ 113.42
06-15-387-214 223 S. Kalamazoo Mall	Fuller Building, LLC 223 S. Kalamazoo Mall Kalamazoo, MI 49007	Patricia Hirsch 610 W. South Street Kalamazoo, MI 49007	44.93	$ 707.78
06-15-387-216 157 S. Kalamazoo Mall	Vernon Group MP, LLC 5937 W. Main Street Kalamazoo, MI 49009		86.50	$ 1,362.63
06-15-390-210 316 S. Kalamazoo Mall	Peregrine Towers, LLC 336 S. Kalamazoo Mall Kalamazoo, MI 49007	Peregrine Towers, LLC 3930 Lakeside Drive Kalamazoo, MI 49008	165.00	$ 2,599.24

2019 MALL MAINTENANCE ROLL #49
SOUTH END
RATE PER FRONT FOOT $15.753

Parcel Number & Address	Taxpayer	Send Bill to (if applicable)	Front Feet		Cost
06-15-391-204 315 S. Kalamazoo Mall	SAJO 315, LLC 315 S. Kalamazoo Mall Kalamazoo, MI 49007		114.00	$	1,795.84
06-15-391-227 250 S. Kalamazoo Mall	South Street Kalamazoo, LLC 250 S. Kalamazoo Mall Kalamazoo, MI 49007		67.11	$	1,057.18
06-15-391-230 241 S. Kalamazoo Mall	Peregrine-International, LLC 336 S. Kalamazoo Mall Kalamazoo, MI 49007	Peregrine-International, LLC 3930 Lakeside Drive Kalamazoo, MI 49008	115.50	$	1,819.47
06-15-396-001 336 S. Kalamazoo Mall	Peregrine Towers LLC 336 S. Kalamazoo Mall Kalamazoo, MI 49007	Peregrine Towers LLC 3930 Lakeside Drive Kalamazoo, MI 49008	65.64	$	1,034.03
06-15-396-204 321 S. Kalamazoo Mall	Joy Rentals, LLC Matt Vernon 5937 W. Main Street Kalamazoo, MI 49009		53.63	$	844.83
06-15-396-206 359 S. Kalamazoo Mall	Kalamazoo Cultural Center 359 S. Kalamazoo Mall, Suite 203 Kalamazoo, MI 49007	Kalamazoo Cultural Center c/o Phoenix Properties 2725 Airview Boulevard, Suite 302 Portage, MI 49002	160.70	$	2,531.50
06-15-396-207 346 S. Kalamazoo Mall	Peregrine-McNair, LLC 336 S. Kalamazoo Mall Kalamazoo, MI 49007	Peregrine-McNair, LLC 3930 Lakeside Drive Kalamazoo, MI 49008	93.81	$	1,477.79
	TOTAL SOUTH END		**1797.05**	**$**	**28,308.89**
	TOTAL ROLL		**2900.22**	**$**	**45,687.11**

Date: **9/8/2020**
Item: **G.7.**

City Commission Agenda Report

City of Kalamazoo

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager
Reviewed by: Rebekah Kik, Community Planning Economic Development Department Director
Prepared by: Marcy Dix, Program Finance Supervisor

DATE: September 8, 2020

SUBJECT: Edison Neighborhood Redevelopment Grant Agreement

RECOMMENDATION:

It is recommended that the City Commission approve a grant in the amount of $100,000 from the Community Planning and Economic Development Department's Foundation for Excellence Aspirational Projects Fund for rehabilitation of an existing building owned by the Edison Neighborhood Association at 812 Washington Avenue.

BACKGROUND:

The Edison Neighborhood completed their Neighborhood Plan in 2019. That year, the opportunity to purchase a building at 812 Washington Street, next door to the neighborhood association office became available. Community Planning and Economic Development (CPED) worked with Executive Director Tammy Taylor to grant $100,000 to purchase the commercial building for redevelopment. The site acquisition grant was made possible through Imagine Kalamazoo anti-gentrification strategy goal as CPED has worked with three (3) of the core neighborhoods to identify and purchase properties with the neighborhood association for rehabilitation and redevelopment in Eastside, Northside, and Edison. The next step is to rehabilitate 812 Washington Avenue with retail/office and residential. CPED is granting the remainder of the Edison Neighborhood funds that were set aside for this purpose.

The Edison Neighborhood Association believes it is possible to build a strong, healthy, clean and safe neighborhood with a strong sense of its culture and history where its families can continue to grow and prosper. The neighborhood wants to remain a place where people sit on their front porches and wave to their neighbors or lend a helping hand, and where working people, the elderly and young families can afford to live.

This project will advance neighborhood goals as Edison continues to be a neighborhood that nourishes and supports all types of people, from artists to day laborers, from the elderly to the newborn. The goal of this investment is to guide future development, provide the existing neighborhood residents and businesses with opportunities to improve the quality of life for everyone.

STRATEGIC VISION ALIGNMENT:

<u>Strategic Goal Impact:</u>

Complete Neighborhoods - residential areas that support the full range of people's daily needs

<u>Discussion</u>

1. Rehabilitation of properties is part of the Imagine Kalamazoo anti-gentrification strategy to put land in the hands of the community organizations to further the goals listed in their Neighborhood Plan's Commercial vision:
   - **Redevelop** commercial corridors
   - **Increase family friendly retail shopping** options in the neighborhood
   - **Promote programs to preserve and rehabilitate** existing buildings
   - Reconstruct Portage Street to include ADA sidewalks, cross walks, bike lanes, historic light posts, landscaping, trees, art and **improve the visual appearance of the storefronts**

COMMUNITY ENGAGEMENT:

<u>Appropriate Depth of Engagement</u>
Both the Master Plan and the Edison Neighborhood Association neighborhood plan serve as engagement for the project. To inform the community about the project:

1. A board led process with resident engagement to introduce the project will be held.

Discussion:
The project is representative of achieving neighborhood goals:

- **Redevelop** commercial corridors
- **Increase family friendly retail shopping** options in the neighborhood
- **Promote programs to preserve and rehabilitate** existing buildings
- Reconstruct Portage Street to include ADA sidewalks, cross walks, bike lanes, historic light posts, landscaping, trees, art and **improve the visual appearance of the storefronts**

FISCAL IMPACT:

The Foundation for Excellence (FFE) Aspirational Projects Fund (#251) has available budget within the Affordabel Housing allocation for this grant.

GRANT AGREEMENT

BETWEEN
THE CITY OF KALAMAZOO AND KALAMAZOO EDISON NEIGHBORHOOD ASSOCIATION
FOR
PROPERTY ACQUISITION

This Grant Agreement, dated __________________, 2020, is between the City of Kalamazoo, a Michigan municipal corporation, 241 West South Street, Kalamazoo, Michigan 49007 (City) and the Kalamazoo Edison Neighborhood Association, 816 Washington Ave, Kalamazoo, Michigan 49001 (ENA).

Recitals:

A. ENA has purchased a mixed use building that is next door to the neighborhood association offices at 812 Washington Ave; legal description is listed in Appendix A.
B. Rehabilitation of properties is part of the Imagine Kalamazoo anti-gentrification strategy to put land in the hands of the community organizations to further the goals listed in their Neighborhood Plan's Commercial vision:
   - **Redevelop** commercial corridors
   - **Increase family friendly retail shopping** options in the neighborhood
   - **Promote programs to preserve and rehabilitate** existing buildings
   - Reconstruct Portage Street to include ADA sidewalks, cross walks, bike lanes, historic light posts, landscaping, trees, art and **improve the visual appearance of the storefronts**
C. ENA intends to use the grant to rehabilitate the mixed use building. The retail space will be focused on a local business and refurbishing the apartments above.
   1. Process will include City Economic Development staff working with the neighborhood Director as needed.
      i. Quarterly reports on the progress of the project will be given to Economic Development staff.
D. The City, through the Community Planning and Economic Development (CPED) department budget, has allocated funds for rehabilitation to further neighborhood goals.

Therefore, in consideration of the above circumstances, the City and ENA agree as follows:

1. Recitals. The Recitals set forth above are true and correct and are incorporated by this reference.
2. Purpose and Use of Grant Funds. The City will grant ENA $100,000 to rehabilitate the property listed in Appendix A, to further the Edison Neighborhood Plan goals.
3. Disbursement of Grant Funds. Upon City Commission approval of the grant, the City will issue one payment of $100,000 to ENA to be used to rehabilitate the property at 812 Washington Ave.
4. Commitments by ENA. In consideration of the grant, ENA agrees to the following:

   a. ENA will work with the City of Kalamazoo CPED staff. ENA and CPED staff will assist to form redevelopment plans for the properties that will further the goals of the Edison Neighborhood Plan. This work will include meetings with partner organization leadership and community engagement meetings as needed.
   b. ENA will develop/construct a mixed-use project at the listed properties that will encompass the following:
      i. A board led process with resident engagement to introduce the project.
      ii. Other residential and/or commercial developments that support neighborhood goals listed in the Edison Neighborhood Plan, as determined through a project planning process that ENA will undertake with the community and partner organizations as needed.

5. Project Timeline. ENA agrees to meeting the following project milestones:

Date Nov. 2020	Complete engagement with board to prepare budget for project.
Date Nov. 2020	Complete project work plan
Date Nov. 2020	Complete project plan for all parcels
Date Apr. 2021	Demolition and Site prep completed
Date Apr. 2021	Construction begins
Date Jul. 2021	Complete Construction and receive Certificate of Occupancy

6. Project Completion Default. The City will check ENA's progress at each date listed above. If ENA fails to meet the milestone deadlines, it shall be in default under this agreement. The City may terminate the agreement and require full reimbursement of the grant award from ENA. In the event of project default, the City will provide written notice to ENA and ENA will have 30 days to provide a written response with measures that will be taken to meet project milestones. If, upon receipt of the written response, the CPED Director believes reasonable progress is being made toward completion of the project and the project can and will be completed, milestone deadlines, except for construction completion can be extended. If the deadline for project completion needs to be extended, the CPED Director may recommend that the City Commission approve an amendment to the agreement extending the project completion deadline.
7. Notices and Representatives. Each party to this Agreement shall have a representative. Each party may change its representative upon providing written notice to the other party. The parties' representatives are as follows:

   ENA:

   Tammy Taylor, Executive Director
   Edison Neighborhood Association
   816 Washington Ave
   Kalamazoo, MI 49001

Phone: 269-382-0916
Email: edison@chartermi.net

City :

Antonio Mitchell, Development Project Coordinator
245 N. Rose Street, Suite 100
Kalamazoo, MI 49007
269-337-8165 – Phone
mitchella@kalamazoocity.org

Notices required by this Agreement shall be in writing and delivered via mail (postage prepaid), commercial courier, or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individuals in the capacities indicated above, unless otherwise modified by subsequent written notice.

8. Right of First Refusal. The City has the first right of refusal to purchase the completed development project or property if ENA plans to sell or in the event of organizational insolvency.
9. Successors and Assigns: Neither Party shall have the right to assign its rights under this Agreement or any interest herein, without the prior written consent of the other Party, except that the ENA may assign its rights and responsibilities hereunder without the prior written consent of the City to (i) a lending institution of all or a portion of the ENA's rights hereunder as security for repayment of one or more loans to finance the construction or ownership of the Project, or (ii) any related, affiliated or subsidiary entity to which substantially all of its assets, liabilities or its rights to proceed with development of the project are transferred, proved that any assignee under (ii) agrees in writing to assure the ENA's obligations under this Agreement. ENA shall promptly provide the City with a copy of the assignment instrument and the notice information for the assignee. For all assignments, the City shall not unreasonably withhold its written consent. The City's CPED Director, or their designee, may consent to a qualifying assignment under this Section on behalf of the City.
10. Entire Agreement: This Agreement represents the final agreement between ENA and the City and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the Parties. There are no unwritten oral agreements between the Parties.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

Date:08/03/2020______ By:_ Tammy Taylor
Tammy Taylor, ENA Executive Director

Date:______________________ By:____
Rebekah Kik, Community Planning and Economic Development Director

Appendix A

The property to be purchased with grant funds are listed below.

PARCEL NO. 06-23-320-009

1. 8964 Com on the S li of Washington Avenue 55.5ft E of E li of Lot 171 of REVISED PLAT OF HAYS PARK; the S 127.8ft parallel with the E li of sd lot to the N li of Lot 172 HAYS PARK; the E on sd N li 55.83ft to the SW corner of Lot 170 of HAYS PARK; the N parallel with the E li of sd Lot 171 & along the W li of Lot 170 128.2ft to the S li of Washington Avenue; the W 55.83ft to p.o.b., exc E 9.5ft.

Date: **9/8/2020**
Item: **H.1.**

City Commission Agenda Report

City of Kalamazoo

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager
Reviewed by: Clyde Robinson, City Attorney
Prepared by: Rebekah Kik, Director Community Planning and Economic Development

DATE: September 8, 2020

SUBJECT: Chapter 18 Non-Discrimination Ordinance

RECOMMENDATION:

It is recommended the City Commission adopt an ordinance amending Chapter 18, *Non-Discrimination*, and Chapter 18A, *Fair Housing*.

BACKGROUND:

The two ordinances represent an existing Civil Rights Ordinance Chapter 18 and a newly created ordinance under Chapter 18A. Proposed updates to Chapter 18 would strengthen protections for Kalamazoo residents with the creation of a Civil Rights Board to hear local cases. The proposal would also create the new Chapter 18A, which would directly address Fair Housing.

The changes would expand housing protections to include educational affiliation, source of income, status as a victim of domestic violence, personal identification method, and prior arrests or conviction record. The proposal also protects renters against predatory application fees and strengthens enforcement for gender identity and sexual orientation. To enforce new and existing provisions in Chapter 18, the ordinance would create a Civil Rights Board to review allegations and violations of the ordinance.

The proposal was developed in collaboration with community partners including Interfaith Strategy for Advocacy and Action in the Community (ISAAC), and Truth, Racial Healing & Transformation (TRHT) Kalamazoo. If adopted, this would be the first significant change to address housing issues in Kalamazoo since gender identity and sexual orientation were added as local protections in 2009.

STRATEGIC VISION ALIGNMENT:

Relevant Priority Based Budgeting Program (program name and description):
Updating local Ordinances

Strategic Goal Impact:

Strength Through Diversity- an inclusive city where everyone feels at home

Discussion - The City of Kalamazoo recognizes that barriers exist and have existed for many years that have not equally represented the dignity and value of all people. The City is working to create an equitable environment for all people regardless of race, ancestry, place of origin, ethnic origin, citizenship, creed, sex, sexual orientation, gender identity, age, status, income, or socio-economic status.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement
Collaborate (two-way conversation) - the community will have a chance to shape the project by providing feedback.

Discussion: The proposal was developed in collaboration with community partners including Interfaith Strategy for Advocacy and Action in the Community (ISAAC), and Truth, Racial Healing & Transformation (TRHT) Kalamazoo. City staff, TRHT, and ISSAC worked to hold several meetings to inform community members and landlords about the ordinance.

Engagement/Communication Tools
In person and online methods of engagement were used throughout the process.

FISCAL IMPACT:

Staff time and resources will be required to administer and enforce the ordinance. The specific amount is unknown at this time.

CITY OF KALAMAZOO, MICHIGAN

ORDINANCE NO. ________________

AN ORDINANCE AMENDING CHAPTER 18 BY RENAMING IT "NON-DISCRIMINATION" AND PROVIDING FOR THE INVESTIGATION OF COMPLAINTS OF DISCRIMINATORY PRACTICES AND THE CREATION OF A CIVIL RIGHTS BOARD

THE CITY OF KALAMAZOO ORDAINS:

Section 1. Chapter 18 of the Kalamazoo City Code is renamed "Non-Discrimination" and amended to read as follows:

"Article I
General Provisions

§18-1 Policy.

A. It is the intent of the City of Kalamazoo that no person be denied the equal protection of the laws; nor shall any person be denied the enjoyment of their civil rights.

B. The prohibitions against discrimination provided for in this Chapter do not preempt Federal or State law, but are intended to supplement existing State and Federal civil rights law to prohibit discrimination in the areas of employment, public accommodations, and housing not addressed at State or Federal law, especially in regards to actions taken because of an individual's source of income, status as a victim of domestic violence, prior arrests, or conviction record; provided, however, this Chapter shall be construed and applied in a manner consistent with First Amendment jurisprudence regarding the freedom of speech and exercise of religion.

§18-2 Definitions

As used in this Chapter, the following words and phrases have the following meanings:

AGE

Chronological age.

ARREST RECORD

Information indicating that a person has been apprehended, detained, taken into custody, held for investigation, or restrained by a law-enforcement department or military authority due to an accusation or suspicion that the person committed a crime. Arrest record includes pending criminal charges, where the accusation has not yet resulted in a final judgment, acquittal, conviction, plea, dismissal, or withdrawal of charges.

CITY MANAGER

The City Manager of the City of Kalamazoo or his or her designee.

CONTRACTOR

A person who by contract furnishes services, materials or supplies to the City. “Contractor” does not include persons who are merely creditors or debtors of the City, such as those holding the City’s notes or bonds or persons whose notes, bonds or stock is held by the City.

CONVICTION RECORD

Information regarding the history of criminal convictions of an individual in any jurisdiction, including time served in prison, jail, juvenile detention, probation, parole, rehabilitation or diversion programs, and placement on a sex offender registry.

DISCRIMINATE

To make a decision, offer to make a decision, or refrain from making a decision based in whole or in part on an individual’s actual or perceived race, color, religion, national origin, sex, age, height, weight, marital status, physical or mental disability, family status, sexual orientation or gender identity, educational affiliation, source of income, status as a victim of domestic violence, governmental identification method, arrest record and conviction record (collectively “protected classes”).

A. Discrimination based on sex includes sexual harassment, which means unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct or communication of a sexual nature when:

(1) Submission to such conduct or communication is made a term or condition, either explicitly or implicitly, to obtain employment, public accommodations, or housing.

(2) Submission to or rejection of such conduct or communication by an individual is used as a factor in decisions affecting such individual’s employment, public accommodations or housing.

(3) Such conduct or communication has the purpose or effect of substantially interfering with an individual’s employment, public accommodations or housing, or creating an intimidating, hostile, or offensive employment, public accommodations, or housing environment.

B. Discrimination based on sex includes discrimination based on an actual or perceived sexual orientation or gender identity of an individual

C. Discrimination based on actual or perceived physical or mental limitation includes discrimination because of the use by an individual of adaptive devices or aids.

D. Discrimination also includes the use of facially neutral policies or practices that have a disparate impact on members of a protected class.

E. Discrimination also includes conduct directed at another based on their membership in a protected class which creates an intimidating, hostile or offensive environment regarding employment, public accommodation or housing.

EDUCATIONAL AFFILIATION

The fact of being enrolled, or not enrolled, in any educational institution.

EMPLOYER

Any person employing one or more individuals engaged in a lawful business or enterprise but does not include the employment of an individual by his or her parent, sibling, spouse, or child.

EMPLOYMENT AGENCY

A person who undertakes to procure employees for an employer or procures opportunities for individuals to be employed by an employer.

FAMILY STATUS

A. An individual who is pregnant, or

B. One or more individuals under the age of 18 residing with a parent or other person having custody or in the process of securing legal custody of the individual or individuals or residing with the designee of the parent or other person having or securing custody, with the written permission of the parent or other person.

GENDER IDENTITY

A person's actual or perceived gender, including a person's self-image, appearance, expression, or behavior, whether or not that self-image, appearance, expression, or behavior is different from that traditionally associated with the person's sex as assigned at birth as being either female or male.

GOVERNMENTAL IDENTIFICATION METHOD

The legal form of identification that an individual may use, including any valid, government-issued identification, such as a State ID card, Federal immigration documentation, municipal or county ID card, or passport issued by a foreign country.

INDIVIDUAL

A human being, as distinguished from a person, as defined herein.

LABOR ORGANIZATION

An organization of any kind or structure in which employees participate or are members and which exists for the purposes, in whole or part, of dealing with employers concerning the terms and conditions of employment of its participants or members, whether or not such organization is subordinate to or affiliated with a national or international labor organization.

MARITAL STATUS

The state of being married, single, widowed, divorced, or separated.

PERCEIVED

Refers to the perception of the person who acts, and not to the perception of the person for or against whom the action is taken.

PERSON

An individual, association, partnership, agency, organization, or corporation, public or private including the employees, members and officers thereof.

DISABILITY

A determinable physical or mental characteristic resulting from disease, injury, congenital condition of birth, or functional disorder and is unrelated to one's ability to safely perform the work involved in jobs or positions available to such person for hire or promotion; or unrelated to one's ability to acquire, rent and maintain property; or unrelated to one's ability to utilize and benefit from the goods, services, activities, privileges and accommodations of a place of public accommodation "Disability" does not include any condition caused by the current illegal use of a controlled substance, the use of alcohol liquor, or use of marijuana by an individual.

PLACE OF PUBLIC ACCOMMODATION

An educational, governmental, health, entertainment, cultural, recreational, refreshment, transportation, financial institution, business or facility of any kind, whose goods, services, facilities, privileges, advantages or accommodations are extended, offered, sold, or otherwise made available to the public.

RELIGIOUS ORGANIZATION

An organization, church, group, or body of communicants that is organized not for pecuniary profit that regularly gathers for worship and religious purposes and also includes a religious-based private school that is not organized for pecuniary profit.

RETALIATION

An adverse action taken against an individual who files or participates in a complaint investigation under this Chapter.

SEXUAL ORIENTATION

Male or female homosexuality, heterosexuality, bisexuality, or asexuality whether by orientation or practice. Sexual orientation does not include the physical or sexual attraction to a minor by an adult.

Article II

Conduct Prohibited

§ 18-3 **Discriminatory public accommodation practices.**

A. Except as otherwise provided in this Chapter, no person shall discriminate in making available full and equal access to all goods, services, activities, privileges, and accommodations of any place of public accommodation.

B. Public accommodations must be made accessible to individuals with disabilities in compliance with State and federal law and regulations.

B. Nothing in this Chapter permits or requires access to any place of public accommodation for the purpose or intent of engaging in criminal conduct, offensive or disorderly conduct, or conduct which represents a threat to the public health, safety, or welfare.

C. Nothing in this Chapter requires the construction or provision of unisex, single-user restrooms, changing rooms, locker rooms, or shower facilities.

§ 18-4 **Discriminatory employment practices.**
Except as otherwise provided in this Chapter:

A. No employer shall discriminate in the employment, compensation, work classifications, conditions or terms, promotion or demotion, or termination of employment of any person.

B. No labor organization shall discriminate in limiting membership, conditions of membership, or termination of membership of any person in any labor union or apprenticeship program.

C. No employment agency shall discriminate in the procurement or recruitment of any person for possible employment with an employer.

§ 18-5 **Nondiscrimination by City contractors.**

A. All contractors proposing to do business with the City of Kalamazoo shall satisfy the nondiscrimination administrative policy adopted by the City Manager in accordance with the guidelines of this section.

B. A contractor shall, as a condition of being deemed a responsible bidder, at the time of its submission to the City in responding to an invitation for bids or request for proposals, certify in writing that it complies with the provisions of this Chapter.

C. All City contracts shall provide that breach of the obligation not to discriminate is a material breach of the contract. The contractor shall be liable for any costs or expenses incurred by the City in obtaining from other sources the work and services to be rendered or performed or the goods or properties to be furnished or delivered to the City under the contract.

§ 18-6 **Discriminatory effects.**

No person shall adopt, enforce or employ any policy, practice, or requirement which has the effect of creating unequal opportunities according to actual or perceived race, color, religion, national origin, sex, age, height, weight, family status, marital status, physical or mental disability, educational association, source of income, status as a survivor of domestic violence, governmental identification method, arrest record, or conviction history for a person to obtain employment, public accommodation, or housing, except for a bona fide business necessity. Such a bona fide business necessity does not arise due to a mere inconvenience or because of suspected or actual objection to such a person by neighbors, customers, or other persons but shall require a demonstration that the policy or requirement is reasonably necessary to the normal operation of the person's business.

§ 18-7 **Other prohibited practices.**

A. No person shall adopt, enforce or employ any policy or requirement, or publish, post or broadcast any advertisement, sign or notice which discriminates or indicates discrimination in providing employment, public accommodations, or housing.

B. No person shall discriminate in the publication or distribution of advertising material, information or solicitation regarding housing, employment or public accommodations.

C. No agent, broker, labor organization, employment agency or any other intermediary shall discriminate in making referrals, listings or providing information with regard to employment, public accommodations, or housing. A report of the conviction of any such person for a violation of this Chapter shall be made to the applicable licensing or regulatory agency for such person or business.

D. No person shall coerce, threaten or retaliate against a person for making a complaint or assisting in the investigation regarding a violation or alleged violation of this Chapter, nor require, request, conspire with, assist or coerce another person to retaliate against a person for making a complaint or assisting in an investigation.

E. No person shall conspire with, assist, coerce or request another person to discriminate in any manner prohibited by this Chapter.

F. No person shall use any arrest record history information other than convictions contained in a criminal record.

§ 18-8 **Exceptions.**

Notwithstanding anything contained in this Chapter, the following practices shall not be violations of this Chapter:

A. To engage in a bona fide effort to establish an affirmative action program to improve opportunities in employment for minorities and women consistent with applicable State and Federal law.

B. To discriminate based on a person's age when such discrimination is mandated by State, Federal, or local law.

C. To refuse to enter into a contract with an unemancipated minor.

D. To refuse to admit to a place of public accommodation serving alcoholic beverages a person under the legal age for purchasing alcoholic beverages.

E. To refuse to admit persons under 18 years of age to a business providing entertainment or selling literature which the operator of said business deems unsuitable for minors.

F. For an educational institution to limit the use of its facilities to those affiliated with such institution.

G. For a religious organization to restrict employment opportunities for officers, religious instructors and clergy to individuals of that denomination. It is also permissible for a religious organization to restrict employment opportunities, educational facilities, and dormitories that are operated as a direct part of its religious activities to persons who are members of the denomination involved or who agree to conform to the moral tenets of that religious organization

H. To provide discounts on products or service to students, or on the basis of age.

I. For a governmental institution to restrict any of its facilities or to restrict employment opportunities based on duly adopted institutional policies that conform to Federal and state laws and regulations.

J. To restrict participation in an instructional program, athletic event or on an athletic team on the basis of age, sex, height, or weight consistent with applicable state or federal laws and regulations.

K. To restrict membership in a private club that is not open to the public except to the extent that private clubs which permit members to invite guests on the premises are not exempted as it concerns a member's guest.

L. To the use of marital status or family status limitations in a health or pension plan if such limitations conform to Federal and State laws and regulations.

M. To discriminate in the provision of housing when based on a person's conviction history when such discrimination is mandated by State or Federal law.

Article III

Enforcement

§ 18-9 **Complaint Process; Information and Investigation**

A. Any person claiming to have been discriminated against in violation of this Chapter or Chapter 18A “Fair Housing” must file a signed, written complaint with the City Manager or the designee of the City Manager setting forth the details, including the names of the parties involved, contact information for the complainant, dates, witnesses, and other factual matters relevant to the claim, within 91 days of the incident forming the basis of the complaint. Complaints not filed with the specified timeframe will not be considered.

B. The City Manager or the designee of the City Manager, with the assistance of the City Attorney or designee of the City Attorney, will review the complaint to determine it relevance to applicable city ordinances. Upon completion of the review, the complaint will be addressed through one of the following actions:

(1) Referral of the complaint to an appropriate state, federal or local authority for investigation. If referred to an external agency, the complainant will receive written notification of the referral by the City.

(2) Conduct an investigation of the complaint with the assistance of the City Attorney's Office and personnel from any other City departments.

(3) Dismiss the complaint, if after review with the City Attorney's Office, the allegations do not constitute a violation of city ordinances.

C. In the course of the investigation, the City Manager or the designee of the City Manager may request a person to produce books, papers, records or other documents which may be relevant to the complaint being investigated. If said person does not comply with such request, the City Attorney may issue subpoenas for the production of materials, and if necessary, apply to the Kalamazoo County Circuit Court for an order requiring production of said materials.

D. No person shall provide false information to any authorized City employee investigating a complaint initiated under this section. Violation of this section is a misdemeanor.

E. Action on the complaint will be completed within 91 days of receipt of the complaint and the parties will be notified in writing if additional time is necessary.

E. After the completion of an investigation, the City Manager shall give written notice of the results of the investigation to the Civil Rights Board, the person who filed the complaint, and the person accused of the violation. If the investigation establishes that a violation of City ordinances occurred, the City Manager or his/her designee may attempt to resolve the matter by a voluntary settlement agreement between the involved parties without legal action.

§18-10 **Voluntary Settlement Agreements.**

A. Cases may be resolved by a voluntary settlement, agreed to by both parties, or by an administrative closure, if the request for settlement is withdrawn or a complaint is filed in court or with another administrative agency based on the same incident of discrimination.

B. If the investigation establishes probable cause of discrimination, an offer to settle the matter will take place as soon as possible. The City may enter into enforceable agreements with a respondent to terminate the discriminatory conduct and reverse the effects of past discrimination.

C. The respondent will be asked to 1) cease and desist from the specific discriminatory act or practice involved in the complaint, and 2) implement whatever actions and policies are necessary to remedy the discrimination uncovered in the investigation.

D. Violations of voluntary settlement agreements are violations of this Chapter, subjecting the respondent to prosecution and equitable action to enforce the agreement.

§ 18-11 **Injunctions**

The City Attorney may commence a civil action to obtain injunctive relief to prevent discrimination prohibited by this chapter, to reverse the effects of such discrimination or to enforce a voluntary settlement agreement.

§ 18-12 **Prosecution.**

A. Prosecution for violation of this Chapter may be initiated by complaint of the affected person on the basis of a violation of a voluntary settlement agreement or at the direction of the Civil Rights Board on the basis of an investigation undertaken by the City Manager.

B. Violation of this chapter shall be prosecuted by the City Attorney as a municipal civil infraction pursuant to the provisions of the Revised Judicature Act of 1961, MCLA 600.101 et seq.

§ 18-13 **Penalties.**

A. A violation of any provision of this chapter is a municipal civil infraction punishable by a fine of not more than $2000, plus all costs of the action. The court may issue and enforce any judgment, writ, or order necessary to enforce this chapter. This may include reinstatement, payment of lost wages, hiring and promotion, sale, exchange, lease or sublease of real property, admission to a place of public accommodation, and other relief deemed appropriate.

B. Each day upon which a violation occurs shall constitute a separate and new violation.

C. A violation proved to exist on a particular day shall be presumed to exist on each subsequent day unless it is proved that the violation no longer exists.

D. Nothing contained in this chapter shall be construed to limit in any way the remedies, legal or equitable, which are available to the City or any person for the prevention or correction of discrimination.

Article IV

Civil Rights Board

§ 18-14 **Civil Rights Board creation; composition.**

A. To implement the general policy and purposes set forth in this Chapter, the City Commission establishes a Civil Rights Board.

B. The Civil Rights Board consists of seven voting members appointed by the Mayor and approved by the City Commission and two ex-officio members who shall have no vote, but who may otherwise fully participate in any meeting of the Board.

C. Members appointed to the Board shall be residents of the City reflecting and representing the diversity of the Kalamazoo community and be able to demonstrate experience in civil rights, public accommodation, employment, disability or housing law. Members to the Board may be appointed who are not City residents, not to exceed two members, when there is a valid reason for such appointment, such as the member works in the City, or has special expertise to carry out the duties and responsibilities of the Board.

§ 18-15 **Appointment and terms of Board members; filling of vacancies; termination of appointments.**

A. Except for the initial appointments, members of the Board are appointed for a term of three years. The initial appointments to the Board will consist of 3 members appointed for a 3-year term, 2 members appointed for a 2-year term and 2 members appointed for a 1-year term. Members of the Board may serve up to two consecutive terms. Vacancies may be filled by the same appointment procedure for the remainder of an unexpired term.

B. The ex officio Board members shall be appointed by the Mayor and approved by the City Commission. One member shall be a City Commissioner and the other member shall be a City officer or employee, recommended by the City Manager, but who shall not be a City Commissioner or the City Manager.

§ 18-16 **Election of Board officers.**

The Board shall elect a Chairperson for a term of 1 year, with no limit on the number of terms a member may serve as Chairperson, to conduct its meetings and as it may desire, elect a Vice Chairperson to act in the absence of the Chairperson, from its members. Rules for the conduct of Board meetings shall be stated in the bylaws, as determined by the Board and approved by the City Commission.

§ 18-17 **Secretary to Board; administrative support.**

The City Manager shall designate someone other than himself/herself to serve as Secretary to the Board and shall provide such administrative support as may be required.

§ 18-18 **Board subject to State law.**

Meetings of the Board shall be conducted in compliance with the Michigan Open Meetings Act, MCLA § 15.261 et seq. and its records shall be available to the public under the Michigan Freedom of Information Act, MCLA § 15.231, et seq.

§ 18-19 **Duties and responsibilities of Board.**

The Board shall exercise its authority, functions, powers, and duties in accordance with all ordinances, rules, regulations, orders, and city charter of the City of Kalamazoo. The authority, duties, and responsibilities of the Board shall include the following:

A. Foster mutual understanding and respect among the people in the City and discourage and prevent unlawful discriminatory practices toward the protected classes described in this Chapter.

B. Review claims of discrimination brought by residents of the City of Kalamazoo following investigation of the claim by the City Manager or the designee of the City Manager.

C. Review and analyze of conditions, practices, attitudes, policies, and other factors within Kalamazoo that contribute to discriminatory impact and further inequities, as well has evaluating the impact of anti-discrimination efforts.

D. Make recommendations to the City Commission and City Manager on ways to improve City programs and ordinances to eliminate discrimination or remove effects of past discrimination.

E. Engage in public awareness-building activities to ensure residents are informed of increased local protections and the role of the Board, including issuing an annual report of the activity of the Board.

F. Engage with federal, state, and local agencies to assist in addressing issues of discrimination in the City.

G. The Board shall provide an annual report to the City Commission regarding complaints received and actions taken.

H. Establish bylaws and procedural rules for its meetings subject to approval by the City Commission.

Section 2. Other Ordinances

This ordinance shall be of no effect unless and until an ordinance adding Chapter 18A "Fair Housing" to the City Code of Ordinances is adopted by the City Commission on or before October 5, 2020.

Section 3. Severability.

If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional by any Court of competent jurisdiction, said portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions of this ordinance.

Section 4. Effective Date.

Pursuant to Section 13(a) of the City Charter, this ordinance shall take effect from and after 10 days from the date of its passage.

CERTIFICATE

The foregoing is a true and complete copy of an ordinance adopted by the City Commission of the City of Kalamazoo at a regular meeting held on ______________, 2020. Public notice was given and the meeting was conducted in full compliance with the Open Meetings Act, (PA 267,1976). Minutes of the meeting will be available as required by the Act, and the ordinance was duly recorded, posted and authenticated by the Mayor and City Clerk as required by the Charter of said City.

____
David F. Anderson, Mayor

____
Scott A. Borling, City Clerk

f:\ord**

Date: **9/8/2020**
Item: **H.2.**

City Commission Agenda Report

City of Kalamazoo

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: James K. Ritsema, ICMA-CM, City Manager
Reviewed by: Clyde Robinson, City Attorney
Prepared by: Rebekah Kik, Director Community Planning and Economic Development

DATE: September 8, 2020

SUBJECT: Chapter 18A Fair Housing Ordinance

RECOMMENDATION:

It is recommended the City Commission adopt an ordinance amending Chapter 18, *Non-Discrimination*, and Chapter 18A, *Fair Housing*.

BACKGROUND:

The two ordinances represent an existing Civil Rights Ordinance Chapter 18 and a newly created ordinance under Chapter 18A. Proposed updates to Chapter 18 would strengthen protections for Kalamazoo residents with the creation of a Civil Rights Board to hear local cases. The proposal would also create the new Chapter 18A, which would directly address Fair Housing.

The changes would expand housing protections to include educational affiliation, source of income, status as a victim of domestic violence, personal identification method, and prior arrests or conviction record. The proposal also protects renters against predatory application fees and strengthens enforcement for gender identity and sexual orientation. To enforce new and existing provisions in Chapter 18, the ordinance would create a Civil Rights Board to review allegations and violations of the ordinance.

The proposal was developed in collaboration with community partners including Interfaith Strategy for Advocacy and Action in the Community (ISAAC), and Truth, Racial Healing & Transformation (TRHT) Kalamazoo. If adopted, this would be the first significant change to address housing issues in Kalamazoo since gender identity and sexual orientation were added as local protections in 2009.

STRATEGIC VISION ALIGNMENT:

Relevant Priority Based Budgeting Program (program name and description):
Updating local Ordinances

Strategic Goal Impact:

Strength Through Diversity- an inclusive city where everyone feels at home

Discussion - The City of Kalamazoo recognizes that barriers exist and have existed for many years that have not equally represented the dignity and value of all people. The City is working to create an equitable environment for all people regardless of race, ancestry, place of origin, ethnic origin, citizenship, creed, sex, sexual orientation, gender identity, age, status, income, or socio-economic status.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement
Collaborate (two-way conversation) - the community will have a chance to shape the project by providing feedback.

Discussion: The proposal was developed in collaboration with community partners including Interfaith Strategy for Advocacy and Action in the Community (ISAAC), and Truth, Racial Healing & Transformation (TRHT) Kalamazoo. City staff, TRHT, and ISSAC worked to hold several meetings to inform community members and landlords about the ordinance.

Engagement/Communication Tools
In person and online methods of engagement were used throughout the process.

FISCAL IMPACT:

Staff time and resources will be required to administer and enforce the ordinance. The specific amount is unknown at this time.

CITY OF KALAMAZOO, MICHIGAN

ORDINANCE NO. _______________

AN ORDINANCE ADDING CHAPTER 18A "FAIR HOUSING" TO THE CITY CODE OF ORDINANCES DEFINING PROHIBITED DISCRIMINATORY HOUSING PRACTICES

THE CITY OF KALAMAZOO ORDAINS:

Section 1. The Kalamazoo City Code of Ordinances is amended by the addition of Chapter 18A "Fair Housing" to read as follows:

"Article I
General Provisions

§18A-1 Policy

A. It is the policy of the City of Kalamazoo in the exercise of its municipal authority for the protection of the public health, safety, and general welfare, that all residents be assured of an equal opportunity to live in adequate housing facilities and prohibit unlawful discriminatory practices in housing and real estate transactions.

B. The prohibitions against discrimination provided for in this Chapter do not preempt Federal or State law, but are intended to supplement existing State and Federal civil rights law to prohibit discrimination and practices in the area of housing not addressed at State or Federal law, especially in regards to actions taken because of an individual's source of income, status as a victim of domestic violence, prior arrests, or conviction record; provided, however, this Chapter shall be construed and applied in a manner consistent with First Amendment jurisprudence regarding the freedom of speech and exercise of religion.

§18A-2 Definitions

A. Any term used in this Chapter shall have the definition as provided in Chapter 18, "Non-Discrimination".

B. As used in this chapter the following words and phrases have the following meanings:

ACTUAL EVICTION

The completed legal process of a landlord removing a tenant from a rental property.

ADVERSE ACTION

To evict an individual, fail or refuse to rent or lease real property to an individual, or fail or refuse to continue to rent or lease real property to an individual, or fail or refuse to add a household member to an existing lease, or reduce any tenant subsidy. The adverse action must relate to property located in the City of Kalamazoo.

AGENT

A person acting on behalf of a housing facility entity.

APPLICANT

An individual applying to rent or lease a housing facility and an individual applying to be added to an existing housing facility lease.

BLANKET POLICY

A policy or practice that generally treats an individual as a member of group based on a particular characteristic as opposed to singularly.

DIRECTLY-RELATED CONVICTION

The conduct for which the person was convicted or that is the subject of an unresolved arrest that has a direct and specific negative bearing on the health, safety, or right to peaceful enjoyment of the premises by persons and includes one or more of the following offenses:

A. Any conviction where State or Federal law prohibits the applicant from being eligible for public housing; or

B. Any conviction that leads to the applicant becoming a lifetime registered sex offender.

EVICTION FILING

A legal filing intended to start the process in which a landlord removes a tenant from a rental property.

EVIDENCE OF REHABILITATION

Includes but is not limited to, a person's satisfactory compliance with all terms and conditions of parole or probation (however, an inability to pay fines, fees and restitution due to indigence shall not be considered regarding compliance with terms and conditions of parole or probation or both); employer recommendations, especially concerning a person's post-conviction employment; educational attainment or vocational or professional training since a conviction, including training received while incarcerated; completion or active participation in rehabilitative treatment, such as alcohol or drug treatment; letters of recommendation from community organizations, counselors or case managers, teachers, community leaders, or probation or per parole officers who have observed the applicant since their conviction; and the length of time since conviction or release from incarceration. Successful completion of parole, probation, mandatory supervision, or post-release community supervision shall create a presumption of rehabilitation.

HOUSING FACILITY

Any dwelling unit or facility used or intended or designed to be used as the home, domicile or residence of one or more persons, including, but not limited to, a house, apartment, rooming house, housing cooperative, homeless shelter, hotel, motel, tourist home, retirement home or nursing home.

LANDLORD

Any owner, lessor, sublessor, managing agent, or company, or any other person that rents, leases, approves the rental or lease of a housing facility, or makes tenancy decisions.

PUBLIC HOUSING

Rental housing facilities developed with federal, state, or local government (City or county) funding or which pays an annual service charge in lieu of taxes and is intended for eligible low-income individuals and families, the elderly, and persons with disabilities.

REAL ESTATE TRANSACTION

The sale, exchange, rental or lease of real property.

RENTAL APPLICATION FEE

Any fee paid by an applicant to a landlord to permit a background check of the applicant before or after a leasehold contract is created.

SOURCE OF INCOME

Lawful verifiable income derived from wages, salaries or other compensation for employment, money derived from a gift or bequest, contract (including insurance proceeds), loan, or the settlement or award for a claim for personal injury. It also includes but is not limited to social security benefits, supplemental security income, unemployment benefits, retirement income, alimony, child support, Federal Housing Choice Voucher, Local Housing Assistant Fund Millage, or any other housing subsidy.

SURVIVOR OF DOMESTIC VIOLENCE

An individual against whom any of the following acts were perpetrated by a person that was not an act of self-defense:

A. Causing or attempting to cause physical or mental harm to a family or household member;
B. Placing a family or household member in fear of physical or mental harm;
C. Causing or attempting to cause a family or household member to engage in involuntary sexual activity by force, threat of force, or duress; or
D. Engaging in activity toward a family or household member that would cause a reasonable person to feel terrorized, frightened, threatened, harassed, or molested.
E. Conduct constituting sexual assault as described in MCL 750.520a to 750.520l

F. Conduct constituting stalking as defined at MCL 750.411h and 750.411i.

Article II

Fair Housing Standards

§ 18A-3 Discriminatory housing practices.

Except as otherwise provided in this Chapter:

A. No person shall discriminate in leasing, selling or otherwise making available any housing facilities.

B. No person shall discriminate in the terms, conditions, maintenance or repair in providing any housing facility.

C. No person shall refuse to lend money for the purchase or repair of any real property or insure any real property solely because of the location in the City of such real property.

D. No person shall promote real estate transactions by representing that changes are occurring or will occur in an area with respect to any protected classification.

E. No person shall place a sign or other display on any real property which indicates that the property is for sale or has been sold when it is not for sale or has not recently been sold.

F. Landlords must carefully consider the reason for and length of time since an actual eviction of, or eviction filing against a rental applicant. No landlord shall have or enforce a blanket policy that prohibits renting to a person based on eviction filings or actual evictions, or outright bans prospective tenants with prior actual evictions or eviction filings.

G. No person is permitted to establish a blanket policy banning any aspect of housing because of a conviction record except when mandated by Federal or State law.

H. A landlord may not refuse or base an adverse action, in whole or in part on either an applicant or tenant with the status as a victim of domestic violence or having an early lease termination under MCL 554.601b.

I. No person shall fail to account for any tenant or prospective tenant's entire source of income when using a financial income standard for entering into or renewing a tenancy or lease for a housing facility.

J. A landlord may not require an individual who receives housing assistance of dedicated rent via voucher or any other housing subsidies to earn any more than what is needed to pay for utilities as a requirement for tenancy.

§18A-4 Rental housing-prohibition on criminal record inquiries

A. No person shall use any criminal history information, other than convictions contained in a conviction record, to deny an individual any aspect of housing. An individual's conviction record may only be used to deny the individual housing if the landlord considers an applicant's conviction record taking into account such factors as evidence of rehabilitation, the length of time since conviction, the severity of a criminal conviction, the relevance of the conviction to housing, and any circumstances surrounding the conviction relating to disability or domestic violence. This provision shall not bar a landlord from considering criminal conduct occurring on the premises of the landlord's property, regardless of whether that conduct resulted in conviction.

B. It is the responsibility of a landlord to ensure that its employees and agents comply with this Section.

C. Regarding applicants and their household members, a landlord may base an adverse action in whole or in part on directly-related convictions that have a direct and specific negative bearing on the safety of persons or real property, given the nature of the housing, and includes one or more of the following:

(1) Any conviction where State or Federal law prohibits the applicant from being eligible for public housing; or

(2) Any conviction that leads to the applicant becoming a lifetime registered sex offender.

D. The landlord shall promptly notify the applicant of any final adverse action based upon their conviction history or contents of the criminal background check.

E. It shall be unlawful for any landlord to engage in a communication, including the production or dissemination of advertisements, related to held housing that expresses, directly or indirectly, that any person with an arrest record or conviction record will not be considered for the rental or lease of real property or may not apply for the rental or lease of real property, except as required by local, State or Federal law. For purposes of this subsection, "engage in a communication" includes, but is not limited to, making a verbal statement or producing or disseminating any solicitation, advertisement or signage.

F. A landlord shall state in all solicitations or advertisements for the rental or lease of eligible housing, or made on their behalf, that a landlord will consider qualified applicants consistent with this Chapter. This language shall include, at a minimum, the following statement:

> "The rental or lease of this property must comply with the City of Kalamazoo ordinance regulating the use of criminal background checks as part of the tenant screening process to provide individuals with criminal backgrounds a fair opportunity. For additional information please contact the City of Kalamazoo Civil Rights Board."

§18A-5 Rental application fees

A. A rental application fee may not exceed the actual cost of the background check process which may include national, state and local criminal histories, credit reports, rental history records, reference checks, eviction records and employment verification obtained by a landlord to screen an applicant. An application fee shall not include administrative fees, except for actual reasonable costs necessarily incurred to check the rental history and employment verification of an applicant. Landlords must provide applicants an itemized explanation of an application fee. A landlord must provide an applicant with any reports or correspondence generated as a result of the screening process to the extent permitted or required by State and Federal law.

B. Before receiving a rental application fee, a landlord must provide a written notice to the applicant setting forth the criteria on which the application will be judged and the amount of the application fee that will be charged. The amount received shall not exceed the amount disclosed.

C. Landlords shall only advertise housing facilities, receive applications, screen applicants and accept rental application fees for properties that are readily available for rent and occupancy unless an applicant consents in writing to being added to a waiting list. A housing facility is no longer considered readily available if a different applicant has been offered the housing facility and accepted and has placed a deposit on the housing facility. For purposes of this section, a housing facility will be considered readily available if a tenant of the unit has declared they will not be renewing the lease. Landlords shall document the date and time that deposits are placed housing facilities.

D. A landlord may collect and hold an application fee for an available housing facility for up to 30 calendar days so long as the landlord provides a written receipt to the applicant. If a housing facility becomes no longer available after applications and application fees are received but before some applications have undergone screening process, all application fees associated with unscreened applications must be returned to the respective applicants within 14 calendar days from the date the housing facility is no longer available for rent.

E. In all cases where an applicant is not offered the housing facility applied for, the landlord shall provide the applicant with a written statement explaining the reason or reasons that the housing facility was not offered to the applicant. The explanation must provide the applicant with a clear statement of the reason or reasons that the housing facility was not offered along with any documentation substantiating the reason or reasons.

F. If an applicant believes the application fee exceeds the actual cost of the screening process or believes that the reasons for denial deviate from the disclosed criteria for evaluating the application, or believes that the landlord has violated any other requirement of this section, the applicant or their representative may, within 30 days of receipt of the denial, file a written complaint with the City Manager or the City Manager's designee. For purposes of this section, a denial means any circumstances which the applicant is not offered the housing facility.

G. If it is determined that a landlord has violated this section, in addition to any fines imposed as a result of a municipal civil infraction, the rental property owner must refund the entire application fee to the applicant including, but not limited to, situations in which the screening process has not occurred or has not been documented sufficiently prior to denial.

§18A-6 Exercise of rights protected; retaliation prohibited

A. It shall be unlawful for a landlord or any other person to interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right provided under this Chapter.

B. It shall be unlawful for a landlord to interrupt, terminate, or fail to refuse to initiate or conduct a transaction involving the rental or lease of eligible housing, including falsely representing that such property is not available for rental or lease, or otherwise take adverse action against a person in retaliation for exercising rights protected under this Chapter. Such rights include but are not limited to:

(1) the right to file a complaint or inform any person about a landlord's alleged violation of this Chapter;

(2) the right to inform the administering agency about a landlord's alleged violation of this Chapter;

(3) the right to cooperate with the administering or enforcing agencies or other persons in the investigation or prosecution of any alleged violation of this Chapter; or

(4) the right to inform any person of their rights under this Chapter.

C. Protections of this section shall apply to persons who mistakenly but in good faith allege violations of this Chapter

D. Taking adverse action against a person within 90 days of the exercise of one or more than rights described in this section shall create a rebuttable presumption in the administrating agency's investigation of such adverse action was taken in retaliation for the exercise of those rights.

§18A-8 Exceptions

The following practices are not violations of this chapter:

A. For a religious organization to restrict the occupancy of any of its housing facilities or accommodations which are operated as a direct part of its religious activities to persons who are members of the denomination involved or who agree to conform to the moral tenets of that religious organization. This exception does not include housing facilities or homeless shelters that are generally made available to the public at large as part of the religious organization's mission, proselytizing, or religious activities.

B. For the owner of an owner-occupied, one-family or two-family dwelling, or a housing facility or public accommodation facility, respectively, devoted entirely to the housing and accommodation of individuals of one sex, to restrict occupancy and use based on sex.

C. To limit occupancy in a housing project or to provide public accommodations or employment privileges or assistance to persons of low income, persons over 50 years of age or disabled persons.

D. To discriminate in any arrangement for the shared ownership, lease or residency of a housing facility

E. In the rental of housing facilities in a building which contains dwelling units for not more than two families living independently of each other if the owner of the building or a member of the owner's family resides in one of the dwelling units, or to the rental of a room or rooms in a single-family dwelling by an individual if the lessor or a member of the lessor's family resides in the dwelling.

§18A-9 Landlord records

A. Unless prohibited by Federal or State law, a landlord shall maintain and retain records of tenant application forms, and other pertinent data and records required in this Chapter, for a minimum of one year from the date of application, and shall allow the administering or enforcing agencies to access such records, with appropriate notice and at a mutually agreeable time, to monitor or verify compliance with the requirements of this Chapter.

B. At no time shall the administering or enforcing agencies require a landlord to provide any information or documents the disclosure of which would violate local, State or Federal law.

C. Anytime a landlord does not maintain or provide adequate records documenting compliance with this Chapter or does not allow reasonable access to such records, the Office of the Chief Financial Officer or other City department or agency shall have the authority to provide all nonfinancial information necessary to fulfill the administering or enforcing agencies responsibilities under this Chapter subject to applicable Federal and State confidentially laws.

Article III

Enforcement

§18A-10 Notices

The City Manager or his or her designee shall publish on the City website and make available to landlords, in all languages spoken by more than 5% of the City population, a notice suitable for posting that informs housing applicants of their rights under this Chapter. This notice shall be updated on or before December 1 of any year in which there is a change in the language is spoken by more than 5% of the City population.

§18A-11 Remedies

The provisions of this Chapter are to be enforced through any of the mechanisms provided at Article III of Chapter 18, Sections 18-9 through 18-13.

§18A-11 Commencement of Enforcement

No complaints seeking the enforcement of the provisions of this Chapter may be filed with the City prior to November 30, 2020."

Section 2. **Other Ordinances.**

This ordinance shall be of no effect unless and until an ordinance amending and renaming Chapter 18 "Non-Discrimination" to the City Code of Ordinances is adopted by the City Commission on or before October 5, 2020.

Section 3. **Severability.**

If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional by any Court of competent jurisdiction, said portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions of this ordinance.

Section 4. **Effective Date.**

Pursuant to Section 13(a) of the City Charter, this ordinance shall take effect from and after 10 days from the date of its passage.

CERTIFICATE

The foregoing is a true and complete copy of an ordinance adopted by the City Commission of the City of Kalamazoo at a regular meeting held on ______________, 2020. Public notice was given and the meeting was conducted in full compliance with the Open Meetings Act, (PA 267,1976). Minutes of the meeting will be available as required by the Act, and the ordinance was duly recorded, posted and authenticated by the Mayor and City Clerk as required by the Charter of said City.

____
David F. Anderson, Mayor

____
Scott A. Borling, City Clerk

f:\ord**

Date: **9/8/2020**
Item: **H.3.**

City Commission Agenda Report

City of Kalamazoo

TO: Mayor Anderson, Vice Mayor Griffin, and City Commissioners

FROM: Clyde J. Robinson, City Attorney
Prepared by: Richard O. Cherry, Deputy City Attorney

DATE: September 8, 2020

SUBJECT: Amendments to Chapter 2 Article X-Employee Retirement System

RECOMMENDATION:

It is recommended that the City Commission adopt the proposed amendments to Chapter 2-Article X Employee Retirement System § 2-224, §2-232 and §2-237.

BACKGROUND:

In the proposed amendments the City's administration recommends amendments to section 2-232 to add language to account for mandatory furloughs and employees' participation in the State of Michigan's work share program, where employee saw a reduction in salary and hourly pay because of the COVID-19 public health crisis. Without this amendment employee's Final Average Compensation calculation would be negatively impacted. This amendment makes an employee contemplating retirement in the near-term whole.

Further, the City Attorney recommends amending the definition of "Voluntary Retirement Age" to reflect the current language in bargaining units' contracts and clean up some language in the definition for clarity.

Additionally, the City Attorney recommends amending section 2-261 to address an issue regarding reciprocal service. In 2017 the City Commission amended section 2-237 B to allow general members to use reciprocal service to prevent them from seeing a reduction in their pension benefit for early retirement. This amendment was not extended to public safety members. In November 2019 the KPSA Union filed a grievance regarding this amendment claiming discrimination and unequal treatment under the ordinance. To avoid arbitration, the City Attorney agreed to submit an amendment to the pension ordinance to the City Commission that includes public safety members. This amendment only includes members who retired after December 31, 2019. Additionally, up to one year of concurrent service is being presented to account for individuals who have overlapping service from another governmental unit.

Lastly, the administration recommends the addition of a new employee classification to the pension ordinance, the General Member Administrator. The administration recommends this addition to aid in high level employee retention. The City has found that seasoned staff are difficult to retain because other municipalities or private sector employment can offer advancement, higher pay and better benefits. This addition to the pension ordinance also keeps the City of Kalamazoo competitive when filing these positions. Therefore, sections 2-224 defines General Member Administrator, and section 2-237 adds the following language:

> A general member administrator who retires on or after June 1, 2020, shall be entitled to a 2.7% multiplier of their final average compensation and shall receive a post-retirement adjustment of 2% in January of each year, which is compounded annually; A general member administrator shall not be eligible for a the post-retirement adjustment of 2% if he or she takes a deferred retirement.

STRATEGIC VISION ALIGNMENT:

Strategic Goal Impact:

Good Governance- Ensuring the City organization has the capacity and resources to effectively implement the community's Strategic Vision in a way that is sustainable over the long term.

COMMUNITY ENGAGEMENT:

Appropriate Depth of Engagement

Inform (one-way conversation) – no feasible alternatives available due to legal/regulatory restrictions, standards and best practices, or resource limitations; the community will be made aware of the project.

FISCAL IMPACT:

A financial impact study was conducted on the changes to the pension ordinance and the findings were that there would not be a significant impact to the pension fund.

City of Kalamazoo
Postretirement Welfare Benefits Plan

Actuarial Valuation Report
as of January 1, 2020

Table of Contents

June 25, 2020

Mr. Steve Vicenzi
Director of Management Services/CFO
City of Kalamazoo
241 W. South Street
Kalamazoo, Michigan 49007-4796

Re: City of Kalamazoo Postretirement Welfare Benefits Actuarial Valuation as of January 1, 2020 Actuarial Disclosures

Dear Mr. Vicenzi:

The results of the January 1, 2020 Annual Actuarial Valuation of the City of Kalamazoo Postretirement Welfare Benefits are presented in this report.

This report was prepared at the request of the City of Kalamazoo and is intended for use by the City of Kalamazoo and those designated or approved by the City. This report may be provided to parties other than the City of Kalamazoo only in its entirety and only with the permission of the City. GRS is not responsible for unauthorized use of this report.

The purposes of the valuation are to measure the System's funding progress, and to determine the employer contribution rate for the fiscal year ending December 31, 2020. This report should not be relied on for any purpose other than the purposes described herein. Determinations of the liability associated with the benefits described in this report for purposes other than satisfying the City of Kalamazoo's financial reporting requirements may be significantly different than the values shown in this report. This report does not satisfy Governmental Accounting Standards Board (GASB) Statement Nos. 74 or No. 75. Please refer to a separate report which incorporates GASB Statement No. 74 and/or No. 75.

This valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed.

The findings in this report are based on data and other information through January 1, 2020. The valuation was based upon information furnished by the City, concerning retiree health benefits, financial transactions, plan provisions and individual members. We checked for internal reasonability and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the City. Note that the benefit summary provided for the January 1, 2020 valuations includes a correction to remove a $1,000 life insurance benefit from this plan. The Plan Sponsor noted that this is not a plan change and this benefit is now reflected in the valuation of the City of Kalamazoo Employees Retirement System.

This report was prepared using assumptions adopted by the City. All actuarial assumptions used in this report are reasonable for the purposes of this valuation. Additional information about the actuarial assumptions is included in the section of this report entitled "Actuarial Cost Method and Actuarial Assumptions."

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the City of Kalamazoo Postretirement Welfare Benefits as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

James D. Anderson and Michael D. Kosciuk are members of the American Academy of Actuaries. These actuaries meet the Academy's Qualification Standards to render the actuarial opinions contained herein.

The signing actuaries are independent of the plan sponsor.

Gabriel, Roeder, Smith & Company will be pleased to review this valuation and report with the City and to answer any questions pertaining to the valuation.

Respectfully submitted,

James D. Anderson

James D. Anderson, FSA, EA, FCA, MAAA

Michael D. Kosciuk, ASA, EA, FCA, MAAA

JDA/MDK:sc

EXECUTIVE SUMMARY

Executive Summary

Actuarially Determined Contribution

For fiscal years beginning after June 15, 2016, GASB Statement No. 74 replaced GASB Statement No. 43. Similarly, for fiscal years beginning after June 15, 2017, GASB Statement No. 75 replaced GASB Statement No. 45. Each year a separate GASB report will be issued to comply with the actuarial requirement of GASB Statement Nos. 74 and 75. As such, there will no longer be an "Annual Required Contribution" calculated in the valuation report. The report determines the "Actuarially Determined Contribution."

We have calculated the Actuarially Determined Contribution for the calendar year beginning January 1, 2020. Below is a summary of the results. The Actuarially Determined Contributions and estimated retiree claims shown below are net of any premium payments expected to be made by retirees (retiree cost sharing).

	Actuarially Determined Contribution	Estimated Claims Paid for Retirees
2020 Calendar Year	$ 9,838,111	$ 10,695,336

For additional details please see the Section titled "Valuation Results."

Liabilities and Assets

1. Present Value of Future Benefit Payments	$200,453,978
2. Actuarial Accrued Liability	192,370,469
3. Smoothed Plan Assets	98,777,892
4. Unfunded Actuarial Accrued Liability (2) – (3)	93,592,577
5. Funded Ratio (3)/(2)*	51.3%

** The funded ratio on a market value basis is 53.1%.*

The Present Value of Future Benefit Payments (PVFB) is the present value of all benefits projected to be paid from the plan for past and future service. The Actuarial Accrued Liability is the portion of the PVFB allocated to past service by the Plan's funding method (see the Section titled "Actuarial Cost Method and Actuarial Assumptions").

SECTION A

VALUATION RESULTS

Valuation Results – Total Plan

Development of the Actuarially Determined Contribution

Contributions for	2020 Calendar Year
Employer Normal Cost	$1,399,378
Administrative Expense Allowance	100,000
Amortization of Unfunded Actuarial Accrued Liability	8,338,733
Actuarially Determined Contribution	$9,838,111

The unfunded actuarial accrued liabilities were amortized as a level dollar amount over a period of 22 years for the 2020 calendar year.

Determination of Unfunded Actuarial Accrued Liabilities as of January 1, 2020

A. Present Value of Future Benefits	
i) Retirees and Beneficiaries*	$146,718,287
ii) DROP Members	367,991
iii) Vested Terminated Members	0
iv) Active Members	53,367,700
Total Present Value of Future Benefits	$200,453,978
B. Present Value of Future Normal Costs	8,083,509
C. Actuarial Accrued Liability (A.-B.)	192,370,469
D. Actuarial Value of Assets	98,777,892
E. Unfunded Actuarial Accrued Liability (C.-D.)	93,592,577
F. Funded Ratio (D./C.)	51.3%

** Includes additional liability due to Early Retirement Incentive (ERI) Retirees currently waiving retiree health care through the City, but assumed to return to coverage at a later date.*

The long-term rate of investment return used in this valuation was 7.25%.

Experience Gain/(Loss)

Gains/(Losses) During the Year Ended December 31, 2019
Resulting from Differences Between Assumed and Actual Experience

A. Derivation of Actuarial Gain/(Loss):

1. Unfunded Actuarial Accrued Liability (UAAL) - Previous Valuation	$75,377,847
2. Total Normal Cost (employer) for Year Ending 12/31/2019	1,286,891
3. Total Contributions (employer) for Year Ending 12/31/2019	3,500,000
4. Interest on:	
a. UAAL: Discount Rate* x (1)	5,653,339
b. Normal Cost and Contributions: Discount Rate/2 x [(2) - (3)]	(82,992)
c. Net Total: (a) + (b)	5,570,347
5. Change in UAAL due to Benefit Changes	-
6. Change in UAAL due to Assumptions	10,998,594
7. Expected UAAL Current Year: (1) + (2) - (3) + (4c) + (5) + (6)	89,733,679
8. Actual UAAL Current Year	93,592,577
9. Experience Gain/(Loss): (7) - (8)	(3,858,898)
B. Approximate Portion of Gain/(Loss) due to Investments	436,063
C. Approximate Portion of Gain/(Loss) due to Liabilities: (A.9) - (B)	(4,294,961)

** Based on a discount rate of 7.50%.*

Type of Activity

	Gain/(Loss)
Premiums and Trends. Gains and losses resulting from actual premiums and trends in valuation year versus that assumed from prior valuation.	$ (4,452,243)
Investment Income. If there is greater investment income than assumed, there is a gain. If less income, a loss.	436,063
Demographic and Other. Gains and losses resulting from demographic experience, data adjustments, timing of financial transactions, etc.	157,282
Composite Gain/(Loss) During Year.	$ (3,858,898)

Development of Valuation Assets

Year Ended December 31:	2018	2019	2020	2021	2022	2023
A. Valuation Assets Beginning of Year	$ 97,683,404	$ 97,263,276				
B. Market Value End of Year	90,936,245	102,105,385				
C. Market Value Beginning of Year	104,231,266	90,936,245				
D. Non-Investment Net Cash Flow	(5,941,521)	(5,991,511)				
E. Investment Income						
E1. Market Total: B - C - D	(7,353,500)	17,160,651				
E2. Assumed Rate of Investment Return*	7.50%	7.50%				
E3. Amount for Immediate Recognition	7,103,448	7,070,064				
E4. Amount for Phased-In Recognition: E1-E3	(14,456,948)	10,090,587				
F. Phased-In Recognition of Investment Income						
F1. Current Year: 0.2 x E4	(2,891,390)	2,018,117				
F2. First Prior Year	1,556,719	(2,891,390)	$ 2,018,117			
F3. Second Prior Year	815,756	1,556,719	(2,891,390)	$ 2,018,117		
F4. Third Prior Year	(1,063,140)	815,756	1,556,719	(2,891,390)	$ 2,018,117	
F5. Fourth Prior Year	0	(1,063,139)	815,755	1,556,717	(2,891,388)	$ 2,018,119
F6. Total Phased-In Recognition	(1,582,055)	436,063	1,499,201	683,444	(873,271)	2,018,119
G. Valuation Assets End of Year: A + D + E2 + F6	97,263,276	98,777,892				
H. Difference between Market & Valuation Assets: B - G	(6,327,031)	3,327,493	1,828,292	1,144,848	2,018,119	0
I. Valuation Asset Recognized Rate of Return	5.83%	7.96%				
J. Market Value Recognized Rate of Return	(7.26)%	19.51%				

** The investment return assumption of 7.25% will be reflected in 2020 and subsequent years.*

In the year of implementation (2015), the Valuation Assets Beginning of Year was set equal to the Market Value at the Beginning of Year.

The Valuation Assets recognizes assumed investment income (line E2) fully each year. Differences between actual and assumed investment income (line E3) are phased-in over a closed five-year period. During periods when investment performance exceeds the assumed rate, Valuation Assets will tend to be less than Market Value. During periods when investment performance is less than the assumed rate, Valuation Assets will tend to be greater than Market Value. The Valuation Assets are unbiased with respect to Market Value. At any time, it may be either greater or less than Market Value. If assumed rates are exactly realized for four consecutive years, it will become equal to Market Value.

Comments

COMMENT A: The Actuarially Determined Contribution and liabilities calculated have increased since the prior valuation results, per report dated July 1,2019.

Factors contributing to this increase include, but are not limited to:

- Less favorable health plan experience than projected;
- Assumptions changes implemented per the experience study (see Comment C); and
- Lower employer contribution levels ($3,500,000 – fixed contribution amount) than the calculated $8,012,819.

Factors offsetting this increase include, but are not limited to:

- More favorable investment experience than expected; and
- Removal of the valuation of the $1,000 life insurance benefit for retirees.

The ratio of the Funding Value to Market Value of Assets was 97% at the end of 2019. In three of the next four years, if experience matches expectations, the funded status will increase and the Actuarially Determined Contribution will decrease as net investment gains are recognized.

COMMENT B: One of the key assumptions used in any valuation of the cost of postemployment benefits is the rate of return on the assets that will be used to pay Plan benefits. Higher assumed investment returns will result in a lower Actuarially Determined Contribution. Lower returns will tend to increase the Actuarially Determined Contribution. We have calculated the liability and the resulting Actuarially Determined Contribution using an assumed long-term rate of investment return of 7.25%.

COMMENT C: The following changes in Cost Methods and Actuarial Assumptions were reflected for the first time in this valuation:

- Rates of mortality were updated to use the Pub-2010 Amount-Weighted General tables (Safety tables for Public Safety groups) with future mortality improvements projected to 2025 with scale MP-2019;
- The investment return assumption was lowered from 7.50% to 7.25%;
- An administrative expense load assumption of $100,000 was adopted;
- The price inflation assumption was decreased from 2.50% to 2.25%;
- Rates of retirement were updated to reflect recent patterns; and
- Rates of turnover were increased to reflect recent patterns.

These assumptions were updated in accordance with the experience study for the City of Kalamazoo Employees Retirement System and Postretirement Welfare Benefits Plan for the period January 1, 2014 through December 31, 2018 dated January 7, 2020.

COMMENT D: The health plan closed to new hires for most groups at various dates between 2009 and 2011 (see section titled "Summary of Benefits" for more details). The Unfunded Actuarial Accrued Liabilities (UAAL) are financed over a closed 22-year period using a level dollar amortization method. A shorter amortization period would increase the Actuarially Determined Contribution.

Comments (Continued)

COMMENT E: The City of Kalamazoo's existing transit operations became part of the Central County Transportation Authority (CCTA) effective October 1, 2016. The details of the spinoff are covered under the Comprehensive Transition Agreement, effective October 19, 2015. For purposes of this valuation Retiree Health Care Coverage, for the CCTA group (formerly Metro Transit) under the City Plan, was assumed to continue past the 36-month term described in the Transition Agreement.

COMMENT F: On December 20, 2019, the "Further Consolidated Appropriations Act of 2020," H.R. 1865, was signed into law. The Act repeals the "Cadillac tax" which was a tax provision from the Affordable Care Act (ACA). As a result, any liability/provision analysis included as part of the prior funding valuation is no longer required. In addition, no further adjustments associated with the "Cadillac tax" are required. For purposes of the City of Kalamazoo Postretirement Welfare Benefits Plan funding valuation, the repeal of the "Cadillac tax" does not have an impact on plan liabilities because no load was applied as part of the December 31, 2018 funding valuation.

COMMENT G: The GASB issued Statements Nos. 74 and 75 for OPEB valuations. GASB Statement No. 74 for the plan OPEB disclosures is effective for fiscal years beginning after June 15, 2016 and GASB Statement No. 75 for employer OPEB disclosures is effective for employer fiscal years beginning after June 15, 2017. The GASB implementation guides for Statements No. 74 and No. 75 provide additional clarification related to the implementation of these Statements. It is our understanding that the City will need to comply with GASB Statement Nos. 74 and 75 for each fiscal year ending December 31. The basis for the December 31, 2020 GASB information is expected to be this valuation (as of December 31, 2019), where roll-forward techniques will be applied. GASB information for the fiscal year ending December 31, 2019 was provided to the City in reports dated April 17, 2020.

COMMENT H: Unless otherwise indicated, a funded status measurement presented in this report is based upon the actuarial accrued liability and the actuarial value of assets. Unless otherwise indicated, with regard to any funded status measurements presented in this report:

- The measurement is inappropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations, and
- The measurement is inappropriate for assessing the need for or the amount of future employer contributions.

COMMENT I: The Michigan State Treasurer has established uniform actuarial assumptions as required by Public Act 202 (PA 202) of 2017 for use with the annual Form 5572 (Retirement System Annual Report). The use of the uniform assumptions for reporting purposes is required for the fiscal year ending December 31, 2019. GRS provided the necessary PA 202 uniform assumption information as part of the December 31, 2019 GASB Statement Nos. 74 and 75 reports dated April 17, 2020.

SECTION B

RETIREE PREMIUM RATE DEVELOPMENT

Retiree Premium Rate Development

Rate Development

Currently, eligible City retirees (and eligible spouses) receive benefits from a number of health care plans, including the self-insured Blue Cross Blue Shield (BCBS) Traditional plans and the self-insured Community Blue PPO plans. For these self-insured medical plans, initial per capita costs were developed separately for pre-65 and post-65 retirees using medical and prescription drug claims experience from October 2016 to September 2019 from BCBS in conjunction with exposure data for the active and retired members of the health care program. These medical and prescription drug claims were projected on an incurred claim basis, adjusted for plan design changes (including changes to Medicare Part B coverage for current and future retirees), large claims and loaded for administrative and stop-loss expenses. The initial medical and drug premium rates used in the valuation are a weighted average cost of the three-year experience period (10/2016 – 9/2019) to smooth out any large year-to-year fluctuations.

Most retiree plans are closed to future retirees. The plans that remain open include suffixes 0022, 0023, 0025, 0026, 0030, 0031, 0036, 0037, 0049, 0050, 0053, 0054, 0055, and 0056. Depending on age (pre-65 or post-65) and active group membership, future retirees will be placed into one of these suffixes. Separate premium rates are developed for these future retirees in order to reflect the benefit differences.

Age graded and sex distinct premiums are utilized by this valuation. The initial costs developed by the preceding process are appropriate for the unique age and sex distribution currently existing. Over the future years covered by this valuation, the age and sex distribution will most likely change. Therefore, our process "distributes" the average premium over all age/sex combinations and assigns a unique premium for each combination. The age/sex specific premiums more accurately reflect the health care costs in the retired population over the projection period.

The tables below show the resulting combined medical and prescription drug one-person monthly premiums at select ages. The premium (or per capita costs) rates shown below were used in this valuation of the Plan and reflect the use of age grading.

For Those Not Eligible for Medicare (Pre-65)				
	Future Retirees		Current Retirees	
Age	Male	Female	Male	Female
40	$ 373.01	$ 606.11	$ 390.98	$ 635.32
50	604.64	744.86	633.78	780.76
60	1,027.61	1,011.85	1,077.14	1,060.61
64	1,249.61	1,179.29	1,309.83	1,236.12

For Those Eligible for Medicare (Post-65)				
	Future Retirees		Current Retirees	
Age	Male	Female	Male	Female
65	$ 587.83	$ 554.44	$ 645.72	$ 609.05
75	687.76	671.10	755.49	737.20
85	727.26	735.83	798.89	808.30

Retiree Premium Rate Development (Concluded)

Health Care Trend Assumption

The health care cost trend rate is the rate of change in per capita health care claims over time as a result of factors such as medical inflation, utilization of health care services, plan design, and technological improvements. It is a crucial economic assumption that is required for measuring retiree health care benefit obligations.

Retiree health care valuations use a health care cost trend assumption (trend vector) that changes over the years. The trend vector used in this valuation begins with a near-term trend assumption and declines over time to an ultimate trend rate. The near-term rates reflect the increases in the current cost of health care goods and services. The process of trending down to a lower ultimate trend relies on the theory that premium levels will moderate over the long-term, otherwise the healthcare sector would eventually consume the entire GDP. It is on this basis that projected premium rate increases continue to exceed wage inflation for the next ten years, but by less each year until leveling off at an ultimate rate, assumed to be 3.50% in this valuation, see page E-7 for further details regarding the trend vector used in this valuation.

While experience is often the best starting point for future costs, GRS does not rely on a group's experience in setting the near-term trend assumptions since trends vary significantly from year to year and are not credible for most groups. Therefore, professional judgment, trends from GRS' book of business and industry benchmarks (e.g., trend reports from various Pharmacy Benefit Management (PBM) organizations and national healthcare benefit consulting firms) are used in conjunction with a group's historical experience to establish the trend assumptions.

James E. Pranschke is a Member of the American Academy of Actuaries (MAAA) and meets the Qualification Standards of the American Academy of Actuaries to certify the per capita retiree health care rates shown above.

James E. Pranschke

James E. Pranschke, FSA, FCA, MAAA

SECTION C

SUMMARY OF BENEFITS

Summary of Benefit Provisions for the Postretirement Welfare Benefits Plan

Group Name AFSCME employees - City of Kalamazoo

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)
				Coverage Provided by Employer					**Retiree Share of Cost for**		
Leaving Employment as a Result of	**Eligibility for Pension Benefit**	**Eligibility for Retiree Health Benefit (if different from pension benefit)**	**When do Retiree Health Benefits Commence?**	**Retiree**	**Spouse**	**Retiree Health Care Provider(s)**	**Type of Insurance**	**Third Party Administrator**	**Retiree**	**Spouse (while Retiree is alive)**	**Spouse (after Retiree's death)**
Normal Retirement	Age 57 with 25 years of service,	Retiree & spouse if hired < 1/1/09	Upon retirement	Medical, Drug, Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	$106.92/mo See Comment A	$149.69/mo See Comment A	100% after one year
(Unreduced pension benefits)	age 60 with 20 years of service,	Retiree only if hired 1/1/09-9/12/11	Upon retirement	Medical, Drug, Life	n/a	Community Blue-BCBS	PPO	BCBS	$106.92/mo See Comment A	n/a	n/a
	or age 62 with 9 years. (10 years if hired after 10/2/16)	Healthcare savings program if hired after 9/12/11 (% of employer contributions based on vesting)	Upon retirement	Life							
Early Retirement (Reduced pension benefits)	Age 55 with at least 15 years of service, then for each year increase in age, years of service can reduce by one year, to age 61 with 9 years of service. (10 years if hired after 10/2/16)	None. If hired < 9/12/11, must receive FULL pension benefit for retiree health	n/a	Life							
		Healthcare savings program if hired after 9/12/11 & eligible to draw a pension (% of employer contributions based on vesting)	Upon retirement	Life							
Deferred Vested Termination	At age 62 with at least 9 years (10 years if hired after 10/2/16)	None. If hired < 9/12/11, must receive FULL pension benefit for retiree health	n/a								
		Healthcare savings program if hired after 9/12/11 & eligible to draw a pension (% of employer contributions based on vesting)	Upon retirement								
Non-Duty Disability	After 9 years of service (10 years if hired after 10/2/16)	Must meet normal age & service requirements:	Upon Pension Board Approval if eligible								
		Retiree & spouse if hired < 1/1/09	Pension Board Approval	Medical, Drug, Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	$106.92/mo See Comment A	$149.69/mo See Comment A	100% after one year
		Retiree only if hired 1/1/09-9/12/11	Pension Board Approval	Medical, Drug, Life	n/a	Community Blue-BCBS	PPO	BCBS	$106.92/mo See Comment A	n/a	n/a
		Healthcare savings program if hired after 9/12/11 & eligible to draw a pension (% of employer contributions based on vesting)	Pension Board Approval	Life							
Duty Disability	Given credit to voluntary age & service requirements	Retiree & spouse if hired < 1/1/09	Pension Board Approval	Medical, Drug, Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	$106.92/mo See Comment A	$149.69/mo See Comment A	100% after one year
		Retiree only if hired 1/1/09-9/12/11	Pension Board Approval	Medical, Drug, Life	n/a	Community Blue-BCBS	PPO	BCBS	$106.92/mo See Comment A	n/a	n/a
		Healthcare savings program if hired after 9/12/11 & eligible to draw a pension (100% vesting in full account value)	Pension Board Approval	Life							
Non-Duty Death-in-Service	If vested	If age or service eligible	Day prior to death		Medical & Drug	Community Blue-BCBS	PPO	BCBS			100% after one year
Duty Death-in-Service	Same as Duty Disability										

Comment A: Employees retiring effective 10/1/16 and later at 57 years of age and 25 years of service will pay the same as active employees to a maximum of 50% above the contribution the retiree paid during the last month of the retiree's employment. Persons retiring with less than 25 years of service will pay the same increases as active employees to a maximum of 50% above the contribution paid at the time of retirement.

Comment B: Retirees are not reimbursed by the City for Medicare Part A or Part B Premiums. Post-Medicare retiree cost-sharing remains the same as pre-65.

Comment C: There are retirees currently opting out of the retiree health care plan, they may re-enroll at open enrollment or with a qualifying insurance event, there is no stipend for waiving coverage.

Comment D: There are retirees whose benefit is not described above, data was provided individually by the City for the valuation.

Comment E: This is a brief summary of the City of Kalamazoo's Postretirement Welfare Plan Benefit provisions. In the event that any description contained herein differs from the actual eligibility or benefit, the appropriate employee contract or governing document will prevail.

Summary of Benefit Provisions for the Postretirement Welfare Benefits Plan

Group Name CSO Union (KPSOA non-sworn) employees - City of Kalamazoo

(A) Leaving Employment as a Result of	(B) Eligibility for Pension Benefit	(C) Eligibility for Retiree Health Benefit (if different from pension benefit)	(D) When do Retiree Health Benefits Commence?	(E) Coverage Provided by Employer: Retiree	(F) Coverage Provided by Employer: Spouse	(G) Retiree Health Care Provider(s)	(H) Type of Insurance	(I) Third Party Administrator	(J) Retiree Share of Cost for: Retiree	(K) Retiree Share of Cost for: Spouse (while Retiree is alive)	(L) Retiree Share of Cost for: Spouse (after Retiree's death)
Normal Retirement (Unreduced pension benefits)	Age 57 with 25 years of service, or age 62 with 10 years.	Retiree & spouse if hired < 9/7/11	Upon retirement	Medical, Drug, Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	$106.92/mo See Comment A	$149.69/mo See Comment A	100% after one year
		Healthcare savings program if hired after 9/6/11 & eligible to draw a pension (% of employer contributions based on vesting)	Upon retirement	Life							
Early Retirement (Reduced pension benefits)	Age 55 with at least 15 years of service	Retiree & spouse if hired < 9/7/11	When they would have completed 25 years of service	Medical, Drug, Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	$106.92/mo See Comment A	$149.69/mo See Comment A	100% after one year
		Healthcare savings program if hired after 9/6/11 & eligible to draw a pension (% of employer contributions based on vesting)	Upon retirement	Life							
Deferred Vested Termination	At age 62 with at least 10 years	None for retiree & spouse if hired < 9/7/11	n/a								
		Healthcare savings program if hired after 9/6/11 & eligible to draw a pension (% of employer contributions based on vesting)	Upon retirement								
Non-Duty Disability	After 10 years of service	Must meet normal age & service requirements:	Upon Pension Board Approval if eligible								
		Retiree & spouse if hired < 9/7/11	Pension Board Approval	Medical, Drug, Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	$106.92/mo See Comment A	$149.69/mo See Comment A	100% after one year
		Healthcare savings program if hired after 9/6/11 & eligible to draw a pension (% of employer contributions based on vesting)	Pension Board Approval	Life							
Duty Disability	Given credit to voluntary age & service requirements	Retiree & spouse if hired < 9/7/11	Pension Board Approval	Medical, Drug, Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	$106.92/mo See Comment A	$149.69/mo See Comment A	100% after one year
		Healthcare savings program if hired after 9/6/11 (based on 25 years vesting = 100% of account value)	Pension Board Approval	Life							
Non-Duty Death-in-Service	If vested	If age or service eligible	Day prior to death		Medical & Drug	Community Blue-BCBS	PPO	BCBS			100% after one year
Duty Death-in-Service	Same as Duty Disability										

Comment A: The retiree pays the active contribution rates in the year they retire. For retirements on or after 1/1/2007, the retiree will receive the same coverage as active employees and continue to pay the increasing active contribution rate to a maximum of 50% above the contribution rate at the time of retirement. For retirements 12/1/2017 - 11/30/2018, the retiree will receive the same coverage as active employees and continue to pay the increasing active contribution rate to a maximum of 75% above the contribution rate at the time of retirement.
For retirements 12/1/2018 - 11/30/2019, the retiree will receive the same coverage as active employees and continue to pay the increasing active contribution rate to a maximum of 80% above the contribution rate at the time of retirement.
For retirements 12/1/2019 - 11/30/2020, the retiree will receive the same coverage as active employees and continue to pay the increasing active contribution rate to a maximum of 85% above the contribution rate at the time of retirement.
For retirements 12/1/2020 - 11/30/2021, the retiree will receive the same coverage as active employees and continue to pay the increasing active contribution rate to a maximum of 90% above the contribution rate at the time of retirement.
For retirements on or after 12/1/2021 , the retiree will receive the same coverage as active employees and continue to pay the increasing active contribution rate to a maximum of 95% above the contribution rate at the time of retirement.
Comment B: Retirees are not reimbursed by the City for Medicare Part A or Part B Premiums. Post-Medicare retiree cost-sharing remains the same as pre-65.
Comment C: There are retirees currently opting out of the retiree health care plan, they may re-enroll at open enrollment or with a qualifying insurance event, there is no stipend for waiving coverage.
Comment D: There are retirees whose benefit is not described above, data was provided individually by the City for the valuation.
Comment E: This is a brief summary of the City of Kalamazoo's Postretirement Welfare Plan Benefit provisions. In the event that any description contained herein differs from the actual eligibility or benefit, the appropriate employee contract or governing document will prevail.

Summary of Benefit Provisions for the Postretirement Welfare Benefits Plan

Group Name Non-Union Employees - City of Kalamazoo (Including CCTA Transit Exempt Employees)

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)
				Coverage Provided by Employer					Retiree Share of Cost for		
Leaving Employment as a Result of	Eligibility for Pension Benefit	Eligibility for Retiree Health Benefit (if different from pension benefit)	When do Retiree Health Benefits Commence?	Retiree	Spouse	Retiree Health Care Provider(s)	Type of Insurance	Third Party Administrator	Retiree	Spouse (while Retiree is alive)	Spouse (after Retiree's death)
Normal Retirement (Unreduced pension benefits)	Age 57 with 25 years of service, or age 62 with 5 years (10 years for CCTA)	Retiree & spouse if hired < 6/1/09	Upon retirement	Medical, Drug, Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	$106.92/mo See Comment A	$149.69/mo See Comment A	100% after one year
		Healthcare savings program if hired after 6/1/09 (% of employer contributions based on vesting)	Upon retirement	Life							
Early Retirement (Reduced pension benefits)	Age 55 with at least 15 years of service then for each year increase in age, years of service can reduce by one year to age 62 with 5 years of service (if hired before 9/1/10) and to age 60 with 5 years (if hired on or after 9/1/10)	Retiree & spouse if hired < 6/1/09	Upon retirement	Medical, Drug, Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	$106.92/mo See Comment A	$149.69/mo See Comment A	100% after one year
		Healthcare savings program if hired after 6/1/09 (% of employer contributions based on vesting)	Upon retirement	Life							
Deferred Vested Termination	At age 62 with at least 5 years (10 years for CCTA)	None for retiree & spouse if hired < 6/1/09	n/a								
		Healthcare savings program if hired after 6/1/09 (% of employer contributions based on vesting)	Upon retirement								
Non-Duty Disability	After 5 years of service (10 years for CCTA)	Must meet normal age & service requirements:	Upon Pension Board Approval if eligible								
		Retiree & spouse if hired < 6/1/09	Pension Board Approval	Medical, Drug, Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	$106.92/mo See Comment A	$149.69/mo See Comment A	100% after one year
		Healthcare savings program if hired after 6/1/09 (% of employer contributions based on vesting)	Pension Board Approval	Life							
Duty Disability	Given credit to voluntary age & service requirements	Retiree & spouse if hired < 6/1/09	Pension Board Approval	Medical, Drug, Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	$106.92/mo See Comment A	$149.69/mo See Comment A	100% after one year
		Healthcare savings program if hired after 6/1/09 (% of employer contributions based on vesting)	Pension Board Approval	Life							
Non-Duty Death-in-Service	If vested	If age or service eligible	Day prior to death		Medical & Drug	Community Blue-BCBS	PPO	BCBS			100% after one year
Duty Death-in-Service	Same as Duty Disability										

Comment A: The retiree will receive the same coverage as active employees and continue to pay the increasing active contribution rate to a maximum of 50% above the contribution rate paid in the last month of employment.
Comment B: Retirees are not reimbursed by the City for Medicare Part A or Part B Premiums. Post-Medicare retiree cost-sharing remains the same as pre-65.
Comment C: There are retirees currently opting out of the retiree health care plan, they may re-enroll at open enrollment or with a qualifying insurance event, there is no stipend for waiving coverage.
Comment D: There are retirees whose benefit is not described above, data was provided individually by the City for the valuation.
Comment E: This is a brief summary of the City of Kalamazoo's Postretirement Welfare Plan Benefit provisions. In the event that any description contained herein differs from the actual eligibility or benefit, the appropriate employee contract or governing document will prevail.

Summary of Benefit Provisions for the Postretirement Welfare Benefits Plan

Group Name Public Safety (sworn employees) - KPSA & KPSOA - City of Kalamazoo

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)
				Coverage Provided by Employer					**Retiree Share of Cost for**		
Leaving Employment as a Result of	**Eligibility for Pension Benefit**	**Eligibility for Retiree Health Benefit (if different from pension benefit)**	**When do Retiree Health Benefits Commence?**	**Retiree**	**Spouse**	**Retiree Health Care Provider(s)**	**Type of Insurance**	**Third Party Administrator**	**Retiree**	**Spouse (while Retiree is alive)**	**Spouse (after Retiree's death)**
Normal Retirement (Unreduced pension benefits)	25 years of service or age 50 with 10 years.	Retiree & spouse if hired < 9/7/11	Upon retirement	Medical, Drug, Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	$106.92/mo See Comment A	$149.69/mo See Comment A	100% after one year
		Healthcare savings program if hired after 9/6/11 & eligible to draw a pension (% of employer contributions based on vesting)	Upon retirement	Life							
Early Retirement (Reduced pension benefits)	20 years of service	Retiree & spouse if hired < 9/7/11	When they would have completed 25 years of service	Medical, Drug, Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	$106.92/mo See Comment A	$149.69/mo See Comment A	100% after one year
		Healthcare savings program if hired after 9/6/11 & eligible to draw a pension (% of employer contributions based on vesting)	Upon retirement	Life							
Deferred Vested Termination	At age 50 with at least 10 years	None for retiree & spouse if hired < 9/7/11	n/a								
		Healthcare savings program if hired after 9/6/11 & eligible to draw a pension (% of employer contributions based on vesting)	Upon retirement								
Non-Duty Disability	After 10 years of service	Must meet normal age & service requirements:	Upon Pension Board Approval if eligible								
		Retiree & spouse if hired < 9/7/11	Pension Board Approval	Medical, Drug, Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	$106.92/mo See Comment A	$149.69/mo See Comment A	100% after one year
		Healthcare savings program if hired after 9/6/11 & eligible to draw a pension (% of employer contributions based on vesting)	Pension Board Approval	Life							
Duty Disability	Given credit needed to reach 25 years of service	Retiree & spouse if hired < 9/7/11	Pension Board Approval	Medical, Drug, Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	$106.92/mo See Comment A	$149.69/mo See Comment A	100% after one year
		Healthcare savings program if hired after 9/6/11 (based on 25 years vesting = 100% of account value)	Pension Board Approval	Life							
Non-Duty Death-in-Service	If vested	If age or service eligible	Day prior to death		Medical & Drug	Community Blue-BCBS	PPO	BCBS			100% after one year
Duty Death-in-Service	Same as Duty Disability										

Comment A: The retiree pays the active contribution rates in the year they retire. For retirements on or after 1/1/2007, the retiree will receive the same coverage as active employees and continue to pay the increasing active contribution rate to a maximum of 50% above the contribution rate at the time of retirement. For KPSA retirements 12/1/2017 - 12/31/2020, the retiree will receive the same coverage as active employees and continue to pay the increasing active contribution rate to a maximum of 75% above the contribution rate at the time of retirement.
For KPSA retirements on or after 1/1/2021 , the retiree will receive the same coverage as active employees and continue to pay the increasing active contribution rate to a maximum of 95% above the contribution rate at the time of retirement.
For KPSOA (sworn) retirements 12/1/2017 - 11/30/2018, the retiree will receive the same coverage as active employees and continue to pay the increasing active contribution rate to a maximum of 75% above the contribution rate at the time of retirement.
For KPSOA (sworn) retirements 12/1/2018 - 11/30/2019, the retiree will receive the same coverage as active employees and continue to pay the increasing active contribution rate to a maximum of 80% above the contribution rate at the time of retirement.
For KPSOA (sworn) retirements 12/1/2019 - 11/30/2020, the retiree will receive the same coverage as active employees and continue to pay the increasing active contribution rate to a maximum of 85% above the contribution rate at the time of retirement.
For KPSOA (sworn) retirements 12/1/2020 - 11/30/2021, the retiree will receive the same coverage as active employees and continue to pay the increasing active contribution rate to a maximum of 90% above the contribution rate at the time of retirement.
For KPSOA (sworn) retirements on or after 12/1/2021 , the retiree will receive the same coverage as active employees and continue to pay the increasing active contribution rate to a maximum of 95% above the contribution rate at the time of retirement.
Comment B: Retirees after 1/1/2010 and certain existing retirees are reimbursed for Medicare Part B premiums. Certain retirees electing the incentive are also eligible for reimbursement of late enrollment penalties. Post-Medicare retiree cost-sharing remains the same as pre-65.
Comment C: There are retirees currently opting out of the retiree health care plan, they may re-enroll at open enrollment or with a qualifying insurance event, there is no stipend for waiving coverage.
Comment D: There are retirees whose benefit is not described above, data was provided individually by the City for the valuation.
Comment E: This is a brief summary of the City of Kalamazoo's Postretirement Welfare Plan Benefit provisions. In the event that any description contained herein differs from the actual eligibility or benefit, the appropriate employee contract or governing document will prevail.

Summary of Benefit Provisions for the Postretirement Welfare Benefits Plan

Group Name ATU Union Employees - CCTA

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)
				Coverage Provided by Employer					**Retiree Share of Cost for**		
Leaving Employment as a Result of	**Eligibility for Pension Benefit**	**Eligibility for Retiree Health Benefit (if different from pension benefit)**	**When do Retiree Health Benefits Commence?**	**Retiree**	**Spouse**	**Retiree Health Care Provider(s)**	**Type of Insurance**	**Third Party Administrator**	**Retiree**	**Spouse (while Retiree is alive)**	**Spouse (after Retiree's death)**
Normal Retirement (Unreduced pension benefits)	Age 57 with 25 years of service, or age 62 with 10 years.	Retiree & spouse if hired < 9/7/11	Upon retirement	Medical, Drug, Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	$106.92/mo See Comment A	$149.69/mo See Comment A	100% after one year
		Healthcare savings program if hired after 9/6/11 & eligible to draw a pension (% of employer contributions based on vesting)	Upon retirement	Life							
Early Retirement (Reduced pension benefits)	Age 55 with at least 15 years of service, then for each year increase in age, years of service can reduce by one year, to age 60 with 10 years of service.	None if hired < 9/7/11. Must receive full pension benefit for retiree health, unless -	n/a	Life							
		retired before age 62 without retiree health eligibility, may enroll in retiree health supplemental coverage for retiree only at age 65	Age 65, if elected	Medical, Drug, Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	$106.92/mo See Comment A	n/a	n/a
		Healthcare savings program if hired after 9/6/11 & eligible to draw a pension (% of employer contributions based on vesting)	Upon retirement								
Deferred Vested Termination	Age 62 with at least 10 years	None if hired before < 9/7/11. Must receive full pension benefit for retiree health, unless -	n/a	Life							
		retired before age 62 without retiree health eligibility, may enroll in retiree health supplemental coverage for retiree only at age 65	Age 65, if elected	Medical, Drug, Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	$106.92/mo See Comment A	n/a	n/a
		Healthcare savings program if hired after 9/6/11 & eligible to draw a pension (% of employer contributions based on vesting)	Upon retirement								
Non-Duty Disability	After 10 years of service	Must meet normal age & service requirements:	Upon Pension Board Approval if eligible								
		Retiree & spouse if hired < 9/7/11	Pension Board Approval	Medical, Drug, Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	$106.92/mo See Comment A	$149.69/mo See Comment A	100% after one year
		Healthcare savings program if hired after 9/6/11 & eligible to draw a pension (% of employer contributions based on vesting)	Pension Board Approval	Life							
Duty Disability	Given credit to voluntary age & service requirements	Retiree & spouse if hired < 9/7/11	Pension Board Approval	Medical, Drug, Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	$106.92/mo See Comment A	$149.69/mo See Comment A	100% after one year
		Healthcare savings program if hired after 9/6/11 & eligible to draw a pension (100% vesting in full account value)	Pension Board Approval	Life							
Non-Duty Death-in-Service	If vested	If age or service eligible	Day prior to death		Medical & Drug	Community Blue-BCBS	PPO	BCBS			100% after one year
Duty Death-in-Service	Same as Duty Disability										

Comment A: The retiree pays the active contribution rates in the year they retire. For retirements on or after 2/14/2007, the retiree will receive the same coverage as active employees and continue to pay the increasing active contribution rate to a maximum of 50% above the contribution rate at the time of retirement. For retirements on or after 12/1/2017, the retiree will receive the same coverage as active employees and continue to pay the increasing active contribution rate to a maximum of 75% above the contribution rate at the time of retirement.
Comment B: Retirees are not reimbursed by the City for Medicare Part A or Part B Premiums. Post-Medicare retiree cost-sharing remains the same as pre-65.
Comment C: There are retirees currently opting out of the retiree health care plan, they may re-enroll at open enrollment or with a qualifying insurance event, there is no stipend for waiving coverage. For retirements on or after 2/10/2020, if the retiree waives coverage, they can't opt back in at a later date.
Comment D: There are retirees whose benefit is not described above, data was provided individually by the City for the valuation.
Comment E: This is a brief summary of the City of Kalamazoo's Postretirement Welfare Plan Benefit provisions. In the event that any description contained herein differs from the actual eligibility or benefit, the appropriate employee contract or governing document will prevail.

Summary of Benefit Provisions for the Postretirement Welfare Benefits Plan

Group Name KMEA Union Employees - City of Kalamazoo

(A) Leaving Employment as a Result of	(B) Eligibility for Pension Benefit	(C) Eligibility for Retiree Health Benefit (if different from pension benefit)	(D) When do Retiree Health Benefits Commence?	(E) Coverage Provided by Employer: Retiree	(F) Coverage Provided by Employer: Spouse	(G) Retiree Health Care Provider(s)	(H) Type of Insurance	(I) Third Party Administrator	(J) Retiree Share of Cost for: Retiree	(K) Retiree Share of Cost for: Spouse (while Retiree is alive)	(L) Retiree Share of Cost for: Spouse (after Retiree's death)
Normal Retirement (Unreduced pension benefits)	Age 57 with 25 years of service, or age 62 with 10 years.	Retiree & spouse if hired < 6/1/09	Upon retirement	Medical, Drug, Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	$106.92/mo See Comment A	$149.69/mo See Comment A	100% after one year
		Healthcare savings program if hired after 6/1/09 & eligible to draw a pension (% of employer contributions based on vesting)	Upon retirement	Life							
Early Retirement (Reduced pension benefits)	Age 55 with at least 15 years of service then for each year increase in age, years of service can reduce by one year to age of service can reduce by one year to age 62 with 8 years of service (if hired before 1/1/09) and to age 60 with 10 years (if hired on or after 1/1/09)	None if hired < 6/1/09. Must receive full pension benefit for retiree health unless -	n/a	Life							
		Retiree & spouse if retired between ages 57 and 65; or -	Upon retirement	Medical, Drug, Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	$106.92/mo See Comment A	$149.69/mo See Comment A	100% after one year
		Retiree only if retired before age 57	Age 65, if elected	Medical, Drug, Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	$106.92/mo See Comment A	n/a	n/a
		Healthcare savings program if hired after 6/1/09 & eligible to draw a pension (% of employer contributions based on vesting)									
Deferred Vested Termination	At age 62 with at least 10 years (8 years if hired before 1/1/09)	None for retiree & spouse if hired before 6/1/09	n/a								
		Healthcare savings program if hired after 6/1/09 & eligible to draw a pension (% of employer contributions based on vesting)	Upon retirement								
Non-Duty Disability	After 10 years of service (8 years if hired before 1/1/09)	Must meet normal age & service requirements:	Upon Pension Board Approval if eligible								
		Retiree & spouse if hired < 6/1/09	Pension Board Approval	Medical, Drug, Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	$106.92/mo See Comment A	$149.69/mo See Comment A	100% after one year
		Healthcare savings program if hired after 6/1/09 & eligible to draw a pension (% of employer contributions based on vesting)	Pension Board Approval	Life							
Duty Disability	Given credit to voluntary age & service requirements	Retiree & spouse if hired < 6/1/09	Pension Board Approval	Medical, Drug, Life	Medical & Drug	Community Blue-BCBS	PPO	BCBS	$106.92/mo See Comment A	$149.69/mo See Comment A	100% after one year
		Healthcare savings program if hired after 6/1/09 & eligible to draw a pension (100% vesting in full account value)	Pension Board Approval	Life							
Non-Duty Death-in-Service	If vested	If age or service eligible	Day prior to death		Medical & Drug	Community Blue-BCBS	PPO	BCBS			100% after one year
Duty Death-in-Service	Same as Duty Disability										

Comment A: The retiree pays the active contribution rates in the year they retire. For retirements on or after 1/1/2002, the retiree will receive the same coverage as active employees and continue to pay the increasing active contribution rate to a maximum of 50% above the contribution rate at the time of retirement. For retirements 12/1/2017 - 6/30/2020, the retiree will receive the same coverage as active employees and continue to pay the increasing active contribution rate to a maximum of 75% above the contribution rate at the time of retirement. For retirements on or after 7/1/2020, the retiree will receive the same coverage as active employees and continue to pay the increasing active contribution rate to a maximum of 80% above the contribution rate at the time of retirement.

Comment B: Retirees are not reimbursed by the City for Medicare Part A or Part B Premiums. Post-Medicare retiree cost-sharing remains the same as pre-65.

Comment C: There are retirees currently opting out of the retiree health care plan, they may re-enroll at open enrollment or with a qualifying insurance event, there is no stipend for waiving coverage. For retirements on or after 1/1/2018, if the retiree waives coverage, they can't opt back in at a later date.

Comment D: There are retirees whose benefit is not described above, data was provided individually by the City for the valuation.

Comment E: This is a brief summary of the City of Kalamazoo's Postretirement Welfare Plan Benefit provisions. In the event that any description contained herein differs from the actual eligibility or benefit, the appropriate employee contract or governing document will prevail.

SECTION D

SUMMARY OF THE INFORMATION SUBMITTED FOR THE VALUATION

Reported Financial Information for the Year Ended December 31, 2019 (Market Value)

Revenues and Expenditures During the Year

Revenues:		
a. Retiree contributions	$ 978,010	
b. Employer contributions	3,500,000	
c. Interest and dividends	2,383,278	
d. Net Appreciation in Fair Value of Investments	15,120,819	
e. Total		$21,982,107
Expenditures:		
a. Benefits paid	10,343,706	
b. Administrative expenses	125,815	
c. Investment expenses	343,446	
d. Total		10,812,967
Reserve Increase:		
Total revenues minus total expenditures		$11,169,140

Assets and Reserves

Assets:		**Reserves for Employer Contributions:**	
a. Cash or equivalents	$ 111,883	a. General Fund	$ 102,105,385
b. Receivables net of payables	(1,092,426)	b. Metro Fund	0
c. Stocks	72,597,598	c. Water Fund	0
d. Fixed income	25,440,713	d. Wastewater Fund	0
e. Real Estate Investment Fund	5,047,617		
f. Funding Value Adjustment	0		
Total	$102,105,385	Total	$102,105,385

Active Members as of January 1, 2020
by Age and Years of Service *

	Years of Service to Valuation Date							Totals
Age	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.
20-24								
25-29		2						2
30-34		5	6					11
35-39		1	25	7				33
40-44			10	20	10			40
45-49		2	6	16	43	10		77
50-54		1	2	9	23	8	3	46
55-59		1	3	9	14	10	6	43
60-64		1	3	7	6	5	2	24
65 & Over			1	2		1	1	5
Totals		**13**	**56**	**70**	**96**	**34**	**12**	**281**

** Excludes 423 individuals who are not eligible for retiree health insurance at retirement. A Health Savings Account is available instead.*

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Age:	48.5	years
Service:	19.8	years

Inactive Members as of January 1, 2020
by Age and Coverage Type

Number of Retiree Health Contracts*

	Opt-Out/ Ineligible	One-Person Coverage	Two-Person Coverage	Total
Male	110	160	356	626
Female	165	123	53	341
Total	275	283	409	967

** Members receiving more than one pension were only counted once for purposes of OPEB benefits.*

Notes:

Opt-Out/Ineligible: *Includes 37 retirees who waived coverage and 1 DROP member. These members are assumed to begin drawing benefits in the future.*

One-Person Coverage: *Includes surviving spouses who receive City paid coverage for one year following the member's death.*

Two-Person Coverage: *Includes family coverage.*

Age	Number of Those Covered Retiree Health
0-44	0
45-49	7
50-54	37
55-59	76
60-64	131
65-69	132
70-74	131
75-79	86
80-84	42
85-89	36
90-94	12
95 +	2
Totals	692

Number of Terminated Vested Contracts

Terminated vested members are not eligible for Plan benefits.

SECTION E

ACTUARIAL COST METHOD AND ACTUARIAL ASSUMPTIONS

Actuarial Methods

The actuarial assumptions used for this report were based upon the results of an Experience Study for the City of Kalamazoo Employees Retirement System covering the period January 1, 2014 through December 31, 2018. A report dated January 7, 2020 presented the results of this Experience Study.

Actuarial Cost Method. Normal cost and the allocation of benefit values between service rendered before and after the valuation date was determined using an **Individual Entry-Age Actuarial Cost Method** having the following characteristics:

(i) the annual normal cost for each individual active member, payable from the date of employment to the date of retirement, is sufficient to accumulate the value of the member's benefit at the time of retirement; and

(ii) each annual normal cost is a constant percentage of the member's year by year projected covered pay.

Actuarial gains (losses), as they occur, reduce (increase) the Unfunded Actuarial Accrued Liability.

Financing of Unfunded Actuarial Accrued Liabilities. Unfunded Actuarial Accrued Liability (UAAL) (full funding credit if assets exceed liabilities) were amortized as a level dollar over a 22-year period.

Amortization of Unfunded Actuarial Accrued Liability. The following amortization factor was used in developing the Actuarially Determined Contribution for the year shown:

	2020 Calendar Year
City of Kalamazoo (Level Dollar)	11.2238

Asset Valuation Method. Last year's valuation assets are increased by contributions and expected investment income on last year's valuation assets and non-investment net cash flow and reduced by refunds, benefit payments and expenses. To this amount is added the phased-in recognition of investment income. The phased-in recognition is the sum over the five years ending on the valuation date of 20% of the difference between each year's expected return and actual market return.

Actuarial Assumptions

***Investment Return**.* The rate of investment return is compounded annually net of investment expenses.

Investment Return	7.25%
Wage Inflation	3.50%
Price Inflation	2.25%
Spread Between Investment Return and Wage Inflation	3.75%
Spread Between Investment Return and Price Inflation	4.75%

The rates of salary increase used for individual members are in accordance with the following table.

The annual rate of pay increases consists of two parts:

(i) a long-term rate of pay inflation equal to 3.50%; and

(ii) merit and longevity increases which vary according to age or length of service. These rates are illustrated below:

Years of Service	KMEA	AFSCME	General Exempt	Non-Sworn Public Safety	CCTA Union	CCTA Exempt	Public Safety
1	6.0%	8.0%	6.0%	8.0%	7.0%	6.0%	12.0%
2	5.0	3.0	6.0	7.0	7.0	6.0	12.0
3	4.0	3.0	1.0	6.0	6.0	0.5	5.5
4	2.0	2.0	1.0	4.0	5.0	0.5	4.5
5	1.0	2.0	1.0	3.0	4.0	0.5	4.5
6	1.0	1.0	1.0	1.5	0.0	0.3	4.0
7	1.0	0.0	0.5	1.5	0.0	0.3	4.0
8	1.0	0.0	0.5	1.5	0.0	0.3	4.0
9	0.0	0.0	0.5	1.5	0.0	0.3	1.5
10	0.0	0.0	0.5	1.5	0.0	0.3	1.3
11	0.0	0.0	0.3	0.5	0.0	0.3	1.0
12	0.0	0.0	0.3	0.3	0.0	0.3	1.0
13	0.0	0.0	0.3	0.3	0.0	0.3	0.5
14	0.0	0.0	0.3	0.3	0.0	0.3	0.5
thereafter	0.0	0.0	0.3	0.3	0.0	0.3	0.5

Actuarial Assumptions (Continued)

The mortality tables (a risk assumption) used in the valuation are described below:

Non-Public Safety

- **Healthy Pre-Retirement**: The Pub-2010 Amount-Weighted, General, Employee, Male and Female tables, with future mortality improvements projected to 2025 using scale MP-2019.
- **Healthy Post-Retirement**: The Pub-2010 Amount-Weighted, General, Healthy Retiree, Male and Female tables, with future mortality improvements projected to 2025 using scale MP-2019.
- **Disability Retirement**: The Pub-2010 Amount-Weighted, General, Disabled Retiree, Male and Female, with future mortality improvements projected to 2025 using scale MP-2019.

Sample Attained Ages	Healthy Pre-Retirement Future Life Expectancy (Years)		Healthy Post-Retirement Future Life Expectancy (Years)		Disabled Retirement Future Life Expectancy (Years)	
	Men	Women	Men	Women	Men	Women
55	32.90	34.92	29.19	31.95	21.41	23.96
60	28.28	30.17	24.84	27.44	18.65	21.11
65	23.77	25.48	20.67	23.03	16.03	18.18
70	19.34	20.87	16.67	18.76	13.44	15.08
75	14.99	16.36	12.94	14.75	10.86	12.04
80	10.73	11.98	9.63	11.12	8.43	9.29

Public Safety

- **Healthy Pre-Retirement**: The Pub-2010 Amount-Weighted, Safety, Employee, Male and Female tables, with future mortality improvements projected to 2025 using scale MP-2019.
- **Healthy Post-Retirement**: The Pub-2010 Amount-Weighted, Safety, Healthy Retiree, Male and Female tables, with future mortality improvements projected to 2025 using scale MP-2019.
- **Disability Retirement**: The Pub-2010 Amount-Weighted, Safety, Disabled Retiree, Male and Female, with future mortality improvements projected to 2025 using scale MP-2019.

Sample Attained Ages	Healthy Pre-Retirement Future Life Expectancy (Years)		Healthy Post-Retirement Future Life Expectancy (Years)		Disabled Retirement Future Life Expectancy (Years)	
	Men	Women	Men	Women	Men	Women
55	32.15	34.54	29.07	30.90	27.84	29.83
60	27.45	29.78	24.56	26.38	23.55	25.62
65	22.85	25.04	20.27	22.06	19.52	21.61
70	18.37	20.36	16.25	17.95	15.74	17.75
75	14.09	15.83	12.54	14.12	12.23	14.09
80	10.08	11.56	9.28	10.71	9.16	10.71

100% of deaths are assumed to be non-duty for all members.

Actuarial Assumptions (Continued)

The rates of retirement used to measure the probability of eligible members retiring during the next year were as follows:

Retirement Ages	KMEA	AFSCME	General Exempt	Non-Sworn Public Safety	CCTA Union	CCTA Exempt
55	2%	5%	7%	7%	10%	10%
56	2	5	7	7	10	10
57	5	8	20	20	25	25
58	5	5	20	20	25	25
59	10	5	15	15	20	20
60	20	25	20	20	25	25
61	20	20	20	20	30	30
62	50	55	25	25	30	30
63	15	25	15	15	15	15
64	10	25	15	15	15	15
65	100	100	100	100	100	100

Years of Service	Public Safety
20	2%
21	2
22	2
23	2
24	2
25	80
26	30
27	45
28	25
29	25
30	100

Retirement probabilities were applied for General and CCTA members after both attaining age 55 and completing 15 years of service, or age 62 with 10 years of service (5 years for General Exempt, 5 years for Transit Exempt hired before 9/1/2010, 9 years for AFSCME and 8 years for KMEA hired before 1/1/2009). AFSCME members are also considered eligible for retirement at age 60 with 20 or more years of service. Retirement probabilities were applied for Public Safety members upon completion of 20 years of service with 100% retirement probability assumed at age 60 with 10 years of service.

Actuarial Assumptions (Continued)

Rates of separation from active membership were as shown below (rates do not apply to members eligible to retire and do not include separation on account of death or disability). This assumption measures the probabilities of members remaining in employment.

		% of Active Members Separating within Next Year						
Sample Ages	Years of Service	KMEA	AFSCME	General Exempt	Non-Sworn Public Safety	CCTA Union	CCTA Exempt	Public Safety
	0	16.0%	16.0%	16.0%	16.0%	15.0%	15.0%	7.5%
	1	15.0	15.0	15.0	15.0	14.0	14.0	5.0
	2	12.0	12.0	12.0	12.0	9.0	9.0	3.8
	3	10.0	10.0	10.0	10.0	8.0	8.0	3.0
	4	8.0	8.0	8.0	8.0	7.0	7.0	3.0
25	5 or Over	8.0	8.0	8.0	8.0	7.4	7.4	2.5
30		7.0	7.0	7.0	7.0	5.8	5.8	2.2
35		6.0	6.0	6.0	6.0	5.0	5.0	1.4
40		5.0	5.0	5.0	5.0	4.0	4.0	1.1
45		4.0	4.0	4.0	4.0	3.3	3.3	0.8
50		3.0	3.0	3.0	3.0	2.5	2.5	0.6
55		2.4	2.4	2.4	2.4	2.0	2.0	0.4
60		2.4	2.4	2.4	2.4	2.0	2.0	0.4

Actuarial Assumptions (Continued)

Disability Rates

Disability rates are used in the valuation to estimate the incidence of member disability in future years.

The assumed rates of disablement at various ages are shown below:

	% of Active Members Becoming Disabled within Next Year	
Sample Ages	Public Safety CCTA Union AFSCME	KMEA All Exempt CSO
20	0.23%	0.04%
25	0.27	0.04
30	0.32	0.04
35	0.40	0.04
40	0.55	0.10
45	0.76	0.13
50	1.45	0.25
55	2.84	0.45
60	0.00	0.71

Actuarial Assumptions (Concluded)

Health care cost trend rates are displayed in the following table:

Year after Valuation	Health Care Trend Inflation Rates Medical and Drug
1	8.25%
2	7.50
3	7.00
4	6.50
5	6.00
6	5.50
7	5.00
8	4.50
9	4.00
10 +	3.50

Health Care Coverage at Retirement as described in the table below, shows the assumed portion of future retirees currently waiving coverage, electing one-person or two-person/family coverage, or opting-out of coverage entirely. It was also assumed active employees currently opting-out of health care would elect health care based on the following table:

		Two-Person/Family		
	One-Person	**Electing**	**Continuing***	**Opt-Out**
All Groups	25%	70%	100%	5%

** Continuation period for surviving spouses is one year.*

***Current Waivers*:**

Non-ERI retirees who are opting-out of health care were assumed to continue opting-out of health care indefinitely. If current non-ERI retirees choose to opt-back-in for coverage, if allowed, there would be a loss in future valuations.

ERI retirees currently waiving coverage are assumed to return to coverage at age 62.

DROP members are assumed to remain in the DROP for two years after the valuation date.

Miscellaneous and Technical Assumptions

Administrative Expenses	$100,000 per year.
Decrement Operation	Death-in-service decrement does not operate until member becomes vested. Withdrawal does not operate during retirement eligibility.
Decrement Timing	Decrements are assumed to occur at the middle of the fiscal year.
Decrement Relativity	Decrement Rates are used directly from the experience study of the pension retirement system, without adjustment for multiple decrement effects.
Eligibility Testing	Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.
Incidence of Contributions	Contributions are assumed to be received continuously throughout the year based upon the computed dollar amount shown in this report.
Marriage Assumption	100% of males and 100% of females are assumed to be married at time of in-service death. Male spouses are assumed to be three years older than female spouses for active valuation purposes.
Excise Tax Liability	No Loads.
Surviving Spouse Benefit	Surviving spouses of active and retired members of the plan are given one year of benefit at the cost the retiree has to pay, after one year the spouse must pay 100% of premium. Liabilities have been loaded 1.00% to account for this benefit.
Medicare Coverage	Assumed to be available for all covered employees on attainment of age 65. Disabled retirees were assumed to be eligible for Medicare coverage at age 65.

APPENDIX A

GLOSSARY

Glossary

Accrued Service. The service credited under the plan which was rendered before the date of the actuarial valuation.

Actuarial Accrued Liability. The difference between (i) the actuarial present value of future plan benefits, and (ii) the actuarial present value of future normal cost. Sometimes referred to as "accrued liability" or "past service liability."

Actuarial Assumptions. Estimates of future plan experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and salary increases. Decrement assumptions (rates of mortality, disability, turnover and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (salary increases and investment income) consist of an underlying rate in an inflation-free environment plus a provision for a long-term average rate of inflation.

Actuarial Cost Method. A mathematical budgeting procedure for allocating the dollar amount of the "actuarial present value of future plan benefits" between the actuarial present value of future normal cost and the actuarial accrued liability. Sometimes referred to as the "actuarial funding method."

Actuarial Equivalent. A single amount or series of amounts of equal value to another single amount or series of amounts, computed on the basis of the rate(s) of interest and mortality tables used by the plan.

Actuarial Present Value. The amount of funds presently required to provide a payment or series of payments in the future. It is determined by discounting the future payments at a predetermined rate of interest, taking into account the probability of payment.

Actuarially Determined Contribution. The Actuarially Determined Contribution is the normal cost plus the portion of the unfunded actuarial accrued liability to be amortized in the current period. The Actuarially Determined Contribution is an amount that is actuarially determined in accordance with the requirements so that, if paid on an ongoing basis, it would be expected to provide sufficient resources to fund both the normal cost for each year and the amortized unfunded actuarial accrued liability.

Amortization. Paying off an interest-bearing liability by means of periodic payments of interest and principal, as opposed to paying it off with a lump sum payment.

Governmental Accounting Standards Board (GASB). GASB is the private, nonpartisan, nonprofit organization that works to create and improve the rules U.S. state and local governments follow when accounting for their finances and reporting them to the public.

Implicit Rate Subsidy. It is common practice for employers to allow retirees to continue in the employer's group health insurance plan (which also covers active employees), often charging the retiree some portion of the premium charged for active employees. Under the theory that retirees have higher utilization of services, the difference between the true cost of providing retiree coverage and what the retiree is being charged is known as the implicit rate subsidy.

Glossary (Concluded)

Medical Trend Rate (Health Care Inflation). The increase in the cost of providing health care benefits over time. Trend includes such elements as pure price inflation, changes in utilization, advances in medical technology, and cost shifting.

Normal Cost. The annual cost assigned, under the actuarial funding method, to current and subsequent plan years. Sometimes referred to as "current service cost." Any payment toward the unfunded actuarial accrued liability is not part of the normal cost.

Other Postemployment Benefits (OPEB). OPEB are postemployment benefits other than pensions. OPEB generally takes the form of health insurance, dental, vision, prescription drugs, life insurance or other health care benefits.

Reserve Account. An account used to indicate that funds have been set aside for a specific purpose and are not generally available for other uses.

Unfunded Actuarial Accrued Liability. The difference between the actuarial accrued liability and valuation assets. Sometimes referred to as "unfunded actuarial accrued liability."

Valuation Assets. The value of current plan assets recognized for valuation purposes.

APPENDIX B

VALUATION RESULTS BY FUND

Valuation Results by Fund

The purpose of this appendix is to segregate the results of the January 1, 2020 valuation of Postretirement Welfare Benefits for the City of Kalamazoo by OPEB fund.

The Actuarially Determined Contribution (ADC) is developed on a Plan-wide basis, and could be significantly different than the results as determined for each individual fund.

The following ***additional data*** was provided by the City for use in this study:

- Allocation percentages for Funding Sources within General-PublicWorks
  - 13%: General-PublicWorks
  - 44%: Major Streets
  - 31%: Local Streets
  - 12%: Solid Waste
- Asset Allocation Method: Use of equal funded ratio for each fund.
- General-Public Works results are grouped under the "General" heading.

Restatement of January 1, 2020 Valuation Results by Fund

Fund:	Total	Total Governmental					Wastewater	Water	CCTA
Governmental Sub-Fund:			General[&]	Major Streets	Local Streets	Solid Waste			
Development of the Actuarially Determined Contribution									
Contributions for Calendar Year 2020									
1. Employer Normal Cost	$ 1,399,378	$ 1,206,795	$ 1,172,174	$ 17,509	$ 12,336	$ 4,776	$ 57,046	$ 26,684	$ 108,853
2. Administrative Expense Allowance	100,000	72,965	68,995	2,008	1,415	547	11,695	8,335	7,005
3. Amortization of Unfunded Actuarial Accrued Liability^	8,338,733	6,084,303	5,753,288	167,410	117,948	45,657	975,210	695,044	584,176
4. Actuarially Determined Contribution (ADC)	$ 9,838,111	$ 7,364,063	$ 6,994,457	$ 186,927	$ 131,699	$ 50,980	$ 1,043,951	$ 730,063	$ 700,034
Determination of the Unfunded Actuarial Accrued Liability as of January 1, 2020									
5. Present Value of Future Benefits									
i. Retirees and Beneficiaries*	$146,718,287	$104,154,306	$ 99,120,160	$2,546,004	$1,793,776	$ 694,366	$18,631,303	$14,352,424	$ 9,580,254
ii. DROP Members	367,991	367,991	367,991	0	0	0	0	0	0
iii. Vested Terminated Members	0	0	0	0	0	0	0	0	0
iv. Active Members	53,367,700	42,986,907	40,206,626	1,406,119	990,675	383,487	4,122,348	1,849,072	4,409,373
v. Total Present Value of Future Benefits (4.i. + 4.ii. + 4.iii.)	$200,453,978	$147,509,204	$139,694,777	$3,952,123	$2,784,451	$1,077,853	$22,753,651	$16,201,496	$13,989,627
6. Present Value of Future Normal Costs	$ 8,083,509	$ 7,147,315	$ 6,969,255	$ 90,053	$ 63,447	$ 24,560	$ 256,036	$ 167,176	$ 512,982
7. Actuarial Accrued Liability (4.iv. - 5.)	$192,370,469	$140,361,889	$132,725,522	$3,862,070	$2,721,004	$1,053,293	$22,497,615	$16,034,320	$13,476,645
8. Actuarial Value of Assets	$ 98,777,892	$ 72,072,661	$ 68,151,559	$1,983,086	$1,397,174	$ 540,842	$11,552,017	$ 8,233,261	$ 6,919,953
9. Unfunded Actuarial Accrued Liability (6. - 7.)	$ 93,592,577	$ 68,289,228	$ 64,573,963	$1,878,984	$1,323,830	$ 512,451	$10,945,598	$ 7,801,059	$ 6,556,692
10. Funded Ratio (7. / 6.)	51.3%	51.3%	51.3%	51.3%	51.3%	51.3%	51.3%	51.3%	51.3%

^ A 22-year amortization period is utilized for the 2020 calendar year.

** Includes additional liability due to Early Retirement Incentive (ERI) retirees currently waiving retiree health care through the City, but assumed to return to coverage at a later date.*

[&] Includes "General-PublicWorks."

Notes:

- CCTA has a side fund containing additional market value assets of $315,405 as of the valuation date. While neither used in the calculations above nor elsewhere in this report, reflecting the side fund in CCTA assets on a market value basis would reduce the Actuarially Determined Contribution for CCTA to $671,932.
- The results displayed above were developed using the census/claims data, benefits, and actuarial methods/assumptions used in the January 1, 2020 valuation, including an interest rate of 7.25%.

CITY OF KALAMAZOO

Ordinance No. _____________

AN ORDINANCE TO AMEND SECTIONS 2-224, 2-232, AND 2-237 OF THE KALAMAZOO CODE OF ORDINANCES

THE CITY OF KALAMAZOO ORDAINS:

Section 1. Section 2-224, the definition section, the definition of General Member Administrator shall be added to the Kalamazoo City Code and read as follows:

GENERAL MEMBER ADMINISTRATOR

Any general member who is a City Commission Appointee (City Manager, City Attorney, City Clerk and City Internal Auditor) or a Deputy City Manager who is an exempt employee. For purposes of this article, said Administrator will be treated as if a General Member except as otherwise noted.

Section 2. Within Section 2-224 of the Kalamazoo City Code the definition of "Voluntary Retirement Age" shall be amended to read as follows:

VOLUNTARY RETIREMENT AGE

A. For a general member, shall be age 55 years, provided he or she has 15 or more years of credited service. For each year past age 55, the required number of years of credited service shall be reduced by one year. This shall be considered a reduced benefit as outlined in section 2-237 (B) until:

(1) For NBU members, the employee reaches the age of 62, and has five years of credited service;

(2) For KMEA members hired prior to January 1, 2009, the employee reaches the age of 62, and has eight years of credited service;

(3) For KMEA members hired on or after January 1, 2009, the employee reaches the age of 62 and has 10 years of credited service;

(4) For AFSCME members, hired prior to October 3, 2016, the employee reaches the age of 62 and has nine years of credited service;

(5) For AFSCME members, hired after October 2, 2016, the employee reaches the age of 62 and has 10 years of credited service;

(6) For AFSCME members who retires on or after October 1, 1990, the employee reaches the age of 60 and has 20 years of credited service;

Subparagraphs 1-6 are considered full benefits not subject to reduction under section 2-237 (B).

Section 3. Section 2-232 of the Kalamazoo City Code shall be amended to read as follows:

§ 2-232 **Buyback of unpaid leave.**

A. A Public Safety member who, on or after January 1, 1999, is absent from work for an entire pay period during which no pay from the City is paid from which pension contributions are deducted, may buy back all or a portion of said time so that it becomes credited service. In the absence of said buyback, said time shall not become credited service. If the member elects to buy back such time, the amount to be paid by the member shall be equal to that which the member would have had deducted from his or her pay had he or she been receiving pay. Said payment shall commence within one year of the member's return and shall be completed within five years of said return. If repayment for the amount of time sought to be credited is not fully paid within said five years, the amount paid shall be refunded and no credited service shall be given.

B. Members with a reduction of hours in 2020 due to the City's participation in the State of Michigan work share program have the option of making up their contribution based on regular wages of 80 hours per pay period if the period of the City's participation in the State of Michigan work share program occurred within the last 3 years of the member's employment with the City. This contribution will be calculated based on the members normal contribution percentage multiplied by 80 then reduced by contributions made for the period. Final Average Compensation for members electing this option will include this time period to be calculated using full normal wages based on 80 hours per pay period. This election and related payment must be made prior to retirement effective date.

Section 4. Section 2-237 of the Kalamazoo City Code shall be amended to read as follows:

§ 2-237 **Retirement allowance for general members and general member administrators; multipliers; early retirement reduction.**

A. Upon his or her retirement as provided in this article, a general member shall receive a straight life retirement allowance, and he or she shall have the right to elect to receive his or her retirement allowance under an option provided in § **2-240** in lieu of a straight life retirement allowance. His or her straight life retirement allowance shall consist of the following benefits:

(1) An annuity which shall be the actuarial equivalent of his or her accumulated contributions standing to his or her credit in the annuity savings fund at the time of

his or her retirement; and

(2) A pension that, when added to his or her annuity, will provide a straight life retirement allowance equal to the number of years and fraction of a year of his or her credited service multiplied by the percents set forth below of his or her final average compensation:

(a) For a general member represented by the Kalamazoo Municipal Employees Association who retires in 2006, the multiplier shall be 1.9% of his or her final average compensation, but on or after January 1, 2007, the multiplier shall be 2% of his or her final average compensation; on or after January 1, 2008, the multiplier shall be 2.1% of his or her final average compensation; further, a post-retirement adjustment of 1.5%, compounded annually, shall be provided to those KMEA members who retire on or after March 13, 2000, so long as said retirant has been retired for one year (if he or she retires at or after age 63) or upon the retirant's 64th birthday (if he or she retires prior to age 63); said post-retirement adjustment shall not apply to deferred retirements. Effective January 1, 2002 the PRA described above shall increase from 1.5%to 2.0% when the retiree reaches the age of 75.

(b) For an exempt employee who retires on or after January 1, 1999, the multiplier shall be 2.3% of his or her final average compensation. A general member administrator who retires on or after October 1, 2020, shall be entitled to a 2.7% multiplier of their final average compensation and shall receive a post-retirement adjustment of 2% in January of each year, which is compounded annually; A general member administrator shall not be eligible for a post-retirement adjustment of 2% if he or she takes a deferred retirement.

(c) For a member represented by AFSCME who retires on or after October 2, 2005, the multiplier shall be 1.9% of his or her final average compensation, but if on or after October 2, 2006, the multiplier shall be 2% of his or her final average compensation, but if on or after October 2, 2007, the multiplier shall be 2.1% of his or her final average compensation; further, a post-retirement allowance of one percent, commencing one year after the member's date of retirement and compounded annually thereafter, shall be provided to those AFSCME members who retire on or after March 1, 2000; after the retirant reaches age 75, said annual adjustment shall be two percent, compounded annually. The retirement adjustment shall not, however, apply to those who retire pursuant to a deferred and / or a reduced retirement;

(d) For a member represented by the ATU, the multiplier shall be 2.1% of his or her final average compensation; further, a post-retirement allowance of 1%, commencing one year after the member's date of retirement and compounded annually thereafter, shall be provided to those ATU members who retire on or after March 1, 2000; after the retirant reaches age 75, said annual adjustment shall be 2%, compounded annually. The retirement adjustment shall not, however, apply to those who retire pursuant to a deferred retirement; and

(e) For a member employed in a civilian, nonsworn capacity at the Kalamazoo Department of Public Safety, and who is in a bargaining unit represented by the Kalamazoo Police Officers Association, who retires in 2006 the multiplier shall be 1.7%, but on and after January 1, 2007, the multiplier shall be 2.1%.

B. Except as provided in Subsection **C** below, in the event a general member who has fewer than 25 years of credited service retires before his or her attainment of the age of 62, the pension portion of his or her retirement allowance provided in Subsection **A** of this section shall be reduced 0.4% multiplied by the number of months and fraction of a month contained in the period from the date of his or her retirement to the date he or she would attain the age of 62. In the event a general member who has 25 or more years of credited service retires on or after January 1, 1974, and before his or her attainment of the age of 57, the pension portion of his or her retirement allowance provided in Subsection **A** of this section shall be reduced 0.4% multiplied by the number of months and fraction of a month contained in the period from the date of his or her retirement to the date he or she would have attained the age of 57. ~~A general member who retires on or after July 26, 2017, with credited service with a state unit or municipal unit that has elected to adopt the provisions of the Reciprocal Retirement Act, being Public Act 88 of 1961, as amended, is permitted to apply previous credited service with a reciprocal unit so as to permit the member to achieve 25 years of credited service to avoid the reduction in retirement allowance as otherwise required by this section.~~

Subparagraphs C-E remain unchanged.

<u>Section 5</u>. Section 2-261 of the Kalamazoo City Code shall be amended to read as follows:

§ 2-261 **Reciprocal Retirement Act.**

A. This City, being a "municipal unit" which covers its employees under a retirement system, does hereby, by a majority vote of its governing body, elect to adopt the provisions of the Reciprocal Retirement Act, No. 88 of 1961 (MSA § 4.1601; MCLA § 38.1101) for its employees covered under such retirement system. The City Clerk shall file written certification of this action with the Secretary of State for the State of Michigan.

B. An employee who has 30 months or more of credited service acquired as a member of the City's retirement system and who has attained the age but has not met the service requirements for age and service retirement pursuant to MCL § 38.1105 shall be entitled to use his or her credited service in force previously acquired as a member of another Michigan governmental or municipal unit retirement systems, as defined by MCL § 38.1102 including any public university and tax supported community or junior college in the state of Michigan, in meeting the service requirements of the City's retirement system.

C. As of December 31, 2019, a member can use his or her reciprocal service to meet eligibility service requirements to qualify for increased multipliers found in **§ 2-236, § 2-237** and post retirement adjustment in his or her respective employee group. Members who retired before December 31, 2019, can use reciprocal service for vesting purposes only.

D. A general member that retired between July 26, 2017 and December 30, 2019, with credited service with a Michigan governmental or municipal unit that has elected to adopt the provisions of the Reciprocal Retirement Act, being Public Act 88 of 1961, as amended, is permitted to apply previous credited service with a reciprocal unit so as to permit the member to achieve 25 years of credited service to avoid the reduction in retirement allowance as otherwise required by § 2-237 B.

E. Members who retire between August 1, 2020, to December 31, 2020 may use up to 1 year of concurrent service from another Michigan governmental or municipal unit if that member was also a member of that Michigan governmental or municipal unit's retirement system, as defined by MCL § 38.1102, in meeting the service requirements of the City's retirement system. Concurrent service shall mean for this subsection simultaneous service with the City of Kalamazoo and another Michigan municipal or governmental unit.

Section 6. REPEALER

All former ordinances or parts of ordinances conflicting or inconsistent with the provisions of this ordinance are hereby repealed.

Section 7. SEVERABILITY

If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional by any Court of competent jurisdiction, said portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions of this ordinance.

Section 8. EFFECTIVE DATE

Pursuant to Section 13(a) of the City Charter, this ordinance shall take effect from and after 10 days from the date of its passage.

CERTIFICATE

The foregoing is a true and complete copy of an ordinance adopted by the City Commission of the City of Kalamazoo at a regular meeting held on ______________, 2020. Public notice was given, and the meeting was conducted in compliance with Executive Order 2020-154 issued by Governor Whitmer on July 17, 2020 suspending portions of the Michigan Open Meetings Act (PA 267, 1976). Minutes of the meeting will be available as required by the Act, and the ordinance was duly recorded, posted and authenticated by the Mayor and City Clerk as required by the Charter of said City.

____
David Anderson, Mayor

____
Scott A. Borling, City Clerk