Agenda
FFE Board of Directors

Kalamazoo Foundation for Excellence

Monday, September 14, 2020 2:00 PM

This meeting will be streamed live on the City's Facebook page (https://www.facebook.com/KalamazooCity/) and YouTube Channel (https://www.youtube.com/channel/UCIgXSSXLSDxThVaaiRMsR5Q). Commenting instructions are contained in the public meeting notice.

A. CALL TO ORDER

B. APPROVAL OF MINUTES

1. Approval of April 27, 2020, Board Minutes.

C. REPORTS AND COMMUNICATIONS

1. Staff Report: 2020 Programs; COVID-19 Response

2. Finance Committee Report: Endowment; 2021 Draft Budget

3. Executive Committee Report

D. REGULAR AGENDA

E. PUBLIC COMMENTS

F. BOARD MEMBER COMMENTS

G. ADJOURNMENT

KALAMAZOO FOUNDATION OF EXCELLENCE

PUBLIC COMMENT RULES

1. Persons attending a regular or special meeting of the Board of Directors of the Kalamazoo Foundation for Excellence shall be permitted to address the Board in conformity with this rule and the Michigan Open Meetings Act.

2. An individual wishing to address the Board shall wait to be recognized by the presiding officer.

3. A person addressing the Board shall provide their name and whether they are a resident of the City.

4. Remarks by a speaker shall be confined to matters within the preview of the Board and KFFE.

5. The chairperson of the meeting or a majority of the Board in attendance may permit individuals to speak once, for up to four (4) minutes, on specific matters being considered on the meeting agenda of the Board, except no comment is permitted on secondary or procedural motions to a main motion.

6. A speaker is permitted to address the Board once during the Public Comment portion of the meeting for up to four (4) minutes.

7. A speaker is not permitted to yield any unused portion of speaking time to other speakers.

8. A speaker may be ruled out of order for conduct that interrupts or disrupts the meeting.

KALAMAZOO FOUNDATION FOR EXCELLENCE
BOARD OF DIRECTORS

MINUTES

Annual Meeting of April 27, 2020

The Annual Meeting of the Kalamazoo Foundation of Excellence (KFFE) Board on April 27, 2020 held by videoconference in accordance with the Governor' Executive Order No. 2020-38 was called to order by President Graham-Williams at 2:08 pm. Board members: Hopewell, Ritsema, Anderson, Calderon-Huezo, Carrel, Lonberg, McFarlin, Miller, A. Taylor, C. Taylor, Urban, and Washington were present; Director Dannison was absent. Also present were Acting Legal Counsel/Recording Secretary Clyde J. Robinson, Deputy City Manager Laura Lam, and FFE Coordinator Steve Brown and City CFO Steve Vicenzi.

The minutes of the Board Meeting held February 10, 2020 as corrected to note the correct date of the meeting were moved for approval by Director Carrel and seconded by Director Washington. There being no further discussion, the motion was approved by unanimous voice vote.

FFE Coordinator Steve Brown provided the report of the Finance Committee which recommended the approval of the audit conducted by Maner-Costerisan, CPA and to conclude the Annual Financial Compliance Process. The audit disclosed assets of $44,774 as of December 31, 2019. CFO Steve Vicenzi provided an update on an anonymous gift of stock valued at $86,685,300, but which when liquidated, due to the recent volatility of the market, resulted in a reduction to approximately $81 million. The Finance Committee further reported that the obligation on the part of the FFE to annually distribute 3.5% or more of its funds becomes operable only upon the endowment becoming fully funded; that present programing uses funding through grant agreements between the City and private donors. Director Ritsema moved for the acceptance of the audit report, Director C. Taylor seconded, there being no further discussion the motion was approved by unanimous voice vote.

Mr. Brown then provided a report on the results of efforts, using FFE money, to assist the community during the current COVID-19 health crisis. $310,000 was provided by the City to the United Way and Kalamazoo Community Foundation to shore up the Disaster Relief Fund which provides assistance to nonprofit agencies that deliver programs and services to people in need. An additional $2 million was provided to the Kalamazoo Small Business Loan Fund to provide loans of $5,000-$50,000 to assist businesses through the COVID crisis that have less than 50 FTE and $25 million or less in gross revenues. Director Hopewell inquired about whether information about the Loan Program was available in Spanish. DCM Lam indicated that bilingual information is available through the 211 service. President Graham-Williams asked about those businesses which had applied but where denied a loan. Mr. Brown indicated that a broad-based committee with business acumen reviewed the applications and those applicants who were denied could not provide sufficient documentation or were already failing prior to the COVID outbreak.

Mr. Brown reported on efforts to provide local students with internet access at home. Director Washington comments that current crisis only serves to bring attention to the existing inequality faces by many students that do not have such access.

Mr. Brown then introduced Paige Farrell who is the KRESA Administrator of Youth Services which is responsible for the summer YOU program. She explained that this summer the program will be implementing a distance learning approach similar to that being used by the schools. The program will have a broader career focus, providing exposure to a variety of jobs and opportunities.

Discussion then turned to the Regular Agenda items. The first matter was the recommended appointments of City Commissioner Jeanne Hess for a term coterminous with her Commission term and

Stephanie Hoffman to fill the remaining 2 years of the term vacated by the resignation of JoVaughn Head as the Housing Sector representative. Additionally, the following Directors were recommended to be reappointed for 3 year terms: C. Taylor, Carrel, McFarlin, and A. Taylor. Director Lonberg moved to approve the recommendations, Director Calderon-Huezo seconded, and the motion was adopted by unanimous voice vote.

The next matter was recommendation to approve a 3-year agreement with Merion Capital LLC for investment consultant services. Mr. Vicenzi commented on the invaluable assistance that Merion Capital has proved in setting the FFE investment framework in place, making the handling of the recent stock gift a fluid process. He recommended approval of the recommendation. The motion by Director McFarlin, seconded by Director Washington to approve the renewal of agreement with Merion Capital was approved by unanimous voice vote.

The next matter was election of officers and appointment of directors to the Executive and Finance Committees. Director Anderson moved and Director C. Taylor seconded that the recommendations that Dr. Graham-Williams be elected President, City Manager Ritsema be elected Vice President, Director McFarlin be elected Treasurer and Director Hamilton-Miller be elected Secretary. Upon unanimous voice vote the motion was adopted.

The motion was presented by Director Calderon-Huezo and seconded by Director Hamilton-Miller to appoint Directors Carrel and Washington to the Finance Committee and appoint Director Carrel as the Finance Committee representative and Director Dannison as the City representative to the Executive Committee. The motion was adopted by unanimous voice vote.

President Graham-Williams inquired as to whether was any recorded public comments. She was informed that there were none. The President then asked if there were any Director comments.

Director Washington complimented their remarkable efforts of staff and their commitment to employ an equitable lens when addressing solutions to issues and problems.

President Graham-Williams welcomed the new Directors Hess and Stafford.

Director Hess expressed her appreciation and thanks to be a member of the Board.

Director Anderson indicated how happy he was to see everyone and that they are in good health; he also complimented Emeritus Director Hopewell for having the vision to create the FFE, because without it, ability to address the needs of individuals in our community during the current crisis would be far less.

Director Stafford commented that she was excited and honored to be among this group and counted it privilege to served alongside them.

Upon the motion by Director Anderson, seconded by Director Hess the Annual Meeting was adjourned by President Graham-Williams at 3:43 pm.

Minutes Drafted: April 30, 2020

Minutes Approved _____________

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Clyde J. Robinson, Recording Secretary

Date: **9/14/2020 FFE**
Item: **C.2.**

Foundation for Excellence Agenda Report

Kalamazoo Foundation for Excellence

TO: Foundation for Excellence Board of Directors

FROM: Prepared by: Steve Brown, Foundation for Excellence Manager

DATE: September 14, 2020

SUBJECT:

Finance Committee Report: Endowment; 2021 Draft Budget

RECOMMENDATION:

It is recommended that the Board review and accept the Finance Committee's report on the endowment and draft 2021 budget.

BACKGROUND:

Endowment

Staff worked throughout 2019 and 2020 to complete the administrative and procedural aspects of the FFE endowment set-up, including formalizing the FFE Investment Committee membership and meeting details. This work built on the April 2019 adoption of the Investment Policy Statement, creation of the FFE Investment Subcommittee, contracting of an Investment Consultant, and approval of a Custodian Contract with State Street Bank and Trust Company.

The FFE is now successfully investing contributions to the endowment in accordance with the Investment Policy Statement and reporting on those activities.

The reporting processes began in the second quarter of 2020 and are being presented in format for the first time. The Finance Committee reviewed the quarterly endowment report and approved it for inclusion in the Finance Committee Report to the Board at its August 31, 2020, meeting.

Draft 2021 Budget

The attached Budget Transmittal Memo contains a full summary and introduction to the budget, as well as an appendix outlining funding areas, and an appendix detailing FFE projected expenses in 2021.
The process of formally conveying the budget began with discussions at the FFE Finance Committee on August 31 and moved through an initial full presentation to the FFE board on September 14. This initial full presentation to the City Commission (Sep. 21) sets the stage for a requested formal recommendation to the City Commission by the FFE board on October 12. The recommended FFE disbursal and budget would then be included in the draft City budget for recommended approval by the City Commission (Nov. 2).
Staff remain grateful for the ongoing positive and fruitful discussions among board members and commissioners regarding Imagine Kalamazoo alignment in service to the entire community of Kalamazoo.

This budget follows the method of determining the amount of the annual distribution set forth in section 9.03 of the bylaws and supports the FFE’s crucial mission to "support the goals of the City of Kalamazoo, fund aspirational investments in the city, and empower Kalamazoo residents to achieve the lives they want for themselves and their families."

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.

FISCAL IMPACT:

Please refer to the attached reports for full details.

DRAFT MEMORANDUM

8/26/2020

To: President Dr. Angela Graham-Williams and the Board of Directors

From: Steve Brown, Foundation for Excellence Manager

Subject: The Recommended Fiscal Year 2021 Distribution to the City of Kalamazoo

I am pleased to present for the board's consideration the first draft of the 2021 Foundation for Excellence (FFE) grant to the City.

The proposed grant is $25,786,361, which includes $4,243,600 for budget stabilization, $13,016,024 for tax reduction to City property taxpayers, and $8,526,737 for aspirational projects as outlined in the budget detail. This budget follows the method of determining the annual distribution set forth in section 9.03 of the bylaws and supports the FFE's mission to support the goals of the City of Kalamazoo, fund aspirational investments in the city, and empower Kalamazoo residents to achieve the lives they want for themselves and their families.

Since its creation in 2017, $11.9 million of funds contributed in support of the FFE's goals have provided unprecedented financial stability for the City. With a stable budget, City services are being maintained and adapted to community needs based on the Imagine Kalamazoo 2025 Strategic Vision. Kalamazoo City property taxpayers have experienced relief from $47.1 million of tax liability since 2017 following the reduction of the City's property tax millage from 19.2705 mills to 12.0000 mills. This reduction makes Kalamazoo more competitive in retaining and attracting residents, businesses, and jobs.

Finally, $32.6 million has been budgeted for aspirational projects since 2017 for innovative projects and programs that align with the Imagine Kalamazoo vision, including the Youth Mobility Fund, affordable housing initiatives, complete streets and park improvements, economic development assistance to small businesses, and grantees of the Shared Prosperity Kalamazoo High Impact Fund.

The full potential and impact of the Foundation for Excellence investment in Kalamazoo is becoming increasingly evident over these initial years. To communicate this story, staff continue to present the work in the annual newsletter, annual financial report, and through online tools: the Imagine Kalamazoo project tracker (www.imaginekalamazoo.com/projects and the tool that displays investment by City neighborhood and by goal area (www.kalamazoocity.org/ffedashboard). Together with the FFE's online document library and public meetings, the FFE is living its culture of transparency and accountability for the public good.

On behalf of the City of Kalamazoo I would like to thank you the entire Board of Directors for your commitment to realizing the unique vision and impact of the Foundation for Excellence.

Respectfully Yours,

The Mission of the Kalamazoo Foundation for Excellence is to support the goals of the City of Kalamazoo, fund aspirational investments in the city, and empower Kalamazoo residents to achieve the lives they want for themselves and their families.

Imagine Kalamazoo 2025 Goals and FFE Programs	Total 2017-2020 Grants to City	Proposed 2021 Grant to City*
Budget Stabilization	$11,920,000	$4,243,600
Tax Reduction	$47,092,033	$13,016,024
Subtotal	**$59,012,033**	**$17,259,624**
Aspirational Projects		
Safe Community		
Lead Services Replacements	$2,000,000	$500,000
Complete Neighborhoods, Connected City, Inviting Public Places		
Great Neighborhoods: Infrastructure	$7,950,000	$1,782,500
Great Neighborhoods: Park Enhancements	$4,180,000	$4,500
Neighborhood Engagement and Activation	$300,000	$100,000
Downtown: Inviting and Accessible Spaces	$500,000	
Youth Development		
MyCity Summer Youth Employment	$3,150,000	$825,000
All Things Possible (ATP)	$308,800	$134,674
SuperRec	$400,400	$175,358
Youth Mobility Fund (YMF)	$750,000	
Digital Access for All (DAFA)	$200,000	$100,000
Shared Prosperity		
Shared Prosperity Kalamazoo High Impact Fund	$2,106,500	
Economic Vitality		
Economic Development	$7,250,000	$1,933,200
Affordable Housing	$5,275,000	$2,410,000
Environmental Responsibility		
Home Energy Efficiency Audit Pilot	$66,000	$92,000
Good Governance, Program Costs		
FFE Personnel	$1,263,830	$469,505
Communication & Evaluation	$200,000	
FFE Projected Expenses	$236,500	
Total 1% Contingency per Goal Area**	$97,983	
Subtotal	$36,235,013	$8,526,737
TOTAL	**$95,247,046**	**$25,786,361**

*Budget drafts are subject to change prior to formal Board recommendation to the City Commission
**Existing contingency funds of $97,983 meet the target of 1%

APPENDIX A

Budget Descriptions

1. TAX REDUCTION

Bylaws, Section 9.03, Subsection A: "Equal to the difference between the amount that the City would have received in real estate tax and personal property tax revenue for the fiscal year-in-question calculated using a millage rate of 19.2705 mills ($19.2705 per $1000 of taxable value) less the amount of real and personal property taxes that the City is budgeted to receive for the fiscal year-in-question under the City's proposed millage rate, so as to provide the City a tax rate that is correlative to other municipalities in the Kalamazoo area (…)"

- Total 2021 Projected Taxable Values = $1,790,251,517
- Projected difference in taxes under 19.2705 mills and current 12 mills = $13,016,024

2. BUDGET STABILIZATION

Bylaws, Section 9.03, Subsection B: $4 million for budget fiscal 2019 and thereafter adjusted annually by the Municipal Cost Index developed by the American City & County Magazine, or another credible model addressing the price of the unique market basket of goods and services purchased by local governments, so as to address the structural revenue imbalance to City finances due to Michigan's broken municipal finance system. 2017, N/A; 2018, $3.8M; 2019, $4M; 2020, $4.12M; 2021, $4.23M.

3. ASPIRATIONAL PROJECTS AND PROGRAMS

Bylaws, Section 9.03, Subsection C: Additional annual distributions may be approved (…) (i) consistent with the purposes set forth in Article II in the Articles of Incorporation of this Corporation; and, (ii) consistent with donor intent as specified in the Statement of Donor Intent (…)

A. Safe Community

Lead Services Replacements: The City of Kalamazoo's Lead Water Service Replacement Program meets or exceeds all requirements, including new and more stringent laws passed in recent years. The City of Kalamazoo has been proactive with a lead water services replacement program that has been in place since 1992. At pre-2016 rates total system-wide lead service replacements would have taken 100 years to complete. Because of the FFE and other additional funding sources, lead service replacements are now funded at a rate to enable completion of system-wide replacements in 20 years. Approximately 70-80 water service replacements are anticipated as a result of FFE, consistent with previous years but depending on overall cost.

B. Complete Neighborhoods, Inviting Public Places, Connected City

Great Neighborhoods: Infrastructure: This year's request focuses on repairing and replacing sidewalks in priority areas within ¼ mile of a school or other key community asset – a priority included in the Imagine Kalamazoo Master Plan, as well as extending Kalamazoo River Valley Trail in two significant areas between downtown and core neighborhoods. Funding for tree planting and management are also once again included, as are new sources for traffic calming and beautification of core neighborhoods.

C. Neighborhood Engagement and Activation

a. **Neighborhood Planning:** seven neighborhood plans have been adopted to date (Edison, Eastside, Northside, Oakwood, Vine, Oakland Winchell, and Parkview Hills).

b. **Expungement Clinic:** The FFE-funded expungement clinic has successfully helped residents exercise their right to have past offenses expunged and help to clear a path to employment and success for community members that have made mistakes in their past. This program will continue in 2021.

D. Youth Development

a. **MyCITY (formerly YOU):** This program of the Kalamazoo Regional Educational Service Agency (KRESA) has partnered with the City since 2006. MyCITY Kalamazoo was modified because of COVID-19 to a predominantly virtual model for 2020 to allow for a safe and productive paid career exploration experience for youth ages 14-21 in the City of Kalamazoo. There were 154 participants who engaged in the virtual Career 101 and Career 2.0 pathways this summer which included activities guided by a Career Coach and focused on areas such as employability skills, career exploration, career pathway planning and industry focused project-based learning. Of the 154 participants, 65% earned a retention bonus for actively engaging fully in the program from start to finish. An additional 20% took advantage of the opportunity to make up incomplete activities from previous weeks and complete an optional career pathway planning bonus activity. The CareerNOW pathway of MyCITY Kalamazoo provided short term training opportunities in Certified Nurse Aide, Construction Trades, and Early Childhood Education through a combination of in-person and virtual classroom sessions.

b. **All Things Possible (ATP)**: A middle to high school summer transition program designed to eliminate skill gaps from the "**summer** slide." Each day consists of work skills, life skills, recreational activities, talent development, and career/educational exposure. Attendance of ATP grew from 30 to 50 participants in 2018 and 2019. In 2020 the program was reduced to 50% capacity because of COVID-19 and turned into three, two-week programs. Twenty-five unique youth participated throughout the summer.

c. **SuperRec**: Kalamazoo's only free drop-in summer camp for youth. In 2019 the Kalamazoo Parks and Recreation Department's SuperRec program built on the successful 2017 and 2018 expansions because of clear demand from families and added an additional site location. SuperRec works in City neighborhoods to offer free, socially enriching experiences to children aged 7 to 14, primarily those from underprivileged communities and backgrounds. Unique participants grew from 290 in 2017 and 304 in 2018 to 400 in 2019. Because of COVID-19, capacity was reduced to 50% at each site and a total of 146 unique were served youth throughout six, one-week sessions.

d. **Digital Access for All (DAFA):** A partnership of Kalamazoo Public School, Kalamazoo Public Library, and the Kalamazoo Promise offers free Internet access to up to 1,000 KPS households. This helps students across the system more equitably participate in distance learning, become comfortable with technology, and explore the opportunities that are available online.

e. **The Youth Mobility Fund (YMF):** A community partnership with Metro, KPS, and Kalamazoo Youth Development Network that provides fare-free transportation to public high school students. The program provided over 150,000 fare-free public bus rides in its pilot year from August 2019 to June 2020. Metro buses remain limited at 20% capacity due to COVID-19, and in response KPS will initially issue 400 Youth Mobility Fund cards to students who opt-in and are priority eligibility for the first trimester of the 2020-2021 school year.

E. Economic Vitality, Shared Prosperity

a. Economic Development

i. **Business Development Fund:** A fund that makes significant resources available through the Small Business Program, including Technical Assistance, Business Grants up to $2,500, Business Loans up to $35,000 for eligible activities and Gap Financing up to $25,000 for businesses that have received 75% of their needed financing through traditional lenders.

ii. **Neighborhood Plan Projects:** New strategies include targeting ideas to neighborhood plans as they are created, including expansion of façade improvements to business signage created in collaboration with local artists and planned pop-up retail pilot.

b. Affordable Housing

i. **Pathways Home Partnership:** A housing partnership of the City, Kalamazoo Neighborhood Housing Services, and Open Doors to move Kalamazoo residents from homelessness to homeownership.

ii. **Site Acquisition:** A project supporting site acquisition in priority places to rebuild housing and mixed-use buildings.

iii. **Housing for All:** A grant and loan program for affordable housing infill. The program supports mixed-use development for small developers and Incremental Development Alliance coaching. It funds Low Income Housing Tax credit project gaps.

iv. **Tax Foreclosure Prevention**: A program created in partnership with Kalamazoo County with an annual goal of zero tax foreclosures in the City of Kalamazoo.

v. **Clouded Title Clearing**: A unique effort with the County to identify and assist families in addressing unclear ownership of homes to create wealth in those families. In its first year, 2020, this program created a total of $334,000 of fair market value for eight families in core neighborhoods from an investment of $4,400 FFE dollars.

F. Environmental Responsibility

Home Energy Efficiency Audit Second Year: the second year of the pilot program will continue to collect data by offering no-cost energy audits to clients, performing energy efficiency upgrades, working with minority contractors to explore opportunities to expand professional certifications, and engaging with housing program clients to ensure more efficient, safe, and comfortable homes.

G. Good Governance, Program Costs

a. **FFE Personnel**: existing full-time positions are the Shared Prosperity Kalamazoo Coordinator, Neighborhood Activator, Youth Development Coordinator, and FFE Manager; the existing half-time positions are the Grants Specialist and Deputy City Manager responsible for FFE.

b. **Communication and Evaluation**: staff will continue to implement the 2017 engagement strategy while adding new tactics to reflect a maturation of the FFE and its needs. Awareness-building, values alignment, and new tools will be the focus. There will also be added emphasis on tracking and evaluation of individual programs and projects as well as the overall outcome of FFE investments.

c. **FFE Projected Expenses:** (SEE Appendix B)

APPENDIX B

FFE Projected 2020 Expenses Description

Direct expenses for the Foundation for Excellence in the 2021 fiscal year are projected to total $219,000. As planned, these costs will be paid directly from the FFE's endowment account beginning with the 2021 fiscal year and moving forward and reported by to the Finance Committee in regular reports.

FFE Projected 2021 Expenses	
Investment Consultant	180,000
Annual Independent Audit	7,500
Investment Due Diligence	6,500
Community Outreach	10,000
Board Liability Insurance	7,500
Investment Committee Liability Insurance	7,500
Total Projected Expenses	**219,000**

Other projected costs are Investment Manager Expenses and Investment Account Fees associated with managing the FFE endowment. Investment manager expenses are anticipated to increase significantly from 2019 due to the launch and partial funding of the endowment. The Foundation's investment strategy will have a once-annual cash flow requirement for paying expenses. These fees will be combination of base account fees and a percentage of investment.

Other Projected 2021 Expenses:	
Investment Manager Expenses	$250,000 estimate
Investment Account Fees	$500,000 estimate

City of Kalamazoo
Foundation for Excellence

June 30, 2020

Report to the

Investment Committee

Wednesday, August 26, 2020
11:00 am
Meeting to be conducted
virtually via Zoom

REPORT TO THE RETIREMENT INVESTMENT COMMITTEE

Performance of the

City of Kalamazoo Foundation for Excellence

June 30, 2020

On April 8, 2020 The Kalamazoo Foundation for Excellence custody account at State Street received the initial gifting of 465,000 shares of Stryker (SYK) stock. On April 15, 2020 State Street Global Markets liquidated 148,054 shares with the remaining 316,946 shares being liquidated on April 16, 2020. Total proceeds were $81,016,214.67.

On April 28, 2020, $40,000,000.00 was transferred out of the Foundation's Gift Account and into the Foundation's sub-account reserved for Jennison Intermediate Bonds. The transferred funds were invested into Jennison Intermediate Bonds on April 29, 2020.

On April 30, 2020, $40,750,000.00 was transferred out of the Foundation's Gift Account and into the Foundation's sub-account reserved for BlackRock Equity Index B. The transferred funds were invested into BlackRock Equity Index B on May 6, 2020.

For performance reporting purposes, the portfolio inception date is May 1, 2020.

Between April 8th 2020 and June 30, 2020, the market value of portfolio assets increased from $80.0 million to $85.5 million, an increase of $5.5 million or 6.88%. On May 27, 2020 dividends and interest earned on the shares prior to liquidation posted to the State Street custody account in the amount of $267,275.63.

The total portfolio return for the month of May was 7.87%. The total portfolio return for the month of June was 2.69%. The return since performance inception on May 1, 2020 was 10.76%.

Equities comprised 52.2% of the Foundation For Excellence portfolio at the end of the quarter. The equity portion of the portfolio returned 9.44% since performance inception on May 1, 2020.

Fixed income comprised 47.2% of the Foundation For Excellence portfolio at the end of the quarter. The fixed income portion of the portfolio returned 1.21% since performance inception on May 1, 2020.

The portfolio assets finished the quarter with 52.2% in equities, 47.2% in fixed income, and 0.6% in cash. The portfolio target allocation is 50% equities, 50% fixed income, and 0% cash.

The inflation-adjusted, or real return, since performance inception on May 1, 2020 was 10.22% as the US BLS All Urban inflation rate for the quarter was 0.55%.

Respectfully submitted,
August 26, 2020

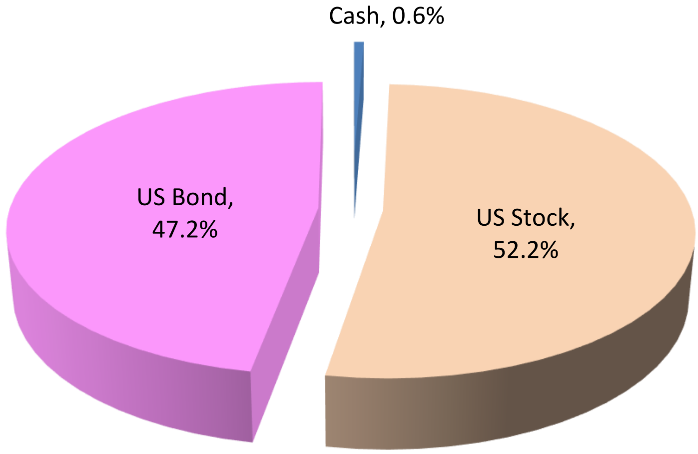
City of Kalamazoo Foundation for Excellence

June 30, 2020

City of Kalamazoo Foundation for Excellence

Asset Allocation

June 30, 2020



Market Value $ $85,499,533

Since-Inception (5/1/2020)
Return 10.77

PORTFOLIO EXPOSURE

Geographic Exposure [1]

U.S	100.0%
Foreign	0.0%
	100.0%

Currency (Direct Exposure)

USD	100.0%
Non-USD	0.0%
	100.0%

Asset Classes	ACTUAL %	Policy%
Equity	52.2%	50.0%
Fixed	47.2%	50.0%
Cash	0.6%	0.0%
	100.0%	100.0%

Liquidity-Daily	100.0%
Liquidity> 1 day & < 90 days	0.0%
Liquidity> 91 days & < 2 years	0.0%
Liquidity> 2 years	0.0%
Total	100.0%

Fixed Income Risk

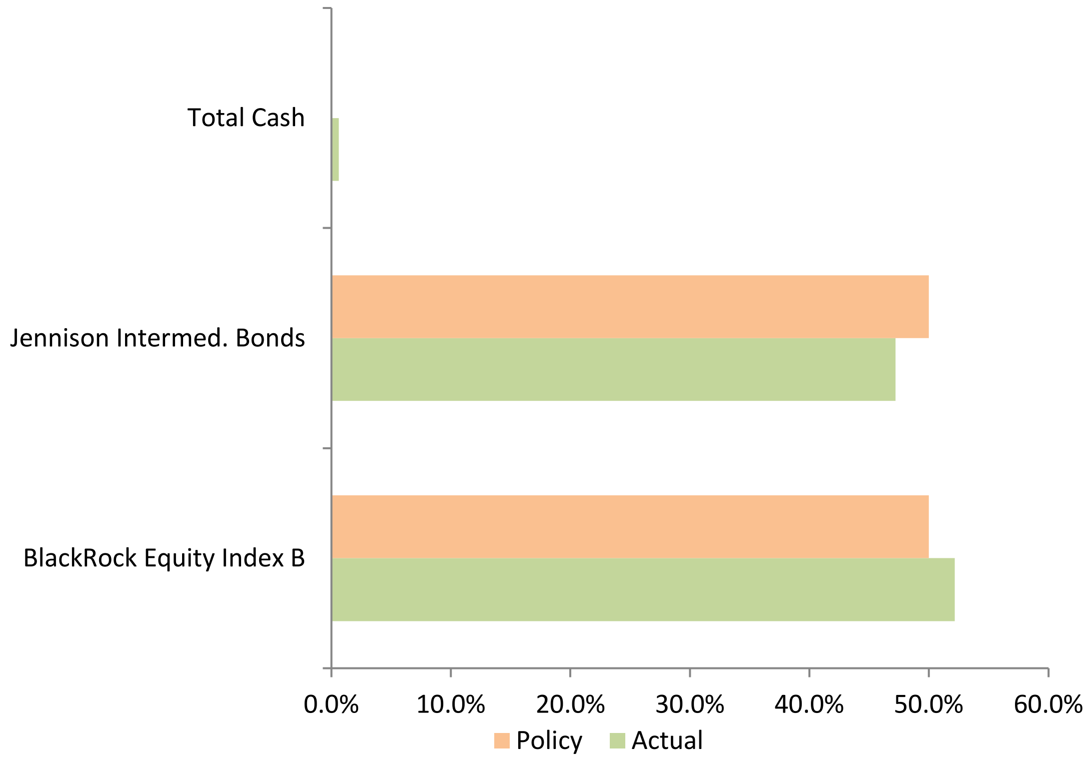
	Jennison	BBgBarc US Agg Bond TR USD
Coupon	2.82%	3.03%
Yield	1.26%	1.25%
Effective Duration (yrs)	6.15%	5.93
Convexity	0.79	0.44
Maturity (yrs)	8.68	8.04
Quality	AAA	AAA

Sector Allocation

	Jennison	BBgBarc US Agg Bond TR USD	+/-
Treasury	16.0	37.2	(21.2)
Agency	0.4	1.4	(1.1)
Finance	15.2	8.4	6.8
Industrial	24.7	16.9	7.8
Utility	2.9	2.1	0.8
Non-Corporate	0.9	4.6	(3.7)
Mortgage	31.8	26.8	4.9
Asset Backed	6.6	0.4	6.2
CMBS	0.0	2.2	(2.2)
Cash	1.6	0.0	1.6
Total	100.0	100.0	0.0

Some figures may not sum to 100% due to rounding.

City of Kalamazoo Foundation for Excellence
Policy Allocation vs. Actual
June 30, 2020



	Amount $	Actual	Policy	Variance %
BlackRock Equity Index B	44,597,900	52.2%	50.0%	2.16%
Jennison Intermed. Bonds	40,368,040	47.2%	50.0%	-2.79%
Total Cash	533,594	0.6%	0.0%	0.62%
	85,499,533	100.0%	100.0%	0.00%

Variance not to exceed 5% of target.

City of Kalamazoo Foundation for Excellence
Actual Rates of Return by Manager and Asset Class
June 30, 2020

Custodian: State Street

	Ticker	Market Value $	% at Market	Policy %	May 2020 Return	June 2020 Return	Since Inception (5.1.2020) 0.2 Yrs Return	*Years in Portfolio*
Beginning Market Value (Quarter)		*0*						
Equities								
BlackRock Equity Index B	CTF	44,597,900	52.2	50.0	7.31	1.99	9.44	*0.2*
Total Equity		44,597,900	52.2	50.0	7.31	1.99	9.44	
Fixed Income								
Jennison Intermed. Bonds	SepAcct	40,368,040	47.2	50.0	0.52	0.68	1.21	*0.2*
Total Fixed Income		40,368,040	47.2	50.0	0.52	0.68	1.21	
Cash	SSNXX	533,594	0.6	0.0	0.00	0.00	0.00	*0.2*
Total Cash		533,594	0.6	0.0	0.00	0.00	0.00	
Total Plan (Gross)		**85,499,533**	**100.0**	**100.0**	**7.87**	**2.69**	**10.77**	*0.2*

Past performance is no guarantee of future results

State Street Portfolio was funded on 4/8/2020 when 465,000 shares of Stryker Stock were gifted to the Foundation.

100% of Stryker liquidated on 4/15/2020 by State Street.

Jennison Intermed. Bonds purchased on 4/29/2020; $40.0MM at 50% allocation.

BlackRock Fund B purchased on 5/6/2020; $40.8MM at 50% allocation

City of Kalamazoo Foundation for Excellence
Manager Total Returns vs. Benchmarks
June 30, 2020

	Ticker	Policy Target %	Actual %	May 2020	June 2020	Since Inception (5.1.2020) 0.2 Yrs	Manager Fees	Mgr IN / BM
				Return	Return	Return	%	Years
BlackRock Equity Index B [1]	CTF	50.0	52.2	7.31	1.99	9.44	*0.02*	*0.2*
S&P 500 TR USD				4.76	1.99	6.85		
Manager Over/ (Under)				2.55	0.00	2.59		
Jennison Intermed. Bonds	SepAcct	50.0	47.2	0.52	0.68	1.21	*0.25*	*0.2*
BBgBarc US Agg Bond TR USD				0.47	0.63	1.10		
Manager Over/ (Under)				0.05	0.05	0.11		
Master Account (Cash)	SSNXX	0.0	0.6	0.00	0.00	0.00	*0.20*	*0.2*
USTREAS T-Bill Auction Ave 3 Mon				0.01	0.01	0.02		
Manager Over/ (Under)				(0.01)	(0.01)	(0.02)		

Weighted Average Manager Fee 0.13

(1) The BlackRock subaccount KF30 held only cash until 5/6, at which point the funds were invested into BlackRock Equity Index B.

City of Kalamazoo Foundation for Excellence
Portfolio Comparisons
June 30, 2020

Portfolio Inception 10/1/1982

	May 2020	June 2020	Since Inception (5.1.2020) 0.2 Yrs	Manager Fee %
	Return	Return	Return	
Total Plan--Actual (Gross) [1]	7.87	2.69	10.77	0.13
S&P 500 TR USD (50%)+BBgBarc US Agg Bond TR USD(50%)	2.61	1.31	3.96	
Manager Over/ (Under) Benchmark	5.26	1.38	6.81	
Total Plan--Actual (Gross)	7.87	2.69	10.77	
US BLS CPI All Urban NSA 1982-1984	0.00	0.55	0.55	
Total Plan--Actual (Gross) (Real)	7.87	2.14	10.22	

(1) The BlackRock subaccount KF30 held only cash until 5/6, at which point the funds were invested into BlackRock Equity Index B.

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Appendix 1

Manager and Benchmark Narratives

Kalamazoo Foundation For Excellence

Name (Morningstar)		DESCRIPTION
BlackRock Equity Index B	CTF	The BlackRock Equity Index Fund B (start: 23Jan1997) is a passive public equity index fund that tracks the S&P 500. The BlackRock Equity Index Fund is a collective trust fund with an objective of closely replicating the S&P 500 Index. We believe the S&P 500 TR USD Index is the appropriate benchmark for BlackRock Equity Index B.
Jennison Intermediate Bond	SepAcct	Jennsion Intermediate Bond is a separately managed portfolio. Jennison Intermediate Bond's investment objective is to achieve above benchmark returns from a combination of security selection, yield curve management, sector rotation and active trading. Jennison does not make duration bets, and as a result the portfolio should have a duration within .25 years of its benchmark. Jennison Intermediate invests in only investment grade securities, typically holds 80 - 200 issues, and maintains position sized below 2%. Jennison Intermediate Bond prefers the usage of Bloomberg Barclays US Aggregate Bond Index, which we believe is appropriate.
Cash	CmgId	