

Kalamazoo Foundation for Excellence

Supporting Kalamazoo

The winter of 2020 brought heartbreaking tragedy to our nation and our city, but looking around I have seen countless individuals and many dozens of organizations rushing in to offer aid to families, vulnerable populations, and small businesses. As residents I think we should all be proud that the City of Kalamazoo and Foundation for Excellence are a part of that story. This year will develop in many unknown directions, but we can all take some comfort that the FFE will rise to these extraordinary times as it has been working to do for many of our community's broader challenges since 2017. I speak for all 15 members of our Board of Directors when I say that we are eager to help and grateful for the privilege to serve. I thank each of them for investing their talents in building a sustainable organization that Kalamazoo can rely on day in, and day out, forever.

Dr. Angela Graham-Williams

Dr. Angela Graham-Williams,
President



Investing in Kalamazoo's Neighborhoods

See where and how much the
Foundation for Excellence is investing at
www.kalamazoocity.org/FFEdashboard

A Unique Partnership for Everyone in Our City

The Foundation for Excellence (FFE) is an innovative 501(c)3 non-profit support corporation that was created in 2017 to address systemic challenges to the prosperity of Kalamazoo. The FFE was originally announced alongside a commitment of \$70.3 million to support its creation, and to stabilize the City's budget, lower the property tax rate, and invest in aspirational community projects through 2019. To-date, the FFE has supported many City projects and programs that have the potential to impact the lives of all residents, including the pilot year of the Youth Mobility Fund and the creation of an ongoing expungement clinic. FFE also invests in infrastructure, youth development, and economic development, including the repair of sidewalks, lead water service removal, expanding youth development and employment programs, and park improvement projects.

A fundraising campaign has also been initiated to raise and invest enough resources to support this work forever, with a target of raising a \$500 million endowment fund.

Fiscal Year 2019

The Foundation for Excellence fiscal year 2019 allocation to the City was set in the amount of \$26,338,149 following public presentations and discussion before City Commission on September 1 and 10, 2018. The allocation was approved by the City Commission on January 29, 2019. \$14,250,149 was directed to stabilization of the City's budget and lowering the

City property tax rate from 19.0275 mills to 12 mills. Furthermore, \$10,088,000 was allocated for aspirational City programs. Successful 2018 programs were expanded or enhanced and new programs were implemented.

Budget Stabilization

A stable City budget reduces challenges to operating and helps to ensure that highly impactful and equitable aspirational projects are possible.

Tax Reduction

The significant investment in tax reduction for all City properties is intended to result in improved prosperity for our community. The City is tracking numbers for property tax delinquency rates and total parcels delinquent dating back a decade in order to set a baseline for modeling the long term impact on homeowners and businesses.

Aspirational Support

In the expand and enhance category are the City's flagship youth development and career preparation programs, **MyCity/ YOU**, **SuperRec**, and **All Things Possible**, the lead water service replacement initiative, and park and infrastructure enhancements occurring under the name of Great Neighborhoods. The partnership with the Local Initiative Support Corporation (LISC) to lead very substantial economic development and affordable housing initiatives continued in its second year. A notable aspect of this partnership is that City dollars are leveraging LISC dollars at a ratio of two-to-

one. Further support for economic development, especially in the areas of small business and neighborhood support, is being implemented through the new **Business Development Fund**.

In the area of new programming is a unique partnership with Kalamazoo Public Schools, Metro, and Kalamazoo Public Library called the **Youth Mobility**

Fund that provides unlimited

free bus ridership to City youth in grades 9 – 12.

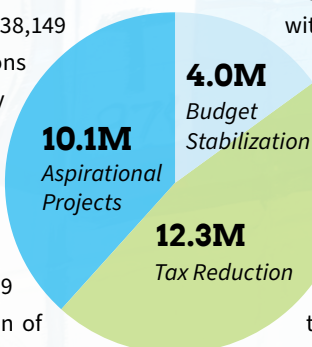
Furthermore, Shared Prosperity Kalamazoo made its first program recommendations, and due to a partnership with

Kalamazoo County Courts,

Kalamazoo County Bar Association, and Kalamazoo Defender, a recurring

Expungement Clinic has been created to help community members move past the mistakes they have made and towards a more prosperous future.

more than
\$34
million
saved by
taxpayers



“ The Expungement clinic is important to me because I just received my degree at Western in Finance and Business, being that I am getting this expunged off my record I can find a career in my field. ”

Aspirational Project Funding through 2019

**Economic Vitality &
Shared Prosperity**
\$10.36M

**Complete Neighborhoods,
Connected City, &
Inviting Public Places**
\$9.8M

Youth Development
\$3M

Safe Community
\$1.5M

Good Governance
\$1M

→ **\$25,668,500 total**

STATEMENT OF FINANCIAL POSITION

December 31, 2019

ASSETS

Current Assets

Cash	\$	16,655
Contributions Receivable		28,117
	\$	<u>44,744</u>

TOTAL ASSETS

LIABILITIES & NET ASSETS

Current Liabilities

Accounts Payable	\$	501
Due to City of Kalamazoo		500

TOTAL LIABILITIES	\$	<u>1,001</u>
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Net Assets

With donor restrictions - purpose restricted		43,773
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TOTAL LIABILITIES AND NET ASSETS	\$	<u>44,774</u>
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STATEMENT OF ACTIVITIES

Year ended December 31, 2019

	Without donor restrictions	With donor restrictions	Total
SUPPORT AND REVENUE			
Contributions	\$ -	\$ 6,889	\$ 6,889
Net assets released from restrictions	<u>562</u>	<u>(562)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	562	6,327	6,889
EXPENSES			
Supporting services			
General and administrative	<u>562</u>		<u>562</u>
CHANGE IN NET ASSETS	-	6,327	6,327
Net assets, beginning of year	<u>-</u>	<u>37,446</u>	<u>37,446</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ 43,773</u>	<u>\$ 43,773</u>

Students graduate from the FFE-funded Certified Nursing Assistant program at the Northside Association for Community Development.

What is the Foundation for Excellence?

The Foundation for Excellence (FFE) is an innovative 501(c)3 non-profit support corporation that was created in 2017 to address systemic challenges to the prosperity of Kalamazoo. FFE invests millions of private dollars each year to stabilize the City of Kalamazoo's budget, reduce the property tax rate, and invest in aspirational projects.

How does it work?

The FFE has a Board of Directors that reviews project and program proposals and approves a budget allocation each year to fund them. Once approved, this allocation is presented for approval by the Kalamazoo City Commission. The allocation is released from the FFE to the City of Kalamazoo to fund these projects and programs, which are carried out by City staff or community partners. FFE funding allows for millions of dollars of additional funding to be invested in our City while asking less of community members through reduced property taxes.

Governance and Policies

The FFE strives to maintain the highest ethical standards and maximum transparency in everything it does.

All meetings are announced in advance and open to the public subject to Open Meetings Act. In 2018, the Board of Directors unanimously approved core governance policies, including those regarding conflicts of interest, diversity and equal opportunity, financial accountability, and whistle-blower protections. An open document library including all policies is available online at www.kalamazoo.org/ffe.

Who is on the FFE Board of Directors?

The FFE bylaws establish a 15-member Board of Directors. Ten members are stakeholder directors, each representing a community interest such as healthcare, education, or business. Five are City Directors, representing the City of Kalamazoo generally. These members include the Mayor, City Manager, two City Commissioners, and one At-Large city representative. Stakeholder and At-Large terms rotate every three years while City Directors serve for the duration of their employment or elected service. A significant initiative is undertaken to cultivate a Board that is largely representative of the community and that will add unique insights about every facet of Kalamazoo.

One-third of board positions expire each year, meaning there are opportunities annually for community members to participate.

Board members are responsible for attending at least three meetings per year and contributing to the responsible and transparent operation of the foundation. There are no requirements on previous board membership or restrictions on who can apply, (though an overall percentage of city residents is required). Positions expire on May 31 each year and vacancies are announced along with application instructions in December.

2020 Board of Directors

Dr. Angela Graham-Williams, President

James K. Ritsema, Vice President

Adam McFarlin, Treasurer

Barbara Miller, Secretary

David Anderson

Sandra Calderon-Huezo

Alisa Carrel

Nathan Dannison

Jeanne Hess

Stephanie Hoffman

Rachel Lonberg

Alice Taylor

Charlene Taylor

Jack Urban

Von Washington, Jr.

Bobby J. Hopewell, *Emeritus*