

Kalamazoo Foundation for Excellence

"We've come through such a tumultuous year with protests and COVID, losing loved ones, businesses struggling. 2020 has been difficult personally, professionally, emotionally. Through it all, the Foundation for Excellence has provided help and hope. We'd like to remind our community that none of us is in this alone and, as residents, we have each others' backs."



Dr. Angela Graham-Williams,
President



**More than \$120
million invested
in Kalamazoo**

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

*Cover: New infill housing is built in
the Vine Neighborhood with funding
from the Foundation for Excellence*

A Proven Public and Non-Profit Partnership for Everyone in Kalamazoo

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.

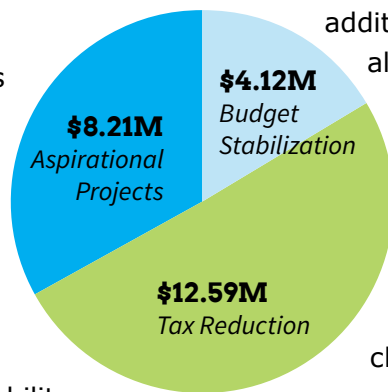
To-date, the FFE has supported many City projects and programs that have the potential to impact the lives of all residents, including the pilot year of the Youth Mobility Fund and the creation of an ongoing expungement clinic. FFE also invests in infrastructure, affordable housing, and economic development, including the repair of sidewalks, lead water service removal, youth development and employment programs, and park improvement projects.

A fundraising campaign has 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 2020

The Foundation for Excellence fiscal year 2020 allocation to the City was set at \$24,924,000

following public presentations and discussion before City Commission on October 7, 2019, and a vote of the City Commission on January 21, 2020. Of this sum, \$16,711,300 was directed to stabilization of the City's budget and lowering the City property taxes from 19.0275 mills to 12 mills. Furthermore, \$8,212,700 was allocated for aspirational City programs. An



additional \$2 million was also allocated midyear for COVID-19 relief programs.

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 average taxpayer's savings because of FFE is 11% on City property tax.

Aspirational Support, by Project and Goal

Residents are the beginning and the end of FFE's cycle of impact. All community goals

funded by FFE were outlined by residents as part of the award-winning Imagine Kalamazoo 2025 planning process. This work builds on the City's deep investment in broad community involvement and collaboration.

The Imagine Kalamazoo goals are derived from extensive community input, which focused the attention of City activities on five core neighborhoods with high levels of generational poverty and needed re-investment: Northside, Eastside, Edison, Vine, and Oakwood.

The FFE's founding documents guide programming choices to address generational poverty, youth development, remove barriers to under-employed and unemployed people, and improve infrastructure and neighborhoods, which align with the ten goals of Imagine Kalamazoo. City of Kalamazoo staff currently use a scoring process to ensure that projects proposed by City departments align with FFE and Imagine Kalamazoo goals, and have conducted the appropriate planning work to be successful. These projects are proposed to the FFE Board of Directors and City Commission in alternating public meetings for review, discussion, and final approval.



An interactive map of savings as well as aspirational investments is available at kalamazoo.city.org/ffe.

The FFE's innovative online Investment Map documents that aspirational investments have overwhelmingly been made in these core neighborhoods and shows that the Imagine Kalamazoo plan is working where it is needed most.

Aspirational Project Funding through 2020

Complete Neighborhoods,
Connected City, Inviting
Public Places
\$ 12.93 M

Economic Vitality, Shared
Prosperity Kalamazoo
\$ 12.63 M

Youth
Development
\$ 4.61 M

Safe
Community
\$ 2 M

Good
Governance
\$ 2 M

Environmental Responsibility \$ 66 K

\$ 33,881,200 total

Statement of Financial Position

December 31, 2020

ASSETS

Current assets	
Cash and cash equivalents	\$ 23,729
Contributions receivable	28,119
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Total current assets	51,848
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Noncurrent assets	
Investments	95,765,822
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TOTAL ASSETS	<u>\$ 95,817,670</u>

LIABILITIES AND NET ASSETS

Current liabilities	
Accounts payable	\$ 26,940
Due to City of Kalamazoo	1,001
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TOTAL LIABILITIES	27,905
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NET ASSETS	
Without donor restrictions	95,738,765
With donor restrictions - purpose restricted	51,000
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TOTAL NET ASSETS	95,789,765
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TOTAL LIABILITIES AND NET ASSETS	<u>\$ 95,817,670</u>

Statement of Activities

Year Ended December 31, 2020

	Without donor restrictions	With donor restrictions	Total
SUPPORT AND REVENUE			
Contributions	\$ 90,003,075	\$ 7,227	\$ 90,010,302
Investment return, net	5,735,690	-	-
	<hr/>	<hr/>	<hr/>
TOTAL SUPPORT AND REVENUE	95,738,765	7,227	7,227
	<hr/>	<hr/>	<hr/>
TOTAL EXPENSES	-	-	-
	<hr/>	<hr/>	<hr/>
CHANGE IN NET ASSETS	95,738,765	7,227	7,227
Net assets, beginning of year	-	43,773	43,773
Net assets, end of year	\$ 95,738,765	\$ 51,000	\$ 51,000



Kalamazoo youth learn about careers in healthcare through the FFE-funded MyCITY Summer Youth Employment Program.

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 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 investments 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.kalamazoocity.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. An effort is made 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.

2021 Board of Directors

Dr. Angela Graham-Williams,
President

James K. Ritsema, Vice
President

Barbara Miller, Secretary

Alisa Carrel, Treasurer

David Anderson

Sandra Calderon-Huezo

Jeanne Hess

Stephanie Hoffman

Rachel Lonberg

Alice Taylor

Charlene Taylor

Jack C. Urban

Von Washington Jr.

Bobby J. Hopewell, Board
Member Emeritus