



The City of Kalamazoo

FY2017 Proposed Budget

December 12, 2016

FY 2017 Budget Presentation



Agenda

- Introduction & presentation of themes
- Departmental Overviews
 - Public Safety, Public Services, Community Planning & Development, Parks & Recreation, I.T., and Administrative Departments
- Overview of 2017 Budget & 5 year forecast
- Foundation For Excellence Next Steps
- Citizen Comments
- Commissioner Comments

City Commission Priorities: Making Strides

Priority	Accomplishments
<p>1. Create Long Term Stability</p>	<p>Legacy Cost Task Force, Blue Ribbon Revenue Panel, Priority Based Budgeting, Foundation For Excellence, Consolidated Dispatch</p>
<p>2. Develop a High Performance Organization (HPO)</p>	<p>Support Services Group recommendations, new pay/performance system (2017), emphasis on City-wide collaboration, new structure at Public Services, apply Lean Six Sigma to processes, VOIP, SCADA</p>
<p>3. Create a Shared Vision Based on Intentional Community Engagement</p>	<p>Greatly increased participation in Imagine Kalamazoo 2025, Public Participation Plan in process, use of social media and other technologies</p>
<p>4. Continue to Provide Exceptional Services – “Core”</p>	<p>Apply Lean Six Sigma, 4 successful elections in 2016, Group Violence Intervention, 21st Century Policing, Lead service replacement</p>
<p>5. Reduce Poverty in the City of Kalamazoo</p>	<p>Shared Prosperity Kalamazoo</p>

City Commission Priorities: Accomplishments



First Structurally Balanced Five Year Plan in over 10 Years

- Legacy Cost Task Force
- Blue Ribbon Revenue Panel
- Priority Based Budgeting (PBB)
- Consolidated Dispatch
- Foundation for Excellence (FFE)
 - Budget stability
 - Investing in our City
 - Property tax reduction

City Commission Priorities: Accomplishments



Creating an organization of excellence

- High Performance Model: Attracting & Retaining Talent
- Enhanced internal communication & collaboration
- Pay and performance system overhaul (2017 goal)

High Performance Organization (HPO)



Summary of Progress

- KDPS VOIP phone deployment
- Unified I.T. Department
- Consolidated Dispatch
- Health Clinic Feasibility Study
- SCADA Modernization
- Centralized Fleet Management

Overview

From Surviving to Thriving: More Opportunities to Excel

-  Building a City organization with the capacity for success
-  Provide exceptional core services, address existing gaps
-  Imagine Kalamazoo 2025 (IK2025), Foundation For Excellence
-  Secure the opportunity that lies ahead



***Kalamazoo Department of
Public Safety***

Jeffrey Hadley, Public Safety Chief

2016 Highlights

-  Recruiting and Hiring the Next Generation of KDPS Officers
-  Group Violence Intervention
-  Body Worn Cameras

Looking Ahead: 2017



Stabilize Staffing



Continue to implement 21st Century Task Force on Policing recommendations

- Building Trust & Legitimacy
- Policy & Oversight
- Technology & Social Media
- Community Policing & Crime Reduction
- Training & Education
- Officer Wellness & Safety

HPO: Department Needs

-  Operations Divisions Staffing
-  Community Policing Officers
-  Public Information Officer
-  Bronson Hospital Officers

Current Non-General Fund Positions

Funding Source	Number of Personnel
COPS Grants	20
Community Development Block Grants	2
Bronson Hospital	2
Central County Transportation Authority	2
Kalamazoo Public Schools (SRO)	1
Comstock Public Schools (EFE)	1
Total	28

New Position Levels Requested

Operations Division Shifts (Platoons)

Police Shift	A		B		C		D	
	2016	2017	2016	2017	2016	2017	2016	2017
Day	9	10	8	9	9	10	8	9
Power	3	3	2	3	3	4	2	3
Night	8	9	9	10	8	9	9	10

THE CITY OF



Questions/Discussion



Department of Public Services

James J. Baker, PE, Director

2016 Highlights



County Wide Utilities Operations

- Aging Water and Wastewater Infrastructure
- Regulatory Demands



City of Kalamazoo Public Works Operations

- Keeping the city clean, safe and vibrant
- Infrastructure backbone - streets, bridges, storm drainage and sidewalks



Department Reorganization

- Optimize staff and better meet community needs

Department of Public Services

Public Services

Organizational Chart

James J. Baker, PE
Public Services Director -
City Engineer

Teresa T. Johnson, MSM, CPPB
Public Services Deputy Director



Looking Ahead: 2017

-  Regulatory compliance
-  Increased capital investment
-  Improved level of service

Looking Ahead: 2017



Regulatory Compliance:

- New sampling parameters and reporting – water
- More stringent effluent requirements – waste water
- New inspection and reporting requirements – storm sewer



Increased Capital Investment:

- Water and wastewater capital improvement plans
- Streets, bridges, sidewalks, storm sewers and flood control needs identified
- Complete streets, street lighting plan, neighborhood traffic studies, accelerated lead service replacement

Solid Waste Fund

-  No proposed millage change
-  Solid waste pick-up schedule of quarterly plus two
-  Dual stream to single stream conversion (under review)

HPO: Department Needs



Water and Wastewater Utilities

- Challenges of county wide operations with enhanced level of service and regulatory requirements
- Aging infrastructure and increased maintenance needs



Public Works

- **Imagine, Plan, Build** and *Maintain*
- Improve walkability and liveability in neighborhoods
 - Improved sidewalk and tree programs

HPO: Department Needs



Water and Wastewater Utilities

- Proposed staffing increase of 20 FTE
- Staffing needs included in 10-year rate projections
- Asset Management Coordinator



Public Works

- Proposed staffing increase of 10 FTE
- Funding through many programs, increased road funding, cost allocation plan and General Fund
- City does not currently have a storm water crew

Beyond 2017: Potential Long-Term Projects



Portage/Axtel Creek Flood Control

- Create plan then look toward funding opportunities



Woods Lake Storm Water Treatment Structure

- Incorporate engineering needs and aesthetics
- Reclaim essential recreation space and surface water enjoyment for the neighborhood



Milham Park Dam

THE CITY OF



Questions/Discussion



Community Planning & Development

Laura Lam, Director

2016 Highlights



Imagine Kalamazoo 2025

- 2,600 community contacts to date
- Estimated completion in May 2017



Community Development – HUD investments

- Rental assistance – 55 families
- Shelter – 121 homeless individuals
- Critical home repair – 89 families
- Homeownership – 3 families

2016 Highlights



Code Administration

- 16,000+ inspections
- Rental registration program improvements
- \$90 million in building permit construction valuation



Planning

- Redevelopment Ready Certification – 90% Completed
- Site plan process improvements underway

2016 Highlights



Shared Prosperity Kalamazoo (SPK)

- **Act** – All Things Possible pilot for 52 youth
- **Connect** – Bringing partners together to explore dual-generational family programming
- **Advocate** – Returnee coordination and enhanced services

Looking Ahead: 2017



Finalize Imagine Kalamazoo 2025

- Translate imagination into ACTION
 - Neighborhood Activator



Keeping Pace with Projects

- 58% increase in construction valuation
- Apply Lean Six Sigma to site plan and development process
- Increasing capacity
 - Deputy Building Official
 - Part-time Plumbing Inspector/Plan Reviewer

Looking Ahead: 2017



Align CP&D divisions around common goals

- Vision alignment – IK2025 to frame HUD plan
- Integrate SPK, IK2025, and Community Development work
- Streamline processes from planning to construction
- Improve blight elimination strategies
- Expand and strengthen partnerships

Looking Ahead: 2017



Shared Prosperity Kalamazoo (SPK)

- **Act** – All Things Possible 2.0
- **Connect** – SPK partners together to develop ACTION plan
- **Advocate** – for policy and resource needs for successful SPK plan implementation
 - SPK Coordinator



Questions/Discussion



Parks & Recreation

Sean Fletcher, Director

2016 Highlights



Woods Lake Beach Park Improvement Project

- Grand reopening event held in May 2016
- New restroom, picnic shelter, walking paths, landscaping, and scenic overlook



La Crone Park Supervised Playground Program

- Safe, supervised play for youth ages 4-12
- Kids had to be turned away due to space and staffing restraints
- Planning to expand the program in 2017

2016 Highlights



Station #5 Community Facility

- After school programs, meetings, and events
- Collaboration between CP&D and Parks & Recreation
- Funded with CDBG and Irving S. Gilmore support



Inaugural Skate Jam

- Hosted at the Skate Park at Upjohn Park
- Over 50 skaters participated in competition
- Demonstrates the need for teen programming

Looking Ahead: 2017



Expand Programming – Youth Development Coordinator

- Summer Camp
 - *Work with KPS to add sites*
- Summer Youth Employment Program
 - *Hire more kids*
- All Things Possible Program
 - *Increase participation and add additional sites*
- Supervised Playground Program
 - *Add 3 locations (one per quadrant)*
- After school programming at Station #5

Why expand programming?



Youth Programming offers many benefits!

- Boosts academic performance
- Reduces risky behaviors
- Promotes physical health
- Safe, structured environment for the children of working parents

HPO: Department Needs



3,000+ hour deficit for park maintenance

- 21,919 hours of tasks to maintain 36 parks
- 18,588 hours available (8,558 FT; 10,000 seasonal)
- Two Park Coordinator positions beginning in FY2017
 - *Reduce overtime and contractual service expenses*
 - *Offer the best possible service delivery for Kalamazoo residents*
 - *Support events and other revenue generating activities*



Questions/Discussion



Information Technology

Tim Clark, Director

2016 Highlights



VOIP deployment at KDPS

- VOIP telephone system expanded to include KDPS
- Enhanced service, unified system across the organization
- Monthly savings of ~\$20K compared to current system



Unified I.T. Department

- Consolidated and more efficient service delivery
- Technology Committee created to assess needs and standardize equipment

HPO: Department Needs



I.T. Department currently operates at a deficit capacity

- Long-view efficiency or cost reduction projects cannot be researched/implemented with current staffing
- 8,474 helpdesk requests resolved in 2016 (as of Dec. 7)
- Storage/Security Engineer
 - Address increasing demand for storage and prevent security breaches
- Deputy IT Director
 - Offer department capacity to implement large scale projects

Looking Ahead: Potential Projects



Wi-Fi in city parks



311 Call Center



Fiber-optic connection with City of Portage



Questions/Discussion



City Administration

Patsy Moore, Deputy City Manager

HPO: Other Administrative Departments



Resources needed to create HPO, support FFE, and provide exceptional service

- FFE Coordinator (CMO)
- Assistant Attorney (CAO)
- Records Manager (Clerk)
- Administrative Assistant (ED)
- Buyer (MBS)
- Financial Analyst (MBS)



Questions/Discussion



Budget Overview

Thomas C. Skrobola, CFO

Proposed FY 2017 Budget: how we got here - 2015, 2016

General Fund - 2015: \$3.3 million surplus, 24% balance

- Year-End Audit results: \$1.5 million improved
 - \$475 thousand – charges for services revenue
 - \$600 thousand – vacancy variance expense savings
 - \$365 thousand – energy expense savings

General Fund - 2016: \$2.8 million deficit, 19% balance

- Projections: \$700 thousand improved
 - \$350 thousand – tax revenue
 - \$240 thousand – energy expense savings

Proposed FY 2017 Budget – 2017



General Fund - 2017, \$2.3 million deficit, 13.8% balance

- Proposed: \$900 thousand improved
 - \$1.0 million – one-time sale of assets
 - \$350 thousand – one-time Fire Reimbursement revenue
 - (\$750 thousand) – New positions – net expense

Proposed FY 2017 Budget: The Way Forward



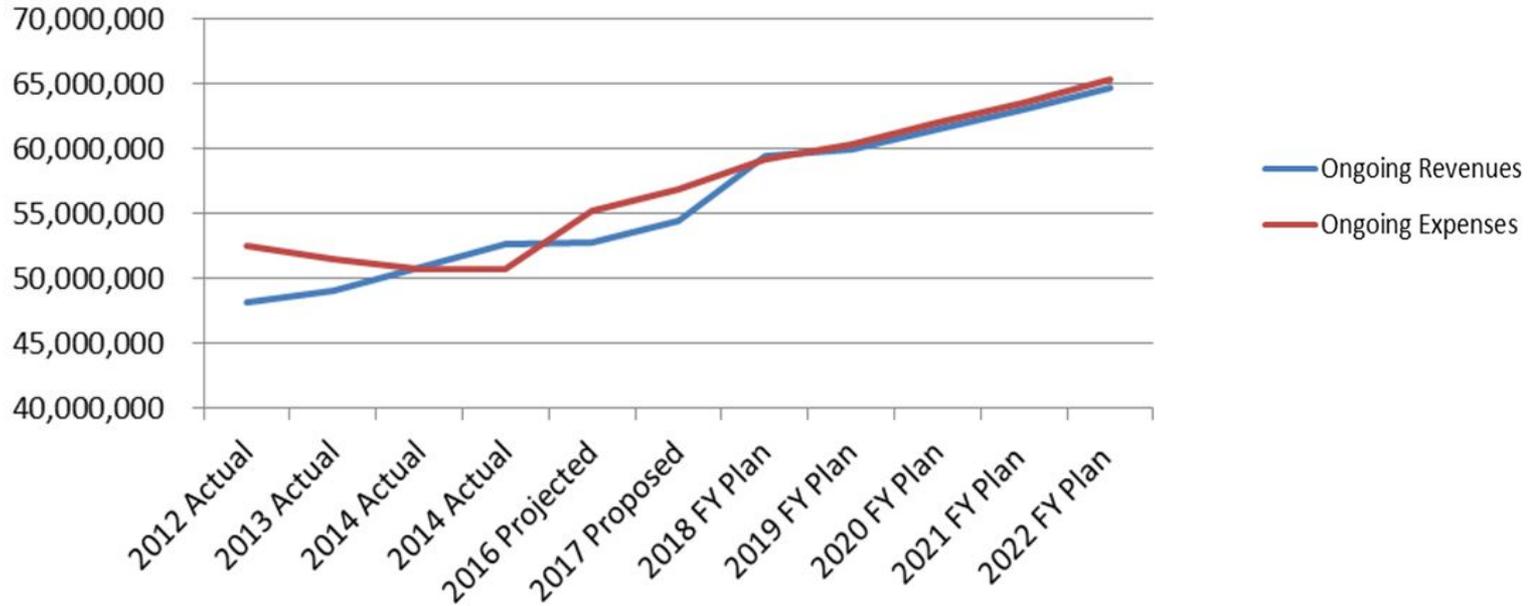
General Fund – 2018 – 2022: result: 13.2% balance

- Fiscal Plan: eliminated annual deficit of \$5 million (2021)
 - \$3.8 million – Foundation for Excellence annual revenue
 - \$2.0 million – Consolidated Dispatch expense reduction
 - \$0.7 million – Insurance Fund expense reduction
 - \$0.5 million – Extension of COPS Grants (2019 – 2022)
 - \$0.5 million – Property Tax revenue growth (3.0% vs. 1.5%)
 - (\$2.3 million) – New Personnel expense

Proposed FY 2017 Budget: The Way Forward



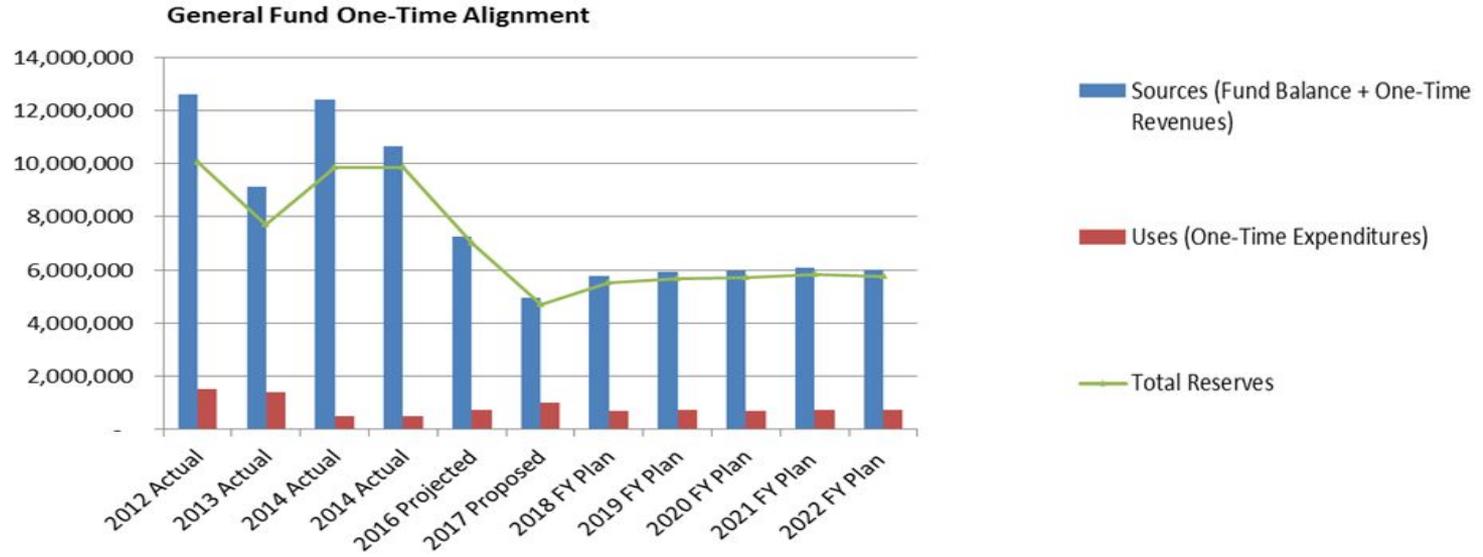
General Fund – 2015 – 2022 Fiscal Health: **Balanced!**



Proposed FY 2017 Budget: The Way Forward



General Fund – 2015 – 2022 Fiscal Health: **Aligned!**



Proposed FY 2017 Budget: The Way Forward



Major and Local Streets – 2017 – 2022

- Fiscal Plan: balanced by new State funding (same as 2016)



CIP – 2017 - 2022

- Fiscal Plan: balanced, same basic level of projects as 2016



Insurance Fund – 2017 - 2022

- Fiscal Plan: balanced, adequate reserves re-established

Priority Based Budgeting (PBB)

PBB segments the City's budget into three program categories:

- Direct – program that include personnel and non-personnel expense.
- Administrative – programs to support government activities and direct programs.
- Fixed costs – programs that include inter-fund transfers, debt service, OPEB contributions, and capital improvements.

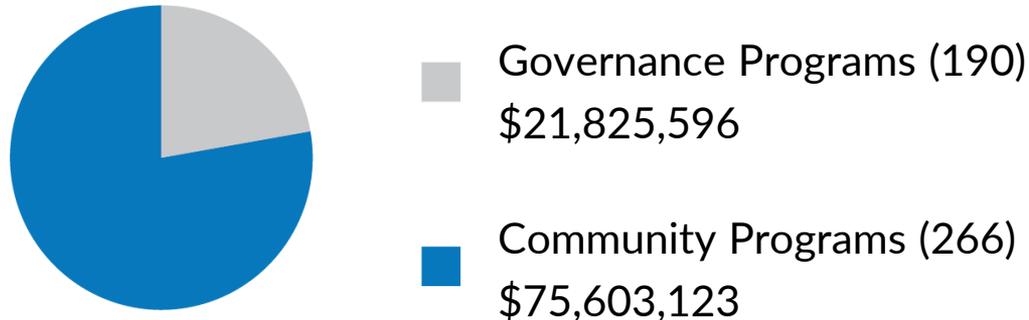
* Fixed costs are not scored and are considered “one-time” in nature.

Priority Based Budgeting – Proposed FY 2017 Budget

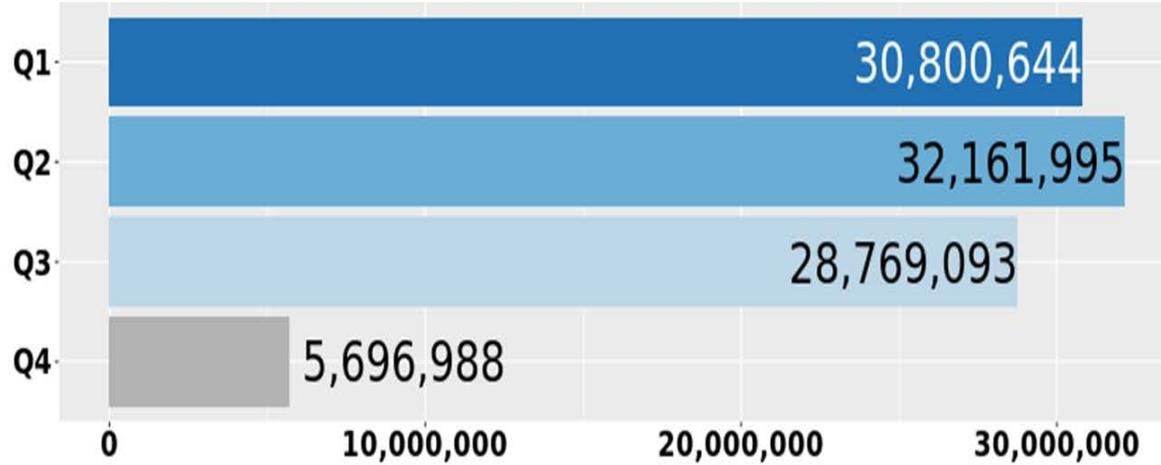
- City-Wide View: 456 programs, \$146.7 million
 - \$97.4 million of direct and administrative costs
 - \$49.3 million of fixed costs
 - Note: the number of programs used for analysis does not include the 42 fixed cost programs

Priority Based Budgeting – Proposed FY 2017 Budget

- There are two types of programs: Community and Governance
- Community programs provide services and are ranked based on the community results maps
- Governance programs provide internal support for City functions



Priority Based Budgeting – Programs with Administrative Costs



Community and Governance: \$92.2 million
Administrative: \$ 5.2 million
Total: \$97.4 million



Questions/Discussion



The City of Kalamazoo

Jim Ritsema, City Manager

New Expectations: From Surviving to Thriving



Imagine Kalamazoo 2025

- Realize the vision established through the IK2025 community visioning process



Foundation For Excellence (FFE)

- Create and fully endow the FFE
- Create the conditions needed for success
- Achieve the goals of the FFE



Provide exceptional core services

Building Capacity for Success



Funding of additional positions requested

Funding Source	# of Positions
Utility Funds	18
Partial Grant/Revenue Fund	15
General Fund	14
Street Funds	7
Cost Neutral	6
FFE	4

Foundation For Excellence Next Steps

-  **January 23** - Work Session Regarding FFE Allocation Process
-  **February/March** – Commission Retreat (FFE, IK2025, PBB)
-  **March/April** – Budget Amendment for 2017 Projects & Programs
-  **July 1** – Reduced Tax Bills Mailed

Overview

FY2017 Budget Calendar



December 12 - Work Session



December 26 - Work Session (Offices closed)



January 3 – Public Hearing



January 16 – Budget Adoption



March/April – Budget Amendment for 2017 Projects & Programs



Questions/Discussion



Citizen Comments



Commissioner Comments