The City of Kalamazoo

FY2017 Proposed Budget

December 12, 2016
Overview

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

## Overview

<table>
<thead>
<tr>
<th>Priority</th>
<th>Accomplishments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Create Long Term Stability</td>
<td>Legacy Cost Task Force, Blue Ribbon Revenue Panel, Priority Based Budgeting, Foundation For Excellence, Consolidated Dispatch</td>
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<tr>
<td>2. Develop a High Performance Organization (HPO)</td>
<td>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</td>
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<tr>
<td>3. Create a Shared Vision Based on Intentional Community Engagement</td>
<td>Greatly increased participation in Imagine Kalamazoo 2025, Public Participation Plan in process, use of social media and other technologies</td>
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<tr>
<td>5. Reduce Poverty in the City of Kalamazoo</td>
<td>Shared Prosperity Kalamazoo</td>
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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
Overview
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

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Number of Personnel</th>
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<tbody>
<tr>
<td>COPS Grants</td>
<td>20</td>
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<tr>
<td>Community Development Block Grants</td>
<td>2</td>
</tr>
<tr>
<td>Bronson Hospital</td>
<td>2</td>
</tr>
<tr>
<td>Central County Transportation Authority</td>
<td>2</td>
</tr>
<tr>
<td>Kalamazoo Public Schools (SRO)</td>
<td>1</td>
</tr>
<tr>
<td>Comstock Public Schools (EFE)</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>28</strong></td>
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</table>
### KDPS

**New Position Levels Requested**

<table>
<thead>
<tr>
<th>Police Shift</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
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<tbody>
<tr>
<td><strong>Day</strong></td>
<td>9</td>
<td>10</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td><strong>Power</strong></td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td><strong>Night</strong></td>
<td>8</td>
<td>9</td>
<td>9</td>
<td>10</td>
</tr>
</tbody>
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Questions/Discussion
Department of Public Services

James J. Baker, PE, Director
Department of Public Services

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
Looking Ahead: 2017

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

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

Looking Ahead: 2017

Department of Public Services
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
Department of Public Services

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
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
Questions/Discussion
Community Planning & Development
Laura Lam, Director
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
Community Planning & Development

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
Shared Prosperity Kalamazoo (SPK)

- **Act** – All Things Possible pilot for 52 youth
- **Connect** – Bringing partners together to explore dual-generational family programing
- **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
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
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
Parks & Recreation

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
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
Information Technology

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
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)
Budget Overview

Thomas C. Skrobola, CFO
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
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
City of Kalamazoo – Proposed FY 2017 – 18 Budget

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
General Fund – 2015 – 2022 Fiscal Health: **Balanced!**
Proposed FY 2017 Budget: The Way Forward

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

![General Fund One-Time Alignment Graph]

- **Sources** (Fund Balance + One-Time Revenues)
- **Uses** (One-Time Expenditures)
- **Total Reserves**
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
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.
City of Kalamazoo – Proposed FY 2017 – 18 Budget

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

- Governance Programs (190)
  - $21,825,596
- Community Programs (266)
  - $75,603,123
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
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

<table>
<thead>
<tr>
<th>Funding Source</th>
<th># of Positions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utility Funds</td>
<td>18</td>
</tr>
<tr>
<td>Partial Grant/Revenue Fund</td>
<td>15</td>
</tr>
<tr>
<td>General Fund</td>
<td>14</td>
</tr>
<tr>
<td>Street Funds</td>
<td>7</td>
</tr>
<tr>
<td>Cost Neutral</td>
<td>6</td>
</tr>
<tr>
<td>FFE</td>
<td>4</td>
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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
Citizen Comments
Commissioner Comments