City Commission
Work Session
January 23, 2017
Opening Remarks

Jim Ritsema, City Manager
Work Session Outputs

- Present understanding of the word “aspirational”
- Ensure understanding of integration of IK2025, FFE, HPO, and PBB
- Review & approve PBB Process and City Commission weighting of the Results for FFE project prioritization
- Ensure understanding of Commission’s thinking regarding FFE investment, projects, programs
- Explain why 2017 is different
What Does $10 Million Look Like?

• Estimated expenses for a few projects that have been mentioned recently:
  • Two-way conversion for only 2 local streets - $8-9 million
  • Re-working US-131 North of city - $18-20 million
  • Sidewalk improvement plan - $40,000 per block
  • Removal of lead water service lines - $30 million
  • Youth center for teens - $10-12 million
Laura Lam, Community Planning & Development Director
FFE Progress To Date

**OCTOBER 24, 2016 - AUGUST 31, 2017**
Development of FFE and approval by City Commission; creation of legal FFE entity

**JANUARY 1, 2017 - JUNE 30, 2019**
Capital campaign begins to raise $70.3 million and fully endow FFE.

**2017**

**JANUARY 1 - MARCH 4**
Program & project selection and prioritization

**MARCH 4 - DECEMBER 31**
Implementation of FY 2017 projects and programs

**JANUARY 17**
Approval of FY 2017 Budget including property tax rate reduction to 12 mills.

**MARCH 4**
Aspirational projects presented to City Commission for approval

**DECEMBER 1**
FY 2018 Budget transmittal including property tax rate of 12 mills
2017 vs. 2018 & Beyond

• 2017 is a year of transition
• “Building plane as we are flying it…”
• 2017 PBB Community Results
  – Blueprint for Action, current Master plan, and PBB best practice
  – Vetted with the community in 2015
• 2018 PBB Community Results and beyond – directly informed by IK2025
Maslow’s Hierarchy of Needs

- Physiological
  - Basic human needs (water, housing, infrastructure)

- Safety & Security
  - Personal & financial security, safety net, supportive services

- Belongingness & Love
  - Community building, engagement, and connectivity

- Community Esteem
  - Pride in/respect for neighborhood & community

- Community Actualization
  - Allowing each individual to realize their full potential

- Aspirational
Through a City of Kalamazoo Lens

COMMUNITY ACTUALIZATION
allowing each individual to realize their full potential

COMMUNITY ESTEEM
pride in/respect for neighborhood & community

BELONGINGNESS & LOVE
community building, engagement, and connectivity

SAFETY & SECURITY
personal & financial security, safety net, supportive services

PHYSIOLOGICAL
basic human needs (water, housing, infrastructure)

COMMUNITY RESULTS
ECONOMIC SUCCESS
ENVIRONMENTAL RESPONSIBILITY
RECREATIONAL, EDUCATIONAL, AND CULTURAL OPPORTUNITIES
SAFE COMMUNITY
SHARED PROSPERITY
STRONG COMMUNITY
TRANSPORTATION & MOBILITY
YOUTH DEVELOPMENT
How does the Foundation for Excellence Fit into City Initiatives?
Tom Skrobola, CFO
Priority Based Budgeting

- Review how the process works and why this best practice is our recommendation for prioritization
- Explain changes to the PBB tool
- Explain the weighting information
What’s the Big Idea?

Achieving Fiscal Health & Wellness

Fiscal Health
- Incorporate Economic Analysis and Long-Term Planning into Decision Making
- "Spend Within Our Means"
- Transparent About the "True Cost of Doing Business"
- Understand Variances (Budget vs. Actual)
- Establish and Maintain Reserves

Long-term Fiscal Wellness
- Support Resource Allocation Decision Making with Prioritization of Programs
- Value Programs Based on Evidence of their influence on Results
- Identify Programs and Services
- Identify the Role of Government (Results)
- Define the Results of Government Uniquely to the Community
The Golden Circle

**What**
Every organization on the planet knows WHAT they do. These are Products they sell or the services they offer.

**How**
Some Organizations know HOW they do it. These are things that make them special or set them apart from their competition.

**Why**
Very few Organizations know WHY they do what they do. WHY is not about making money. That’s a result. It’s a purpose, cause or belief. It’s the very reason your organization exists.
## Program Inventory/Costs

### City of Kalamazoo, Michigan
Department Program Inventory Worksheet
February, 2015

**DIRECTIONS:** Comprehensively identify "what you do" in your department by developing a list of programs/services you offer. Please provide a program name that clearly identifies what the program "does" and provide a brief description, if needed to clarify that programs function. Please avoid abbreviations, acronyms or terminology that would be unfamiliar to someone outside your department.

<table>
<thead>
<tr>
<th>Accounting Fund Name</th>
<th>DEPARTMENT NAME</th>
<th>DIVISION NAME</th>
<th>PROGRAM NAME</th>
<th>PROGRAM NUMBER</th>
<th>PROGRAM DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>City Clerk</td>
<td>Elections</td>
<td>Voter Education, Outreach and Advocacy</td>
<td>28</td>
<td>Providing education and training on the voter registration and election processes. Includes mailing a sample ballot to voters before General Elections.</td>
</tr>
<tr>
<td>General</td>
<td>City Clerk</td>
<td>Elections</td>
<td>Poll Worker Training</td>
<td>29</td>
<td>Training all City poll workers in even numbered years and providing training on an as-needed basis the rest of the time. Includes maintaining awareness of changes to election laws and procedures, developing training materials, scheduling sessions, delivering training, and evaluating training effectiveness.</td>
</tr>
<tr>
<td>General</td>
<td>City Clerk</td>
<td>Elections</td>
<td>High School Mock Elections</td>
<td>30</td>
<td>Conducting mock elections in area high schools in conjunction with the even-year General Elections. Includes coordinating educational presentations with the League of Women Voters, coordinating logistics with Kalamazoo Public Schools, and coordinating ballot printing and tabulator programming.</td>
</tr>
<tr>
<td>General</td>
<td>City Clerk</td>
<td>Elections</td>
<td>Election Administration</td>
<td>31</td>
<td>Administering all federal, state, and local elections for residents of the City of Kalamazoo. Includes hiring poll workers, leading voting equipment, processing absentee ballot requests; packing precinct supplies; managing precinct activities on Election Day, and delivering results.</td>
</tr>
<tr>
<td>General</td>
<td>City Clerk</td>
<td>Elections</td>
<td>Petition Verification</td>
<td>32</td>
<td>Using the Qualified Voter File to verify signatures on nominating, referendum, and initiative petitions.</td>
</tr>
<tr>
<td>General</td>
<td>City Clerk</td>
<td>Elections</td>
<td>Voter Registration</td>
<td>33</td>
<td>Maintaining accurate voter registration records in the Qualified Voter File and Voter Master Card File; includes processing voter registration applications and mailing voter registration cards and notices as required by law.</td>
</tr>
<tr>
<td>General</td>
<td>City Clerk</td>
<td>Elections</td>
<td>Voting Equipment and Supplies Storage</td>
<td>34</td>
<td>Storage of the City's voting tabulators, ballot marking devices, and election supplies.</td>
</tr>
<tr>
<td>General</td>
<td>City Clerk</td>
<td>Elections</td>
<td>Voting Equipment Maintenance and Repair</td>
<td>35</td>
<td>Preventative maintenance and repair of the City's voting tabulators and ballot marking devices.</td>
</tr>
</tbody>
</table>
“Inventorying all of a government’s services into a list of programs is the most difficult part of the process, but for many, it is the most illuminating. By costing out and rethinking the budget in terms of what specific services a government provides, decision-makers gain valuable information about what they actually do and how much each unit costs to produce.”

**Program Types (program count)**

**Ongoing Programs (480)**

- Direct Programs (456)
  - Community Programs (266) $78,670,639 (79% of ongoing)
  - Governance Programs (190) $18,758,080 (19% of ongoing)
  - Department Administration Programs (24) $1,967,517 (2% of ongoing)
  - **Total**: $99,396,236

**Fixed Cost Programs: one-time transfers/capital (43)** $49,290,603

**Citywide Programs (523)** $146,719,322
Community Results

- **Economic Success**
- **Environmental Responsibility**
- **Recreational, Educational & Cultural Opportunities**
- **Safe Community**
- **Shared Prosperity (NEW)**
- **Strong Community**
- **Transportation & Mobility**
- **Youth Development (NEW)**
Basic Program Attributes

- **Mandated to Provide Program**
- **Reliance on City to Provide Program**
- **Change in Demand for Program**
- **Cost Recovery of Program**
- **Portion of Community Served by Program**
Enhanced Program Attributes

- **Project Impact on City Operations**
  (Operations & Maintenance costs)
- **Ready to be Implemented**
- **Community Partnerships**
- **Program Leverage**
  (Outside Grants – Non City/Non FFE)
“Degree” of Relevance to Result

4 = Program has an **essential** or **critical** role in achieving Result

3 = Program has a **strong** influence on achieving Result

2 = Program has **some** degree of influence on achieving Result

1 = Program has **minimal** (but some) influence on achieving Result

0 = Program has **no** influence on achieving Result

“High Degree” of Relevance

“Lower Degree” of Relevance (still a clear connection)

No Clear Connection
Enhanced Program Attributes

- **Project Impact on City Operations (O & M)**
  - 4: Substantial Positive Impact; 3: Significant Positive Impact
  - 2: Modest Positive Impact; 1: Minimal Positive Impact
  - 0: No Impact
  - -1: Minimal Negative Impact; -2: Modest Negative Impact
  - -3: Significant Negative Impact; -4: Substantial Negative Impact
Enhanced Program Attributes

- **Ready to be Implemented**
  - 4: Finished in 2017
  - 3: Project Started in 2017
  - 2: Project Started in 2018
  - 1: Design Completed in 2017
  - 0: Not Ready
**Community Partnerships**

- 4: Multiple other partners
- 3: Other partners inside city
- 2: Other partners outside city
- 1: City is primary provider with 1 partner
- 0: City is only provider
Enhanced Program Attributes

- **Program Leverage (Grants, Non City/Non FFE $)**
  - 4: 75% to 100%
  - 3: 50% to 74%
  - 2: 25% to 49%
  - 1: 1% to 24%
  - 0: 0%
Each FFE project or program proposal will be evaluated using the scorecard method.

The results of the program scorecard will be weighted based on City Commission FFE $1,000 allocation exercise.

Proposals that align with prioritized community results will be favored in selection process.
## FFE $1,000 Prioritization Exercise

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Hopewell</td>
<td>200</td>
<td>50</td>
<td>50</td>
<td>100</td>
<td>225</td>
<td>100</td>
<td>100</td>
<td>175</td>
</tr>
<tr>
<td>Cooney</td>
<td></td>
<td>100</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>200</td>
</tr>
<tr>
<td>Anderson</td>
<td>700</td>
<td>25</td>
<td>50</td>
<td>100</td>
<td>25</td>
<td>25</td>
<td>50</td>
<td>25</td>
</tr>
<tr>
<td>Knott</td>
<td>500</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Milcarek</td>
<td>150</td>
<td>125</td>
<td>50</td>
<td>100</td>
<td>100</td>
<td>75</td>
<td>250</td>
<td>150</td>
</tr>
<tr>
<td>Sykes</td>
<td>150</td>
<td>100</td>
<td>50</td>
<td>100</td>
<td>300</td>
<td>50</td>
<td>50</td>
<td>200</td>
</tr>
<tr>
<td>Urban</td>
<td>400</td>
<td>100</td>
<td>50</td>
<td>50</td>
<td>25</td>
<td>75</td>
<td>250</td>
<td>50</td>
</tr>
<tr>
<td><strong>AVG</strong></td>
<td><strong>300</strong></td>
<td><strong>71.4</strong></td>
<td><strong>35.7</strong></td>
<td><strong>64.3</strong></td>
<td><strong>182.1</strong></td>
<td><strong>132</strong></td>
<td><strong>100</strong></td>
<td><strong>114.3</strong></td>
</tr>
</tbody>
</table>
Discussion

Jeff Chamberlain, Deputy City Manager
Results and Discussion

• What’s Missing?
• What are you hearing?
  • Given IK2025 providing some concepts and projects, what else are you hearing that we should consider adding into the pipeline for consideration of projects and programs?
  • 10 years of goals
    » FFE becomes a funding source to assist with achieving these goals
Upcoming: City Commission Retreat

- City Commission Retreat on March 4, 2017 at Metro Transit’s Governing Board Room at 8:30 a.m.
  - Facilitated by David Wheatley, Humanergy
  - Propose 2017 projects and programs for FFE funding
  - Moving from existing City Commission Priorities to Imagine Kalamazoo 2025 Goals