SAN BRUNO
Community Foundation

Board of Directors
Emily Roberts, President • Jim Ruane, Vice President • John P. McGlothlin, Secretary • Tim Ross, Treasurer
Raul Gomez • Nancy A. Kraus • Malissa Netane-Jones
Leslie Hatamiya, Executive Director

GOVERNOR'S EXECUTIVE ORDER N-25-20****
CORONAVIRUS COVID-19
AND SAN MATEO COUNTY HEALTH DIRECTIVE
FROM MARCH 14, 2020

On March 17, 2020, the Governor of California issued Executive Order N-29-20 suspending certain provisions of the Ralph M. Brown Act in order to allow for local legislative bodies to conduct their meetings telephonically or by other electronic means. Pursuant to the current Shelter-In-Place Order issued by the San Mateo County Health Officer which became effective on March 17, 2020, and which was updated and extended on April 29, 2020; the statewide Shelter-In-Place Order issued by the Governor in Executive Order N-33-20 on March 19, 2020; and the CDC's social distancing guidelines which discourage large public gatherings, the San Bruno Senior Center is no longer open to the public for meetings of the San Bruno Community Foundation Board of Directors.

If you would like to make a Public Comment on an item not on the agenda, or comment on a particular agenda item, please email us at info@sbcf.org or at ***mthurman@sanbruno.ca.gov. The length of all emailed comments should be commensurate with the three minutes customarily allowed per speaker, which is approximately 300 words total. Emails received before the special or regular meeting start time will be forwarded to the Foundation Board of Directors, and will become part of the public record for that meeting. If emailed comments are received after the meeting start time, or after the meeting ends, they will be forwarded to the Foundation Board of Directors and filed with the agenda packet becoming part of the public record for that meeting.***

Individuals who require special assistance of a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the agenda, agenda packet or other writings that may be distributed at the meeting, should contact Melissa Thurman, City Clerk by 12:00 p.m. the day of the meeting at (650) 619-7070 or by email at mthurman@sanbruno.ca.gov. Notification in advance of the meeting will enable the San Bruno Community Foundation to make reasonable arrangements to ensure accessibility to this meeting, the materials related to it, and your ability to comment.

AGENDA

SAN BRUNO COMMUNITY FOUNDATION

Regular Meeting of the Board of Directors

June 3, 2020
7:00 p.m.

Zoom Meeting Details: https://sanbruno-ca-gov.zoom.us/j/98010433625?pwd=dytHUUh3aFRBYzV6ZmlNRkd1QlJpUT09
Webinar or Meeting ID: 980 1043 3625 (audio only)
Participant ID: #
Webinar or Meeting Password: 547586
Zoom Phone Line: 669-900-9128 (same webinar ID and password as above)

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In compliance with the Americans with Disabilities Act, individuals requiring reasonable accommodations or appropriate alternative formats for notices, agendas, and records for this meeting should notify us 48 hours prior to meeting. Please call the City Clerk's Office at 650-616-7058.

1. **Call to Order/Welcome**

2. **Roll Call**

3. **Public Comment:** Individuals are allowed three minutes. It is the Board's policy to refer matters raised in this forum to staff for research and/or action where appropriate. The Brown Act prohibits the Board from discussing or acting upon any matter not agendized pursuant to State Law.

4. **Presentations:**

   a. Recognition of Outgoing San Bruno Community Services Director Joanne Magrini for her service to the San Bruno community and her support of the San Bruno Community Foundation

   b. Recognition of the 2020 Crestmoor Neighborhood Memorial Scholarship Recipients

5. **Approval of Minutes:** March 4, 2020, Regular Board Meeting, and May 6, 2020, Special Board Meeting

6. **Executive Director's Report**

7. **Consent Calendar:** All items are considered routine or implement an earlier Board action and may be enacted by one motion; there will be no separate discussion unless requested by a Board Member or staff.

   a. Adopt Resolution Canceling the July 1, 2020, and August 5, 2020, Regular Meetings of the Board of Directors

   b. Adopt Resolution Approving Appointments to the Investment Committee

   c. Receive and Approve Treasurer's Report (April 2020 Financial Statements)

Board of Directors
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Raul Gomez • Nancy A. Kraus • Malissa Netane-Jones
Leslie Hatamiya, Executive Director

8. Conduct of Business

a. Receive Report from Ad Hoc Committee on Recreation and Aquatics Center Project and Adopt Resolution Approving Strategic Grant to the City of San Bruno for City Compliance Review Related to the Recreation and Aquatics Center Project in an Amount Not to Exceed $1,061,611

b. Receive Report on Other Programs (Community Grants Fund and Other Strategic Grants)

c. Receive Report from Investment Committee

d. Adopt Resolution Approving Fiscal Year 2020-2021 Budget, Setting the Quasi-Endowment Payout Rate for Fiscal Year 2020-2021, Approving Transfer from the Strategic Pool Investment Account to the Liquidity-Operating Subaccount for Fiscal Year 2020-2021, and Approving Transfer from the Liquidity-RAC Investment Subaccount to the Liquidity-Operating Subaccount for Fiscal Year 2020-2021

9. Board Member Comments

10. Adjourn

SAN BRUNO
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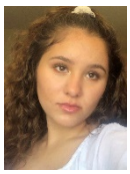
2020 CRESTMOOR NEIGHBORHOOD MEMORIAL SCHOLARSHIP RECIPIENTS

In 2020, the San Bruno Community Foundation recognizes 13 outstanding San Bruno students who have demonstrated a strong commitment to the San Bruno community with multi-year college scholarships totaling $190,000. Thank you to the Joseph W Welch Jr Foundation for its support of the 2020 program.

JUMANA ABDELGADIR: As president of the Black Student Union, a member of the School Site Council, a peer tutor, track and field team captain, and the only student to serve on the principal's hiring review committee, Jumana Abdelgadir is a leader at Capuchino High School. Her broad community involvement includes volunteering at a local hospital and at the San Bruno Library Homework Center. Combining her interest in science and social justice, Jumana plans to study public health at UC Berkeley.

JUN CHAN: Motivated by her mother's medical struggles, Jun Chan plans to pursue a degree in the biological sciences at UCLA. She has volunteered at Mills-Peninsula Health Center, taken emergency medical responder training, served as an election poll worker, and participated in an Empty Bowls fundraiser for organizations fighting hunger. Jun has also been an active member of Interact, the Environmental Club, and the California Scholarship Federation at Capuchino High School.



ISABELLA DA SILVA: Concert master of the Capuchino Chamber Orchestra, music teacher, and theater stage performer, Isabella Da Silva gives back to the community through the arts. She has also been active in her church, singing in the choir and teaching Sunday School. The daughter of Brazilian immigrants, Isabella has overcome many cultural challenges and will be the first in her family to attend college. Isabella will begin her studies at UC Santa Cruz this fall.

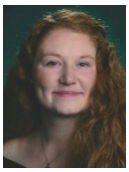
TRISTAN DAVIS: Headed to Grinnell College to study environmental science, Tristan Davis hopes to address issues of climate change. As president of the San Bruno 4-H Club, he has organized community service activities, served as a mentor for younger members, and partnered with the San Bruno Community Services Department. Tristan has also served on the San Mateo County Junior Fair Board, been a member of the Capuchino High School track and cross country teams, and played tuba in the school band.

KARINA DIAZ ALVAREZ: Karina Diaz Alvarez is a Capuchino High School scholar in the International Baccalaureate diploma program, dancer, athlete, and theater crew member. For the past three summers, Karina has been a dedicated leader in the San Bruno Library's Summer Reading Program, which sparked her interest in public service and her desire to pursue a career in the mental health field. Karina will enroll at UC Santa Cruz this fall.

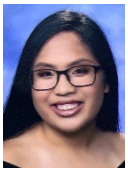
PEARL IBEANUSI: As a mother of six, full-time student, campus leader, and cancer survivor, Pearl Ibeanusi epitomizes hard work and sacrifice. At Skyline, Pearl has advocated for solutions to student hunger, homelessness, and the needs of international students. As President of the Associated Students at Skyline College, she provides collaborative leadership in her role overseeing all clubs on campus. Pearl will transfer to UC Santa Cruz and plans to pursue a career in community studies.

NADIA KOSHAFA: An International Baccalaureate diploma candidate and two-sport athlete at Capuchino High School, Nadia Koshafa will begin her studies at UC Berkeley with the goal of becoming a physician. Motivated by her younger siblings, Nadia has been an active volunteer at the San Bruno Library's Homework Center and Summer Reading Program, a peer tutor, and an Interact Club member. She has also served as the youth representative on the San Bruno Parks and Recreation Commission.

JAKARTA KUMASI-NAKURU: Having experienced the struggle of food insecurity first-hand, Jakarta Kumasi-Nakuru is motivated to give back to the community around him. At Skyline College, he has served as the Food Drive Chair for Second Harvest of Silicon Valley as well as tutored other students. Jakarta also co-founded the Astronomy Club and served as president of Kappa Beta Delta, Skyline's business honor society. Jakarta will begin his studies at the UC Berkeley's Haas School of Business this fall.



ALANNAH LINDEN: Alannah Linden has proudly represented San Bruno as drum major of the Capuchino High School band. A saxophonist, Alannah also plays in the USNSCC Band of the West and is a two-sport athlete. She has also volunteered with the San Bruno Library's Summer Reading Program and is trained as a Community Emergency Response Team (CERT) member. President of the Environmental Club, Alannah plans to study atmospheric and oceanic sciences and mathematics at UCLA.



ASIA LOPEZ: Inspired to share her musical talents, Asia Lopez has been a leader in the Capuchino Chamber Singers and was elected by her peers to be part of the Chamber Singers Student Council. She has also been active in both school and community drama productions as a sound tech and lead crew member. A peer tutor at school, Asia has also volunteered at the San Bruno Library. Asia plans to attend Los Medanos College with the goal of transferring to a four-year college and continuing her musical aspirations.

KAELYNN MALANI: Kaelynn Malani's identity as a first-generation Tongan and Filipina has inspired her community service. At Capuchino High School, she was president of the Polynesian Club, a peer tutor, and a leader of St. Bruno's Tongan Lataki. At Skyline College, she has embraced the Kababayan Learning Community and served as Pacific Islander Club president, student trustee for the San Mateo County Community College District, and commissioner of activities. She will transfer to San Jose State University this fall.

ERIC TORRES: As a single father of a special needs toddler, Eric Torres is determined to build a solid future for himself and his son. A financial aid ambassador at Skyline College, Eric takes pride in empowering others to reach their educational and financial goals. He is an active member of the Alpha Gamma Sigma, Kappa Beta Delta, and Phi Theta Kappa honor societies. A business major, Eric will transfer to San Francisco State University and aspires to one day own his own business.

JOMELLINE UMALI: Jomelline Umali co-founded Capuchino High School's Environmental Club, participated in many community events through four years of Interact Club, served as a peer tutor, and volunteered over several summers with the San Bruno Library's Summer Reading Program. With a passion for improving the quality of life for others, Jomelline plans to major in nursing at the College of San Mateo, with the ultimate goal of becoming a dermatologist.

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MINUTES

SAN BRUNO COMMUNITY FOUNDATION

Regular Meeting of the Board of Directors

March 4, 2020
7:00 p.m.

Meeting Location:
San Bruno Senior Center, 1555 Crystal Springs Road, San Bruno

1. **Call to Order/Welcome:** President Roberts called the meeting to order at 7:06 p.m.

2. **Roll Call:** Board Members Roberts, Ruane, McGlothlin, Ross, Gomez, and Netane-Jones, present; Board Member Kraus, excused.

3. **Public Comment:** None.

4. **Presentation:** Recognition of Georganne Perkins for her service on the San Bruno Community Foundation Investment Committee

On behalf of the Board, Treasurer and Investment Committee Chair Ross recognized Georganne Perkins (in abstentia) and her service on the Foundation's Investment Committee over the past 3.5 years. He emphasized the valuable experience she brought to the Committee and her diligence in being prepared for very meeting. President Roberts read a proclamation honoring Ms. Perkins' service to the Committee and the Foundation.

5. **Approval of Minutes:** January 13, 2020, Special Board Meeting: Vice President Ruane moved to approve the minutes of the January 13, 2020, Special Board Meeting, seconded by Treasurer Ross, approved unanimously.

6. **Executive Director's Report**

Executive Director Hatamiya gave a brief report on several items not covered in the business portion of the agenda. She reported that, under her contract authority as Executive Director, she has renewed the Foundation's commercial general liability, property, non-owned hired auto liability, and cyber liability

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insurance policies, all of which are up for renewal on March 21, 2020 (total combined premium of $1,182). She also reported that the Foundation's insurance broker went out to bid this year and found a better workers compensation insurance policy for the Foundation with AmTrust North America, offering the same coverage at lower premium ($803) than the Foundation's current policy with State Compensation Insurance Fund.

Ms. Hatamiya gave a brief update on the work of the Ad Hoc Committee on Vocational Education Strategic Initiative, including meetings with staff at Capuchino High School to learn about the subset of students more interested in vocational training and the opportunities the school offers and with the Dean of Strategic Partnerships and Workforce Development at Skyline College to learn about the college's vocational training offerings and needs.

She reminded Board members to submit their FPPC Form 700s by the April 2 deadline as well as complete AB 1234 training at their earliest convenience. She also reported that she planned to hire a contractor to do some of the administrative tasks related to preparing the Crestmoor Scholarship applications for review. Ms. Hatamiya also reported that she has engaged with the San Francisco law firm of Liebert Cassidy Whitmore to provide counsel to the Foundation on employment matters.

7. Consent Calendar

a. Adopt Resolution Canceling the April 1 and May 6, 2020, Regular Meetings of the Board of Directors

b. Adopt Resolution Authorizing Executive Director to Bind Directors and Officers Liability Insurance Policy from Philadelphia Insurance Companies for an Amount Not to Exceed $17,954

c. Adopt Resolution Adjusting Executive Director's Compensation

d. Adopt Resolution Authorizing Executive Director to Execute Five-Year Office Lease Extension for an Amount Not to Exceed $80,990

e. Receive and Approve Treasurer's Report (December 2019 and January 2020 Financial Statements)

City Attorney Marc Zafferano explained that State law requires an oral report on the Board's action to adjust the Executive Director's compensation. President Emily Roberts reported that the action in Item 7.c. is to provide a 3% cost of living increase to her salary, which will now be $197,920, as well as a one-time contribution of an additional 5% of her salary to her 403(b) retirement plan. She reported there would be no other changes to the Executive Director's compensation.

Secretary McGlothlin moved to accept the Consent Calendar as presented, seconded by Vice President Jim Ruane, approved unanimously.

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8. Conduct of Business

a. Receive Report on Recreation and Aquatics Center Project from the City of San Bruno

San Bruno City Manager Jovan Grogan led a team, which included Community Services Director Joanne Magrini, Kelly Beggs of Good City Company, Dawn Merkes and Daheen Maeng of Group 4 Architecture, Research + Planning, and Lance Solomon and Jon Hughes of Griffin Structures, that gave a thorough presentation on the Recreation and Aquatics Center project. Mr. Grogan thanked the Foundation Board for its $50 million commitment to fund the project. He outlined the remaining project schedule: completion of the design development and construction documents phase by the summer, select a contractor in the fall, move to temporary facilities by the end of 2020, and begin construction in early 2021. He explained that the project budget is now approximately $60 million for the base building, with another $3.4 million for the outside pool as an add-alternate, and that the City would likely fund the remaining $13.4 million through some combination of development projects, park in lieu fees, and a Measure K loan from the County of San Mateo. He and the others on the project team also covered the operations and program for the building, environmental review processes, site plans and views, and communication plans. Board members asked several clarifying questions about the project and commended the City team on the work done thus far.

b. Receive Report on Music Education Strategic Initiative

Executive Director Hatamiya reported on the Music Education Strategic Initiative. She said that for the past three school years, Foundation grants have enabled the San Bruno Park School District to offer high-quality, age-appropriate music curriculum to all 1,600 elementary school students in partnership with the nonprofit Music for Minors, supported the music program at Parkside Intermediate School, primarily funding the purchase of key equipment and supplies, and, at Capuchino High School, funded the purchase of new marching band uniforms and other necessary equipment and supplies as well as transportation expenses that enable the high school music groups to participate in off-campus performances and competitions.

She noted that from the beginning, a key component of the Initiative has been to ensure that the progress made in the music education programs in the San Bruno Park School District and at Capuchino High School will be sustainable once SBCF funding sunsets. But, she said, over the past year, the district has faced a number of significant obstacles that have made for an extremely challenging fundraising environment for the schools and their fundraising arms. Former Superintendent Stella Kemp unexpectedly announced her resignation at the end of the 2018-2019 school year, the Chief Business Officer and the Director of Student Services and Special Education resigned soon after, Interim Superintendent Sharon Kamberg has been leading the district since the summer, and parent organizations at two of the district's schools have suffered from embezzlement incidents. Concerned about the negative impact these developments were having on SBEF's fundraising efforts, Ms. Hatamiya approached SBEF about SBEF and SBPSD being able to sustain the music programs – particularly at the

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elementary school level, where they are outsourced to the Music for Minors program and funded entirely from donations – in the next school year, in a desire to sustain the significant gains made over the past three years with the Music Education Strategic Initiative.

At her suggestion, SBEF proposed an extension of the Initiative's funding to ensure that SBEF and the district weather the current storm and can continue to build up its fundraising capacity to be able to support the elementary school music program on an ongoing basis. SBEF requested an additional $60,000 for each of the next two school years. Of that amount, $50,000 each year would cover a significant portion of the $90,000 budget for Music for Minors, and $10,000 would cover sustainability efforts.

Ms. Hatamiya reported she also reached out to the Capuchino High School Alumni Association to inquire about funding needs of the music programs at Capuchino High School. While Capuchino's music programs do receive financial support from the better-funded San Mateo Union High School District, the growth in the school's music programs have led to increased transportation costs, in particular, related to performances and competitions, which are typically covered by donations.

Based on this information, Ms. Hatamiya asked the Board to consider an extension of the Music Education Strategic Initiative for a fourth year at the following levels: $60,000 to SBEF and $8,000 to CHSAA. SBEF Vice President Bryan Vander Lugt, CHSAA Vice President Judy Puccini, Cap Music Boosters President Jennifer Gomez, and Capuchino High School Music Director Scott Souza supported the proposal on behalf of their respective organizations and thanked SBCF for its ongoing support.

Board members asked clarifying questions about the state of the music programs and expressed support for the proposal, which Ms. Hatamiya said would return to the Board at its next meeting for formal consideration.

c. Receive Report on Other Programs (Community Grants Fund, Crestmoor Neighborhood Memorial Scholarship, and Other Strategic Grants)

Executive Director Hatamiya reported on the Foundation's other programs and initiatives. She first reported on the Crestmoor Neighborhood Memorial Scholarship, whose application deadline was the day before the meeting. She said that staff was in the process of going through the applications to check for eligibility and completeness. She said the 2020 Crestmoor Scholars will be recognized at the Foundation's June 3 Board meeting and that, with the donation from the Joseph W Welch Jr Foundation, the Foundation will distribute scholarships totaling $190,000.

With regard to the Community Grants Fund, Ms. Hatamiya reported on one of the 2017-2018 Community Grants, which was $25,000 to the San Bruno Education Foundation for GATE programming in the San Bruno Park School District. She noted that the Foundation granted a six-month extension on the grant because the district's plans were delayed by its restructuring and the passage of the school bond measure, and that SBEF ultimately reported that the funded GATE programs came in under the

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original budget, due to changes in the programs planned and reduced district staffing for the programs. Because the district has paused further development of GATE programs, SBEF decided to return the unexpended funds to SBCF rather than request a second extension to use up the funds on additional GATE programming. Ms. Hatamiya reported that SBCF received the unused grant funds, totaling $10,399.73, at the end of January 2020. Because the grant was originally expensed in a previous fiscal year, the funds appear as miscellaneous income in SBCF's 2019-2020 financial statements.

She also reported that grant agreements have been executed for all of the 2019-2020 Community Grants Fund awards, with only three grant checks yet to be distributed. She thanked those Board members who hand-delivered grant checks and announced that the 2020-2021 grant cycle will launch in July and follow the same schedule as the past four years.

With regard to Community Day 2020, Ms. Hatamiya reported that this year's event is scheduled for June 7, 2020, and that City staff is developing new marketing materials for Community Day sponsorships.

d. Receive Report from Audit Committee and Adopt Resolution Authorizing President Emily Roberts to Execute a Contract with Novogradac & Company LLP for Audit and Tax Preparation Services for Fiscal Year 2019-2020 for an Amount Not to Exceed $9,500

On behalf of the Audit Committee, Chair Gomez reported that the Committee received six responses to the Foundation's request for proposals for audit and tax preparation services by the January 15 deadline. He said the Committee met in late January and discussed the proposals at length, selecting two finalists for further consideration, including follow-up phone calls and reference checks. He reported that, ultimately, Novogradac & Company LLP was the clear choice based on the quality of the submitted proposal, the firm's relevant experience, the proposed fees, and the feedback the Committee received on the two finalists from references. He said that the Foundation's engagement team at Novogradac would continue to be led by Lance Smith and that the Committee requested – and Mr. Smith agreed to – rotating the staff accountants working on the Foundation's account, so that the two primary accountants who have been handling the Foundation's activities would be moved off and two new accountants would be assigned to the Foundation. He said the Committee believes this rotation of the accountants closely reviewing the Foundation's accounting books would bring "fresh eyes" to the audit but still enable the firm to leverage its five years of experience with the Foundation. Committee Member Netane-Jones agreed that Novogradac was the best choice, especially given its willingness to rotate the staff members on the Foundation's account team.

Ms. Hatamiya noted that staff was working out several details in the professional services agreement with Novogradac and asked the Board to consider an amended version of the resolution that conditioned the approval on the Executive Director and Novogradac coming to agreement on the terms of the contract.

Vice President Ruane moved to accept the resolution authorizing President Emily Roberts to execute a contract with Novogradac & Company LLP for audit and tax preparation services for fiscal year 2019-

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2020 for an amount not to exceed $9,500, as amended, seconded by Secretary McGlothlin, approved unanimously.

e. Receive Report from Investment Committee

Treasurer Ross, who serves as Investment Committee chair, welcomed Secretary McGlothlin to the Committee and gave a brief report on the Committee's February 26 quarterly meeting, at which Sand Hill Global Advisors reported on the performance of the Foundation's investment portfolio in the fourth quarter of 2019. He reviewed the Foundation's investment portfolio balances, which ended 2019 at slightly under $77 million.

9. Board Member Comments: Vice President Ruane noted that San Bruno recently lost a dedicated community member – Dennis Sammut of Artichoke Joe's. The Board observed a moment of silence in Mr. Sammut's memory.

10. Adjourn: Vice President Ruane moved to adjourn the meeting, in memory of Dennis Sammut, at 9:05 p.m., seconded by Secretary McGlothlin, approved unanimously.

Respectfully submitted for approval at the Regular Board Meeting of June 3, 2020, by Secretary John McGlothlin and President Emily Roberts.

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John McGlothlin, Secretary

_____
Emily Roberts, President

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MINUTES

SAN BRUNO COMMUNITY FOUNDATION

Special Meeting of the Board of Directors

May 6, 2020
5:00 p.m.

Meeting Conducted via Zoom

1. Call to Order/Welcome: President Roberts called the meeting to order at 5:04 p.m. She acknowledged the COVID-19 pandemic, its effects on the San Bruno community, and how it caused the meeting to be held via Zoom. She dedicated the meeting to all those lending a helping hand in the community.

2. Roll Call: Board Members Roberts, Ruane, McGlothlin, Ross, Gomez, Kraus, and Netane-Jones, present.

3. Public Comment: None.

4. Conduct of Business

a. Receive and Approve Treasurer's Report (February and March 2020 Financial Statements)

Treasurer Ross gave a brief report on the Foundation's finances. He reported that as of April 30, 2020, the combined balances of the Foundation's three investment accounts totaled approximately $74.5 million. He referenced that the market bottomed out in late March but has slowly but steadily recovered since then. He said the Foundation is following the advice of Sand Hill Global Advisors, the Foundation's investment adviser, to stay the course, and that the investment pools have performed in line with expectations.

Vice President Ruane moved to approve the Treasurer's Report, seconded by Board Member Kraus, approved unanimously by roll call vote.

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b. Receive Report on COVID-19 Relief Initiatives

Executive Director Hatamiya explained that while San Bruno community is suffering the wrath of COVID-19, the Foundation is in the fortunate position of being able to provide assistance to important segments of the community that are in need – particularly public schools and small businesses. She then presented a package of three COVID-19 relief strategic grant proposals totaling $490,000 for Board consideration.

i. Adopt Resolution Approving Strategic Grant to the San Bruno Education Foundation for the San Bruno Park School District Teacher Laptop Initiative to Support Distance Learning in an Amount Not to Exceed $240,000

In light of her professional affiliation with the San Bruno Park School District, Board Member Kraus recused herself from consideration of this item and departed from the Zoom meeting.

Ms. Hatamiya explained that when she first reached out to San Bruno Park School District Interim Superintendent Sharon Kamberg and asked about the district's highest priority need with which the Foundation could help, Dr. Kamberg quickly identified new laptops for all of the district's teachers to support them in this new era of distance learning. She said Dr. Kamberg told her that the district was initially primarily focused on making sure the students were taken care of – that they all had devices at home as well as internet access – but that the district quickly discovered that many of the teachers were lacking suitable technology to support the sudden and dramatic transition to online instruction that they were asked to make.

Dr. Kamberg then explained the district's desire to provide new laptops to all TK-8 teachers in the district. She said the teachers deserve the technology necessary to teach students digitally and that, without outside help, the district would be unable to provide new laptops to all teachers for five years. She explained that the $240,000 grant requested would provide the new laptops as well as a software system to enable the district's IT staff to more efficiently manage them.

San Bruno City Councilmember Linda Mason thanked the Board for considering this request and said she was pleased to see this type of collaboration, especially to support San Bruno's teachers and students.

Vice President Ruane moved to approve the resolution approving a strategic grant to the San Bruno Education Foundation for the San Bruno Park School District Teacher Laptop Initiative to Support Distance Learning in an amount not to exceed $240,000, seconded by Board Member Gomez, approved unanimously by roll call vote (Board Member Kraus recused).

Board Member Kraus rejoined the meeting.

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ii. Adopt Resolution Approving Strategic Grant Supporting San Bruno Small Businesses in the Amount of $150,000

Ms. Hatamiya explained that she is recommending that SBCF take a two-pronged approach in assisting San Bruno's small businesses as they attempt to survive the disastrous impacts of COVID-19. She said the first prong is to support a program providing direct financial assistance to San Bruno small businesses and the second is to reach a much broader swath of businesses with critical financial and business assistance resources. For the first prong, she proposed that the Foundation award a $150,000 grant to the San Mateo County Strong Small Business Grant Program to be specifically earmarked for San Bruno businesses to ensure that the funds benefit those in the local community.

She then introduced Don Cecil, a consultant with the San Mateo County Economic Development Association, which is assisting the County of San Mateo with the small business arm of San Mateo County Strong. Mr. Cecil explained that in March the County Board of Supervisors earmarked $3 million in Measure K funds as seed money to launch a fund – named San Mateo County Strong – to provide emergency relief to local individuals, families, nonprofit organizations, and small businesses, and that the County has also solicited donations for San Mateo County Strong from corporations, municipalities, and community members that can be directed to one of the three areas of assistance. He said that of the County's $3 million, $1 million is being distributed as grants of up to $10,000 to eligible small businesses throughout the County through the San Mateo County Strong Small Business Grant Program, with grants being used to pay for payroll, operations, ongoing expenses, or other costs associated with COVID-19 impacts. He reported that San Mateo Country Strong received applications from 44 San Bruno small businesses, and that with the Foundation's donation, 15 businesses would benefit.

San Bruno Mayor Rico Medina thanked the Board for its efforts to support San Bruno small businesses. He said that the Foundation being able to support these COVID-19 relief grants is one way that something good has come out of the tragedy that San Bruno suffered ten years ago with the Crestmoor gas pipeline explosion.

Ms. Hatamiya explained that San Mateo County Strong has partnered with the San Mateo Credit Union Community Fund (SMCUCF) to administer the small business grants, but because SMCUCF has not yet obtained its 501(c)(3) public charity designation from the IRS, the SBCF will likely need to direct its grant to the Silicon Valley Community Foundation, which is also receiving donations to San Mateo County Strong and charges a 1% administrative fee, to ensure compliance with its own requirements as a 501(c)(3) supporting organization.

Secretary McGlothlin moved to adopt the resolution approving a strategic grant supporting San Bruno small businesses in the amount of $150,000, seconded by Board Member Kraus, approved unanimously by roll call vote.

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Leslie Hatamiya, Executive Director

iii. Adopt Resolution Approving Strategic Grant to the San Mateo County Community College District to Support the San Bruno Small Business Recovery Assistance Program of the Bay Area Entrepreneur Center of Skyline College in an Amount Not to Exceed $100,000

Executive Director Hatamiya reported that the second prong of SBCF's approach in assisting San Bruno small businesses in the wake of COVID-19 is to fund a program run through the Bay Area Entrepreneur Center (BAEC) of Skyline College to provide free technical business and financial assistance to San Bruno small businesses seeking such assistance.

BAEC Director Pcyeta Stroud introduced the BAEC as Skyline's off-campus resource for start-up businesses designed to support aspiring entrepreneurs and nurture the development of small businesses in the local community. She explained that the BAEC is uniquely positioned to help San Bruno's small businesses. The program would leverage the BAEC's partnerships with the San Bruno Chamber of Commerce, Skyline College's Accounting Department, SCORE, and the Small Business Development Center to provide free assistance – including financial advising, business consulting, tax preparation, translation services, software tools for businesses, and a host of virtual workshops – to a broad pool of San Bruno small businesses to help them develop business plans for recovery from COVID-19 damage they have experienced. She reported on a recent survey the BAEC and San Bruno Chamber of Commerce conducted on the needs of San Bruno's small businesses in the face of COVID-19 and explained the components of the proposed program, including timeline and rollout, activities, and benefits to the community.

Board members expressed strong support for the program to help a broad group of small businesses and the collaborative nature of the proposal. San Bruno City Councilmember Linda Mason also applauded the program. Mr. Cecil said this program is unique to San Bruno and that he hopes other local communities replicate it. He provided an analogy that while the San Mateo County Strong grants are the life preserver, the BAEC program is the lifeboat.

Vice President Ruane moved to adopt the resolution approving a strategic grant to the San Mateo County Community College District to Support the San Bruno Small Business Recovery Assistance Program of the Bay Area Entrepreneur Center of Skyline College in an amount not to exceed $100,000, seconded by Board Member Kraus, approved unanimously by roll call vote.

c. Approve Strategic Grants to the San Bruno Education Foundation and the Capuchino High School Alumni Association Totaling $68,000 to Support Continued Implementation of the Music Education Strategic Initiative

In light of her professional affiliation with the San Bruno Park School District, Board Member Kraus recused herself from consideration of this item and departed from the Zoom meeting.

Executive Director Hatamiya quickly summarized the report she gave at the March 4, 2020, meeting on the Music Education Strategic Initiative: For the past three school years, Foundation grants have enabled

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the San Bruno Park School District to offer high-quality, age-appropriate music curriculum to all 1,600 elementary school students in partnership with the nonprofit Music for Minors, supported the music program at Parkside Intermediate School, primarily funding the purchase of key equipment and supplies, and, at Capuchino High School, funded the purchase of new marching band uniforms and other necessary equipment and supplies as well as transportation expenses that enable the high school music groups to participate in off-campus performances and competitions. She noted that from the beginning, a key component of the Initiative has been to ensure that the progress made in the music education programs in the San Bruno Park School District and at Capuchino High School will be sustainable once SBCF funding sunsets, but, over the past year, the district has faced a number of significant obstacles that have made for an extremely challenging fundraising environment for the schools and their fundraising arms. She noted that the COVID-19 pandemic has magnified the challenges facing the schools and the fundraising efforts of the San Bruno Education Foundation and the Capuchino High School Alumni Association.

Based on the favorable response her March report received from the Board, she formally requested that the Foundation extend the Music Education Strategic Initiative to a fourth year, providing an additional $68,000 in funding ($60,000 to SBEF and $8,000 to CHSAA) for school year 2020-2021.

SBEF Vice President Bryan Vander Lugt commended the Foundation's COVID-19 relief efforts and, while acknowledging that SBEF's fundraising efforts are likely to be hindered in the current economic environment, expressed gratitude for the Foundation's continuing support for the Music Education Strategic Initiative.

Capuchino High School Principal Jesse Boise announced that current Music Director Scott Souza is leaving the school and a new music director will be hired soon. He emphasized that Mr. Souza is leaving the program in a much better place than he inherited and that he is confident that the new director will be able to continue the program's upward trajectory. He said that the plan is to spend less money on transportation in the future, as a single outing can cost $4,000 for transportation, and that the additional $8,000 next year will help with transportation costs and provide seed funding for the new director.

CHSAA Vice President Judy Puccini said that a small silver lining is that expenses will be decreased because there will be fewer competitions in the next school year and that a better use for some portion of the funding might be to subsidize the "fair share" music program students are asked to contribute to the program.

San Bruno City Councilmember Linda Mason expressed her support for music education generally and for the proposal before the Board.

Secretary McGlothlin moved to adopt the resolution approving strategic grants to the San Bruno Education Foundation and the Capuchino High School Alumni Association totaling $68,000 to support

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continued implementation of the Music Education Strategic Initiative, seconded by Vice President Ruane, approved unanimously by roll call vote (Board Member Kraus recused).

Board Member Kraus rejoined the meeting.

d. Receive Report on Other Programs (Community Grants Fund, Crestmoor Neighborhood Memorial Scholarship, and Other Strategic Grants)

Executive Director Hatamiya gave a brief report on the Crestmoor Scholarship, the Community Grants Fund, and Community Day.

With regard to the Crestmoor Scholarship, she reported that the Foundation received 55 completed applications by the March 3 deadline and that the selection panel of 18 community volunteers evaluated the applications and ultimately awarded 13 scholarships totaling $190,000 from a competitive applicant pool as follows: seven high school to four-year college awards, two high school to community college awards, and four community college to four-year college awards. She thanked the Joseph W Welch Jr Foundation for donating $70,000 to the program. She said staff has notified all applicants of the results of the selection process, and the plan is to publicly announce the 2020 Crestmoor Scholars in a press release to be issued in mid-May and to recognize the Scholars at the June 3 Board meeting. She also explained that she is working on the next fiscal year's budget and is not aware of any donations to the 2021 Crestmoor Scholarship. Because, prior to the Welch donation, last November the Board indicated a desire to increase scholarship disbursements by $40,000 to $160,000, she said she plans to budget $160,000 in scholarship program disbursements for 2021, to be funded by an increase in Quasi-Endowment payout.

With regard to the Community Grants Fund, she said that by the time COVID-19 hit, the Foundation had executed grant agreements for all 29 Community Grants the Board approved in December as well as distributed all 29 grant checks. She reported that many nonprofits are facing serious financial and programmatic challenges in the face of COVID-19, and so SBCF followed the lead of the Council on Foundations and offered flexibility to current grantees, doing so in a way that is fully consistent with SBCF's obligation to ensure that any of its funds are used for a purpose that is consistent with SBCF's purposes as stated in our Articles of Incorporation and Bylaws, which are to benefit the San Bruno community through enduring and significant contributions to, and investments in, charitable and community programs and publicly owned facilities. She reported that many grantees responded and expressed appreciation for the offer of flexibility, several said they will likely need an extension of the grant period, as their programs have been put on hold during the shelter in place and they intend to resume the programs once the restrictions are eased, and others are in a wait-and-see mode and, depending on the length of the shelter-in-place period, may request adjustments to their grant agreements later in the year.

Ms. Hatamiya also reported that following SBCF's usual schedule, the plan is to launch the 2020-2021 cycle of the Community Grants Fund at the beginning of July. At this time, she said she does not

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anticipate making any significant changes to the program or shifting its focus to a COVID-19 relief program, although she expects many applications to reflect the programmatic and financial impacts the applicants have experienced. She said that in creating the next budget, she is planning to set the Community Grants Fund program disbursement level at $200,000, with that amount funded by Quasi-Endowment payout, and that the amount may be increased it the Foundation expects to receive any donations earmarked for the program.

Finally, Ms. Hatamiya reported that the City has canceled Community Day, which was scheduled for June 7 and which the Foundation was supporting with a $20,000 grant, due to COVID-19.

5. Board Member Comments: Board Member Kraus complimented President Roberts for her opening remarks and running of the meeting and Executive Director Hatamiya for her collaboration with the City of San Bruno as a member of the City's Emergency Operations Center team and with many community partners on the COVID-19 relief grants. Board Member Netane-Jones echoed Ms. Kraus' comments and reported that her experience serving on the Crestmoor Scholarship selection panel for the first time was challenging and rewarding. Vice President Ruane wished Executive Director Hatamiya and others a happy Mother's Day. President Roberts extended thank yous to Executive Director Hatamiya, the presenters on the various strategic grants, the Foundation's partnership with the City, and her fellow Board members.

6. Adjourn: Board Member Kraus moved to adjourn the meeting at 7:01 p.m., seconded by Board Member Gomez, approved unanimously.

Respectfully submitted for approval at the Regular Board Meeting of June 3, 2020, by Secretary John McGlothlin and President Emily Roberts.

_____
John McGlothlin, Secretary

_____
Emily Roberts, President

SAN BRUNO
Community Foundation

Memorandum

DATE: **May 29, 2020**

TO: **Board of Directors, San Bruno Community Foundation**

FROM: **Leslie Hatamiya, Executive Director**

SUBJECT: **Executive Director's Report**

Since the May 6, 2018, Board meeting, I have continued to focus on administering the Community Grants Fund and Crestmoor Scholarship programs, monitoring and attending to various strategic grant initiatives, supporting the Investment Committee, and developing the fiscal year 2020-2021 budget, all of which will be covered during the business portion of the June 3, 2020, regular Board meeting. In addition, I have handled a variety of other matters, including the following:

1. Insurance Policy Renewals

Renewals of the Foundation's workers compensation, directors and officers liability, and commercial general liability, cyber liability, property, and non-owned hired auto liability insurance policies became effective on March 21, 2020.

In addition, the Foundation's crime insurance policy with Travelers Casualty and Surety Company of America was renewed for a new two-year term, from May 27, 2020, to May 27, 2022. This year's premium is $3,144.

2. Auditor

At the March 4 Board meeting, the Board approved Novogradac & Company LLP to conduct the Foundation's fiscal year 2019-2020 audit and authorized President Emily Roberts to execute a professional services agreement with the firm for audit and tax preparation services, conditioned on the Executive Director and Novogradac coming to agreement on the terms of the contract. Novogradac and I resolved the remaining items in the professional services agreement, and it was fully executed on March 6, 2020.

3. Information Technology Consultant

The Foundation's current professional services agreement with Shake Technologies for information technology services runs from July 1, 2019, through June 30, 2020, for an amount

not to exceed $12,870. ShakeTech and I recently executed a new agreement that will run from July 1, 2020, to June 30, 2021, with the same terms and also for an amount not to exceed $12,870. ShakeTech continues to provide valuable support for our IT needs, particularly the Foundation's online grant and scholarship applications and review processes.

4. Personnel Matters

As mentioned at the January meeting, in September 2019, Governor Gavin Newsom signed into law California Assembly Bill 5 (AB 5), which became effective on January 1, 2020 (also known as the gig work bill). AB 5 imposes stricter requirements for classifying workers as independent contractors rather than employees, so that many workers who organizations have treated as contractors must now be reclassified as employees. In February, I reached out employment counsel at the San Francisco law firm of Liebert Cassidy Whitmore. As I suspected, we concluded that under the test set forth in AB 5, the program consultant role currently filled by Stephanie Rutgers likely should be classified as an employee under the new law, as the role performs work that is within "the usual course of the hiring entity's business." My plan was to redefine the role as a Program Manager staff position and convert Ms. Rutgers to employee status by July 1, 2020, the beginning of the new fiscal year and the day after her current consulting agreement with the Foundation expires. Before doing so, I also intended to develop, with the assistance of the Ad Hoc Committee on Personnel, an employee handbook for the Foundation.

Due to the COVID-19 pandemic and the extra work created by my joining the City of San Bruno's Emergency Operations Center team and developing several COVID-19 relief strategic initiatives, I have not been able to dedicate the necessary time and thought to this task over the past several months. As I notified the Committee, rather than try to rush through this important task, I will continue to have Ms. Rutgers work as a consultant through the end of September (the first quarter of the fiscal year), and over the summer I will develop the employee handbook, the Program Manager job description, and Ms. Rutgers' compensation package, so that she will be converted to employee status on October 1, 2020. As a result, under my contract authority as Executive Director, I will renew Ms. Rutgers' consulting agreement for three months (July 1-September 30, 2020). The proposed fiscal year 2020-2021 budget that the Board will consider on June 3 will include one quarter's worth of consulting fees and three quarters' worth of payroll and benefits for Ms. Rutgers. The budget also reflects that when she transitions to employee status, the Foundation will also cover a portion of her cell phone and computer expenses as well as her mileage reimbursement for work-related travel. The budget figures are rough estimates, as I have not yet worked out the details of her compensation package for the position.

I intend to bring the employee handbook to the Board for consideration at its September 2 meeting.

5. Email Newsletter and Website Hits

Since the March 4 Board meeting, I have sent out six email blasts to the Foundation's email distribution list. One announced the May 6 Board meeting, one reported on that Board meeting and announced the COVID-19 relief grants, a third announced the 2020 Crestmoor Scholars, and three provided information about COVID-19 resources as part of the Foundation's partnership with the City to disseminate information to the community during the pandemic. The COVID-19 blasts received the most views, and overall readership of all the blasts was higher than usual. Of the approximately 690 emails sent each time, 39%-60% of the recipients opened the email.

According to Google Analytics, activity on the sbcf.org website increased substantially between March 20, when we sent out the first COVID-19 blast, through April 7, after the second COVID-19 blast, and then spiked again on April 27, when we sent the third COVID-19 blast. Traffic also spiked significantly on May 18, when the Crestmoor Scholars were announced. Between March 5 and May 26, 2,063 users engaged in 2,888 sessions on the Foundation website, for a total of 4,795 page views. The most visited pages were the COVID-19 resource pages, the home page, and pages related to the Crestmoor Scholarship.

SAN BRUNO
Community Foundation

Memorandum

DATE: **May 29, 2020**

TO: **Board of Directors, San Bruno Community Foundation**

FROM: **Leslie Hatamiya, Executive Director**

SUBJECT: **Consent Calendar for the June 3, 2020, Regular Board Meeting**

For the June 3, 2020, Regular Meeting of the Board of Directors of The San Bruno Community Foundation, the Consent Calendar includes three items related to administrative and operational functions of the Foundation:

1. **Adopt Resolution Canceling the July 1, 2020, and August 5, 2020, Regular Meetings of the Board of Directors**

The Foundation Board is scheduled to have regular monthly meetings on July 1 and August 5, 2020 (the first Wednesday of the month). At this time, we do not anticipate the Foundation facing any pressing matters that would require Board attention or action on either date, and for the past several years we have canceled the July and August regular meetings. I recommend that the Board approve the attached resolution canceling the July 1 and August 5 meetings as part of the Consent Calendar. If matters requiring the Board's attention arise over the summer, the Board is able to schedule a special meeting as necessary.

2. **Adopt Resolution Approving Appointments to the Investment Committee**

Article VII, Section 3 of the San Bruno Community Foundation's Bylaws empowers the Foundation's Board of Directors to create advisory committees that may contain any number of Director and non-Director committee members. On June 1, 2016, the Board created the Investment Committee as an advisory body charged with providing guidance to the Board on all aspects of the investment management process, as outlined in the Charter of the Investment Committee. The Committee Charter states that the Committee shall consist of the Board Treasurer (currently Tim Ross), who serves in an ex officio capacity, along with one other Director member and three non-Director members whose experience in finance and investment management may assist the Committee and the Board in the performance of their investment oversight responsibilities. The four Committee members other than the Treasurer are appointed by the Board. In 2018, the Board appointed then-Vice President Frank Hedley, Anthony Clifford, Mark Hayes, and Georganne Perkins to two-year terms on the Investment Committee commencing on July 1, 2018, and concluding on June 30, 2020. Ms. Perkins resigned from the Committee effective December 31, 2019, and Mr. Hedley's term on the SBCF

Board concluded on December 31, 2019, as well. This past January, the Board appointed Secretary John McGlothlin to serve the remaining months of Mr. Hedley's term as the second Director member, and it appointed Mr. Hedley to serve the remaining months of Ms. Perkins' term as a non-Director member. Secretary McGlothlin, Mr. Clifford, Dr. Hayes, and Mr. Hedley have diligently and capably served on the Committee, bringing invaluable experience and expertise to the Committee's deliberations. In the interest of continuity and sustained productivity of the Committee, the continued service of all four on the Committee would be an asset to the Foundation. The attached resolution, which I recommend that the Board approve, would appoint all four of them to new two-year terms commencing on July 1, 2020, and concluding on June 30, 2022.

3. Receive and Approve Treasurer's Report (April 2020 Financial Statements)

The April 2020 financial statements consist of a Budget Report and Balance Sheet. The Budget Narrative provides a thorough explanation of the financial statements. The Budget Report includes the budget figures approved at the June 5, 2019, Board meeting. I recommend that the Board approve the Treasurer's Report as part of the Consent Calendar.

Attachments:

1. Resolution Canceling the July 1, 2020, and August 5, 2020, Regular Meetings of the Board of Directors
2. Resolution Approving Appointments to the Investment Committee
3. April 2020 Financial Statements

RESOLUTION NO. 2020-__

RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION CANCELING THE JULY 1, 2020, AND AUGUST 5, 2020, REGULAR MEETINGS OF THE BOARD OF DIRECTORS

WHEREAS, the July Regular Meeting of the San Bruno Community Foundation's Board of Directors is scheduled for July 1, 2020, and the August Regular Board Meeting is scheduled for August 5, 2020; and

WHEREAS, no business items requiring Board action are anticipated for either meeting.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors cancels the Regular Board Meetings of July 1, 2020, and August 5, 2020.

Dated: June 3, 2020

ATTEST:

_____
John McGlothlin, Secretary

I, John McGlothlin, Secretary, do hereby certify that the foregoing Resolution No. 2020-__ was duly and regularly passed and adopted by the Board of Directors of The San Bruno Community Foundation on this 3rd day of June, 2020, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

RESOLUTION NO. 2020-__

RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION APPROVING APPOINTMENTS TO THE INVESTMENT COMMITTEE

WHEREAS, on June 1, 2016, the Foundation's Board of Directors created the Investment Committee as an advisory body charged with providing guidance to the Board on all aspects of the investment management process, as outlined in the Charter of the Investment Committee;

WHEREAS, the Committee Charter states that the Committee shall consist of the Board Treasurer, who serves in an ex officio capacity, along with one other Director member and three non-Director members whose experience in finance and investment management may assist the Committee and the Board in the performance of their investment oversight responsibilities who are appointed by the Board;

WHEREAS, the current terms of Secretary John McGlothlin, Anthony Clifford, Mark Hayes, and Frank Hedley as members of the Committee conclude on June 30, 2020;

WHEREAS, Secretary McGlothlin, Mr. Clifford, Dr. Hayes, and Mr. Hedley have diligently and capably served on the Committee, bringing invaluable experience and expertise to the Committee's deliberations; and

WHEREAS, in the interest of continuity and sustained productivity of the Committee, the Board believes the continued service of Secretary McGlothlin, Mr. Clifford, Dr. Hayes, and Mr. Hedley on the Committee would be an asset to the Foundation.

NOW, THEREFORE, BE IT RESOLVED that, in addition to Treasurer Tim Ross who will continue to serve as Chair of the Investment Committee by virtue of his role as Foundation Treasurer, the Board of Directors hereby appoints Secretary John McGlothlin as the other Director member of the Committee and Anthony Clifford, Mark Hayes, and Frank Hedley as the three non-Director Committee members to two-year terms on the Investment Committee commencing on July 1, 2020, and concluding on June 30, 2022.

Dated: June 3, 2020

ATTEST:

_____

John McGlothlin, Secretary

I, John McGlothlin, Secretary, do hereby certify that the foregoing Resolution No. 2020-__ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this 3rd day of June, 2020, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

SAN BRUNO
Community Foundation

April 2020

Budget Narrative

This report primarily describes amounts in column a (Actual Year to Date) of the monthly Budget Report. When projections vary from Budget (column b), the changes will be reflected in columns d (Final Expected Amount) and e (Change in Budget). First ten months equal 83.3% of the fiscal year.

INCOME

Line 1 Transfers from Quasi Endowment – $200,000 transferred for Community Grants is 63% of budget.

Line 2 Transfers from Strategic Pool – Year-to-date transfers of $2,700,000, are 56.5% of budget.

Line 3 Restricted Donations – $70,000 unbudgeted amount is Joseph W. Welch Foundation Scholarships donation.

Line 4 Interest Income – $22,115 is 114.4% of budget. Liquidity Pool – Operating balance is currently $1,708,894. Final Expected Amount is $26,115, which is $6,786 more than budget.

Line 5 Miscellaneous Income – $15,400 unbudgeted amount is: a) scholarship payable write off resulting from the early graduation of a recipient ($5,000); and b) return of unused 2017-2018 Community Grant ($10,400).

EXPENSES

Line 7 Crestmoor Scholarships – $70,000 final projected increase per Restricted Donation and Board approval.

Line 8 Community Grants – $300,000 is 150% of budget. Total includes $100,000 increase over budget per Google funding last fiscal year and Board approval.

Line 9 Strategic Grants – $323,545 is 40% of budget and is: First Responder Mobile Command Unit ($303,545); and 2020 Community Day ($20,000). Final expected total has been increased to $1,923,156 ($1,114,611 more than budget) based on: $490,000 for unplanned grants in response to Covid-19; $1,061,611 for RAC-4 grant; $68,000 for additional music education grants; and less $20,000 from 2020 Community Day cancellation.

Line 12 Salaries & Wages – Expense is 84.1% of budget. Final expected amount increased $2,402 based on compensation changes approved by the Board in March.

Line 13 Payroll Taxes & Benefits – Expense ($27,214) is 121% of budget. Budget has been exceeded by $4,729. Costs include: retirement ($17,686); Social Security/Medicare ($8,715); and workers' compensation ($599) and life ($214) insurances. Final expected amount increased $9,220 based on Board approved changes.

Line 15 Occupancy – Only cost is office lease ($12,561). Amount is 80.1% of budget. Five-year lease extension includes 2.2% rent reduction which began in April.

Line 16 Insurance – Total ($15,365) is 85% of budget and includes Directors & Officers ($12,278), crime ($2,125), and commercial package ($962) policies. All policies have or will be increased since March & May renewals.

Line 17 Telecommunications – Cost ($1,528) is 79.6% of budget and includes cell phone ($570), internet ($527), and landline ($265) services.

Line 18 Postage & Shipping – Cost ($1,755) is 87.8% of budget. Annual Report mailing to San Bruno residents ($1,370) represents 78% of the total.

Line 19 Marketing & Communications - $10,472 expense is 71.5% of budget. Design and production of the Annual Report ($7,147) represents 68% of the total. Additional costs include: $1,892 for Crestmoor Scholarships flyers and ads; and $1,032 for grants & scholarships application software subscription. Final Expected Amount reduced $3,266 compared to budget.

Line 20 Office Supplies & Equipment – Total ($3,792) is 71.2% of budget. Largest costs are: laptop ($2,019); toner ($852); and Intuit Quickbooks subscription ($430).

Line 21 Legal Fees – $17,483 expense is 45.4% of budget. First three-quarters cost of City attorney ($13,853) and legal fees for: Community ($1,635), Strategic ($840), and Other ($510) Grants; and administrative ($645) issues are included. Final Expected Amount reduced $12,370 compared to budget.

Line 22 Accounting & Payroll Fees – Total ($26,029) is 76.2% of budget. Cost of Accounting Consultant ($16,020), financial statement audit and tax preparation ($9,100), and payroll fees ($909) make up the total. Final expected amount reduced $4,531 compared to budget.

Line 23 Other Consultants - Cost ($41,372) is 81% of budget and is for Program ($32,217) and Administrative ($560) support and Technology ($8,505) consultants.

Line 24 Travel, Meetings & Conferences – $2,332 expense is 53.9% of budget. $1,710 used for Board meeting audio recording and $520 for meeting room rent.

Line 25 Miscellaneous – Cost ($1,488) equals 64.7% of budget with two organizational memberships ($850) as the largest cost.

SUMMARY

Excluding the budget and expenses for Scholarships & Grants, total expenses are at 80.2% of budget, which is below 83.3% benchmark for the first ten months of the year. In terms of dollars, the $322,962 in year-to-date expense is $12,571 less than the first ten months budget allocation. These support costs are projected to be $12,231 under budget at year-end. Only one line-item is significantly over budget. Payroll Taxes & Benefits (121% of budget) will exceed the annual budget by $9,220.

The Fidelity Liquidity Pool – RAC, was created with a $10 million July 2018 transfer. The balance as of April 30, 2020 is $10,341,084, including market value gain of $172,110 in April.

Total April investment net gain or increase in value is $3,053,730. This came from the Strategic Pool $1,616,902, Quasi Endowment $1,264,718, and Liquidity Pool – RAC $172,110. Year-to-date investment gains are $716,947 and come from Strategic Pool $978,333 and Liquidity Pool – RAC $90,021, less Quasi-Endowment <$351,406>.

Overall organization year to date net loss or decrease in net assets is <$122,044>. This includes $333,546 in spend down of Donor Restricted Net Assets.

Total Net Assets, as of April 30, 2020 are $68,925,632 with $17,429,284 in Quasi Endowment; $51,425,148 in general Unrestricted funds; and $71,200 in Donor Restricted Net Assets.

SAN BRUNO
Community Foundation

April 2020
2019-2020 Budget Report

		(a) Actual Year to Date	(b) Budget	(c) Actual as % of Budget (a/b)	(d) Final Expected Amount	(e) Change in Budget (d - b)
	INCOME & TRANSFERS					
1	Transfers from Quasi Endowment	$ 200,000	$ 317,510	63.0%	$ 317,510	$ -
2	Transfers from Strategic Pool	2,700,000	4,781,214	56.5%	4,781,214	-
3	Restricted Donations	70,000	-		70,000	70,000
4	Interest Income	22,115	19,329	114.4%	26,115	6,786
5	Miscellaneous Income	15,400	-		15,400	15,400
6	**Total Available for Operations**	3,007,515	5,118,053	58.8%	5,210,239	92,186
	EXPENSES					
7	Crestmoor Scholarships	-	120,000	0.0%	190,000	70,000
8	Community Grants	300,000	200,000	150.0%	300,000	100,000
9	Strategic Grants	323,545	808,545	40.0%	1,923,156	1,114,611
10	Other Grants	-	10,000	0.0%	10,000	-
11	**Subtotal Direct Program Expenses**	623,545	1,138,545	54.8%	2,423,156	1,284,611
12	Salaries & Wages	161,571	192,156	84.1%	194,558	2,402
13	Payroll Taxes & Benefits	27,214	22,485	121.0%	31,705	9,220
14	**Subtotal Personnel Expenses**	188,785	214,641	88.0%	226,263	11,622
15	Occupancy	12,561	15,690	80.1%	15,037	(653)
16	Insurance	15,365	18,085	85.0%	19,029	944
17	Telecommunications	1,528	1,920	79.6%	1,861	(59)
18	Postage & Shipping	1,755	2,000	87.8%	1,905	(95)
19	Marketing & Communications	10,472	14,638	71.5%	11,372	(3,266)
20	Office Supplies & Equipment	3,792	5,325	71.2%	4,092	(1,233)
21	Legal Fees	17,483	38,471	45.4%	26,101	(12,370)
22	Accounting & Payroll Fees	26,029	34,160	76.2%	29,629	(4,531)
23	Other Consultants	41,372	51,080	81.0%	51,080	-
24	Travel, Meetings & Conferences	2,332	4,330	53.9%	2,432	(1,898)
25	Miscellaneous	1,488	2,300	64.7%	1,608	(692)
26	**Subtotal Non-Personnel**	134,177	187,999	71.4%	164,146	(23,853)
27	**Total Expenses**	946,507	1,541,185	61.4%	2,813,565	1,272,380
27	**Net Surplus/(Loss)**	$ 2,061,008	$ 3,576,868		$ 2,396,674	$ (1,180,194)

Prepared by: F. Bittner, 5/14/2020

SAN BRUNO
Community Foundation

Statement of Financial Position
as of April 30, 2020

ASSETS			
Cash, Wells Fargo General	$ 38,727.55		
Cash, Wells Fargo Payroll	33,795.43		
Cash, Wells Fargo Savings	40,094.32		
Cash, Fidelity Liquidity Pool - Operating	1,708,893.73		
Total Cash		1,821,511.03	
Investments, Fidelity Liquidity Pool - RAC	10,341,083.92		
Investments, Fidelity Strategic Pool	45,064,818.76		
Investments, Fidelity Quasi-Endowment	17,429,283.88		
Total Investments		72,835,186.56	
Prepaid Rent	1,238.00		
Prepaid Insurance	18,490.00		
Total Other Current Assets		19,728.00	
Deposits	1,253.45		
Total Other Assets		1,253.45	
TOTAL ASSETS			$ 74,677,679.04
LIABILITIES & NET ASSETS			
LIABILITIES			
Accounts Payable	14,152.83		
Accrued Grants Payable	5,583,113.78		
Accrued Scholarships Payable	140,000.00		
Accrued Employee PTO	14,780.80		
Total Liabilities		5,752,047.41	
NET ASSETS			
Unrestricted, Non-QE 7/1/2019 Balance	50,662,240.34		
Transfer from Quasi-Endowment	200,000.00		
Year to Date Net Income from Operations	(505,445.91)		
Year to Date Strategic Investment Income	1,068,353.32		
Total Non-QE Unrestricted Net Assets	51,425,147.75		
Quasi-Endowment 7/1/2019 Balance	17,980,690.19		
Transfer to Liquidity for Operations	(200,000.00)		
Year-to-date QE Investment Income	(351,406.31)		
Total QE Unrestricted Net Assets	17,429,283.88		
Total Unrestricted Net Assets		68,854,431.63	
Donor Restricted Net Assets 7/1/2019 Balance	404,745.54		
Year to Date Donor Restricted Income	(333,545.54)		
Total Donor Restricted Net Assets		71,200.00	
Total Net Assets		68,925,631.63	
TOTAL LIABLITIES & NET ASSETS			$ 74,677,679.04

Prepared by: F. Bittner, 5/14/2020

SAN BRUNO
Community Foundation

Memorandum

DATE: **May 29, 2020**

TO: **Board of Directors, San Bruno Community Foundation**

FROM: **Leslie Hatamiya, Executive Director**

SUBJECT: **Report from Ad Hoc Committee on Recreation and Aquatics Center Project and Resolution Approving Strategic Grant to the City of San Bruno for City Compliance Review Related to the Recreation and Aquatics Center Project in an Amount Not to Exceed $1,061,611**

In March 2018, the Board created the Ad Hoc Committee on Recreation and Aquatics Center Project to serve as the Foundation's liaison to the City of San Bruno in the design and construction of a new Recreation and Aquatics Center in San Bruno City Park, to be funded by up to $50 million in strategic grants from the Foundation. On behalf of the Committee, Vice President Jim Ruane will provide an update on the Recreation and Aquatics Center Project at the June 3, 2020, Board meeting. Board Member Nancy Kraus also sits on the Committee.

As you know, the overall project consists of three phases: conceptual design, development of schematic design plans and construction drawings, and construction. The Foundation and City have agreed to fund the project through a series of grant agreements that will cover specific portions of the project costs, rather than a single grant for the full $50 million. The first grant for the conceptual design phase has been completed and, in the end, totaled $416,108.85. The second grant, for up to $5,420,388, covers architectural services through the schematic design/construction documents and construction phases and is outlined in more detail below. The third grant, for up to $1,079,000, supports project and construction management services for the duration of the project and is also outlined in more detail below. The Board will consider the fourth grant related to the project, for City compliance review, on June 3.

1. RAC Grant #2: Architectural Services for Project Phases 2 and 3

In December 2018, the City finalized its contract with Group 4 Architecture, Research + Planning for architectural services for Phase 2 (schematic design and construction documents) and for support services through Phase 3 (construction). Following execution of the contract, in January 2019 the Foundation and the City executed the second grant agreement for the project, to cover the costs associated with architectural design and support costs for the remainder of the project for an amount not to exceed $5,420,388. The grant period runs through March 2022. Grant payments are being made on a quarterly basis, based on a progress report submitted by the City after the end of each quarter outlining expenses incurred. Thus

far the Foundation has paid five quarterly payments totaling $2,353,288.46. The City will submit the sixth quarterly grant report by the end of July, and the Foundation will disburse that payment in mid-August.

2. RAC Grant #3: Project Management and Construction Services

On March 6, 2019, the Board approved a strategic grant to the City for project and construction management services on the project in an amount not to exceed $1,079,000 and authorized me as Executive Director to finalize and execute on behalf of the Foundation a grant agreement setting forth the specific terms and conditions for such a grant to the City. On March 12, 2019, the City Council approved a contract with Griffin Structures, which the City selected after a Request for Proposal process, for an amount not to exceed $1,079,000. In mid-May, the Foundation and the City executed the third grant agreement for the RAC project, to cover the costs associated with project and construction management services for the duration of the project for an amount not to exceed $1,079,000. The grant period runs through December 2022, and the reporting and disbursement schedule follows same schedule as for RAC Grant #2. Thus far the Foundation has paid four quarterly payments totaling $94,191.42. The City will submit the fifth quarterly grant report by the end of July, and the Foundation will disburse that payment in mid-August.

3. RAC Grant #4: City Compliance Review

This agenda item will contain one action item – a resolution approving a strategic grant to the City for City compliance review related to the project in an amount not to exceed $1,061,611.

As the attached memo from San Bruno City Manager Jovan Grogan explains, the City, as both the regulatory agency and the project permit applicant, is required to expend City staff and contractor resources to review and process the planning entitlements, Environmental Impact Report, and the design and construction permit documents to ensure compliance with the San Bruno Municipal Code, the California Building Code, California Fire Code, and the Municipal Regional Stormwater Permit, in addition to other state and federal regulations. Under the California Environmental Quality Act (CEQA), the City is also required to implement mitigation measure and monitor the measures' efficacy to avoid or minimize potentially significant environmental impacts as identified in the project's Environmental Impact Report. This includes extensive documentation of the historic Veterans Memorial building, including a historical context report of the building with photo documentation and scaled architectural drawings. The project is also required to pay fees and other direct costs related to the planning entitlements, Environmental Impact Report, infrastructure construction and building permits, utilities, and water and wastewater capacity.

Items to be covered by this grant will include costs related to the following activities:

- Planning Project Management
- City Staff/Filing Fees/Miscellaneous Direct Costs
- CEQA Historical Documentation
- Building Permit Fees
- Utility Fees
- Public Works
- Water and Wastewater Capacity Fees

If approved, this grant will be counted toward the $50 million the Foundation has committed to the RAC project. With this grant, the Foundation will have approved grants totaling $7,977,107.85. The City expects to request at least three additional grants in fiscal year 2020-2021 to complete the project:

- Temporary Facilities ($375,000)
- Business and Operation Plan ($150,000)
- Construction, including Demolition (~$41.5 million)

The Committee recommends that the Board adopt the resolution approving a strategic grant to the City for City compliance review related to the project in an amount not to exceed $1,061,611.

4. RAC Cash Flow/Payment Timeline

The City's project and construction management firm, Griffin Structures, has provided the City and the Foundation with an updated timeline of the estimated expenditures for the project, which should run through FY 2022-2023. Thus far, the Foundation has made RAC grant payments totaling not quite $2.9 million. Under the current projection, all but about the final $1 million (about $46.2 million) will be paid out to the City between now and January 2022 – just over $17 million in FY 2020-2021 and a total of $29.2 million in FY 2021-2022.

Most of the grants have been/will be paid out quarterly based on financial reports from the City for invoices paid in the previous quarter. For the construction grant, due to the large sums of money involved, the City has asked that quarterly payments be paid at the beginning of each quarter so that the City has the funds in hand to pay the contractor as invoices are submitted.

Please note that these numbers are estimates based on the project manager's current timeline; more concrete numbers will likely be available in late 2020 once the City selects a contractor to manage the construction phase, which is expected to begin in the first quarter of 2021.

Current cash flow projections for the project will be discussed further in the agenda items related to the Investment Committee's Report and to the fiscal year 2020-2021 budget.

Attachments:

1. Memo from San Bruno City Manager Jovan Grogan, dated May 15, 2020
2. Resolution Approving Strategic Grant to the City of San Bruno for City Compliance Review Related to the Recreation and Aquatics Center Project in an Amount Not to Exceed $1,061,611

INTEROFFICE MEMORANDUM

CITY OF SAN BRUNO

Jovan D. Grogan
City Manager

OFFICE OF THE CITY MANAGER

DATE: May 15, 2020

TO: Leslie Hatamiya, San Bruno Community Foundation

FROM: Jovan D. Grogan, City Manager

PREPARED BY: Kelly Beggs, Contract Senior Planner

SUBJECT: City Staff Compliance Review for the Recreation and Aquatics Center Project – Grant Agreement Request #3

Background:

In 2015, the San Bruno Community Foundation (SBCF) conducted a broad-based Community Listening Campaign to identify the community's priorities for use of the restitution funds received following the 2010 Pacific, Gas & Electric Company (PG&E) gas pipeline explosion in San Bruno's Crestmoor neighborhood. To narrow the results of the Listening Campaign, the City conducted a subsequent facilitated community discussion in 2016, to establish community facility prioritization, which identified replacement of the Veterans Memorial Recreation Center and Swimming Pool as the community's highest priority.

The new Recreation and Aquatics Center Project (Project) is planned as a single project to be located in San Bruno City Park, 251 City Park Way, in the same general area as the existing Veterans Memorial Recreation Center. The Project consists of three separate phases. The first phase of work included the conceptual design of the new Recreation and Aquatics Center. The second phase is to proceed with the development of schematic design plans and construction drawings, and the third phase is project construction.

On December 12, 2017, the City Council approved a contract with Group 4 Architecture Research and Planning, Inc. (Group 4) for the development of the conceptual design (Phase I) of the new community facility. On July 24, 2018, the City Council approved a contract with Group 4 for the development of the design and construction documents (Phase II). The scope of work includes six main tasks: schematic design development; design development and review; construction documents/plan check at 90%; bid documents and back check; support to bidding and award of the construction contract; and construction support. The project includes the realignment of City Park Way, improvements to the parking lot and landscaping along City Park Way in addition to demolition of the existing facilities and the new construction.

As both regulator and applicant, the City is required to expend staff resources to review the design and construction documents for conformance with the San Bruno Municipal Code, the California Building Code, and the Municipal Regional Stormwater Permit (MRP), among other state and local regulations. Further, pursuant to the California Environmental Quality Act (CEQA), the City is required to implement mitigation measures and monitor the measures' efficacy to avoid potentially significant environmental impacts identified by the project's Environmental Impact Report. In addition, as a development project, the project is required to pay fees related to building permits, utilities, and water and wastewater capacity. Table 1 details the various tasks and fees that comprise City staff's compliance review of the San Bruno Recreation and Aquatic Center. A brief description of each task follows the table.

Table 1: City Staff Compliance Review by Task

Task	Budget
Planning Project Management (Good City)	$ 110,515
City Staff / Filing Fees /Misc. Direct Cost	$ 23,489
CEQA Historical Documentation	$ 44,000
Building Permit Fees	$ 418,473
Utility Fees	$ 70,000
Public Works	$ 180,430
Water & Wastewater Capacity Fees	$ 214,704
Total	**$1,061,611**

Planning Project Management:

Planning project management includes review of the project's planning application to ensure compliance with the Zoning section of the San Bruno Municipal Code, coordination of interdepartmental review of plans, preparation of staff reports, presentations, and meeting attendance related to project approvals, permitting coordination, and review and management of the project's EIR.

City Staff/Filing Fees/Misc. Direct Cost:

A wide range of City staff, ranging from the Police Department to the IT Department, have contributed extensive time to preliminary review of the project to avoid cost-intensive complications at later stages of the development process. In addition, because of the preparation of the Environmental Impact Report, the City is also responsible for fees related to official filings with the County Clerk, mailings for required noticing, and associated printing charges. Mailings and fees related to newspaper publication are also required for public meetings associated with the project.

CEQA Historical Documentation:

The San Bruno Recreation and Aquatic Center's Environmental Impact Report determined that the Veterans Memorial Building is a historic resource due to its

association with the Living Memorial Movement and local architect William Henry Rowe. As development of the project will demolish the historic resource, the project is required to implement a mitigation measure including preparation of a Historic American Building Survey (HABS) Report and photo-documentation prior to demolition of the existing structure. The HABS report will include a detailed architectural description of both interior and exterior features of the building to be demolished, a historic context and site-specific history, and a significance statement for the building. In addition, photo documentation must be completed by a professional HABS photographer.

Building Permit Fees:

Building Permit fees cover the time spent in examining plans to determine that they comply with the California Building, Plumbing, Electrical, Fire, and Mechanical Codes, and with energy-conservation requirements. Fees are based upon the building valuation of the development.

Utility Fees:

Utility fees are required for the new building's connection to various utilities, including fees from PG&E for gas and electricity as well as cable and telephone fees.

Public Works:

Public Works staff is required to review permits and plans related to the project's proposed utilities, grading, and stormwater plans. Specifically, Public Works staff will be required to complete review of the Demolition Permit, Grading Permit, Site Development Permit, Encroachment Permit, Building Permit, and complete inspections and monitoring.

Water and Wastewater Capacity Fees:

Capacity charges are one-time fees, paid up-front as a condition of a new development or expansion. The City levies the fees on new or expanded connections to water and sewer system. The capacity charges are separate from the City's rates for water and sewer service.

Project Schedule:

Project construction is anticipated to begin in January 2021. City Compliance review would occur in advance of and throughout demolition and construction.

Project Cost:

The total cost for City Compliance Review for the Recreation and Aquatics Center Project is to not exceed $1,061,611.

RESOLUTION NO. 2020-__

RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION APPROVING STRATEGIC GRANT TO THE CITY OF SAN BRUNO FOR CITY COMPLIANCE REVIEW RELATED TO THE RECREATION AND AQUATICS CENTER PROJECT IN AN AMOUNT NOT TO EXCEED $1,061,611

WHEREAS, in the spring of 2015 the San Bruno Community Foundation conducted a Community Listening Campaign, through which the upgrade and expansion of San Bruno's community facilities, including its recreation center, swimming pool, and library, as well as the need for community center facilities, were identified as important community needs;

WHEREAS, in November 2015, the Foundation's Board of Directors established a quasi-endowment of $15 million to be invested following a long-term investment strategy, with the remaining balance of the approximately $70 million in the Foundation's funds to be used to fund programs and operations, and identified strategic grantmaking priorities, including such capital projects as upgraded library/community center, year-round swimming pool, and recreation center facilities;

WHEREAS, in January 2016, the Board agreed to provide funds not to exceed $300,000 to the City of San Bruno to fund the completion of a Community Facilities Vision Plan focused on the Foundation's capital project strategic priorities and related facilities;

WHEREAS, from late summer 2016 through the beginning of 2017, the City of San Bruno, with the assistance of Anderson Brule Architects, conducted a community facilities visioning and prioritization process that solicited input from the San Bruno community on capital project concepts involving standalone and combined recreation center, library, community center, and swimming pool facilities;

WHEREAS, on February 14, 2017, after receiving and considering the results of the community facilities visioning and prioritization process, the San Bruno City Council agreed by consensus to build a new recreation and aquatics center facility in San Bruno City Park and directed the City Manager to (a) move forward with selecting a firm to do preliminary conceptual design development and programming, and (b) formally request from the Foundation funding of $50 million to support this project;

WHEREAS, concluding that a new recreation and aquatics center would be a meaningful investment benefiting the entire San Bruno community for years to come and a tangible tribute to the Crestmoor neighborhood and those residents who most directly experienced the devastation of the 2010 gas pipeline explosion, on March 1, 2017, the Board approved a resolution expressing its support for the concept of the Foundation making a strategic grant to the City of San Bruno for the planning, design, and construction of a new recreation and aquatics center in an amount not to exceed $50 million and directing the Executive Director to proceed with negotiating and proposing the terms of such grant arrangement with the City;

WHEREAS, upon advice of legal counsel, the Executive Director and the Ad Hoc Committee on Program Strategy Development proposed a multi-stage grantmaking approach to the project, beginning with a strategic grant to cover expenses related to the project's conceptual design stage;

WHEREAS, in November 2017, the Board approved a strategic grant, in an amount not to exceed $550,000, to the City of San Bruno to cover expenses in connection with the conceptual design of a community recreation and aquatics center for the benefit of the public (RAC Grant #1);

WHEREAS, in November 2018, after the City concluded, with the guidance of Group 4 Architecture, Research + Planning, the conceptual design of the recreation and aquatics center, the Foundation completed payment on the conceptual design grant totaling $416,108.85;

WHEREAS, in January 2019, with SBCF Board approval, the Foundation and the City executed a grant agreement for the second strategic grant for architectural services related to the recreation and aquatics center project for tasks including schematic design development, preparation of construction and bid documents, and support to the construction bid and award processes and through the project construction, in an amount not to exceed $5,420,388 (RAC Grant #2);

WHEREAS, in March 2019, the Board approved a strategic grant, in an amount not to exceed $1,079,000, to the City to cover expenses associated with obtaining project and construction management services related to the design, development, and construction of a community recreation center and aquatics center for the benefit of the public (RAC Grant #3);

WHEREAS, the City, as both the regulatory agency and the project permit applicant, is required to expend City staff and contractor resources to review and process the planning entitlements, Environmental Impact Report, and the design and construction permit documents to ensure compliance with the San Bruno Municipal Code, the California Building Code, California Fire Code, and the Municipal Regional Stormwater Permit, in addition to other state and federal regulations; to implement, under the California Environmental Quality Act (CEQA), mitigation measure and monitor the measures' efficacy to avoid or minimize potentially significant environmental impacts as identified in the project's Environmental Impact Report; and to pay fees and other direct costs related to the planning entitlements, Environmental Impact Report, infrastructure construction and building permits, utilities, and water and wastewater capacity; and

WHEREAS, the City has requested a fourth strategic grant supporting the recreation and aquatics center project, in the amount of $1,061,611, to cover these City compliance review tasks (RAC Grant #4).

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors approves a strategic grant, in an amount not to exceed $1,061,611, to the City of San Bruno to cover expenses

associated City compliance review, including planning project management, City staff/filing fees/miscellaneous direct costs, CEQA historical documentation, building permit fees, utility fees, public works, and water and wastewater capacity fees, related to the design, development, and construction of a community recreation center and aquatics center for the benefit of the public.

BE IT RESOLVED FURTHER that the Board hereby authorizes Executive Director Leslie Hatamiya to finalize, and execute on behalf of this corporation, a Grant Agreement setting forth the specific terms and conditions, including the specific grant purposes, for such a grant to the City of San Bruno in an amount not to exceed $1,0611,611.

Dated: June 3, 2020

ATTEST:

_____

John McGlothlin, Secretary

I, John McGlothlin, Secretary, do hereby certify that the foregoing Resolution No. 2020-__ was duly and regularly passed and adopted by the Board of Directors of The San Bruno Community Foundation on this 3rd day of June, 2020, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

SAN BRUNO
Community Foundation

Memorandum

DATE: **May 29, 2020**

TO: **Board of Directors, San Bruno Community Foundation**

FROM: **Leslie Hatamiya, Executive Director**

SUBJECT: **Report on Other Programs (Community Grants Fund and Other Strategic Grants)**

At the June 3, 2020, Board meeting, Program Consultant Stephanie Rutgers and I will give an update on the Community Grants Fund and other strategic grants.

1. Community Grants Fund

a. 2016-2017 Grant Cycle

In 2016, the Board approved a $25,000 Community Grant to the San Bruno Lions Foundation for the renovation of the City-owned Belle Air Community Building. In late 2017 we extended the grant period to December 31, 2018, due to a delay in the project. In the fall of 2018, the Lions informed us that they and the City had decided to cease plans to rehabilitate the Belle Air Community Building and, in December, formally requested that the $25,000 grant be redirected toward a new project in partnership with the City of San Bruno – the renovation of the City-owned Tom Lara Field grandstand and concession stand located in San Bruno City Park. I executed an amendment to the grant agreement with the Lions changing the Grant Purposes from renovations on the Belle Air Community Building to renovations on the Lara Field concession stand and extending the grant period to December 31, 2019. The project will include a complete cleaning and water blasting of the exterior grandstand seating area, clearing out all water damaged equipment and material in the interior snack bar area, applying several coats of silicon coating to the exterior grandstand area to waterproof it, restoring and replacing equipment to interior snack bar, and undertaking other miscellaneous repairs. The project budget exceeds the $25,000 in grant funds and includes monetary and in-kind donations from the Lions.

This project was delayed when the City determined that the grandstand above the concession stand leaked and required additional upgrades prior to the Lions renovating the concession stand. With the support of Supervisors Dave Pine and David Canepa, last fall the City sought and obtained $150,000 in Measure K funding from the County of San Mateo for the site improvement work. The City was in the process of moving forward with the grandstand

renovations when the COVID-19 Shelter-in-Place was ordered in mid-March, and the City hopes to resume its work on the project over the summer as the community re-opens. Once the City's renovations on the grandstand are complete, the Lions will begin work on the concession stand renovations. To give both the City and the Lions ample time to finish their work on the project, I am in the process of executing a fourth amendment to the grant agreement with the Lions, extending the grant period to June 30, 2021.

b. 2019-2020 Grant Cycle

In December, the Board approved 29 grants totaling $300,000 (of which $100,000 was donated by YouTube/Google.org). We executed grant agreements for all 29 grants and distributed all grant checks by the second week of March, right before the San Mateo County's Shelter-in-Place was ordered.

As mentioned at the May Board meeting, acknowledging the particularly challenging financial and programmatic circumstances in which nonprofits are finding themselves as a result of the COVID-19 pandemic, we offered to each current grantee some flexibility in carrying out their grants – such as extending the grant period (currently concluding on December 31, 2020) or making other minor adjustments to its grant agreement to enable it to successfully carry out the program we agreed to fund, shifting the funding to another program benefiting the San Bruno community that the organization is able to continue providing, or amending the grant purposes to general support for any program of the grantee that supports or benefits the San Bruno community.

We are in the process of providing grant extensions to several grantees that will be unable to expend the grant funds by the end of 2020 due to program interruptions, including American Association of University Women North Peninsula Chapter (Trek Tech Summer Camp Scholarships) and the City of San Bruno (Narita Sister City Exchange Program). Other grantees have also expressed a desire to extend the grant period, but we are waiting to later in the year to do so in order to better estimate the length of extension needed.

c. 2020-2021 Grant Cycle

Following our usual schedule, we plan to launch the 2020-2021 cycle of the Community Grants Fund at the beginning of July. While we do not plan to have a specific COVID-relief focus for this year's review process, we expect the proposals to reflect impacts the applicants have experienced, either programmatically or financially, due to COVID-19, and there will be space in the application for them to explain such impacts.

We will continue to offer Grant Workshops over the summer to educate potential applicants on the program and the application process, but we anticipate that they will be held via Zoom rather than in person. We are in the process of updating the marketing materials, as well as the online application and supporting documentation. Due to the continuing COVID-19 situation, most of our outreach will be online, and we will print a smaller than usual number of flyers (in both English and Spanish) and posters, which we will distribute for posting as allowed over the summer.

Key dates for the 2020-2021 grant cycle include:

- First week of July 2020: Program launches; application available online; begin distribution of marketing materials
- August 20, 2020, 6:00 p.m.: Grant Workshop via Zoom
- September 9, 2020, 12:00 p.m.: Grant Workshop via Zoom
- September 30, 2020, 5:00 p.m.: Application deadline
- December 2, 2020: Board consideration of grant awards

The fiscal year 2020-2021 budget that the Board will consider at the June 3 meeting includes a $300,000 program disbursement allocation for the Community Grants Fund, including a $100,000 donation from a community partner.

2. COVID-19 Relief Grants

a. SBPSD Teacher Laptop Initiative to Support Distance Learning

On May 6, 2020, the Board approved a $240,000 grant to the San Bruno Education Foundation to underwrite the purchase of laptops for all TK-8 teachers in the San Bruno Park School District (SBPSD) to support distance learning as a result of school site closures caused by the COVID-19 pandemic. Since then, SBPSD Interim Superintendent Sharon Kamberg informed me that, in the process of seeking quotes for the order of laptops, the district's information technology staff found some unexpected savings. She requested that the savings be used to purchase additional laptops that would be distributed to all preschool teachers as well as some support staff, including counselors, psychologists, and support services staff. I agreed to this request, and the grant agreement, which we are in the process of finalizing, will include the purchase of 125-135 laptops (increased from the original projection of 115) for use by all preschool-8th grade teachers as well as district staff.

b. San Mateo County Strong Small Business Fund

In May, the Board also approved a $150,000 grant targeted specifically for San Bruno businesses through the San Mateo Country Strong Small Business Grant Program. Because the San Mateo Credit Union Community Fund has not yet been granted 501(c)(3) public charity status by the Internal Revenue Service, I made the grant to the Silicon Valley Community Foundation. To expedite the process of getting the funds to San Bruno small businesses, I used a grant letter accompanying the grant check setting forth the terms of the grant, which SVCF accepted and countersigned, rather than the Foundation's usual grant agreement. The grant is being processed by SVCF and by the time of the June 3 Board meeting, the funds should be in the process of being distributed to 15 San Bruno small businesses that applied for San Mateo County Strong grant funding and were deemed eligible through SMCU's review process. SBCF received recognition as a donor to San Mateo County Strong in a full-page ad that has appeared several times in the *San Mateo Daily Journal.*

c. BAEC San Bruno Small Business Recovery Assistance Program

The third COVID-19 relief grant that the Board approved on May 6 was a $100,000 grant to the San Mateo County Community College District to enable Skyline College's Bay Area Entrepreneur Center to launch the San Bruno Small Business Recovery and Assistance Program. This grant is awaiting formal acceptance by the SMCCCD Board of Trustees at its June 10 meeting. Leveraging the BAEC's partnerships with the San Bruno Chamber of Commerce, Skyline College's Accounting Department, SCORE, and the Small Business Development Center (SBDC), this program is offering no-cost financial advising, business consulting, tax preparation, translation services, valuable business tools, and a host of virtual workshops, to assist small businesses with navigating funding programs, managing their new financial picture and with exploring and understanding their options going forward in the face of COVID-19 impacts.

In mid-May, the BAEC and the San Bruno Chamber of Commerce launched a survey of San Bruno small businesses as the entry point for participating in the program, conducting outreach through social media, email, and by phone. In addition to lining up the consultants and translators to support the program, BAEC is also recruiting community volunteers to help with the effort. On June 3, BAEC Director Pcyeta Stroud will provide a brief update report on the program's activities thus far.

d. Home Internet for Distance Learning Partnership

In April, under the Foundation's Off-Cycle Responsive Grantmaking review process, I approved a $10,000 grant to the City of San Bruno to provide home internet access through San Bruno CityNet Services to low-income San Bruno students who needed but did not already have access to participate in online distance learning activities instituted when school sites were closed amid the COVID-19 pandemic. This month the City and I executed the grant agreement for this grant.

3. Music Education Strategic Initiative

At the May 6 meeting, the Board also approved a one-year extension of the Music Education Strategic Initiative: a fourth year of funding of $60,000 to the San Bruno Education Foundation and $8,000 to the Capuchino High School Alumni Association. I am in the process of executing an amendment to each of the original Music Education Strategic Initiative grant agreements – one with SBEF and one with CHSAA – to provide for this funding.

4. Community Day 2020

In December 2019, the Board approved a resolution committing to a strategic grant of up to $20,000 to the City to help fund Community Day 2020 and authorizing staff to again receive donations earmarked for Community Day from corporate and other donors. The City Manager and I executed the grant agreement for this strategic grant later in December.

Community Day 2020 was scheduled for the afternoon of Sunday, June 7, but due to the COVID-19 pandemic, the City canceled the event. I sent the City Manager a letter terminating the grant agreement, which the City Manager countersigned.

5. Florida Avenue Park

As reported previously, construction of the new City-owned park on Florida Avenue, which the Foundation has supported with a $200,000 grant – was delayed because of an issue regarding the removal of two heritage trees on site. Although the City was successful in resolving the matter, faced with a multi-million-dollar budget deficit amid the COVID-19 pandemic, City staff is proposing that the project be put on hold and the fiscal year 2020-2021 budget that the City Council is considering does not include the $1.3 million in funding required to complete the park. Instead, on May 26, the City Council approved about $45,000 in funding to have the architect complete the construction documents for the park so that the project is "shovel-ready" when the City has the funding needed to finish the project. In the meantime, the site

will be cleaned up, with the fence removed and a lawn planted, resulting in a grassy knoll open to the neighborhood.

SAN BRUNO
Community Foundation

Memorandum

DATE: **May 29, 2020**

TO: **Board of Directors, San Bruno Community Foundation**

FROM: **Leslie Hatamiya, Executive Director**

SUBJECT: **Report from Investment Committee**

The June 3, 2020, Board meeting will include a report from the Investment Committee regarding its recent quarterly meeting, which was held via Zoom on May 20, 2020. Treasurer Tim Ross chairs the Committee, on which Secretary John McGlothlin and community members Tony Clifford, Mark Hayes, and Frank Hedley also serve.

On May 20, a team representing Sand Hill Global Advisors LLC (SHGA), the Foundation's investment adviser – including Chief Executive Officer Brian Dombkowski, Senior Wealth Manager Kristin Sun, and Senior Portfolio Manager Meghan DeGroot – made its quarterly presentation to the Committee. The Committee also received a report from me on the Foundation's activities, approved a motion recommending transfers from the Strategic Pool to the Liquidity Pool related to the Recreation and Aquatics Center project, adopted a resolution recommending to the Board the Quasi-Endowment payout rate for fiscal year 2020-2021, and conducted its annual review of the Investment Policy Statement and the Investment Operating Plan. The results of the Committee's deliberations will inform the discussion of another item on the June 3 agenda – namely, consideration of the resolution approving the fiscal year 2020-2021 budget, setting the fiscal year 2020-2021 Quasi-Endowment payout rate, and approving transfers from the Strategic Pool to the Liquidity Pool for fiscal year 2020-2021.

1. Quarterly Report from Sand Hill Global Advisors

Mr. Dombkowski gave an overview of the firm's investment outlook, describing the impacts thus far of the "event-driven bear market" caused by the COVID-19 pandemic and the resulting monetary and fiscal stimulus provided by the Federal Reserve and the federal government.

Ms. Sun and Ms. DeGroot then reviewed the Foundation's Investment Dashboard for the first quarter of 2020, including March 31, 2020, balances of $16,171,758 for the Quasi-Endowment, $43,477,547 for the Strategic Pool, and $11,879,809 for the Liquidity Pool (total of $71,529,114 in all three accounts). Although the market bottomed out on March 23, they noted that the portfolio had begun to significantly recover in the second quarter of 2020. They also reported

that in the first quarter, SHGA took advantage of market volatility by reducing the Foundation's bond holdings, in favor of large cap and technology stocks.

2. Committee's Recommendation to the Board Regarding Transfer from the Strategic Pool to the Liquidity Pool Related to Funding of the Recreation and Aquatics Center

In March 2017, the Foundation Board expressed its support for the concept of the Foundation making a strategic grant to the City of San Bruno for the planning, design, and construction of a new recreation and aquatics center in an amount not to exceed $50 million and directed the Executive Director to proceed with negotiating and proposing the terms of such grant arrangement with the City of San Bruno. With the assistance of the Ad Hoc Committee of Program Strategy Development, I concluded that the best course of action in a project this complex would be to execute separate grant agreements for each stage of the project. Thus far, the Foundation has paid out or approved the following RAC-related grants:

- RAC Grant #1 – Conceptual Design: Completed. Total of $416,108.85 has been paid out to the City.
- RAC Grant #2 – Architectural Services: In Progress. Grant is for an amount not to exceed $5,420,388.00, to be paid in quarterly disbursements based on the previous quarter's expenses, from May 2019 through March 2022. Thus far, SBCF has disbursed five quarterly payments totaling $2,353,288.46.
- RAC Grant #3 – Project and Construction Management Services: In Progress. Grant is for an amount not to exceed $1,079,000.00, to be paid in quarterly disbursements based on the previous quarter's expenses, from August 2019 through December 2022. Thus far, SBCF has disbursed four quarterly payments totaling $94,191.42.

SBCF will consider a fourth RAC grant (RAC Grant #4) at the June 3 meeting, totaling just over $1 million. This grant will cover an assortment of City compliance review expenses, including filing fees, CEQA historical documentation, building permit fees, utility fees, public works, and water and wastewater capacity fees. SBCF anticipates making at least three remaining RAC-related grants in FY 2020-2021: (a) Temporary Facilities, approximately $375,000; (b) Business and Operation Plan, approximately $150,000; and (d) Construction, approximately $41.5 million.

The City's project and construction management firm, Griffin Structures, has provided the City and the Foundation with an updated timeline of the estimated expenditures for the project, which should run through FY 2022-2023. Thus far, the Foundation has made RAC grant payments totaling not quite $2.9 million. Under the current projection, all but about the final $1 million (about $46.2 million) will be paid out to the City by January 2022 – just over $17 million in FY 2020-2021 and a total of $29.2 million in FY 2021-2022. Please note that these

numbers are estimates based on the project manager's current timeline; more concrete numbers will likely be available in late 2020 once the City selects a contractor to manage the construction phase. Construction is expected to begin in the first quarter of 2021.

In June 2018, at the Committee's recommendation and with the Board's approval, the Foundation transferred, at the beginning of fiscal year 2018-2019, $10 million from the Strategic Pool to the Liquidity Pool, earmarked for the RAC project, to protect those funds from fluctuations in the market. This $10 million transfer was in addition to transfer needed to cover cash flow needs in fiscal year 2018-2019 and did not appear in the fiscal year 2018-2019 budget and financial statements because it was not intended for use in 2018-2019. The $10 million figure was based, in part, on the architect's projection at that time that cash flow needs for the RAC project would be about $12.7 million in fiscal year 2019-2020. This transfer was consistent with the structure of the Liquidity Pool account, which can include funds to be disbursed over the next 24 months, not just the next fiscal year. The funds remain in the Liquidity Pool (labeled "Liquidity-RAC" in the monthly balance sheet) and, with investment income, the balance as of April 30, 2020, was about $10.34 million.

At its recent meeting, given that the market is likely to experience volatility due to the COVID-19 pandemic for the foreseeable future and that RAC payments of about $46 million could be due to the City within the next 20 months, the Committee considered three options for transfers from the Strategic to Liquidity Pool in fiscal year 2020-2021 related to the RAC: (a) a transfer just large enough to cover the RAC's anticipated cash needs in FY 2020-2021 ($5.25 million), (b) a transfer equal to the cash needs in fiscal year 2020-2021, leaving a reserve of $10 million in the Liquidity Pool for use for the RAC in 2021-2022 ($15.25 million), and (c) a transfer of nearly all of the remaining funds needed to cover the RAC project ($35.25 million). These options took into account the $10.34 million in the Liquidity Pool reserved for the RAC as well as about $1.41 million in expected excess funds transferred from Strategic to Liquidity in the current fiscal year, which will roll over into funds available for distribution in the fiscal year beginning on July 1. With the support of Treasurer and Committee Chair Tim Ross, I transferred the fully budgeted transfer amount from Strategic to Liquidity for this fiscal year, even though the full amount from the Strategic Pool will not be needed by the end of the fiscal year. We made this decision because the funds will be needed early in the next fiscal year and the Strategic Pool balance had rebounded at the beginning of May.

After considerable discussion focused on the second and third options, the Committee ultimately favored the second option and, by way of an approved motion, is recommending that the Board transfer $15.25 million from Strategic to Liquidity in fiscal year 2020-2021. That amount, added to the $1.41 million rollover from fiscal year 2019-2020 and the $340,000 in accrued investment income, would cover the full amount of the estimated cash needs for the RAC in 2020-2021, leaving a $10 million reserve for the RAC in the Liquidity Pool to be used in

fiscal year 2021-2022. The Board will consider a resolution taking such action as part of its consideration of the fiscal year 2020-2021 budget later in the June 3 Board meeting.

3. Committee's Recommendation to the Board for the Quasi-Endowment Payout Rate for Fiscal Year 2020-2021

Section VII of the Foundation's Investment Policy Statement sets forth the spending policy. Section VII.1. states:

> The SBCF Board will determine the spending policy for the Quasi-Endowment with input from the Investment Committee. The SBCF Board will use the following guidelines in approving a fixed payout amount each year. The SBCF Board will review this policy annually.
>
> The payout amount will be determined once annually, prior to the conclusion of the Foundation's fiscal year for the subsequent fiscal year. The payout rate will range up to 7%, as determined by the Board, multiplied by the average of the latest available twelve (12) prior quarter-ending Quasi-Endowment values.

Section VI.1.d. of the Investment Operating Plan provides pool-specific operating guidelines for payout or other withdrawals. In June 2017, upon recommendation from the Investment Committee, the Board amended the payout guidelines for the Quasi-Endowment Pool:

> Payout amount will be determined once annually, prior to the conclusion of the Foundation's fiscal year for the subsequent fiscal year. The payout rate will range up to 7%, as determined by the Board, multiplied by the average of the latest available twelve prior quarter-ending Quasi-Endowment values. From the initial funding of the Quasi-Endowment Pool through the end of fiscal year 2016-2017, the payout rate will be 0%. During fiscal year 2017-2018, the default payout rate will be 2.25%, multiplied by the simple average of all quarter-ending Quasi-Endowment values available at the time of the annual payout decision. Cash proceeds will be deposited in the SBCF Liquidity Pool on an as-needed basis.

The City Attorney has advised that as amended, the Quasi-Endowment payout provision in the Investment Operating Plan does not need to be amended each year, and the Board – with guidance from the Investment Committee – can simply pass a resolution each year setting the next fiscal year's Quasi-Endowment payout rate.

For the past three years, the Committee decided to recommend – and the Board subsequently adopted – a Quasi-Endowment payout rate sufficient to meet the cash flow needs for the

Crestmoor Scholarship and the Community Grants Fund in the upcoming fiscal year. For FY 2017-2018, the approved payout rate was 2.25%, resulting in a payout of $352,921. For FY 2018-2019, the approved payout rate was 1.95%, resulting in a payout of $319,980. For FY 2019-2020, the approved payout rate was 1.90%, resulting in a payout of $317.510. I recommend that the Committee continue to follow this practice for FY 2020-2022, which is consistent with the original long-term vision for the Quasi-Endowment (to fund those two programs plus support costs on an ongoing basis) and allows for some continued growth of the Quasi-Endowment, especially while the Foundation still has the Strategic funds to help support operational expenses. Strategic funds would cover cash needs for all strategic grants plus all support costs. This option seems like a reasonable compromise position – it draws from the Quasi-Endowment but at a low rate, and it taps into the Strategic Pool for all support costs but also leaves some amount for additional strategic grantmaking.

With the assistance of Accounting Consultant Frank Bittner, I have developed the fiscal year 2020-2021 budget. Cash flow needs for the Crestmoor Scholarships and Community Grants Fund are estimated at $294,990.

For Quasi-Endowment payout calculation purposes, we use the quarter-ending balances on our Fidelity statements rather than those provided by SHGA (the two differ slightly based on different methods for recording transactions near the end of the quarter). The average of the latest 12 quarter-ending Quasi-Endowment values (Q2 2017 to Q1 2020) is $17,392,997. A payout rate of 1.70% would result in a Quasi-Endowment payout of $295,681. As a result, the Investment Committee is recommending that the Board set the Quasi-Endowment payout rate for fiscal year 2020-2021 at 1.70%. The Board will consider a resolution taking such action as part of its consideration of the fiscal year 2020-2021 budget later in the June 3 Board meeting.

4. Annual Review of Investment Policy Statement and Investment Operating Plan

The Committee also conducted its annual review of the Foundation's Investment Policy Statement, which is the high-level policy document governing the Foundation's investment practices, and Investment Operating Plan, which is the more detailed operating agreement between the Foundation and SHGA, annually. Under the Investment Policy Statement, the Committee is tasked with reviewing both documents at least once a year and making any recommendations for amendments to the Board.

After a brief discussion, the Committee did not make any recommendations for amendments to either document.

Finally, the two remaining Committee meetings in 2020 are scheduled for August 19 and November 18, both at 4:30 p.m. (either at City Hall or on Zoom, depending on future conditions with social distancing and shelter-in-place orders).

Attachment:

1. Investment Committee Resolution No. IC 2020-10 Recommending to the SBCF Board of Directors the Quasi-Endowment Payout Rate for Fiscal Year 2020-2021

RESOLUTION NO. 2020-10

RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION INVESTMENT COMMITTEE RECOMMENDING TO THE SBCF BOARD OF DIRECTORS THE QUASI-ENDOWMENT PAYOUT RATE FOR FISCAL YEAR 2020-2021

WHEREAS, under Section II.2.a. of the Investment Policy Statement of the San Bruno Community Foundation, the Investment Committee is tasked to "review at least annually the Investment Policy Statement and Investment Operating Plan and monitor compliance with both documents";

WHEREAS, Section VII.1 of the Investment Policy Statement sets forth the spending policy for the Quasi-Endowment as follows:

> The SBCF Board will determine the spending policy for the Quasi-Endowment with input from the Investment Committee. The SBCF Board will use the following guidelines in approving a fixed payout amount each year. The SBCF Board will review this policy annually.
>
> The payout amount will be determined once annually, prior to the conclusion of the Foundation's fiscal year for the subsequent fiscal year. The payout rate will range up to 7%, as determined by the Board, multiplied by the average of the latest available twelve (12) prior quarter-ending Quasi-Endowment values.

WHEREAS, Section VI.1.d.i. of the Investment Operating Plan with its investment adviser, Sand Hill Global Advisors, as amended, states, with regard to the Quasi-Endowment payout:

> Payout amount will be determined once annually, prior to the conclusion of the Foundation's fiscal year for the subsequent fiscal year. The payout rate will range up to 7%, as determined by the Board, multiplied by the average of the latest available twelve prior quarter-ending Quasi-Endowment values. From the initial funding of the Quasi-Endowment Pool through the end of fiscal year 2016-2017, the payout rate will be 0%. During fiscal year 2017-2018, the default payout rate will be 2.25%, multiplied by the simple average of all quarter-ending Quasi-Endowment values available at the time of the annual payout decision. Cash proceeds will be deposited in the SBCF Liquidity Pool on an as-needed basis.

WHEREAS, a Quasi-Endowment payout rate of 1.70%, multiplied by the simple average of the latest twelve quarter-ending Quasi-Endowment values available at the time of the annual payout decision, would result in a payout of $295,681 and provide the necessary funds to cover cash flow needs for the Crestmoor Neighborhood Memorial Scholarship and the Community

Grants Fund in fiscal year 2020-2021, consistent with the original long-term vision for the Quasi-Endowment; and

WHEREAS, the Foundation's Board of Directors will consider the Foundation's fiscal year 2020-2021 budget, including transfers from the Quasi-Endowment to the operating budget, at its June 3, 2020, meeting.

NOW, THEREFORE, BE IT RESOLVED that the Investment Committee recommends that the Board of Directors approve, for fiscal year 2020-2021, a Quasi-Endowment payout rate of 1.70%, multiplied by the simple average of the latest twelve quarter-ending Quasi-Endowment values available at the time of the annual payout decision, resulting in a payout of $295,681, to provide the funds to cover cash flow needs for the Crestmoor Neighborhood Memorial Scholarship and the Community Grants Fund in fiscal year 2020-2021, consistent with the original long-term vision for the Quasi-Endowment.

Dated: May 20, 2020

ATTEST:

Tim Ross

_____

Tim Ross, Investment Committee Chair

I, Tim Ross, Chair, do hereby certify that the foregoing Resolution No. 2020-10 was duly and regularly passed and adopted by the Investment Committee of the San Bruno Community Foundation on this 20th day of May, 2020, by the following vote:

AYES: Committee members: Ross, Clifford, Hayes, Hedley, McGlothlin

NOES: Committee members: None

ABSENT: Committee members: None

SAN BRUNO
Community Foundation

Memorandum

DATE: **May 29, 2020**

TO: **Board of Directors, San Bruno Community Foundation**

FROM: **Leslie Hatamiya, Executive Director**

SUBJECT: **SBCF Budget and Transfers from the Quasi-Endowment and Strategic Pool Accounts to the Liquidity Pool Account for Fiscal Year 2020-2021**

Under our Bylaws, the Foundation's fiscal year runs from July 1 to June 30, and its annual budget must be approved by the San Bruno City Council. As we approach the end of the 2019-2020 fiscal year, I will present the 2020-2021 budget to the Board for approval at the June 3 Board meeting. If approved, the budget will be submitted to the City Council for consideration at its June 23 meeting.

In developing this budget, I am guided by the principles of transparency and economy. As prudent stewards of the restitution funds, we want to communicate our decisions and activities with the community and have accordingly provided ample budget to do so. At the same time, we will be cost-conscious in all categories of expenses.

It is important to note that this budget appears to be out of balance, with expenses at $43,202,693 and Funds Available for Operations at $16,523,729. This is because we record grant commitments as expenses at the time agreements are executed, but grant payments are often made in a later fiscal year. In fiscal year2020-2021, I anticipate that the Foundation will approve at least three remaining grants for the Recreation and Aquatics Center (RAC) project totaling more than $42 million; RAC grant payments to be made in fiscal year 2020-2021 are estimated to be about $17 million. Budgeted "income" almost exclusively comes from transfers from the Quasi-Endowment, the Strategic Pool, and the Liquidity-RAC subaccount, and those transfers are based on projected cash needs during the fiscal year to cover operating expenses plus program obligations.

As I have mentioned before, most nonprofit budgets are income-driven because the nonprofit is able to spend only the funds it expects to bring in that year. In contrast, the Foundation's budget is expense-driven. As a result, I will discuss the expense lines first.

1. Expenses

We have three main categories of Expenses: Direct Program Expenses (Crestmoor Scholarships, Community Grants Fund, Strategic Grants, and Other Grants), Personnel Expenses, and Non-Personnel Support Costs. We are currently projecting expenses of $43,202,693.

a. Direct Program Expenses

- Crestmoor Scholarships: This line is set at $160,000, which is a $40,000 increase from the amount awarded in 2017, 2018, and 2019. In 2020, we awarded $190,000 in scholarships based on a one-time $70,000 restricted donation from the Joseph W Welch Jr Foundation. At this time, we do not anticipate any donations earmarked for the Crestmoor Scholarship in fiscal year 2020-2021. However, in November 2019 (prior to the Welch donation), the Board approved an increase in scholarship awards to $160,000 based on a recommendation from the Ad Hoc Committee on Crestmoor Scholarship, and this is the basis for the $160,000 budgeted amount. The increase from $120,000 in prior years to $160,000 in fiscal year 2020-2021 will allow the Foundation to award two additional awards in the consistently competitive high school-to-four-year-college category. With this increase, in 2021 the Foundation will likely award a total of 11 scholarships: six high school to four-year college, two high school to community college, and three community college to four-year college.

- Community Grants Fund: This line is set at $300,000, reflecting $200,000 of the Foundation's funds and a $100,000 anticipated donation from a community partner. This level of funding is consistent with the total amount of grants awarded the past three years of the program, with donations from Google.org/YouTube.

- Strategic Grants: This line accounts for five strategic grants that are currently anticipated for 2020-2021, including at least three remaining RAC grants: (a) $375,000 for temporary RAC facilities, (b) $150,000 for the City to develop a detailed business and operational plan for the RAC facility, (c) just under $41.5 million for the demolition and construction phase of the RAC project, (d) $20,000 for Community Day 2021 (assuming the City is able to hold the event), and (e) $250,000 as a placeholder for various COVID-19 relief grants and/or vocational education strategic grants that may arise in the coming months. All strategic grants require specific Board approval, and the budget allotment anticipates that the grants listed above will be approved.

b. Direct Personnel Expenses

- Salaries & Wages: This line reflects the Executive Director's current salary for the full year and the Program Manager's anticipated salary for October 2020-June 2021. As outlined in the Executive Director's Report, my intention is to convert Program Consultant Stephanie Rutgers from an independent contractor to an employee effective October 1, 2020. The compensation package for the Program Manager position has not been finalized, and, therefore, actual salary/wages may be slightly different than the budgeted amount.

- Payroll Taxes & Benefits: This line reflects payroll taxes, workers compensation insurance premiums, and benefits for the Executive Director for the full year and for the Program Manager for October 2020-June 2021. Benefits include retirement plan contributions, life insurance, and vacation.

c. Non-Personnel Support Costs

- Occupancy: This line reflects the total rent for 2020-2021 under the current office lease, which runs through March 2025. Monthly rent will be $1,238 from July through December 2020, $1,253.48 for January through March 2021, and $1,291.48 for April through June 2021.

- Insurance: This line is based on the Foundation's current commercial general liability, property, auto, cyber, and directors and officers liability insurance policies ($19,136), which have an annual renewal date of March 21. It also includes the Foundation's crime insurance policy ($2,794), which has a renewal date of May 27. I have added an extra $1,000 to this line in case converting the Program Manager to an employee increases any of the Foundation's insurance premiums.

- Telecommunications: This line includes continuation of the Executive Director's cell phone expenses ($761), broadband Internet access for the office, and the office landline ($1,056 for Internet and landline through San Bruno CityNet Services combined). This line includes nine months of the Program Manager's telecommunications expenses ($600).

- Postage & Shipping: This line includes office postage ($500) as well as the projected postage required for the fall Annual Report mailing (nonprofit rate) to all San Bruno addresses ($1,500).

- Marketing & Communications: This line covers the projected printing costs associated with the Annual Report ($8,000). It also includes funds for graphic design

services ($1,500), flyer/poster printing for the Community Grants Fund ($700), flyer/poster printing for the Crestmoor Scholarships ($800), other printing (such as holiday cards, $200), website and e-newsletter costs ($275), and costs associated with online grant and scholarship applications ($1,225). Typically, actual expenses end up being lower than the budgeted amount (this year we expect to come in about $3,266 under budget), as I allow a generous cushion for Annual Report and program flyer/poster printing costs, which can vary from year to year.

- Office Supplies and Equipment: This line includes $200 monthly for office supplies, $490 for computer backup and QuickBooks accounting software fees, and $500 for miscellaneous office equipment expenses (such as repairing or replacing the printer, which has seen considerable wear and tear over the past five years). It also includes $1,850 for a laptop and related software for the Program Manager.

- Legal Fees: Based on 2019-2020 expenses for outside nonprofit counsel, $833 per month has been budgeted. This line also includes reimbursement for 5% of the 2020-2021 City Attorney's cost, which is projected at $18,693 for the year. An additional $10,000 has also been added for specialized legal advice that will likely be needed in the development of the remaining RAC grant agreements, including the one pertaining to construction of the facility, and $3,000 has been added for employment counsel to assist with developing an employee handbook and converting the Program Manager role from consultant to employee.

- Accounting & Payroll Fees: Payroll fees ($1,300) are based on the current arrangement with our payroll vendor (Intuit). For audit and tax preparation services, $9,500 is budgeted, per the Foundation's contract with Novogradac & Company. And $23,760 is included for the accounting consultant/full charge bookkeeper, per the terms of our professional services agreement with him.

- Other Consultants: This line includes $8,750 for the program consultant for July-September 2020, $12,870 for the IT consultant (per the terms of our professional services agreement), $2,250 for the retirement plan consultant (his services will be needed this year to update our retirement plan document due to changes in the applicable law and the conversion of the Program Manager position from consultant to employee), $500 for administrative assistance, and $250 for translation services. It also includes $25,000 for consulting assistance to conduct a strategic planning process with a community engagement component (a scaled-down version of SBCF's 2015 community listening campaign). The Ad Hoc Committee on Strategic Planning Process had hoped to launch this process this summer, but due to COVID-19, the community engagement process probably will not begin until late 2020 at the earliest.

- Travel, Meetings & Conferences: This line includes: $2,430 for regular Board meeting room rental and audio recording expenses (budgeted for five meetings), $180 for a Zoom Pro subscription, $200 for miscellaneous meeting room rentals, $550 for meeting-related refreshments, $350 for the Program Manager's mileage reimbursement, and $500 for miscellaneous conference, training, and meeting expenses. The costs for meeting room rentals and refreshments include costs related to outreach activities for the strategic planning process. This cost line may ultimately be lower depending on when we are able to resume in-person meetings and gatherings.

- Miscellaneous: This line includes various expenses that may arise and do not fit in any of the other cost categories. It typically covers professional organization membership fees (such as the San Bruno Chamber of Commerce, Thrive: Alliance of Nonprofits, and CalNonprofits), bank fees, online newspaper subscriptions, and government/agency taxes and fees.

This budget presents a realistic view of the Foundation's projected expenses for 2020-2021. For purposes of comparison, the revised budget and year-end projected actuals for the 2019-2020 fiscal year are provided. Support Costs increase 12.7% ($49,392) from the 2019-2020 year-end projection to the 2020-2021 budgeted amount. Personnel Expenses will increase 8.6% ($19,414) from the projected level for 2019-2020 due to converting the Program Manager position from consultant to employee. Non-Personnel Support Costs are budgeted to increase 18.3% from the 2019-2020 year-end projection (just under $30,000), which results from slight increases for most expense categories, a nearly $4,000 increase for Insurance as a result of increases in all policy renewals plus a cushion in case some premiums increase with the addition of a new employee, a healthy Legal Fees budget due to an anticipated need to engage outside counsel on the remaining RAC grants and on the Program Manager reclassification, and a generous allowance for consultants to help with the strategic planning process; note, however, that in comparing the 2020-2021 budget to the original 2019-2020 budget, the increase is only 3.3%. The budgeted increases are in line with the increased activity over the year – both programmatically, with the execution of RAC grant agreements totaling more than $42 million, and administratively, with the reclassification of the Program Manager position and the launch of a strategic planning process with a community engagement component. Many of the expense lines are generous estimates, and actual costs frequently turn out to be lower than the budget projections. In 2019-2020, projected Non-Personnel Support Costs are $23,853 less than the budgeted amount.

2. Funds Available for Operations

As mentioned above, this is not a balanced budget, where income equals expenses. Instead, the Funds Available for Operations are determined by analyzing the Foundation's cash needs for the fiscal year. Our assumption is that all Personnel Expenses and Non-Personnel Support Costs will be paid out during the fiscal year ($439,801). Projected cash needs for Program Disbursements (total of $18,038,545) are as follows:

Crestmoor Scholarship	
2018 Scholars	$20,000
2019 Scholars	$20,000
2020 Scholars	$60,000
2021 Scholars	$50,000
Total Crestmoor Scholarship	**$150,000**
Community Grants Fund	
Yet-to-be-paid grant awarded in 2016-17	$25,000
Grants to be awarded in December 2020	$300,000
Total Community Grants Fund	**$325,000**
Strategic Grants	
Recreation & Aquatics Center grants	$17,000,000
First Responder Strategic Initiative – Mobile Command Vehicle	$303,545
Other COVID-19 relief grants and/or vocational education grants	$250,000
Total Strategic Grants	**$17,553,545**
Other Grants	
Out-of-Cycle Responsive Grants	$10,000
Total Other Grants	**$10,000**

Total cash needs for 2020-2021 are estimated at $18,478,346. This figure, after adjustment for residual 2019-2020 cash balance, drives the Foundation's Funds Available for Operations in 2020-2021.

We have two categories of Funds Available for Operations: Operating Income and Transfers from Net Assets.

a. Operating Income

At this time, projected Operating Income is low ($26,115):

- Interest Income: This line includes estimated investment income from the Operations portion of the Fidelity Liquidity Pool account and interest earned on the Wells Fargo bank accounts. This is a conservative estimate, based on the actual interest income anticipated for fiscal year 2019-2020. Actual investment income will likely be higher than the budgeted amount, as the average balance in Liquidity-Operating will be higher than this past year. We decided to conservatively estimate Interest Income because interest rates have decreased as a stimulus response to COVID-19 and it would be difficult to accurately budget estimated Interest Income. Moreover, in the context of the full budget, even if Interest Income is higher than budgeted, it will remain a small portion of the Funds Available for Operations.

- Restricted Donations: There are no firm commitments for donations earmarked to specific programs, but we may receive such restricted donations during the year.

b. Transfers from Net Assets

The Foundation's available funds come primarily from transfers from the Quasi-Endowment, the Strategic Pool, and (for the first time this year), the Liquidity Pool-RAC subaccount. (These investment accounts hold most of the organization's Net Assets.) The question in developing this budget is what portion of the needed funds comes from each pool. In answering this question, it is important to think back to the original purpose of each pool of funds. In responding to the results of the Community Listening Campaign, the Board decided to designate about $54 million of the restitution funds to establish the Strategic Pool to be spent outright on strategic initiatives. The idea was that a pool that size was necessary to enable the funding of at least one major community facility project and other one-time strategic projects. The Board has indicated its support for building a $50 million community recreation and aquatics center for San Bruno and has already made three grants totaling $6,915,497 for the project.

The Liquidity Pool was created to serve as a holding account for expenditures planned in the subsequent 0-24 months. Its purpose is to mirror the Foundation's operating accounts, and it may be funded by both the Quasi-Endowment and the Strategic Pool. The investment goal for the Liquidity Pool is to preserve the principal balance of all funds directed into this pool, and as such, capital preservation and liquidity are the primary objectives. In 2018, the Board moved $10 million from the Strategic Pool to the Liquidity Pool for use in the following fiscal year (and thus not part of the current fiscal year's operating budget) in order to reduce market volatility risk for a portion of the funds to be used to fund the RAC project. This led to the creation of two subaccounts in the Liquidity Pool – Liquidity-Operating and Liquidity-RAC – which receive different treatment in the Foundation's monthly financial statements, and each receives its share of interest income that the Pool accrues. In the balance sheet, funds in the Liquidity-RAC subaccount are shown as investment assets and not part of the operating budget. In contrast,

the funds in the Liquidity Pool intended to support that fiscal year's operating budget (Liquidity-Operating) are shown as cash assets.

The Board also created the Quasi-Endowment with $15 million of the restitution funds. The idea behind the Quasi-Endowment has been to follow a long-term endowment investment strategy, so that only a portion of the investment income would be used for operations, and that once the Strategic Pool had been depleted, a scaled-back version of the Foundation could continue to operate – possibly in perpetuity – funding the Crestmoor Scholarships, the Community Grants Fund, and potentially some smaller strategic projects on an ongoing basis. In creating the Investment Operating Plan in 2016, the Board decided not to take any Quasi-Endowment payout in the first year of possessing the restitution funds (2016-2017) to enable the Quasi-Endowment to grow. For fiscal year 2017-2018, the Board approved a 2.25% Quasi-Endowment payout rate to cover cash needs for the Crestmoor Scholarships and the Community Grants Fund. In fiscal year 2018-2019, the payout rate was 1.95%, and this past year it was 1.9%. This payout was consistent with the vision behind the Quasi-Endowment and allowed the Quasi-Endowment to continue to grow (as of April 30, 2020, it is at $17,429,284) while the Foundation still has funds in the Strategic Pool to cover expenses.

Cash on hand as of June 30, 2020, is projected to be $2,054,617. Of that amount, $180,010 is earmarked for Community Grants and Crestmoor Scholarships as a result of Quasi-Endowment payout intended for a grant that was expected to be paid out in fiscal year 2017-2018 but will now be paid out in fiscal year 2020-2021, Crestmoor Scholarship payments that were declined, and restricted donations received in fiscal year 2019-2020 for Community Grants and the Crestmoor Scholarship. As a result, of the projected June 30 cash on hand, $180,010 will be designated for Community Grants and Crestmoor Scholarship cash needs, and the balance ($1,874,607) will be designated for Strategic Grants and operating expenses.

- Quasi-Endowment Payout: The cash flow needs of the Crestmoor Scholarships and Community Grants Fund are expected to be $475,000 for fiscal year 2020-2021. As mentioned above, $180,010 of the cash on hand at the end of fiscal year 2019-2020 will go toward meeting these cash needs, leaving a balance of $294,990 to be funded by new Quasi-Endowment payout. At the June 3 meeting, the Board will consider a proposal from the Investment Committee to set the fiscal year 2020-2021 payout rate for the Quasi-Endowment at 1.70%, which would cover the balance of the cash flow needs of the Crestmoor Scholarships and Community Grants Fund. The payout amount is determined by multiplying the average of latest available 12 prior quarter-ending Quasi-Endowment values ($17,392,997, covering Q2 2017 through Q1 2020). The 1.70% payout rate thus results in a payout of $295,681.

- Strategic Pool: The transfer from the Strategic Pool is budgeted at $15,861,933. This amount will cover total cash needs minus the following: operating income, the

Quasi-Endowment payout, the transfer from the Liquidity-RAC subaccount outlined below, and $1,874,607 in residual cash carried forward at the end of the 2019-2020 fiscal year. Of the Strategic Pool payout, $15,250,000 is for RAC grant payments. The Investment Committee recommends that the Executive Director make the transfer designated for RAC payments generally toward the beginning of the fiscal year and have the discretion to divide the transfer into smaller increments and set the timing of the incremental transfers for the rest of the Strategic funds based on the Foundation's cash flow needs. This includes the explicit discretion to transfer less than the approved payout amount as circumstances may warrant.

- Liquidity-RAC: This year we add a third category of transfers from net assets: a transfer from the Liquidity-RAC subaccount (the portion of the Liquidity Pool that is earmarked for future use for the RAC project and is considered to be part of investment assets rather than operating cash) to the Liquidity-Operating subaccount. As mentioned above, in 2018 the Board moved $10 million from the Strategic Pool to the Liquidity Pool for use in the following fiscal year (and thus not part of the current fiscal year's operating budget) in order to reduce market volatility risk for a portion of the funds to be used to fund the RAC project. In combination with the Strategic Pool transfer to support the fiscal year 2020-2021 operating budget outlined above, $340,000 (the approximate amount of interest income that had accumulated in Liquidity-RAC as of April 30, 2020) from the Liquidity-RAC subaccount will be transferred to Liquidity-Operating to help make RAC grant payments. Following the guidance of the Investment Committee, this will leave approximately $10 million remaining in Liquidity-RAC in reserve for distribution in fiscal year 2021-2022.

Together, Operating Income and Transfers from Net Assets result in a total of $16,523,729 in Funds Available for Operations. With residual cash from fiscal year 2019-2020 carried forward into fiscal year 2020-2021, this total will cover anticipated fiscal year 2020-2021 cash needs.

The attached resolution, which I recommend the Board adopt, authorizes four actions. It: (a) approves the fiscal year 2020-2021 budget; (b) sets the Quasi-Endowment payout rate for fiscal year 2020-2021; (c) approves a transfer from the Strategic Pool to the Liquidity-Operating subaccount to support the 2020-2021 operating budget; and (d) approves a transfer from the Liquidity-RAC subaccount to the Liquidity-Operating subaccount to support the 2020-2021 operating budget.

Attachments:

1. Resolution Approving Fiscal Year 2020-2020 Budget, Setting the Quasi-Endowment Payout Rate for Fiscal Year 2020-2021, Approving Transfer from the Strategic Pool

Investment Account to the Liquidity-Operating Subaccount for Fiscal Year 2020-2021, and Approving Transfer from the Liquidity-RAC Investment Subaccount to the Liquidity-Operating Subaccount for Fiscal Year 2020-2021

2. Exhibit A: 2020-2021 Proposed Budget

RESOLUTION NO. 2020-__

RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION APPROVING FISCAL YEAR 2020-2021 BUDGET, SETTING THE QUASI-ENDOWMENT PAYOUT RATE FOR FISCAL YEAR 2020-2021, APPROVING TRANSFER FROM THE STRATEGIC POOL INVESTMENT ACCOUNT TO THE LIQUIDITY-OPERATING SUBACCOUNT FOR FISCAL YEAR 2020-2021, AND APPROVING TRANSFER FROM THE LIQUIDITY-RAC INVESTMENT SUBACCOUNT TO THE LIQUIDITY-OPERATING SUBACCOUNT FOR FISCAL YEAR 2020-2021

WHEREAS, the San Bruno Community Foundation's next fiscal year will begin on July 1, 2020, and prudent financial management of the Foundation's finances requires the creation of an annual budget prior to the start of the fiscal year;

WHEREAS, Article XVI(c) of the Foundation's Bylaws require that the Foundation's annual budget be approved by the San Bruno City Council;

WHEREAS, the proposed fiscal year 2020-2021 budget as attached in Exhibit A reflects decisions about program initiatives and investment strategy that the Foundation's Board of Directors has made;

WHEREAS, the Board of Directors, upon receipt from the City of San Bruno in May 2016 of the restitution funds resulting from the City's settlement with Pacific Gas & Electric Company following the 2010 gas pipeline explosion in San Bruno's Crestmoor neighborhood, established three Fidelity brokerage accounts to hold the Foundation's funds: Quasi-Endowment Pool account, Strategic Pool account, and Liquidity Pool account.

WHEREAS, Section VII.1 of the Foundation's Investment Policy Statement states:

> The SBCF Board will determine the spending policy for the Quasi-Endowment with input from the Investment Committee. The SBCF Board will use the following guidelines in approving a fixed payout amount each year. The SBCF Board will review this policy annually.
>
> The payout amount will be determined once annually, prior to the conclusion of the Foundation's fiscal year for the subsequent fiscal year. The payout rate will range up to 7%, as determined by the Board, multiplied by the average of the latest available twelve (12) prior quarter-ending Quasi-Endowment values.

WHEREAS, Section VI.1.d.i of the Foundation's Investment Operating Plan with investment adviser Sand Hill Global Advisors (SHGA), which provides pool-specific operating guidelines for payout or other withdrawals, states:

> Payout amount [for the Quasi-Endowment Pool] will be determined once annually, prior to the conclusion of the Foundation's fiscal year for the subsequent fiscal year. The payout rate will range up to 7%, as determined by the Board, multiplied by the average of the latest available twelve prior quarter-ending Quasi-Endowment values. From the initial funding of the Quasi-Endowment Pool through the end of fiscal year 2016-2017, the payout rate will be 0%. During fiscal year 2017-2018, the default payout rate will be 2.25%, multiplied by the simple average of all quarter-ending Quasi-Endowment values available at the time of the annual payout decision. Cash proceeds will be deposited in the SBCF Liquidity Pool on an as-needed basis.

WHEREAS, a Quasi-Endowment payout rate of 1.70% for fiscal year 2020-2021 would provide the funds to cover cash flow needs for the Crestmoor Neighborhood Memorial Scholarship and the Community Grants Fund, consistent with the original long-term vision for the Quasi-Endowment, and allow the Quasi-Endowment the opportunity to continue to grow;

WHEREAS, the Investment Committee, on May 20, 2020, passed a resolution recommending that the Board of Directors set the Quasi-Endowment payout rate for fiscal year 2020-2021 at 1.70%, resulting in a payout of $295,681;

WHEREAS, the Section VII.2 of the Foundation's Investment Policy Statement states:

> The Strategic Pool has been earmarked by the Board to fund strategic projects, including but not limited to capital improvement projects of community facilities, that benefit the San Bruno community. As such, withdrawals will be determined by the timing of project expenditures, as well as guidance from the SBCF Board. The Investment Committee and SBCF staff will provide direction to the Investment Manager regarding liquidation of investments to fund the withdrawals. Cash proceeds will be deposited in the SBCF Liquidity Pool on an as-needed basis.

WHEREAS, Section VI.1.d.ii of the Foundation's Investment Operating Plan states:

> Withdrawals [from the Strategic Pool] will be determined by the timing of project expenditures, per guidance from the SBCF Board. SBCF will provide a schedule of likely withdrawals to SHGA at the time of the annual budget planning process. Cash proceeds will be deposited in the SBCF Liquidity Pool on an as-needed basis.

WHEREAS, transfers of $15,861,933 from the Strategic Pool and $340,000 from the Liquidity Pool-RAC subaccount to the Liquidity Pool-Operating subaccount are needed to cover the Foundation's operating expenses and strategic grant obligations for the 2020-2021 fiscal year; and

WHEREAS, the Investment Committee and Board recommend that the Executive Director make a transfer of $15,250,000 from the Strategic Pool to the Liquidity Pool specifically to cover grant payments related to the San Bruno Recreation and Aquatics Center project

toward the beginning of the fiscal year and have the discretion to divide the remaining transfer from the Strategic Pool to the Liquidity Pool into smaller increments and set the timing of the incremental transfers for the rest of the Strategic funds, including the discretion to transfer less than the approved payout amount as circumstances may warrant, based on the Foundation's cash flow needs.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors approves the fiscal year 2020-2021 Foundation budget attached as Exhibit A.

FURTHER BE IT RESOLVED that the Board of Directors sets the Quasi-Endowment payout rate for fiscal year 2020-2021 at 1.70%, resulting in a transfer from the Quasi-Endowment account to the Liquidity-Operating subaccount of $295,681, to be used to meet the cash needs of the Crestmoor Neighborhood Memorial Scholarship and the Community Grants Fund in the 2020-2021 fiscal year, and grants the Executive Director the discretion to divide the transfer into smaller increments, set the timing of the transfer of those increments, and to transfer less than the approved amount, based on the Foundation's cash flow needs.

FURTHER BE IT RESOLVED that the Board of Directors approves a transfer from the Strategic Pool account to the Liquidity-Operating subaccount of $15,861,933 to cover operating expenses and strategic grant obligations for the 2020-2021 fiscal year, recommends that the Executive Director transfer $15,250,000 of that amount specifically to cover grant payments related to the San Bruno Recreation and Aquatics Center project toward the beginning of the fiscal year, and grants the Executive Director the discretion to divide the remaining transfer into smaller increments, set the timing of the transfer of those increments, and to transfer less than the approved amount, based on the Foundation's cash flow needs.

FURTHER BE IT RESOLVED that the Board of Directors approves a transfer from the Liquidity Pool-RAC subaccount to the Liquidity Pool-Operating subaccount of $340,000, and grants the Executive Director the discretion to divide the transfer into smaller increments, set the timing of the transfer of those increments, and to transfer less than the approved amount, based on the Foundation's cash flow needs.

FURTHER BE IT RESOLVED that the Board of Directors directs the Executive Director to submit the fiscal year 2020-2021 budget to the San Bruno City Council for consideration and approval.

Dated: June 3, 2020

ATTEST:

_____

John McGlothlin, Secretary

I, John McGlothlin, Secretary, do hereby certify that the foregoing Resolution No. 2020-__ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this 3rd day of June, 2020, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

EXHIBIT A
May 29, 2020

SAN BRUNO
Community Foundation

2020-2021 Proposed Budget

	INCOME	2019-20 Budget	April 2020 Actual	May-Jun 20 Projected	Projected 2019-20	Proposed 2020-21 Budget	Change vs. 2019-20 Actual
1	Interest Income	$ 19,329	$ 22,115	$ 4,000	$ 26,115	$ 26,115	$ -
2	Restricted Donations	-	70,000	100,000	170,000	-	(170,000)
3	Miscellaneous Income	-	15,400	-	15,400	-	(15,400)
4	**Subtotal Operating Income**	**19,329**	**107,515**	**104,000**	**211,515**	**26,115**	**(170,000)**
5	Transfers from Quasi Endowment	317,510	200,000	117,510	317,510	295,681	(21,829)
6	Transfers from Strategic Pool	4,781,214	2,700,000	2,081,214	4,781,214	15,861,933	11,080,719
7	Transfers from Liquidity-RAC	-	-	-	-	340,000	340,000
8	**Subtotal Transfers from Net Assets**	**5,098,724**	**2,900,000**	**2,198,724**	**5,098,724**	**16,497,614**	**11,398,890**
9	**FUNDS AVAILABLE FOR OPERATIONS**	**5,118,053**	**3,007,515**	**2,302,724**	**5,310,239**	**16,523,729**	**11,228,890**
	EXPENSES						
10	Crestmoor Scholarships	120,000	-	190,000	190,000	160,000	(30,000)
11	Community Grants Fund	200,000	300,000	-	300,000	300,000	-
12	Strategic Grants	808,545	323,545	1,599,611	1,923,156	42,292,892	40,369,736
13	Other Grants	10,000	-	10,000	10,000	10,000	-
14	**Subtotal Direct Program Expenses**	**1,138,545**	**623,545**	**1,799,611**	**2,423,156**	**42,762,892**	**40,339,736**
15	Salaries & Wages	192,156	161,571	32,987	194,558	220,420	25,862
16	Payroll Taxes & Benefits	22,485	27,214	4,491	31,705	25,257	(6,448)
17	**Subtotal Direct Personnel Expenses**	**214,641**	**188,785**	**37,478**	**226,263**	**245,677**	**19,414**
18	Occupancy	15,690	12,561	2,476	15,037	15,063	26
19	Insurance	18,085	15,365	3,664	19,029	22,930	3,901
20	Telecommunications	1,920	1,528	333	1,861	2,500	639
21	Postage & Shipping	2,000	1,755	150	1,905	2,000	95
22	Marketing & Communications	14,638	10,472	900	11,372	13,700	2,328
23	Office Supplies and Equipment	5,325	3,792	300	4,092	5,240	1,148
24	Legal Fees	38,471	17,483	8,618	26,101	41,693	15,592
25	Accounting & Payroll Fees	34,160	26,029	3,600	29,629	34,560	4,931
26	Other Consultants	51,080	41,372	9,708	51,080	49,595	(1,485)
27	Travel, Meetings & Conferences	4,330	2,332	100	2,432	4,210	1,778
28	Miscellaneous	2,300	1,488	120	1,608	2,633	1,025
29	**Subtotal Non-Personnel Support Costs**	**187,999**	**134,177**	**29,969**	**164,146**	**194,124**	**29,978**
30	**TOTAL EXPENSES**	**1,541,185**	**946,507**	**1,867,058**	**2,813,565**	**43,202,693**	**40,389,128**
31	**NET SURPLUS**	**$ 3,576,868**	**$ 2,061,008**	**$ 435,666**	**$ 2,496,674**	**$ (26,678,964)**	**$ (29,160,238)**