

# SAN BRUNO

## Community Foundation

*Investment Committee*

Pak Lin, *Chair* • Anthony Clifford, Mark Hayes, Supriya S. Perry, and Tim Ross, *Members*  
Leslie Hatamiya, *Executive Director*

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### MINUTES

#### SAN BRUNO COMMUNITY FOUNDATION

#### Regular Meeting of the Investment Committee

**August 16, 2023**

**4:30 p.m.**

**Meeting Location:**

**San Bruno City Hall, 567 El Camino Real, Room 101, San Bruno**

- 1. Call to Order:** Committee Member Ross called the meeting to order at 4:31 p.m.
- 2. Roll Call:** Committee Members Clifford, Hayes, Perry, and Ross, present. Committee Member Lin, excused.
- 3. Public Comment:** None.
- 4. Approval of Minutes:** May 17, 2023, Regular Investment Committee Meeting: Committee Member Perry moved to approve the minutes of the May 17, 2023, Regular Meeting, seconded by Committee Member Hayes, passed unanimously by roll call vote (Lin absent).
- 5. Executive Director's Report**

Executive Director Hatamiya gave an update on the Foundation's activities, first summarizing recent program highlights:

- **Crestmoor Scholarship:** In June, the Foundation Board honored the ten 2023 Crestmoor Scholars.
- **Community Grants Fund:** The eighth iteration of the Community Grants Fund launched at the beginning of July, with a September 20 grant application deadline. The Foundation has scheduled two Grant Workshops on August 17 and September 5. YouTube and Google.org are again donating \$100,000 to the Community Grants Fund; with the Foundation's \$200,000, \$300,000 in grants will be awarded in December.

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- Recreation and Aquatic Center (RAC): Ms. Hatamiya shared a recent photograph of construction on the San Bruno Recreation and Aquatic Center. She noted that construction of the facility is moving, with the building expected to be completed in December, and reported that the project is on budget.
- Centennial Plaza: With regard to the Centennial Plaza Improvement Project, which the Foundation is helping fund with a \$500,000 grant to the City of San Bruno, the project continues in the construction documents phase. Under the current timeline, construction is scheduled to begin in the spring of 2024 and conclude in the fall of 2024.

Ms. Hatamiya reviewed the schedule of transfers from the Quasi-Endowment and Strategic Pool accounts to the Liquidity Pool, but noted that the schedule may be modified based on actual cash needs. Transfers from the Quasi-Endowment to Liquidity-Operating include: (a) \$200,000 scheduled for December 2023, and (b) \$172,843 scheduled for May 2024. All funds needed for the remaining RAC grant payments have already been transferred from the Strategic Pool to the Liquidity Pool. Transfers from Strategic to Liquidity for non-RAC purposes are budgeted at \$1,441,576; \$500,000 was transferred in August, and the remaining funds will be transferred as needed to cover expenses and other strategic grant payments.

Ms. Hatamiya reported that the San Bruno City Council recently appointed Belinda Wong to the open Board seat resulting from Melissa Moreno's resignation. She noted that Belinda will likely join the Investment Committee in November, as Committee Member Perry has expressed a desire to roll off the committee due to family and work obligations. She also reported that President Malissa Netane-Jones, Vice President Jim Ruane, and Secretary Raul Gomez were reappointed to the Board and will serve second four-year terms that begin on January 1, 2024.

Finally, Ms. Hatamiya reminded the Committee of its upcoming meetings: November 15, 2023, and February 21, May 15, and August 21, 2024. All meetings will be held in person at San Bruno City Hall Room 101. She asked Committee members to let her know if they already know they will not be able to make any of these meetings.

### **6. Conduct of Business**

- a. Receive Report from Sand Hill Global Advisors, LLC (SHGA) regarding SHGA's Investment Outlook and SBCF's Investment Portfolio Performance

SHGA Chief Executive Officer Brian Dombkowski, Senior Portfolio Manager Meghan DeGroot Daters, Senior Wealth Manager Kristin Sun, and Analyst George Angelopoulos represented SHGA at the meeting.

Mr. Dombkowski gave an overview of the firm's investment outlook, noting that recession monitors suggest that the economy remains strong. He also reviewed the firm's views on economic growth, interest rates, inflation, commodity markets, the employment market, corporate earnings, international

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developed markets, emerging markets, the housing market, and valuation. He emphasized the strength of the job market and indications that inflation peaked in June of 2022.

Ms. DeGroot Daters then reviewed the Foundation's Investment Dashboard for the third quarter of 2023, including June 30, 2023, balances of \$21,225,679 for the Quasi-Endowment, \$6,309,009 for the Strategic Pool, and \$9,010,671 for the Liquidity Pool (total of \$36,545,359 in all three accounts). Noting a market rally in the first half of 2023, she noted several adjustments to the portfolio to more attractively valued assets, including increases in large cap stocks, emerging market stocks, and investment grade bonds, and decreases in U.S. value stocks, commodities, and high-yield bonds. She reported that SHGA reduced the portfolio's exposure to commodities in favor of long-term Treasury bonds.

Ms. Sun previewed the SBCF portfolio balance update that Mr. Dombkowski plans to share with the Board at its next meeting, noting total withdrawals of \$55,864,581 and total value added of \$17,541,061 since inception.

- b. Discuss and Provide Direction Regarding Future Cash Flow Strategies Related to Funding of Recreation and Aquatic Center Project

The Committee briefly discussed cash flow strategies related to the San Bruno Recreation and Aquatic Center (RAC) grants. Ms. Hatamiya reported that as of late May 2023, the Foundation had moved all funds needed to cover the remaining balance on the original \$50 million commitment to the RAC project as well as the additional \$1.5 million for construction contingency that the Board approved in April, from the Strategic Pool to the Liquidity Pool. She also reported that through August 15, 2023, the Foundation made grant payments totaling \$47,769,792.45 related to the eight grants supporting the design and construction of the RAC.

**7. Committee Member Comments:** Committee Member Ross suggested that the Sand Hill team include the portfolio balance update slide at each meeting, and not just in preparation for its annual presentation to the Board.

**8. Adjourn:** Committee Member Hayes moved to adjourn the meeting at 5:19 p.m., seconded by Committee Member Clifford, approved unanimously (Lin absent).

Respectfully submitted for approval at the Regular Investment Committee Meeting of November 15, 2023, by Investment Committee Chair Pak Lin.



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Pak Lin, Investment Committee Chair