

SAN BRUNO

Community Foundation

Board of Directors

Malissa Netane-Jones, *President* • Jim Ruane, *Vice President* • Raul Gomez, *Secretary* • Pak Lin, *Treasurer*
Jessica Inglima • Supriya S. Perry • Belinda Wong
Leslie Hatamiya, *Executive Director*
www.sbcf.org

This meeting will be held in person at the San Bruno Senior Center, with members of the public able to attend and offer public comment in person at the Senior Center or virtually via Zoom or telephone.*

IN-PERSON MEETING LOCATION

San Bruno Senior Center
1555 Crystal Springs Road
San Bruno, CA 94066

REMOTE VIA ZOOM OR TELEPHONE

Zoom Link:
<https://us02web.zoom.us/j/83423337350?pwd=xtpvnc9Pmq1zAoWZhe5oRuhvfgM7bp.1>
Webinar ID: 834 2333 7350
Passcode: 577762
Dial-in: (669) 900-6833

* Remote participation is offered in the meeting via Zoom as a courtesy to the public. If a technical error or outage occurs and remote participation is unavailable, the SBCF Board may continue the meeting in the San Bruno Senior Center where the public can attend and offer comments in person.

PUBLIC COMMENT: In person attendees who want to provide public comment will be asked to fill out a speaker card and submit it with the SBCF Executive Director. Virtual attendees can comment by using the “Raise Hand” feature in Zoom to request to speak. For dial-in comments, press *9 to “Raise Hand” and *6 to unmute. Public comments on agenda items are limited to three minutes per speaker. Public comment may also be emailed to info@sbcf.org. Comments received via email will not be read aloud during the meeting. Materials related to the agenda distributed after it is published will be available for public inspection at San Bruno City Hall, 567 El Camino Real, San Bruno, in compliance with the Brown Act.

ACCESSIBILITY: In compliance with the Americans with Disabilities Act, individuals requiring special accommodations or modifications to participate in this meeting should contact the SBCF Office 48 hours prior to the meeting at (650) 763-0775 or info@sbcf.org.

AGENDA

SAN BRUNO COMMUNITY FOUNDATION

Regular Meeting of the Board of Directors

May 7, 2025

7:00 p.m.

1. Call to Order/Welcome
2. Roll Call

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3. Public Comment: Individuals are allowed three minutes at this time to comment on items within the jurisdiction of the Board that are not on this agenda. 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. Approval of Minutes: April 2, 2025, Regular Board Meeting

5. Executive Director's Report

6. 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 June 4, 2025, Regular Board Meeting and Scheduling a Special Board Meeting on June 4, 2025, to Be Held at the San Bruno Recreation and Aquatic Center

b. Receive and Approve Treasurer's Report (March 2025 Financial Statements)

7. Conduct of Business

a. Receive Report from Ad Hoc Committee on Strategic Planning and Adopt Resolution Adopting the Recommendations of the Ad Hoc Committee on Strategic Planning, Including (a) Updating the Foundation's Program and Investment Strategies to Spend Down Most of the Foundation's Total Net Assets at the End of the Current Fiscal Year in the Near-to-Mid-Term on At Least One Large Legacy Project and Wind Down All Other Programs, (b) Identifying a New Fire Station No. 52 as the Foundation's Top Choice for a Legacy Project and Directing the President and Executive Director to Send the San Bruno City Council a Letter Expressing This Decision, (c) Discontinuing All Other Programs, Including the Crestmoor Scholarship and the Community Grants Fund, at the End of This Fiscal Year, (d) Directing the Ad Hoc Committee on Strategic Planning to Review and Make Recommendations to Update the Program Strategy Framework, (e) Directing the Investment Committee to Review and Make Recommendations to Update the Investment Policy Statement and Investment Operating Plan, and (f) Directing the Executive Director to Review Staffing Needs and Begin Trimming Operating Expenses in the Fiscal Year 2025-2026 Budget to Reflect These Strategy Changes

8. Board Member Comments

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9. **Adjourn:** If the resolution under the Consent Calendar is approved, the next meeting of the Board of Directors will be a special meeting held on Wednesday, June 4, 2025, at 7:00 p.m. in the Community Room of the San Bruno Recreation and Aquatic Center, 251 City Park Way, San Bruno.

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MINUTES

SAN BRUNO COMMUNITY FOUNDATION

Regular Meeting of the Board of Directors

April 2, 2025

7:00 p.m.

Meeting Location:

San Bruno Senior Center, 1555 Crystal Springs Road, San Bruno

- 1. Call to Order/Welcome:** President Netane-Jones called the meeting to order at 7:00 p.m.
- 2. Roll Call:** Board Members Netane-Jones, Ruane, Gomez, Pak, Inglima, and Wong, present; Board Member Perry, excused.

President Netane-Jones welcomed Jessica Inglima to her first meeting as a member of the Board.

3. Public Comment

Linda Mason requested that the Foundation conduct a public process like its first community listening campaign in 2015 to make a decision on how the remaining funds are to be spent, stated that the Foundation should consider funding a new library or the City's streetscape plan since Measure Q funds could be used to fund a fire station, and asked the Board to consider running the Foundation as a wholly volunteer organization. Legal Counsel Heather Minner noted that the Board would consider this comment under agenda item #7.

4. Approval of Minutes: March 5, 2025, Regular Board Meeting

Vice President Jim Ruane moved to approve the minutes of the March 5, 2025, Regular Board Meeting, seconded by Treasurer Lin, approved unanimously by roll call vote (Perry absent).

5. Executive Director's Report

Executive Director Hatamiya gave a brief report. She also welcomed Board Member Inglima to the Board and reported that she led an orientation session with her in March. She also thanked President

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Netane-Jones and Treasurer Lin for participating in the San Bruno City Council's interviews of Board applicants.

Ms. Hatamiya reported that the Foundation's commercial general liability, workers compensation, and directors and officers liability insurance policies all renewed on March 21, 2025, and that the Foundation executed a professional services agreement with Novogradac & Company for the Foundation's fiscal year 2024-2025 audit and tax preparation services.

6. Consent Calendar

- a. Adopt Resolution Adjusting Executive Director's Compensation
- b. Receive and Approve Treasurer's Report (February 2025 Financial Statements)

President Netane-Jones orally announced that the action in Item 6.a. is to provide a one-year increase in the Foundation's pre-tax employer contribution to the Executive Director's 403(b) retirement plan, from 5% to 10% of her salary, for the period beginning February 1, 2025, and ending January 31, 2026. She reported there would be no other changes to the Executive Director's compensation.

Treasurer Lin moved to accept the Consent Calendar as presented, seconded by Vice President Jim Ruane, approved unanimously by roll call vote (Perry absent).

7. Study Session: Receive Report from Ad Hoc Committee on Strategic Planning and Discuss Recommendation to Focus on Pursuing a Legacy Project, Particularly a New Fire Station No. 52, with the City of San Bruno and Winding Down All Other Programs

As Chair of the Ad Hoc Committee on Strategic Planning, President Netane-Jones provided a recap of the Board's recent strategic planning deliberations, including approving the sending of a letter to the San Bruno City Council expressing the Foundation's interest in exploring with the City potential options for a legacy project using the bulk of the Foundation's remaining net assets. She reported that on March 25, the San Bruno City Council created an ad-hoc sub-committee to engage in discussions with the Foundation about a potential legacy project, appointing Mayor Rico Medina and Councilmember Michael Salazar to serve on the sub-committee.

She then reported that the Ad Hoc Committee on Strategic Planning is in agreement on the following:

- Of the options the Board is considering, the Foundation should pursue using the bulk of the Foundation's remaining assets to fund one or two major legacy projects and wind down all other programs.
- The top choice for a legacy project is a new Fire Station No. 52 as the most realistically achievable project in the next several years and as an especially fitting capstone project that would directly serve the Crestmoor neighborhood and benefit all of San Bruno.

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- The Foundation should begin the process of winding down all other programs this fiscal year in order to maximize preservation of the Foundation's net assets for any legacy projects. The Foundation would finish the scholarship cycle that is currently in progress as scheduled, and neither the Crestmoor Scholarship nor the Community Grants Fund would be offered in fiscal year 2025-2026.
- The Foundation would focus its strategic grantmaking activities on the development and implementation of any legacy projects. The Foundation would also focus on the administration of previously awarded grants and scholarships, many of which are multi-year and involve additional payments of grant and scholarship funds and reporting obligations of grantees and scholarship recipients.
- The Foundation would look to trim operating expenses, as appropriate, to reflect the changes in program strategy.
- The Board would direct the Investment Committee to begin developing recommendations to update the Foundation's Investment Policy Statement and its Investment Operating Plan with Sand Hill Global Advisors to reflect the changes in program strategy.

President Netane-Jones noted that the Committee sought the Board's thoughts on these recommendations in preparation for the Committee's upcoming discussions with the City Council's ad-hoc sub-committee.

The Board received public comment from several community members. Nancy Kraus explained the history of the Foundation from her perspective as the Foundation's first Board President and expressed her support for the Committee's recommendations, including using the remaining funds to build a new Fire Station No. 52 as a legacy project and to do so quickly to maximize the funding available for such a legacy project. Jessica Carrillo noted the current uncertainty at the federal level and the ongoing cuts to funding, urging the Foundation to ensure that San Bruno continues to invest in both infrastructure and its people; she also encouraged the Foundation to consider how it might balance funding a legacy project like the fire station while also sustaining scholarships, grants, and other programs and suggested exploring opportunities to direct some funding toward San Bruno's public schools. Linda Mason noted the potential for a sports complex at Lions Field and the large number of people who use the San Bruno Library. She supported the need for fire station upgrades but reiterated her earlier comment that Measure Q funds can be used to fund a new fire station. She said that the Foundation and the City Council have taken the public out of discussions about using the remaining funds.

The Board engaged in a lengthy discussion. Noting the importance of the Board's pending decision, Board members expressed pride in all that the Foundation has already accomplished with the restitution funds, including the construction of the San Bruno Recreation and Aquatic Center, and noted that the Foundation has addressed many of the needs that were identified in the Foundation's two listening campaigns. Board members asked for more information and consideration of the pros and cons of each potential legacy project being considered. They acknowledged that the Foundation's remaining assets are a limited resource and the Foundation will not be able to fund all potential projects being considered, and so it is important to consider which options are most feasible in the next few years.

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Several Board members noted that the Foundation cannot make a decision in isolation and emphasized the importance of partnering with the City on a legacy project that makes sense for the City, both in terms of the community needs being addressed and the City's priorities, noting that Fire Station No. 52 appears to be the most practical and ready for engagement. Several Board members also raised the possibility of providing some funding to the San Bruno Park School District or the San Bruno Education Foundation. Board members expressed support for preserving as much of the remaining assets as possible in order to make a meaningful impact with the final legacy project(s) and winding down the Foundation's other programs. Some Board members suggested that the Foundation reach out to community partners like YouTube and Google to expand the funds available for any final legacy projects.

President Netane-Jones concluded the study session by noting that the Ad Hoc Committee will consider all of the feedback and questions raised at this study session, meet with the City Council's ad-hoc sub-committee, and come back to the Board with recommendations and next steps.

8. Board Member Comments

Treasurer Lin thanked President Netane-Jones for her hard work chairing the Ad Hoc Committee on Strategic Planning.

President Netane-Jones again welcomed Board Member Inglima to the Board of Directors. Board Member Inglima said she is thrilled to serve on the Board at an important juncture for the Foundation.

9. Adjourn: Treasurer Lin moved to adjourn the meeting at 8:11 p.m., seconded by Secretary Gomez, approved unanimously (Perry absent).

Respectfully submitted for approval at the Regular Board Meeting of May 7, 2025, by Secretary Raul Gomez and President Malissa Netane-Jones.

Raul Gomez, Secretary

Malissa Netane-Jones, President

SAN BRUNO

Community Foundation

Memorandum

DATE: May 1, 2025

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Executive Director's Report

The Executive Director's Report this month is brief, focusing on three administrative matters:

1. Insurance Policy Renewals

The Foundation's crime insurance policy with Travelers Casualty and Surety Company of America started was renewed for two years last spring. As a result, we will soon pay the annual premium of \$2,887 to secure coverage for the second year of the renewal beginning on May 27, 2025.

2. Investment Committee Meeting

The Investment Committee's next regular meeting is scheduled for Wednesday, May 21, 2025, at 4:30 p.m. at San Bruno City Hall, Room 101. Due to renovations taking place at City Hall this month, Room 101 is not available on May 21, and the meeting is being moved to a different conference room at City Hall (Room 115). As a result, we are canceling the regular meeting scheduled for May 21, 2025, and scheduling a special meeting for the same date and time – May 21, 2025, at 4:30 p.m. – at San Bruno City Hall, Room 115.

3. Email Newsletter and Website Hits

Since the April 2 Board meeting, I have sent out one email blast to the Foundation's email distribution list, reporting on the April Board March meeting. Of the approximately 800 emails sent, 53% of the recipients opened the email.

According to Google Analytics, activity on the sbcf.org website has been light. Between April 2 and April 30, 362 users visited the Foundation website. The most visited pages were the home page and the pages related to the Crestmoor Scholarship and the Community Grants Fund.

SAN BRUNO

Community Foundation

Memorandum

DATE: May 1, 2025

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Consent Calendar for the May 7, 2025, Regular Board Meeting

For the May 7, 2025, Regular Meeting of the Board of Directors of the San Bruno Community Foundation, the Consent Calendar includes two items related to the administrative and operational functions of the Foundation.

1. Adopt Resolution Canceling June 4, 2025, Regular Board Meeting and Scheduling a Special Board Meeting on June 4, 2025

The Board's next regular meeting is scheduled for 7:00 p.m. on June 4, 2025, at the San Bruno Senior Center. As in past years, the June Board meeting agenda will include the presentation of this year's Crestmoor Scholarships, and the meeting will be preceded by a reception for the Crestmoor Scholars and their families at 6:30 p.m. President Malissa Netane-Jones and I believe that the new San Bruno Recreation and Aquatic Center (RAC) would provide a more festive and welcoming setting for the June Board meeting and reception and would like to move that meeting to the RAC's Community Room. Although the cost to hold the meeting at the RAC will be higher than the nominal cost to hold Board meetings at the Senior Center, but President Netane-Jones and I believe that it is worth incurring the additional expense for this meeting, which will include presenting what may be the final year of Crestmoor Scholarships.

2. Receive and Approve Treasurer's Report (March 2025 Financial Statements)

The March 2025 financial statements consist of a Budget Report and Balance Sheet. The attached Budget Narrative provides a thorough explanation of the financial statements. The Budget Report includes the fiscal year 2024-2025 budget figures approved at the June 5, 2024, Board meeting.

I recommend that the Board approve the attached resolution and the Treasurer's Report, as outlined above, as part of the Consent Calendar on May 7, 2025.

Attachments:

1. Resolution Canceling June 4, 2025, Regular Board Meeting and Scheduling a Special Board Meeting on June 4, 2025
2. March 2025 Financial Statements

RESOLUTION NO. 2025-__

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION
CANCELING THE JUNE 4, 2025, REGULAR BOARD MEETING, AND SCHEDULING A SPECIAL
BOARD MEETING ON JUNE 4, 2025, TO BE HELD AT THE SAN BRUNO RECREATION AND
AQUATIC CENTER**

WHEREAS, the June Regular Meeting of the San Bruno Community Foundation’s Board of Directors is scheduled for June 4, 2025, at 7:00 p.m. at the San Bruno Senior Center;

WHEREAS, the June Board meeting agenda will include the presentation of the 2025 Crestmoor Scholarships, and the meeting will be preceded by a reception for the Crestmoor Scholars and their families at 6:30 p.m.; and

WHEREAS, because the new San Bruno Recreation and Aquatic Center would provide a more festive setting for the June Board meeting and reception, the SBCF Board would like to move its June meeting to the Community Room at the San Bruno Recreation and Aquatic Center.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors cancels the Regular Board Meeting of June 4, 2025, and schedules a Special Board Meeting at 7:00 p.m. on June 4, 2025, at the San Bruno Recreation and Aquatic Center, Community Room, 251 City Park Way, San Bruno, California.

Dated: May 7, 2025

ATTEST:

Raul Gomez, Secretary

I, Raul Gomez, Secretary, do hereby certify that the foregoing Resolution No. 2025-__ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this 7th day of May, 2025, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

SAN BRUNO

Community Foundation

March 2025

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 Projected Amount) and e (Change in Budget) and be explained. First nine months equal 75% of the fiscal year.

INCOME

Line 1 Transfers from Quasi Endowment – \$200,000 transferred is 56.8% of budget and coincided with Community Grants payments.

Line 2 Transfers from Strategic Pool – \$500,000 transfer made in August is 16.5% of budget.

Line 3 Donations - \$107,298 unbudgeted contributions received with \$100,000 restricted to Community Grants, \$1,500 restricted to Scholarships, and \$5,798 unrestricted.

EXPENSES

Line 6 Community Grants - \$300,000 in expense is 100% of budget.

Line 7 Strategic Grants – \$5,910,200 is 236.4% of budget and has been for Crestmoor Fields (\$3,400,000), RAC Startup Programming & Outreach (\$2,250,000), athletic field improvements (\$150,000), Narita Sister City program (\$109,000), and RAC memorial bench (\$1,200) grants. The final projected amount has been increased by \$3,410,200 to \$5,910,200 based on additional grants approved by the Board in December.

Line 10 Salaries & Wages – Expense is 2.5% over budget at 77.5%.

Line 11 Payroll Taxes & Benefits – Expense (\$20,659) is 73.5% of budget. Social Security/Medicare tax (\$11,587) and retirement (\$8,183) are the largest costs. Other costs include workers' compensation (\$675) and life insurance (\$214).

Line 13 Occupancy – Only cost is office lease (\$13,150). Amount is 73.1% of budget.

Line 14 Insurance – Total (\$12,066) is 70.6% of budget and includes Directors & Officers (\$8,685), Crime (\$2,427), and Commercial Liability (\$954) policies.

Line 15 Telecommunications – Cost (\$1,806) is 69.2% of budget. \$799 has been for cell phones, \$742 for internet, and \$265 for land line services.

Line 16 Postage & Shipping – Cost (\$2,592) is 89.3% of budget. \$2,152 or 82% of the total has been for Annual Report distribution.

Line 17 Marketing & Communications - \$15,016 expense is 79.4% of budget and includes Annual Report design and printing (\$11,446), Scholarship posters and flyers (\$1,055), Grant and Scholarship application software (\$1,851), and other Marketing & Communications (\$664).

Line 18 Office Supplies & Equipment – Cost (\$3,389) is 55.6% of budget. \$2,630 has been for computer costs including \$1,876 for a new laptop, and \$510 has been for toner.

Line 19 Legal Fees – \$25,362 expense is 57.3% of budget and has been for Administrative (\$13,439), Strategic Grants (\$9,943), and Community Grants (\$1,980) support.

Line 20 Accounting & Payroll Fees – Total (\$27,075) is 72.7% of budget with \$14,166 for Accounting Consultant, \$11,300 for annual audit and tax return preparation fees, \$805 for accounting software, and \$804 for payroll fees.

Line 21 Other Consultants – \$4,797 expense is 15.8% of budget. Entire amount has been for IT Consultant.

Line 22 Travel, Meetings & Conferences – \$324 Board meeting expense is 2.1% of budget.

Line 23 Miscellaneous – Cost (\$1,299) equals 65% of budget. \$850 has been for organizational memberships and \$200 has been for annual RRF-1 filing fee with California Registry of Charitable Trusts.

SUMMARY

Excluding the budget for Scholarships & Grants, total expenses are at 67.9% of budget, which is well below the 75% benchmark for the first nine months of the year. In terms of dollars, the \$318,471 in first nine months expense is \$33,533 less than the first nine months budget allocation.

Total March Investment net loss or decrease in value is \$677,242. This came from the Strategic Pool (\$47,239) and Quasi-Endowment (\$632,593) losses, and Liquidity Pool (\$2,590) gain. Total year-to-date Investment net gain is \$1,321,483.

Overall organization year-to-date decrease in net assets is \$5,099,891.

Total Net Assets, as of March 31, 2025 are \$23,814,376 with \$24,127,177 in Quasi-Endowment; -\$314,301 in general Unrestricted funds; and \$1,500 in Donor Restricted Net Assets.

SAN BRUNO

Community Foundation

March 2025 2024-2025 Budget Report

	(a)	(b)	(c)	(d)	(e)
	Actual Year to Date	Budget	Actual as % of Budget (a/b)	Final Projected Amount	Change in Budget (d - b)
INCOME & TRANSFERS					
1 Transfers from Quasi Endowment	\$ 200,000	\$ 352,218	56.8%	\$ 352,218	\$ -
2 Transfers from Strategic Pool	500,000	3,030,152	16.5%	3,030,152	-
3 Donations	107,298	-	-	107,298	107,298
4 Total Available for Operations	807,298	3,382,370	23.9%	3,489,668	107,298
EXPENSES					
5 Crestmoor Scholarships	-	165,000	0.0%	165,000	-
6 Community Grants	300,000	300,000	100.0%	300,000	-
7 Strategic Grants	5,910,200	2,500,000	236.4%	5,910,200	3,410,200
8 Other Grants	-	10,000	0.0%	10,000	-
9 Subtotal Direct Program Expenses	6,210,200	2,975,000	208.7%	6,385,200	3,410,200
10 Salaries & Wages	190,968	246,512	77.5%	246,512	-
11 Payroll Taxes & Benefits	20,659	28,094	73.5%	28,094	-
12 Subtotal Personnel Expenses	211,627	274,606	77.1%	274,606	-
13 Occupancy	13,150	18,000	73.1%	18,000	-
14 Insurance	12,066	17,093	70.6%	17,093	-
15 Telecommunications	1,806	2,610	69.2%	2,610	-
16 Postage & Shipping	2,609	2,920	89.3%	2,920	-
17 Marketing & Communications	15,016	18,921	79.4%	18,921	-
18 Office Supplies & Equipment	3,340	6,100	54.8%	6,100	-
19 Legal Fees	25,362	44,280	57.3%	44,280	-
20 Accounting & Payroll Fees	27,075	37,257	72.7%	37,257	-
21 Other Consultants	4,797	30,382	15.8%	30,382	-
22 Travel, Meetings & Conferences	324	15,170	2.1%	15,170	-
23 Miscellaneous	1,299	2,000	65.0%	2,000	-
24 Subtotal Non-Personnel	106,844	194,733	54.9%	194,733	-
25 Total Expenses	6,528,671	3,444,339	189.5%	6,854,539	3,410,200
26 Net Surplus/(Loss)	\$ (5,721,373)	\$ (61,969)		\$ (3,364,871)	\$ (3,302,902)

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Statement of Financial Position as of March 31, 2025

ASSETS

Cash, Wells Fargo General	52,444.58	
Cash, Wells Fargo Payroll	23,193.77	
Cash, Fidelity Liquidity Pool - Operating	794,353.07	
Total Cash		869,991.42
Investments, Fidelity Strategic Pool	5,524,477.70	
Investments, Fidelity Quasi-Endowment	24,127,177.18	
Total Investments		29,651,654.88
Prepaid Rent	1,180.35	
Prepaid Insurance	2,733.13	
Total Other Current Assets		3,913.48
Deposits	909.45	
Right of Use Asset - Lease	77,415.00	
Total Other Assets		78,324.45
TOTAL ASSETS		<u>\$ 30,603,884.23</u>

LIABILITIES & NET ASSETS

LIABILITIES

Accounts Payable	8,677.97	
Accrued Grants Payable	6,434,305.27	
Accrued Scholarships Payable	257,500.00	
Accrued Employee PTO	11,610.39	
Lease Liability	77,415.00	
Total Liabilities		6,789,508.63

NET ASSETS

Unrestricted, Non-QE 7/1/2024 Balance	5,586,247.53	
Transfer from Quasi-Endowment	200,000.00	
Year to Date Net Income from Operations	(6,421,673.18)	
Year to Date Non-QE Investment Income	321,124.07	
Total Non-QE Unrestricted Net Assets	(314,301.58)	
Quasi-Endowment 7/1/2024 Balance	23,326,818.57	
Transfer to Liquidity for Operations	(200,000.00)	
Year-to-date QE Investment Income	1,000,358.61	
Total QE Unrestricted Net Assets	24,127,177.18	
Total Unrestricted Net Assets		23,812,875.60
Donor Restricted Net Assets 7/1/2024 Balance	1,200.00	
Year to Date Donor Restricted Net Income	300.00	
Total Donor Restricted Net Assets		1,500.00
Total Net Assets		<u>23,814,375.60</u>

TOTAL LIABILITIES & NET ASSETS		<u>\$ 30,603,884.23</u>
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SAN BRUNO

Community Foundation

Memorandum

DATE: May 1, 2025

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Report from the Ad Hoc Committee on Strategic Planning and Resolution Adopting the Committee's Recommendations

At the May 7, 2025, regular Board meeting, the main agenda item will be a report from the Ad Hoc Committee on Strategic Planning and the Board's consideration of the Committee's recommendations to update the Foundation's current program and investment strategies by spending down the organization's remaining net assets in the near-to-mid-term on at least one large legacy project and winding down all other programs; identify a new Fire Station No. 52 as the Foundation's top choice for a legacy project and communicate this choice to the San Bruno City Council through the sending of a letter; discontinue all other programs, including the Crestmoor Scholarship and the Community Grants Fund, at the end of this fiscal year in order to maximize preservation of the Foundation's net assets for any legacy projects; direct the Ad Hoc Committee on Strategic Planning to review the Foundation's Program Strategy Framework and recommend any needed updates to reflect the changes in strategy; direct the Investment Committee to develop recommendations to update the Foundation's Investment Policy Statement and its Investment Operating Plan with Sand Hill Global Advisors to reflect the changes program strategy; and direct the Executive Director to review staffing needs and begin trimming operating expenses, as appropriate, to reflect the changes in strategy. As chair, President Malissa Netane-Jones will make the report on behalf of the Committee, on which Vice President Jim Ruane and Secretary Raul Gomez also serve.

1. Recap of Relaunch of Strategic Planning Discussions

At its February 5, 2025, regular meeting, the Board conducted a study session to restart its discussions regarding the Foundation's program and investment strategies once the grants totaling \$51.5 million supporting the design and construction of the San Bruno Recreation and Aquatic Center (RAC), the Foundation's primary legacy project, are fully paid out. I gave a brief presentation recapping the Board's previous deliberations in 2024, during which the Board decided to focus its discussions on two options – (1) spending down the remaining funds in the near-to-mid-term on one or two large legacy projects and winding down all other programs, and (2) spending down the remaining funds over a set period of time (*e.g.*, 10-25 years) with a target annual budget – and to set aside a third option following an endowment model, under

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which the Foundation is sustained in perpetuity at a modest annual budget level. As noted in the meeting's minutes, the Board received public comment from two community members expressing their thoughts on the options the Board is considering.

The Board engaged in a discussion of the options being considered. Several Board members said that they favor option #1 and funding a final legacy project, if one can be identified, as the best use of the Foundation's remaining funds for the long-term benefit of the community. A new Fire Station No. 52 and a reimaged library were mentioned as capital projects that the Foundation might want to consider funding.

At the conclusion of its discussion, the Board confirmed by consensus that it is still primarily considering options #1 and #2 and approved a resolution creating a new ad hoc committee, consisting of President Netane-Jones, Vice President Ruane, and Secretary Gomez, to lead the Board's strategic planning deliberations, charged with researching and evaluating potential program and investment strategies for use of the Foundation's remaining assets, researching potential legacy projects and engaging with potential community partners, such as the City of San Bruno and the San Bruno Park School District, and making recommendations to the Board in the development of the Foundation's post-RAC strategic plan. Board members suggested that the committee consider the timing of winding down other programs under Option #1, the sustainability of any legacy project under consideration, and whether there are ways to support the library short of a building a new facility.

At its March 5 regular meeting, the Board held another strategic planning study session, during which President Netane-Jones gave an extensive overview of the Committee's deliberations, including its recommendation that the Board send a letter to the San Bruno City Council expressing the Foundation's interest in exploring with the City potential options for a legacy project using the bulk of the Foundation's remaining funds. The Board approved a resolution directing the President and Executive Director to send the letter, and I emailed the letter to the City Council and the City Manager on March 6.

At its March 11 regular meeting, the City Council mentioned the Foundation's interest in a legacy project during its discussion of Measure Q funding. Measure Q is the \$102 million general obligation bond measure that San Bruno voters approved in November 2024, with bond proceeds to be used for street and road repairs, stormwater infrastructure improvements, and fire station upgrades. In the Measure Q discussion, several of the Councilmembers expressed an openness to partnering with the Foundation on another legacy project, such as a new Fire Station No. 52.

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At its March 25 regular meeting, the City Council created an ad-hoc sub-committee to engage in discussions with the Foundation about a legacy project. The Council appointed Mayor Rico Medina and Councilmember Michael Salazar to serve on the subcommittee.

The Foundation's Ad Hoc Committee on Strategic Planning met with the City Council's ad-hoc sub-committee on April 21. The Foundation's Ad Hoc Committee members reiterated the Foundation's interest in pursuing a legacy project with the City with the bulk of the Foundation's remaining net assets. They emphasized that the Foundation is looking to come to agreement on a major capital project that can be realistically completed in the next half decade, and the two committees then discussed various options, including a new Fire Station No. 52 and a reimagined library. With regard to Fire Station No. 52, they discussed the City's significant need for upgrades to the fire station, the City's preliminary exploration of obtaining land from Caltrans at the corner of San Bruno Avenue and Skyline Boulevard for a new fire station, the availability of additional funding, if needed, to complete a new Station No. 52, from Measure Q funds, and the added benefit of a Foundation investment in Fire Station No. 52 to free up Measure Q funds for other permissible purposes such as street and road improvements, storm water infrastructure upgrades, and even renovations to Fire Station No. 51. The group discussed the value of and need for a new reimagined library for the San Bruno community and noted challenges related to finding a new location for a larger facility and securing the additional funding that would likely be needed to complete a new library construction project, as the Foundation's available funding would likely not come close to covering the cost of such project and recent polls that led to Measure Q did not reveal significant support for public revenue measures to underwrite library upgrades. The group also discussed other community needs such as athletic field improvements.

Following its joint meeting with the City Council's sub-committee, the Ad Hoc Committee on Strategic Planning met by itself to consider the joint discussions and come to agreement on the recommendations outlined below.

2. Report from Ad Hoc Committee on Strategic Planning

The members of the Ad Hoc Committee on Strategic Planning believe that the Board needs to make certain decisions about the Foundation's post-RAC strategy this spring in order to maximize the funds available for one or two final legacy projects and to have any changes in strategy reflected in plans and the budget for the 2025-2026 fiscal year. The 2025-2026 fiscal year budget will come before the Board and the City Council for consideration in June, and the Community Grants Fund typically launches in early July, so ideally key decisions about strategy changes should be made in May.

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Taking into consideration community input received by the Foundation's two community listening campaigns in 2015 and 2021, its discussion with the City Council's ad-hoc sub-committee, and the Board's recent strategic planning deliberations, the Ad Hoc Committee on Strategic Planning recommends that the SBCF Board:

- Update the Foundation's program and investment strategies to spend down the bulk of the Foundation's remaining total net assets at the end of the current fiscal year in the near-to-mid-term on at least one large legacy project and wind down all other programs;
- Identify a new Fire Station No. 52 as the Foundation's top choice for the legacy project to receive most of the total net assets earmarked for legacy projects and direct the Foundation President and Executive Director to send the letter attached as Exhibit A to the San Bruno City Council to communicate this decision and seek the City Council's agreement to the Foundation serving as a funding partner on a new Fire Station No. 52;
- Direct the discontinuation of all other programs, including the Crestmoor Scholarship and the Community Grants Fund, at the end of the current fiscal year in order to maximize preservation of the Foundation's net assets for any legacy projects;
- Direct the Ad Hoc Committee on Strategic Planning to review the Foundation's Program Strategy Framework and recommend any needed updates to reflect the above changes in strategy;
- Direct the Investment Committee to review the Foundation's Investment Policy Statement and its Investment Operating Plan with Sand Hill Global Advisors and recommend any needed updates to both documents to reflect the above changes in strategy; and
- Direct the Executive Director to review staffing needs and begin trimming operating expenses, as appropriate, in the fiscal year 2025-2026 budget to reflect the above changes in strategy.

The Foundation's Bylaws, as approved by the City Council, identify the Foundation's primary purpose as to "benefit the San Bruno community through enduring and significant contributions to, and investments in, charitable and community programs, and publicly-owned community facilities, over the long term." The Ad Hoc Committee makes the above recommendations with the strong belief that they, in combination with the nearly \$66 million in

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direct investments that the Foundation has made since 2016, fulfill this purpose. In the Committee's view, the Recreation and Aquatic Center, a decade of Community Grants and Crestmoor Scholarships, about \$10 million in other strategic initiatives – including the Crestmoor Fields Project, Centennial Plaza, Florida Avenue Park, and the Music Education Strategic Initiative, just to name a few – and at least one more major capital project would be a tremendous and meaningful tribute to the Crestmoor neighborhood and leave a legacy whose impact would be felt for decades throughout the San Bruno community. Moreover, the Committee believes that investing the bulk of the Foundation's remaining net assets in one or two legacy projects will have a more consequential and lasting impact than making smaller annual community investments by awarding Crestmoor Scholarships, Community Grants, and other, more modest strategic grants over the next 15-20 years. The Committee notes that continuing the Foundation in perpetuity has never been a part of the Foundation's mandate, and while ending popular programs like the Crestmoor Scholarship and the Community Grants Fund is difficult, the Committee believes that concluding those programs is necessary to maximize the funds available for any final legacy projects.

The Committee is recommending that the Foundation target a new Fire Station No. 52 as the main legacy project to which to commit the bulk of its remaining net assets as the capital project that the City can most realistically accomplish in the next half decade. The City has identified Fire Station No. 52 as outdated and in need of seismic improvements. Construction of a new fire station, which the City has been preliminarily exploring in the development and post-voter approval of Measure Q, is likely to be in the \$20 million-\$25 million range, and grant funding in the range of \$15 million to \$19 million from the Foundation would make a substantial contribution to the overall project cost, with Measure Q funds available to cover the remaining balance. A Foundation investment in the fire station replacement project would allow the City to redirect Measure Q funds currently penciled in for that use to much-needed community-supported street and stormwater improvements, estimates of which exceed the \$102 million that Measure Q will raise. In addition, the City has already identified a possible alternative location for a new Fire Station No. 52, on a vacant site owned by Caltrans at the corner of San Bruno Avenue and Skyline Boulevard. While procuring such site is not guaranteed, the Foundation understands that Caltrans is open to discussion regarding the site, and the City can explore building a new station at the current site if alternative locations are not viable.

While Committee members whole-heartedly believe that a new, reimagined library could greatly benefit the community, they are skeptical that such a project has a realistic chance of coming to fruition in the next few years, as it would likely take years for plans to develop and require significant additional funding sources that have not yet been identified or secured. As the current library site is too small for an expanded facility and the necessary parking, the City

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would have to identify and potentially obtain real property on which to locate a new facility. The project cost of a new library would likely be significantly higher than the cost of a new fire station – perhaps upwards of \$50 million – and the City would have to identify sources for the balance of funds needed to complete the project, a daunting task in the face of the City’s pre-Measure Q community survey results that indicated modest support for a public revenue measure for library improvements. The Committee also has questions about the challenges the City might face in covering the ongoing costs of operating an expanded library, which, unlike the Recreation and Aquatic Center, is unlikely to have multiple income-generating revenue streams supporting its operations.

Moreover, Committee members view investment in a new Fire Station No. 52 as a fitting final project for the Foundation – a “full-circle” project – given the Foundation’s origins. Fire Station No. 52 is located in the Crestmoor neighborhood where the 2010 gas pipeline explosion took place, played a crucial role in the City’s response to the disaster, and supports the entire City of San Bruno and the broader region in protecting life and property by responding to and suppressing fires and providing emergency medical and other safety-related services.

While the Committee recommends earmarking the bulk of the Foundation’s remaining net assets for the fire station, it leaves open the possibility of the Board considering one or two additional, smaller strategic grant initiatives to be funded by a portion of the remaining funds, such as the funding of permanent lighting as part of the Crestmoor Fields Project. When it approved the Crestmoor Fields Project strategic grant in 2024, the Board said it would be willing to consider funding permanent lighting at the fields, which the City has roughly estimated to cost about \$2 million, after receiving more detailed information about the costs and benefits and after the Board has continued its strategic planning deliberations. The Board may also want to consider making a smaller final contribution to support San Bruno’s public schools – for example, to one of the San Bruno Park School District’s capital improvement projects at Parkside Intermediate School. The Committee envisions that the total of any additional strategic grants other than the fire station project would not exceed \$3 million.

To maximize the available funds for these final legacy projects, the Committee recommends that the Foundation discontinue the Community Grants Fund and the Crestmoor Scholarship at the end of this fiscal year. The Foundation would complete its current cycle of Crestmoor Scholarships, which are in the process of being awarded, and neither the Crestmoor Scholarship nor the Community Grants Fund would be offered during the 2025-2026 fiscal year. Discontinuation of these programs would not only preserve the funds that would otherwise be awarded in grants and scholarships, but also result in reductions in the Foundation’s operational expenses.

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If the Board approves the Committee's recommendations, the Foundation would focus its program activities primarily on the development and implementation of the Fire Station No. 52 project and any other final legacy projects. The Foundation would likely want to structure its financial support for any major capital projects similar to the way it structured its investment in the RAC, with multiple grants funding various stages of the design and construction process. In addition to pursuing any legacy project options, the Foundation would finish the administration of previously awarded grants and scholarships, many of which are multi-year and involve additional payments of grant and scholarship funds and reporting obligations of grantees and scholarship recipients.

The Committee and I suggest that the total amount to be committed to the final legacy projects be determined at the beginning of the 2025-2026 fiscal year based on the total net assets as of June 30, 2025 (the final day of the 2024-2025 fiscal year). As of March 31, 2025, total net assets were just over \$23.8 million, down from \$24.5 million just two months earlier. The June 30 total net assets figure will depend on additional program and operating expenses incurred through the end of the fiscal year as well as the performance of the Foundation's investment portfolio. With the new administration in Washington, D.C., changes in federal tariff and other economic policies have led to significant market volatility, particularly in the past month, making it difficult to predict at this time what total net assets will likely be at the end of June.

To ensure that the Foundation has more than sufficient funds to cover its operating expenses through the completion of administration of any previously awarded grants and scholarships and any soon-to-be awarded legacy project grants (at least another five years), the Foundation would reserve \$5 million from the Foundation's June 30, 2025, total net assets, and the remaining balance would be the total amount available for the final legacy projects. The specific amount for the fire station project would be determined after the City has agreed to partner with the Foundation on the project and the Foundation has received additional cost and related information on permanent lighting at the Crestmoor Fields and the San Bruno Park School District's strategic initiatives. If there are any funds remaining, including any future investment income accrued, after all grant and scholarship commitments have been fully disbursed and administered, the Board would be able to grant all or a portion of those remaining funds to the fire station project or any other strategic initiatives as appropriate at that time.

To implement these strategy adjustments, the Board would call on the Ad Hoc Committee on Strategic Planning to review the Foundation's Program Strategy Framework (the high-level policy document articulating the Foundation's program strategy) and the Investment Committee to review the Investment Policy Statement and the Investment Operating Plan with Sand Hill Global Advisors and for both committees to make recommendations for updating

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those policy documents to reflect the above changes in strategy. The Board would also direct the Executive Director to review staffing needs and trim operating expenses, as appropriate, to reflect the above changes in strategy and to incorporate those factors into the fiscal year 2025-2026 budget, which will come before the Board for approval in June.

In making these recommendations, the Ad Hoc Committee believes the Foundation has received sufficient community input on community needs based on the 2015 and 2021 community listening campaigns and feedback received at Board meetings, which are open to the public. The strategic decisions currently before the Board require the weighing of various, often competing considerations, including lasting community impact, tradeoffs given limited resources, and the availability of viable projects, that cannot easily be distilled to a survey or questionnaire about community needs.

The Committee anticipates that at the conclusion of administering all remaining grants and scholarships, including any legacy projects yet to be awarded, the current form of the Foundation would close down. Between now and that time, the Committee expects that operating expenses and staffing levels will be reduced, although it strongly believes that paid staff has and will continue to play a critical role in managing the Foundation's still substantial finances, administering all programs, and supporting the Board's activities and the Foundation's obligations under the Brown Act, the Public Records Act, and other state and federal laws that apply to public entities. If, at the time the current version of the Foundation closes down, there is community interest in having a foundation serve San Bruno, the most effective option might be for a group of interested community members to establish a new 501(c)(3), unaffiliated with the City, that could operate as a more traditional community foundation that is found in other municipalities and regions. Such an independent foundation might be able to operate more nimbly and have greater fundraising success than the current SBCF, which is viewed as an arm of the City and is considered a public agency for such purposes as the Brown Act and public disclosure laws.

- 3. Resolution Adopting the Recommendations of the Ad Hoc Committee on Strategic Planning, Including (a) Updating the Foundation's Program and Investment Strategies to Spend Down Most of the Foundation's Total Net Assets at the End of the Current Fiscal Year in the Near-to-Mid-Term on At Least One Large Legacy Project and Wind Down All Other Programs, (b) Identifying a New Fire Station No. 52 as the Foundation's Top Choice for a Legacy Project and Directing the President and Executive Director to Send the San Bruno City Council a Letter Expressing This Decision, (c) Discontinuing All Other Programs, Including the Crestmoor Scholarship and the Community Grants Fund, at the End of This Fiscal Year, (d) Directing the Ad Hoc Committee on Strategic Planning to Review and Make Recommendations to Update the Program Strategy Framework, (e) Directing the**

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Investment Committee to Review and Make Recommendations to Update the Investment Policy Statement and Investment Operating Plan, and (f) Directing the Executive Director to Review Staffing Needs and Begin Trimming Operating Expenses in the Fiscal Year 2025-2026 Budget to Reflect These Strategy Changes

On May 7, the Board will consider the attached resolution formally adopting the Ad Hoc Committee's recommendations regarding the Foundation's post-RAC strategy outlined above. The resolution will direct the President and Executive Director to send the letter to the San Bruno City Council contained in Exhibit A expressing the Board's desire to help fund the construction of a new Fire Station No. 52 as a legacy project with the bulk of the Foundation's total net asset at the end of the 2024-2025 fiscal year. The resolution will also provide direction to the Ad Hoc Committee on Strategic Planning, the Investment Committee, and the Executive Director related to the implementation of the recommended strategy updates.

Attachments:

1. Resolution Adopting the Recommendations of the Ad Hoc Committee on Strategic Planning, Including (a) Updating the Foundation's Program and Investment Strategies to Spend Down Most of the Foundation's Total Net Assets at the End of the Current Fiscal Year in the Near-to-Mid-Term on At Least One Large Legacy Project and Wind Down All Other Programs, (b) Identifying a New Fire Station No. 52 as the Foundation's Top Choice for a Legacy Project and Directing the President and Executive Director to Send the San Bruno City Council a Letter Expressing This Decision, (c) Discontinuing All Other Programs, Including the Crestmoor Scholarship and the Community Grants Fund, at the End of This Fiscal Year, (d) Directing the Ad Hoc Committee on Strategic Planning to Review and Make Recommendations to Update the Program Strategy Framework, (e) Directing the Investment Committee to Review and Make Recommendations to Update the Investment Policy Statement and Investment Operating Plan, and (f) Directing the Executive Director to Review Staffing Needs and Begin Trimming Operating Expenses in the Fiscal Year 2025-2026 Budget to Reflect These Strategy Changes
2. Exhibit A: Letter from the President and Executive Director to the San Bruno City Council

RESOLUTION NO. 2025-__

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION
ADOPTING THE RECOMMENDATIONS OF THE AD HOC COMMITTEE ON STRATEGIC PLANNING,
INCLUDING (A) UPDATING THE FOUNDATION'S PROGRAM AND INVESTMENT STRATEGIES TO
SPEND DOWN MOST OF THE FOUNDATION'S TOTAL NET ASSETS AT THE END OF THE
CURRENT FISCAL YEAR IN THE NEAR-TO-MID-TERM ON AT LEAST ONE LARGE LEGACY
PROJECT AND WIND DOWN ALL OTHER PROGRAMS, (B) IDENTIFYING A NEW FIRE STATION
NO. 52 AS THE FOUNDATION'S TOP CHOICE FOR A LEGACY PROJECT AND DIRECTING THE
PRESIDENT AND EXECUTIVE DIRECTOR TO SEND THE SAN BRUNO CITY COUNCIL A LETTER
EXPRESSING THIS DECISION, (C) DISCONTINUING ALL OTHER PROGRAMS, INCLUDING THE
CRESTMoor SCHOLARSHIP AND THE COMMUNITY GRANTS FUND, AT THE END OF THIS
FISCAL YEAR, (D) DIRECTING THE AD HOC COMMITTEE ON STRATEGIC PLANNING TO REVIEW
AND MAKE RECOMMENDATIONS TO UPDATE THE PROGRAM STRATEGY FRAMEWORK, (E)
DIRECTING THE INVESTMENT COMMITTEE TO REVIEW AND MAKE RECOMMENDATIONS TO
UPDATE THE INVESTMENT POLICY STATEMENT AND INVESTMENT OPERATING PLAN, AND (F)
DIRECTING THE EXECUTIVE DIRECTOR TO REVIEW STAFFING NEEDS AND BEGIN TRIMMING
OPERATING EXPENSES IN THE FISCAL YEAR 2025-2026 BUDGET TO REFLECT THESE STRATEGY
CHANGES**

WHEREAS, in 2021, the San Bruno Community Foundation Board of Directors approved Strategic Plan 2.0, reaffirming the Foundation's Program Strategy Framework, as originally approved in 2015, endorsing a 20-year spend-down of the Foundation's remaining assets once it has fully disbursed the more than \$50 million in grant funding to the City of San Bruno for the design and construction of the San Bruno Recreation and Aquatic Center (RAC), committing to a series of operational activities, and agreeing to revisit this strategy at least once every five years;

WHEREAS, now that the Foundation is very close to concluding disbursement of all grants related to the RAC's design and construction, the Board is revisiting Strategic Plan 2.0 in light of current circumstances and a more accurate projection of the Foundation's assets post-RAC;

WHEREAS, the Board has considered several program and investment strategies for use of the Foundation's remaining assets, including spending down the remaining funds in the near-to-mid-term on one or two large legacy capital projects and winding down all other programs;

WHEREAS, on February 5, 2025, the Board created the Ad Hoc Committee on Strategic Planning to research and evaluate such potential program and investment strategies for use of the Foundation's remaining assets, research potential legacy projects and engage with potential community partners, such as the City of San Bruno and the San Bruno Park School District, and make recommendations to the Board in the development of the Foundation's post-RAC strategic plan;

WHEREAS, the SBCF President and Executive Director sent a letter dated March 5, 2025, to the San Bruno City Council requesting that the City of San Bruno engage with the Foundation to identify a final legacy project in which to invest the bulk of the Foundation’s remaining assets, such as a new Fire Station 52 or a new reimagined library;

WHEREAS, the San Bruno City Council created an ad-hoc sub-committee to engage in discussions with the Foundation about a legacy project, and this ad-hoc sub-committee met with the Foundation’s Ad Hoc Committee on Strategic Planning on April 21, 2025;

WHEREAS, the Ad Hoc Committee on Strategic Planning developed a set of six recommendations related to updating the Foundation’s program and investment strategies to spend the bulk of the Foundation’s total net assets at the end of the current fiscal year in the near-to-mid-term on a small number of legacy projects, target a new Fire Station No. 52 as the main legacy project, and wind down all other programs, including the Crestmoor Neighborhood Memorial Scholarship and the Community Grants Fund;

WHEREAS, the Board agrees with the Ad Hoc Committee on Strategic Planning that investing the bulk of the Foundation’s total net assets in at least one final legacy project, in combination with the nearly \$66 million in direct investments that the Foundation has already made since 2016, would fulfill the Foundation’s primary purpose, as articulated in its Bylaws, to “benefit the San Bruno community through enduring and significant contributions to, and investments in, charitable and community programs, and publicly-owned community facilities, over the long term”;

WHEREAS, the Board believes that a new Fire Station No. 52 is the capital project that the City of San Bruno can most realistically accomplish in the next half decade, is a fitting final project given the Foundation’s origins, and therefore is the top choice for a legacy project to which to commit the bulk of the Foundation’s remaining net assets; and

WHEREAS, the Board believes that to maximize preservation of the Foundation’s net assets for any legacy projects, the Foundation’s other programs, including the Crestmoor Neighborhood Memorial Scholarship and the Community Grants Fund, should be discontinued at the end of this fiscal year.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby approves and adopts the following recommendations of the Ad Hoc Committee on Strategic Planning to:

- Update the Foundation’s program and investment strategies to spend down the bulk of the Foundation’s remaining total net assets at the end of the current fiscal year in the near-to-mid-term on at least one large legacy project and wind down all other programs;
- Identify a new Fire Station No. 52 as the Foundation’s top choice for the legacy project to receive most of the total net assets earmarked for legacy projects and direct the Foundation President and Executive Director to send the letter attached

as Exhibit A to the San Bruno City Council to communicate this decision and seek the City Council’s agreement to the Foundation serving as a funding partner on a new Fire Station No. 52;

- Direct the discontinuation of all other programs, including the Crestmoor Scholarship and the Community Grants Fund, at the end of the current fiscal year in order to maximize preservation of the Foundation’s net assets for any legacy projects;
- Direct the Ad Hoc Committee on Strategic Planning to review the Foundation’s Program Strategy Framework and recommend any needed updates to reflect the above changes in strategy;
- Direct the Investment Committee to review the Foundation’s Investment Policy Statement and its Investment Operating Plan with Sand Hill Global Advisors and recommend any needed updates to both documents to reflect the above changes in strategy; and
- Direct the Executive Director to review staffing needs and begin trimming operating expenses, as appropriate, in the fiscal year 2025-2026 budget to reflect the above changes in strategy.

Dated: May 7, 2025

ATTEST:

Raul Gomez, Secretary

I, Raul Gomez, Secretary, do hereby certify that the foregoing Resolution No. 2025-__ was duly and regularly passed and adopted by the Board of Directors of The San Bruno Community Foundation on this 7th day of May, 2025, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

EXHIBIT A
SAN BRUNO
Community Foundation

May 7, 2025

Honorable Rico Medina, Mayor
Honorable Marty Medina, Vice Mayor
Honorable Sandy Alvarez, City Councilmember
Honorable Tom Hamilton, City Councilmember
Honorable Michael Salazar, City Councilmember
City of San Bruno
567 El Camino Real
San Bruno, CA 94066

Dear Mayor Medina and Councilmembers:

We are writing to follow up on our letter to you dated March 5, 2025, which expressed our interest in engaging with the City of San Bruno to identify a final legacy project in which to invest the bulk of the Foundation's remaining assets. We thank the City Council for creating an ad-hoc sub-committee, consisting of Mayor Rico Medina and Councilmember Michael Salazar, to engage in discussions with the Foundation about a legacy project. The Foundation Board's Ad Hoc Committee on Strategic Planning recently had a productive meeting with the City Council's ad-hoc sub-committee to explore the Foundation's and the City's mutual interests in partnering on a final, meaningful legacy project to benefit the San Bruno community.

Now, on behalf of the Board of Directors of the San Bruno Community Foundation, we write to express the Foundation's desire to invest the bulk of the Foundation's total net assets available at the end of the 2024-2025 fiscal year to construction of a new Fire Station No. 52 and to ask the City to agree to the Foundation becoming a funding partner on this project. The Board is targeting a new Fire Station No. 52 as the main legacy project to which to commit the bulk of the Foundation's remaining net assets as the capital project that the City can most realistically accomplish in the next half decade. The City has identified Fire Station No. 52 as outdated and in need of seismic improvements and has been preliminarily exploring, in the development and post-voter approval of Measure Q, the construction of a replacement fire station. Grant funding in the range of \$15 million to \$19 million from the Foundation would make a substantial contribution to the overall project cost, with Measure Q funds available to cover the remaining balance. A Foundation investment in the fire station replacement project would allow the City to redirect Measure Q funds currently penciled in for that use to much-needed community-supported street and stormwater infrastructure improvements, estimates of which exceed the \$102 million that Measure Q will raise.

The Board views investment in a new Fire Station No. 52 as a fitting final project for the Foundation – a “full-circle” project – given the Foundation’s origins. Fire Station No. 52 is located in the Crestmoor neighborhood where the 2010 gas pipeline explosion took place, played a crucial role in the City’s response to the disaster, and supports the entire City of San Bruno and the broader region in protecting life and property by responding to and suppressing fires and providing emergency medical and other safety-related services.

The amount of grant funding that the Foundation will be able and willing to dedicate to the fire station replacement project will depend on the Foundation’s total net assets at the end of the current fiscal year (June 30, 2025). As of March 31, 2025, total net assets were just over \$23.8 million, down from \$24.5 million just two months earlier. The June 30 total net assets figure will depend on additional program and operating expenses incurred through the end of the fiscal year as well as the performance of the Foundation’s investment portfolio. With the new administration in Washington, D.C., changes in federal tariff and other economic policies have led to significant market volatility, particularly in the past month, making it difficult to predict at this time what the Foundation’s total net assets will be at the end of June. In addition, while the Board plans to earmark the vast majority of the Foundation’s remaining total net assets for the fire station, it intends to reserve funds to cover ongoing operating expenses and leaves open the possibility of also considering one or two additional, smaller strategic grant initiatives with the remaining funds, such as the funding of permanent lighting as part of the Crestmoor Fields Project or making a smaller final contribution to support San Bruno’s public schools. Although the exact amount is yet to be determined, the Foundation currently anticipates available grant funding for the fire station project to be in the range of \$15 million-\$19 million.

The Foundation is beginning the process of updating the Foundation’s program and investment strategies to reflect the Board’s decision to spend down the Foundation’s remaining total net assets at the end of the current fiscal year in the near-to-mid-term on at least one large legacy project (ideally, a new Fire Station No. 52) and winding down all other programs in order to maximize preservation of the Foundation’s net assets for the legacy project(s).

If the City Council agrees to accept Foundation grant funding for the fire station replacement project, we anticipate that the Foundation would follow a process similar to what took place with the Recreation and Aquatic Center, including approval of a resolution supporting the concept of dedicating strategic grant funding to the City for the design and construction of a new Fire Station No. 52 and then subsequent approval of a series of grants covering specific portions of the project costs as the project progresses.

On behalf of the Foundation Board, we thank you for the opportunity to share the Foundation’s desire to target a new Fire Station No. 52 as the main legacy project to receive the bulk of the Foundation’s remaining net assets. We ask that the City Council consider this

request at the next available opportunity and then to formally agree to the Foundation serving as a funding partner on a new Fire Station No. 52.

If you have any questions, please do not hesitate to contact either of us.

Most sincerely,

Malissa Netane-Jones
President

Leslie Hatamiya
Executive Director

cc: Alex McIntyre, City Manager