

SAN BRUNO

Community Foundation

Board of Directors

Malissa Netane-Jones, *President* • Jim Ruane, *Vice President* • Raul Gomez, *Secretary* • Pak Lin, *Treasurer*
Supriya S. Perry • Irving Torres • Belinda Wong
Leslie Hatamiya, *Executive Director*

MINUTES

SAN BRUNO COMMUNITY FOUNDATION

Regular Meeting of the Board of Directors

November 1, 2023

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 7:01 p.m.
- 2. Roll Call:** Board Members Netane-Jones, Ruane, Gomez, Lin, Perry, Torres, and Wong, present.
- 3. Public Comment:** None.
- 4. Approval of Minutes:** September 6, 2023, Regular Board Meeting: Board Member Perry moved to approve the minutes of the September 6, 2023, Regular Board Meeting, seconded by Vice President Ruane, approved unanimously by roll call vote.
- 5. Executive Director's Report**

Executive Director Hatamiya gave a brief report. She first reported that she and Vice President Ruane attended the opening ceremony of YouTube's new buildings at 1400 and 1450 Bayhill Drive, where it was announced that YouTube and Google are donating \$200,000 to the San Bruno Education Foundation to support STEM activities in the San Bruno Park School District.

Ms. Hatamiya reminded Board members of the Board's 2024 regular meeting dates on the first Wednesday of each month and asked Board members to let her know if they will be unable to make the meeting scheduled for January 3.

Finally, Ms. Hatamiya said that the 2023 SBCF Annual Report was mailed to all San Bruno addresses the first week of October and that a PDF version is posted on the Foundation's website.

SAN BRUNO

Community Foundation

Board of Directors

Malissa Netane-Jones, *President* • Jim Ruane, *Vice President* • Raul Gomez, *Secretary* • Pak Lin, *Treasurer*
Supriya S. Perry • Irving Torres • Belinda Wong
Leslie Hatamiya, *Executive Director*

6. Consent Calendar

- a. Receive and Approve Treasurer's Report (August and September 2023 Financial Statements)

Board Member Wong moved to accept the Consent Calendar as presented, seconded by Secretary Gomez, approved unanimously by roll call vote.

7. Conduct of Business

- a. Receive Report from Audit Committee and Presentation from Novogradac & Company LLP Regarding the San Bruno Community Foundation's Audited Financial Statements for the Year Ended June 30, 2023; Adopt Resolution Approving the Foundation's Audited Financial Statements for the Year Ended June 30, 2023; and Discuss Foundation's Annual Federal and State Tax Returns

Audit Committee Chair Gomez reported that Executive Director Hatamiya and Accounting Consultant Frank Bittner successfully closed the fiscal year 2022-2023 accounting books over the summer and provided all necessary records to the team at Novogradac & Company handling the Foundation's audit. He noted that Executive Director Hatamiya had distributed a draft of the fiscal year 2022-2023 tax returns to Board members for review prior to the meeting.

Chair Gomez then introduced Lance Smith, the Novogradac partner in charge of the Foundation's audit. Mr. Smith thanked Ms. Hatamiya and Mr. Bittner for their assistance with the audit. He said he was pleased to issue a clean opinion of the Foundation's financial statements for the year ended June 30, 2023.

Mr. Smith gave an overview of the audited financial statements and noted two highlights in the statements: an expected decrease in assets as a result of paying out the Recreation and Aquatic Center grants and an increased in investment income compared to the previous year due to improved market conditions. He also noted a change in accounting standards for the Foundation's office lease (right-of-use assets). The firm issued a standard AU-C 260 letter, indicating no significant issues in working with management.

Treasurer Lin moved to adopt the resolution approving the Foundation's audited financial statements for the year ended June 30, 2023, seconded by Secretary Gomez, approved unanimously by roll call vote.

- b. Receive Report on Music Education Strategic Initiative from San Bruno Education Foundation, San Bruno Park School District, and Capuchino High School

San Bruno Park School District Superintendent Matthew Duffy, San Bruno Education Foundation President Heather Latta, and Capuchino High School Music Director Johnathan Hsu reported on the music education programs being funded by SBCF at San Bruno's public schools. Superintendent Duffy highlighted the robust music education program at Parkside Intermediate School, particularly the extensive sixth-grade offerings that the latest SCBF music education grant is supporting. He reported that last school year, all Parkside

SAN BRUNO

Community Foundation

Board of Directors

Malissa Netane-Jones, *President* • Jim Ruane, *Vice President* • Raul Gomez, *Secretary* • Pak Lin, *Treasurer*
Supriya S. Perry • Irving Torres • Belinda Wong
Leslie Hatamiya, *Executive Director*

sixth graders participated in a music course, and this year, with a broader range of electives being offered, two-thirds of the sixth graders are taking a music course. Overall, roughly 300 students – about half of the student body – participate in the music program. Ms. Latta reviewed the music programs offered at the district's elementary schools, including the Music for Minors program for the youngest grades and instrumental music taught by a full-time teacher for grades 2-5. Mr. Hsu gave an overview of all of Capuchino High School's music offerings, including the choir, instrumental music, and color guard programs, and their recent accomplishments and performances. He also emphasized the importance of SBCF's investment in the Parkside and elementary school music programs to the success of Capuchino's music programs and applauded the coordination and collaboration between Capuchino and the San Bruno Park School District.

Board members congratulated the schools on the success of the music programs.

- c. Receive Report on the SBPSD School Field Trip Grant from the San Bruno Park School District

Superintendent Duffy reported on the recent \$35,000 grant SBCF awarded to the San Bruno Park School district for field trips and assemblies. Thanking the Board for its support, he noted that the field trips are making a memorable mark in the experiences of the district's students and that the grant funding is sparking teachers to reinvest time and energy to identify and implement programming beyond the school walls. He also said the grant enables less “scrambling” to find last-minute funds to pay for sought after trips and that much of the funding is being put towards covering transportation costs.

- d. Receive Update on District Initiatives from the San Bruno Park School District and Adopt Resolution Creating and Appointing Members to the Ad Hoc Committee on SBPSD Strategic Initiatives

Superintendent Duffy gave a thorough overview of the San Bruno Park School District's top priorities and initiatives. He noted that current initiatives in progress include music education, staff recruitment and retention, English learner support, the new Allen Elementary School campus with STEAM lab, and a refresh of the Parkside campus. He reported that new initiatives the district aims to launch include STEAM labs, staffing, and programming for all elementary schools, transformed playing fields for all schools, and completion of the Parkside “STEAM” wing, all of which will require significant financial investment.

Treasurer Lin moved to adopt the resolution creating and appointing members to the Ad Hoc Committee on SBPSD Strategic Initiatives, which is charged with researching and considering ways in which the Foundation could support various initiatives of the San Bruno Park School District and, as appropriate, return to the Board with possible strategic grantmaking proposals to support such efforts in 2024, seconded by Board Member Wong, approved unanimously by roll call vote.

- e. Receive Report on Other Programs (Community Grants Fund, Crestmoor Scholarship, and Other Strategic Grants)

Executive Director Hatamiya reported on the Foundation's other programs and initiatives. With regard to the Community Grants Fund, she said that the Foundation received 48 grant applications by the September

SAN BRUNO

Community Foundation

Board of Directors

Malissa Netane-Jones, *President* • Jim Ruane, *Vice President* • Raul Gomez, *Secretary* • Pak Lin, *Treasurer*
Supriya S. Perry • Irving Torres • Belinda Wong
Leslie Hatamiya, *Executive Director*

20 deadline and that the applications were being evaluated by a review panel of community volunteers. She noted that the Board will consider the panel's grant recommendations at the December 6 Board meeting and that, with a \$100,000 donation from Google.org/YouTube, the Foundation will award grants totaling \$300,000 this cycle.

Second, Ms. Hatamiya reported that the 2024 Crestmoor Neighborhood Memorial Scholarship will launch in early December, when the online application will be accessible and updated marketing materials will be distributed to local schools and throughout the community. She noted that the application deadline will be March 5, 2024.

Ms. Hatamiya then reported on recent grant reports and payments on grants related to the Recreation and Aquatic Center (RAC) project. She noted that in October, the Foundation made a grant payment of \$1.4 million for the construction grant and has now paid out the entire original commitment for the construction grant of \$40.5 million. She said the remaining \$1.5 million balance on the grant is reserved for construction contingency, if needed. She also reported that the Foundation recently received quarterly grant reports for two additional RAC grants, and payments totaling just over \$18,000 will be paid out in early November. She said that the City would make its quarterly report to the Board on the RAC project at the December Board meeting.

Ms. Hatamiya noted that the Foundation recently received the quarterly grant report for the Centennial Plaza Improvement Project grant and will make a grant payment of about \$36,000 for the \$500,000 grant. She said the City would also report on this grant as well as the Community Day grant at the December Board meeting.

f. Discuss Upcoming Officer Elections for 2024 Term

President Netane-Jones noted that under the Board's officer elections process, the subject of officer elections is agendaized prior to taking nominations and holding the election to allow for Board discussion on this topic.

g. Elect Officers for 2024: President, Vice President, Secretary, and Treasurer

President Netane-Jones opened up officer nominations for 2024.

Secretary Gomez nominated Malissa Netane-Jones for President, seconded by Board Member Torres, approved unanimously by roll call vote.

Board Member Perry nominated Jim Ruane for Vice President, seconded by Board Member Wong, approved unanimously by roll call vote.

Vice President Ruane nominated Raul Gomez for Secretary, seconded by Board Member Perry, approved unanimously by roll call vote.

SAN BRUNO

Community Foundation

Board of Directors

Malissa Netane-Jones, *President* • Jim Ruane, *Vice President* • Raul Gomez, *Secretary* • Pak Lin, *Treasurer*
Supriya S. Perry • Irving Torres • Belinda Wong
Leslie Hatamiya, *Executive Director*

President Netane-Jones nominated Pak Lin for Treasurer, seconded by Board Member Wong, approved unanimously by roll call vote.

8. Study Session: Strategic Planning Discussion on Post-RAC Program and Investment Strategy

a. Review of Strategic Plan 2.0

President Netane-Jones explained that the purpose of the study session was to recap the strategic planning process the Board conducted in 2021, serving as a refresher for three Board members who participated in the 2021 process and to educate the four Board members who joined the Board since then.

Executive Director Hatamiya gave an overview of the Foundation's original Community Listening Campaign in 2015, the resulting program and investment strategies that were adopted in 2016, the 2021 Community Listening Campaign 2.0, the development of Strategic Plan 2.0, and the Board's actions since then. She explained how the community's desire to use a significant portion of the restitution funds led to the Foundation's decision to set up a multi-prong investment strategy, with \$55 million to be spent outright to fund one major community facilities project, other high-impact community initiatives reflective of what was identified in the Listening Campaign, and operating expenses over the mid-term, and \$15 million designated as a quasi-endowment, with investment proceeds covering the cash needs of the Crestmoor Scholarship and Community Grants Fund programs.

Ms. Hatamiya reviewed the Foundation's Program Strategy Framework, including the guiding principles, funding criteria, and the three-bucket program approach. She summarized highlights of the Crestmoor Neighborhood Memorial Scholarship, the Community Grants Fund, off-cycle grants, and the broad array of strategic grant initiatives the Foundation has funded.

She then summarized the Board's 2021 strategic planning process, which included diversity, equity, and inclusion training, Community Listening Campaign 2.0, and strategic planning deliberations resulting in the adoption of Strategic Plan 2.0. She noted that Strategic Plan 2.0 reaffirmed the 2016 Program Strategy Framework and continuation of the Crestmoor Scholarship and Community Grants Fund at current funding levels and strategic grants within budget constraints. She explained that because there were no major community investment projects to consider in 2021, the Board outlined an investment strategy of having a starting quasi-endowment balance of \$25 million, with an annual payout targeted at \$1.75 million, which would result in a spend-down horizon of about 20 years. The Board also agreed to revisit the strategy at least once every five years. She also noted that operationally, the Board decided to maintain current program-focused business model, ensure diversity in the composition of the Board of Directors and Community Grant and scholarship review panels, increase visibility and awareness of the Foundation's programs, spending decisions, and program results, continue to invest wisely to ensure broad community benefits, continue current process for developing annual budget, and create an ad hoc committee to identify strategic grantmaking priorities and assess potential strategic grant opportunities. She explained that the Ad Hoc Committee on Program Development recommended, and the Board approved, criteria for

SAN BRUNO

Community Foundation

Board of Directors

Malissa Netane-Jones, *President* • Jim Ruane, *Vice President* • Raul Gomez, *Secretary* • Pak Lin, *Treasurer*
Supriya S. Perry • Irving Torres • Belinda Wong
Leslie Hatamiya, *Executive Director*

identifying strategic grant opportunities as well as strategic grantmaking priorities. Since then, the Board has approved more than \$2.4 million in strategic grants.

She noted that the Board also considered opportunities for fund development as part of its future strategies, enlisting the assistance of the Partnership Resources Group to provide high-level fundraising analysis. She said that PRG concluded that there is potential for fundraising for the Foundation, although not necessarily to replenish the more than \$50 million invested in the RAC, and that building a fundraising program would require an investment of resources and personnel. She said that, upon receipt of PRG's report, the Board declined to move forward with specific plans for a fundraising program but agreed that the issue merits further analysis and consideration before starting a fundraising program.

Finally, she noted that the Foundation will likely finish paying out the RAC grants by the end of the fiscal year, that the City and the San Bruno Park School District may present potential large-scale strategic grantmaking opportunities, and that the Foundation's net assets as of September 30, 2023, stood at \$26.1 million. She said that the Board would revisit Strategic Plan 2.0 in early 2024 and consider at least three options: spending down the remaining funds in the short term, treating the funds as an endowment with investment income fueling the Foundation's work in perpetuity or for some extended period of time, or pursuing a combination of the two options.

b. Presentation on Quasi-Endowment Scenarios by Sand Hill Global Advisors, LLC

Kristin Sun, Senior Wealth Manager at Sand Hill Global Advisors, the Foundation's investment management firm, gave an overview of quasi-endowments. She reviewed the reasons why the Foundation might want to set aside funds as a quasi-endowment, the potential trade-offs between putting funds in a quasi-endowment and designating funds for near-term one-time expenditures, key principles in understanding endowments, the assumptions built into the quasi-endowment scenario model, and sample quasi-endowment payout scenarios. She noted that under the model, the Foundation could spend 3.7% of the quasi-endowment balance and maintain the purchasing power of the initial corpus. Under those assumptions, the projected long-term sustainable annual quasi-endowment payout would be \$900,000 for an original corpus of \$25 million. She also provided projected annual payouts to spend down the quasi-endowment over 10, 15, 20, and 25 years.

9. Board Member Comments: Vice President Ruane wished everyone a happy Thanksgiving holiday.

10. Adjourn: Vice President Ruane moved to adjourn the meeting at 9:13 p.m., seconded by Secretary Gomez, approved unanimously.

SAN BRUNO

Community Foundation

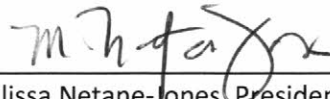
Board of Directors

Malissa Netane-Jones, *President* • Jim Ruane, *Vice President* • Raul Gomez, *Secretary* • Pak Lin, *Treasurer*
Supriya S. Perry • Irving Torres • Belinda Wong
Leslie Hatamiya, *Executive Director*

Respectfully submitted for approval at the Regular Board Meeting of December 6, 2023, by Secretary Raul Gomez and President Malissa Netane-Jones.



Raul Gomez, Secretary



Malissa Netane-Jones, President