

SAN BRUNO

Community Foundation

Investment Committee

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

MINUTES

SAN BRUNO COMMUNITY FOUNDATION

Regular Meeting of the Investment Committee

February 15, 2023

4:30 p.m.

Meeting Conducted via Zoom

- 1. Call to Order:** Committee Chair Lin called the meeting to order at 4:30 p.m.
- 2. Roll Call:** Committee Members Lin, Clifford, Hayes, Perry, and Ross, present.
- 3. Public Comment:** None.
- 4. Approval of Minutes:** November 16, 2022, Regular Investment Committee Meeting: Committee Member Hayes moved to approve the minutes of the November 16, 2022, Regular Meeting, seconded by Committee Member Ross, passed unanimously by roll call vote.

5. Executive Director's Report

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

- **Community Grants Fund:** The Foundation Board approved 23 Community Grants totaling \$300,000 in December. The Board has been busy presenting grant checks to the community groups, both virtually and in person.
- **Crestmoor Scholarship:** The 2023 Crestmoor Scholarship program launched in December, with a March 7, 2023, application deadline. The Foundation plans to award \$160,000 in scholarships this spring.
- **Recreation and Aquatic Center (RAC):** Ms. Hatamiya shared a recent photograph of construction on the San Bruno Recreation and Aquatic Center and noted that the facility remains on track for

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a fall 2023 opening. She said the project is currently on budget, with about \$1.7 million remaining in contingency.

Ms. Hatamiya told the Committee that San Bruno City Manager Jovan Grogan recently announced that he would be leaving the City but noted she did not anticipate that his departure would delay the RAC construction.

Ms. Hatamiya noted that the Board participated in a two-hour diversity, equity, and inclusion (DEI) study session focused on implicit bias and led by consultants Jana Kiser and Bela Bhasin from Libertiva at a special meeting on Monday, January 30, 2023.

She also reported that the highlight of the February 1, 2023, regular Board meeting was a presentation from the Foundation's fundraising consultants at the Partnership Resources Group on its high-level analysis of SBCF's fundraising potential and the projected cost of implementing an active fundraising operation.

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 and updates on the Recreation and Aquatic Center project. Transfers from the Quasi-Endowment to Liquidity-Operating include: (a) \$200,000, which took place in December 2022, and (b) \$85,937 scheduled for May 2023. Transfers from the Strategic Pool to Liquidity-Operating to cover RAC cash needs are scheduled as follows: Transferred the entire Liquidity-RAC balance to Liquidity-Operating in July to cover the July/August RAC grant payments and closed the Liquidity-RAC Subaccount, and per the Committee's direction in August, \$20,706,423 was transferred from Strategic to Liquidity-Operating to cover all remaining RAC grant payments. Transfers from Strategic to Liquidity-Operating for non-RAC purposes are budgeted at \$4,392,754; \$323,000 was transferred in October to cover most non-RAC cash needs for the year, and additional transfers will take place later on in the year if additional strategic grants are approved.

Finally, Ms. Hatamiya reminded the Committee of its 2023 meetings – May 17, August 16, and November 15 – and noted that because Governor Newsom has announced his intention to end the pandemic state of emergency at the end of February, the Committee will begin meeting in person at San Bruno City Hall Room 101 starting with the May regular meeting.

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, and Senior Wealth Manager Kristin Sun represented SHGA at the meeting.

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Mr. Dombkowski gave an overview of the firm's investment outlook, including an overview of 2022 and economic indicators reflecting slowed growth but not a recession. He also gave a summary of the firm's current economic forecast for the first quarter of 2023, commenting on economic growth, interest rates, inflation, commodity markets, the employment market, corporate earnings, international developed markets, emerging markets, the housing market, and valuation.

Ms. DeGroot Daters then reviewed the Foundation's Investment Dashboard for the fourth quarter of 2022, including December 31, 2022, balances of \$19,712,758 for the Quasi-Endowment, \$7,520,868 for the Strategic Pool, and \$18,121,972 for the Liquidity Pool (total balance of \$45,355,598), and fourth quarter withdrawals of \$8,460,000. Mr. Dombkowski and Ms. DeGroot Daters also discussed the performance of the underlying funds in the Foundation's Quasi-Endowment, Strategic, and Liquidity pools. Ms. DeGroot noted that Sand Hill reduced exposure to market neutral assets and increased exposure to mid-cap equity and bonds during the fourth quarter of 2022.

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

The Committee discussed cash flow strategies related to the RAC grants. Since early 2018, the Foundation has made grant payments totaling \$35,565,278 related to the eight grants supporting the design and construction of the RAC. The latest set of RAC grant payments totaling \$3,129,726 was made in late January/early February based on the City's latest set of quarterly grant reports. The remaining balance of RAC grant payments to be paid is \$14,434,722.

7. Committee Member Comments: None.

8. Adjourn: Committee Member Clifford moved to adjourn the meeting at 5:29 p.m., seconded by Committee Member Ross, approved unanimously.

Respectfully submitted for approval at the Regular Investment Committee Meeting of May 17, 2023, by Investment Committee Chair Pak Lin.



Pak Lin, Investment Committee Chair