

# SAN BRUNO

## Community Foundation

### *Board of Directors*

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

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## AGENDA

### SAN BRUNO COMMUNITY FOUNDATION

#### Regular Meeting of the Board of Directors

**March 4, 2020**

**7:00 p.m.**

#### **Meeting Location:**

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

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

**1. Call to Order/Welcome**

**2. Roll Call**

**3. Public Comment:** Individuals are allowed three minutes, groups in attendance, five minutes. If you are unable to remain at the meeting, contact the President to request that the Board consider your comments earlier. 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 agendaized pursuant to State Law.

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

**5. Approval of Minutes:** January 13, 2020, Special Board Meeting

**6. Executive Director's Report**

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

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

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- b. Adopt Resolution Authorizing Executive Director to Bind Directors and Officers Liability Insurance Policy from Philadelphia Insurance Companies for an Amount Not to Exceed \$17,954
- c. Adopt Resolution Adjusting Executive Director's Compensation
- d. Adopt Resolution Authorizing Executive Director to Execute Five-Year Office Lease Extension for an Amount Not to Exceed \$80,990
- e. Receive and Approve Treasurer's Report (December 2019 and January 2020 Financial Statements)

### **8. Conduct of Business**

- a. Receive Report on Recreation and Aquatics Center Project from the City of San Bruno
- b. Receive Report on Music Education Strategic Initiative
- c. Receive Report on Other Programs (Community Grants Fund, Crestmoor Neighborhood Memorial Scholarship, and Other Strategic Grants)
- d. Receive Report from Audit Committee and Adopt Resolution Authorizing President Emily Roberts to Execute a Contract with Novogradac & Company LLP for Audit and Tax Preparation Services for Fiscal Year 2019-2020 for an Amount Not to Exceed \$9,500
- e. Receive Report from Investment Committee

### **9. Board Member Comments**

### **10. Adjourn**

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## MINUTES

### SAN BRUNO COMMUNITY FOUNDATION

#### Special Meeting of the Board of Directors

**January 13, 2020**

**6:00 p.m.**

**Meeting Location:**

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

- 1. Call to Order/Welcome:** President Roberts called the meeting to order at 6:00 p.m.
- 2. Roll Call:** Board Members Roberts, Ruane, McGlothlin, Ross, Gomez, Kraus, and Netane-Jones, present.
- 3. Public Comment:** None.
- 4. Presentation:** Recognition of San Bruno Police Chief Ed Barberini for his service to the San Bruno community and his support of the San Bruno Community Foundation

On behalf of the Board, President Roberts honored outgoing San Bruno Police Chief Ed Barberini, who was named Police Chief of the City of San Mateo. She presented a framed proclamation to Chief Barberini, acknowledging his contributions to the Foundation and the San Bruno community. She described Chief Barberini as a forward-thinking, community-minded leader and a committed partner for the Foundation on the First Responder Effectiveness Strategic Initiative. Other Board members echoed President Robert's remarks and recognized all that Chief Barberini has done for San Bruno. Chief Barberini addressed the Board, thanking Board members for the recognition and the Foundation's work.

- 5. Closed Session:** Public Employee Performance Evaluation Pursuant to Government Code section 54957: Executive Director

There was no reportable action.

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**6. Approval of Minutes:** December 4, 2019, Regular Board Meeting: Vice President Ruane moved to approve the minutes of the December 4, 2019, Regular Board Meeting, seconded by Board Member Kraus, approved unanimously.

### **7. Consent Calendar**

- a. Receive and Approve Treasurer's Report (November 2019 Financial Statements)
- b. Adopt Resolution Appointing Members to the Investment Committee
- c. Adopt Resolution Appointing Members to the Audit Committee
- d. Adopt Resolution Appointing Member to the Ad Hoc Committee on Recreation and Aquatics Center Project
- e. Adopt Resolution Creating and Appointing Members to the Ad Hoc Committee on Vocational Education Strategic Initiative
- f. Adopt Resolution Creating and Appointing Members to the Ad Hoc Committee on Strategic Planning
- g. Adopt Resolution Creating and Appointing Members to the Ad Hoc Committee on Personnel

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

### **8. Study Session: Discuss Roles, Responsibilities, and Operating Norms of the Board of Directors**

The Study Session began with each Board member and the Executive Director introducing themselves to the group, including their personal and professional background, their interest in serving on the Foundation Board, ways they have been involved with the Foundation, and a favorite San Bruno memory.

Referencing the reading material in the meeting packet, Executive Director Hatamiya gave a brief overview of the governing responsibilities of the Board as a whole, the role of individual Board members in supporting the organization, the evolution of the SBCF Board from a working board to a governing board, and the board-executive director relationship.

Board Member Kraus, who served as the Foundation Board's original president, gave a summary of how the Board has functioned since its creation and how it has successfully functioned since 2013. She highlighted the core values underlying the Board's work, including respect, transparency, coming to

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meetings well prepared, collegiality, governing by consensus, and never forgetting the circumstances that led to the Foundation's funding.

In the interest of time, President Roberts concluded the Study Session and said that the Board would consider next steps at a future meeting.

**9. Board Member Comments:** None.

**10. Adjourn:** Vice President Secretary Ruane moved to adjourn the meeting at 8:31 p.m., seconded by Board Member Kraus, approved unanimously.

Respectfully submitted for approval at the Regular Board Meeting of March 4, 2020, by Secretary John McGlothlin and President Emily Roberts.

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John McGlothlin, Secretary

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Emily Roberts, President

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## Community Foundation

### Memorandum

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**DATE:** February 28, 2020

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

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Executive Director's Report

Since the December 4, 2019, Board meeting, I have continued to focus on administering the Community Grants Fund and Crestmoor Scholarship Program, partnering with the City on strategic projects, overseeing other strategic grants, and supporting the Investment Committee and Audit Committee, all of which will be covered during the Business and Consent Calendar portions of the March 4, 2020, Regular Board meeting. In addition, I have handled a variety of other matters, including the following:

#### **1. Insurance Policy Renewals**

The Consent Calendar includes a resolution authorizing the Executive Director to bind a renewal policy for the Foundation's directors and officers liability insurance policy, as the current policy expires on March 21, 2020. The Foundation's commercial general liability (CGL), property, cyber-liability, and non-owned hired auto liability insurance policies with the Philadelphia Insurance Companies, which are bundled together, and the workers' compensation insurance policy with State Compensation Insurance Fund also expire in March. Our insurance broker at CalNonprofits Insurance Services approached new as well as the current carriers for competitive bids. For the commercial bundle, the Foundation's current carrier offered the best bid for our current coverage. The premium for CGL is \$638, a slight increase from last year (\$620). The premium for property coverage is \$145, a slight decrease from last year (\$167). The premium for the auto coverage is \$320, a slight increase from last year (\$291). The premium for cyber liability coverage is \$79, the exact same as last year.

For the workers compensation policy, I elected to change carriers from SCIF to AmTrust North America. AmTrust offered the same coverage at a lower premium than SCIF (\$803 vs. \$1,053.87), although both are higher than our current premium (\$709). As you may recall, we originally secured workers compensation insurance through SCIF because, as SBCF was a brand new organization, SCIF was the only carrier to offer the Foundation a policy. Now that the Foundation has a five-year track record as an employer with no claims, other carriers were willing to offer coverage. According to our CalNonprofits broker, "AmTrust is a fantastic carrier with an excellent reputation and service." She said that one benefit of AmTrust is it is able to

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rate each account on a more individual basis, while SCIF bases class code rates off of an average claims basis of all clients within that class. She also noted that AmTrust specializes in nonprofit organizations.

Both new policies will go into effect on March 21, 2020.

#### **2. Ad Hoc Committee on Vocational Education Strategic Initiative**

In January, the Board created a new Ad Hoc Committee on Vocational Education Strategic Initiative charged with researching and preparing a proposal for a strategic grantmaking initiative to support and expand vocational training and educational opportunities for San Bruno community members. Vice President Jim Ruane (chair), Treasurer Tim Ross, and Board Member Raul Gomez serve on the Committee.

The Committee has begun its preliminary research. In February, the Committee and I met with a team at Capuchino High School to learn about the subset of students more interested in vocational training and the opportunities the school offers, and Chair Ruane and I met with the Dean of Strategic Partnerships and Workforce Development at Skyline College to learn about the its vocational training offerings and needs. The Committee plans to next approach local trades organizations about their interest in participating in a strategic initiative.

#### **3. Ethics Requirements**

I would like to remind all continuing Board members that they must file Fair Political Practices Commission Form 700 – Statement of Economic Interests annual statements with the San Bruno City Clerk’s Office by April 2, 2020. Some Board members are also required to complete AB 1234 ethics training this year, and I ask you to do so and submit the certificate of completion at your earliest convenience. Thank you to those Board members who have already submitted their necessary ethics paperwork.

#### **4. Email Newsletter and Website Hits**

Since the December 4 Board meeting, I sent out three email blasts to the Foundation’s email distribution list. The first reported on the December Board meeting, the second announced the January special Board meeting, and the third was a reminder of the Crestmoor Scholarship application deadline and showcased various Community Grants Fund check presentations. The reach of these e-newsletter blasts was fairly consistent for the first two blasts, lower for the last. Of the approximately 675 emails sent each time, 19%-37% of the recipients opened the email.

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According to Google Analytics, website activity has increased over the late fall, which is typical, with the announcement of the Community Grants Fund winners and Crestmoor Scholarship application activity picking up. Since the December Board meeting, 827 users engaged in 1,200 sessions on the Foundation website, for a total of 2,368 page views. The most visited pages are those related to the Crestmoor Scholarship and the Community Grants Fund.

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## Community Foundation

### Memorandum

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**DATE:** February 28, 2020

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

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Consent Calendar for the March 4, 2020, Regular Board Meeting

For the March 4, 2020, Regular Meeting of the Board of Directors of The San Bruno Community Foundation, the Consent Calendar includes five items related to administrative and operational functions of the Foundation:

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

The Foundation Board is scheduled to have regular monthly meetings on April 1 and May 6, 2020 (the first Wednesday of the month). At this time, we do not anticipate the Foundation facing any pressing matters that would require Board attention or action on either date. Thus, I recommend that the Board approve the attached resolution canceling these two meetings as part of the Consent Calendar. If matters come up needing the Board's immediate attention, the Board can schedule a special meeting.

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

Directors and officers liability insurance (D&O) provides coverage for damages resulting from the wrongful acts of the directors, officers, managers, and the Foundation as an entity, as well as coverage for employment-related actions.

In March 2019, the Board approved the purchase of a D&O policy from Philadelphia Insurance Companies, which expires on March 21, 2020. This policy included a fiduciary liability rider to provide protection related to the Foundation's 403(b) retirement plan.

The policy renewal includes coverage similar to last year's coverage, \$1,000,000 liability limits each for D&O coverage, employment practices liability, and fiduciary liability coverage. The cost for the renewal policy is \$17,954, a 25% increase from last year's premium of \$14,377. According to the Foundation's insurance broker, the increase is due to a 10% mandated rate

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increase (mandated by the carrier and heavily encouraged by the State of California as a result of increases in related losses in the State of California). as well as an increase in organization assets (from about \$71.6 million at the time of our renewal application in 2019 to about \$77.1 million at the time of this year's application).

I recommend the Board approve the resolution authorizing Executive Director Leslie Hatamiya to bind a directors and officers liability insurance policy from Philadelphia Insurance Companies for an amount not to exceed \$17,954 as part of the Consent Calendar.

#### **3. Adopt Resolution Adjusting Executive Director's Compensation**

In a special meeting on January 13, 2020, the Board met in closed session to conduct the Executive Director's annual performance evaluation pursuant to Government Code Section 54957. The Board now recommends a package of compensation adjustments for the Executive Director, as outlined in the attached resolution and letter to the Executive Director. The adjustments include a 3% cost-of-living salary adjustment, retroactive to February 1, 2020, with salary to be paid on a twice-a-month payroll schedule. They also provide that, for the time period beginning February 1, 2019, and ending January 31, 2020, the Foundation's pre-tax employer contribution to the Executive Director's 403(b) plan will be 10% of the Executive Director's salary during that time period (a one-year increase of 5%).

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

The Foundation currently rents 387 square feet of office space from San Bruno Office Associates at 901 Sneath Lane, Suite 209, San Bruno. The Foundation's office lease expires on March 31, 2020. Our current rent is \$1,231.00 per month; we also pay a monthly "operating expense escalation payment" of \$34.83 (\$0.03 per square foot times 3 (the number of years that have elapsed since the lease was last extended), for a total monthly payment of \$1,265.83.

The landlord has offered the Foundation a five-year lease renewal beginning April 1, 2020, and terminating on March 31, 2025. The financial terms of the renewal are as follows:

April 1, 2020 – March 31, 2021: \$1,238.00 per month  
April 1, 2021 – March 31, 2022: \$1,276.00 per month  
April 1, 2022 – March 31, 2023: \$1,314.00 per month  
April 1, 2023 – March 31, 2024: \$1,353.00 per month  
April 1, 2024 – March 31, 2025: \$1,394.00 per month

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The lease renewal offer appears to be fair, given the commercial rental market in San Bruno. The yearly escalation is \$0.10 per square foot per month, or \$1.20 per square foot per year. Under the current lease, we are now paying \$3.18 per square foot per month. The first year of the lease extension would increase to \$3.20 per square foot per month (the rate the landlord is currently offering to new tenants), with a \$0.10 increase each year for the remaining years on the extension. In the final year of the lease extension, the per-square-foot rate would be \$3.60. This escalation seems reasonable, and a five-year lease will make the Foundation's rent expenses predictable for a substantial period of time and shield the Foundation from fluctuations in the San Bruno commercial rental market that may result from YouTube's expansion in the Bayhill Office Park and other commercial office space projects that may be developed.

In addition, for April through December 2020, there would be no operating expense escalation payment, so the total amount paid each month for the remainder of the year would be a decrease of what the Foundation is currently paying. For 2021, the operating expense escalation payment would be \$15.48 per month (\$0.04 per square foot), in 2022 it would be \$30.96 per month (\$0.04 per square foot times 2 (the number of years that have elapsed since this lease extension)), in 2023 it would be \$46.44 (\$0.04 per square foot times 3 (the number of years that have elapsed since this lease extension)), in 2024 it would be \$61.92 (\$0.04 per square foot times 4 (the number of years that have elapsed since this lease extension)), and in 2025 it would be \$77.40 (\$0.04 per square foot times 5 (the number of years that have elapsed since this lease extension)).

I recommend that the Board approve the resolution authorizing the Executive Director to execute a five-year office lease extension for an amount not to exceed \$80,990 as part of the Consent Calendar.

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

The December 2019 and January 2020 financial statements each consist of a Budget Report and Balance Sheet. The Budget Narratives provide a thorough explanation of the financial statements. The Budget Reports include the budget figures approved at the June 5, 2019, Board meeting.

I recommend that the Board approve the Treasurer's Report as part of the Consent Calendar.

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## Community Foundation

### Memorandum

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Attachments:

1. Resolution Canceling the April 1 and May 6, 2020, Regular Meetings of the Board of Directors
2. Resolution Authorizing Executive Director to Bind Directors and Officers Liability Insurance Policy from Philadelphia Insurance Companies for an Amount Not to Exceed \$17,954
3. Resolution Adjusting Executive Director's Compensation
4. Letter to the Executive Director, dated March 4, 2020
5. Resolution Authorizing Executive Director to Execute Five-Year Office Lease Extension for an Amount Not to Exceed \$80,990
6. December 2019 Financial Statements
7. January 2020 Financial Statements

**RESOLUTION NO. 2020-\_\_**

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION  
CANCELING THE APRIL 1 AND MAY 6, 2020, REGULAR MEETINGS  
OF THE BOARD OF DIRECTORS**

**WHEREAS**, the April Regular Meeting of the San Bruno Community Foundation’s Board of Directors is scheduled for April 1, 2020, and the May Regular Board Meeting is scheduled for May 6, 2020; and

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

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors cancels its Regular Board Meetings of April 1 and May 6, 2020.

Dated: March 4, 2020

ATTEST:

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John McGlothlin, Secretary

I, John McGlothlin, Secretary, do hereby certify that the foregoing Resolution No. 2020-\_\_ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this 4<sup>th</sup> day of March, 2020, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

**RESOLUTION NO. 2020-\_\_**

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION AUTHORIZING EXECUTIVE DIRECTOR TO BIND DIRECTOR AND OFFICERS LIABILITY INSURANCE POLICY FROM PHILADELPHIA INSURANCE COMPANIES FOR AN AMOUNT NOT TO EXCEED \$17,954**

**WHEREAS**, directors and officers liability insurance provides coverage for damages resulting from the wrongful acts of the directors, officers, managers, and the Foundation as an entity, as well as coverage for employment-related actions;

**WHEREAS**, on March 6, 2019, the Board of Directors of The San Bruno Community Foundation authorized the purchase of a directors and officers liability insurance policy, which includes fiduciary liability coverage for the management of the Foundation’s Retirement Savings Plan, from Philadelphia Insurance Companies, which expires on March 21, 2020; and

**WHEREAS**, the Philadelphia Insurance Companies is offering the Foundation a renewal of the Foundation’s directors and officers liability insurance policy with a quoted annual premium of \$17,954.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors authorizes Executive Director Leslie Hatamiya to bind the directors and officers liability insurance policy for the period of March 21, 2020, to March 21, 2021, from Philadelphia Insurance Companies for an amount not to exceed \$17,954.

Dated: March 4, 2020

ATTEST:

\_\_\_\_\_  
John McGlothlin, Secretary

I, John McGlothlin, Secretary, do hereby certify that the foregoing Resolution No. 2020-\_\_ was duly and regularly passed and adopted by the Board of Directors of The San Bruno Community Foundation on this 4<sup>th</sup> day of March, 2020, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

**RESOLUTION NO. 2020-\_\_**

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION  
ADJUSTING EXECUTIVE DIRECTOR'S COMPENSATION**

**WHEREAS**, on January 15, 2015, the Board of Directors of The San Bruno Community Foundation approved a resolution appointing Leslie Hatamiya as the Foundation's Executive Director, subject to the terms and conditions of the offer letter the Board sent to Ms. Hatamiya on December 22, 2014, and which Ms. Hatamiya signed on December 23, 2014, and the compensation package in such offer letter included participation in a qualified employer-sponsored 403(b) plan or equivalent, with a pre-tax employer contribution of 5% with no employee contribution required;

**WHEREAS**, on March 6, 2019, the Board approved the sending of a letter restating and amending the Executive Director's compensation and benefits, including providing for an annual base salary of \$192,155.50, to be paid on a twice-a-month payroll schedule;

**WHEREAS**, the Board desires to provide the Executive Director with a 3% cost-of-living increase in annual base salary to \$197,920.00, retroactive to February 1, 2020, to be paid on a twice-a-month payroll schedule; and

**WHEREAS**, the Board also desires to increase retroactively to 10% the Foundation's pre-tax employer contribution to the Executive Director's 403(b) plan for the period of February 1, 2019, to January 31, 2020 (a one-year adjustment of 5%).

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors hereby authorizes President Emily Roberts to send on behalf of the Foundation the attached letter which restates, as amended, the Executive Director's compensation and benefits.

Dated: March 4, 2020

ATTEST:

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John McGlothlin, Secretary

I, John McGlothlin, Secretary, do hereby certify that the foregoing Resolution No. 2020-\_\_ was duly and regularly passed and adopted by the Board of Directors of

The San Bruno Community Foundation on this 4<sup>th</sup> day of March, 2020, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

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## Community Foundation

March 4, 2020

Leslie Hatamiya  
Executive Director  
San Bruno Community Foundation  
901 Sneath Lane, Suite 209  
San Bruno, CA 94066

Dear Leslie:

On behalf of the Board of Directors of The San Bruno Community Foundation, I am pleased to acknowledge with considerable appreciation your outstanding service as Executive Director. Accordingly, in recognition of and subject to Board approval on March 4, 2020, your compensation and benefits will be adjusted as follows:

- You will receive a 3% cost-of-living salary adjustment, retroactive to February 1, 2020, so that your annual base salary is now \$197,920, to be paid on a twice-a-month payroll schedule.
- For the time period beginning February 1, 2019, and ending January 31, 2020, the Foundation's pre-tax employer contribution to your 403(b) plan will be 10% of your salary during that time period (a one-year increase of 5%). Beginning February 1, 2020, the Foundation's contribution to your 403(b) plan will be 5% of your current salary.

In addition, the other benefits enumerated in your original offer letter dated December 22, 2014, and amended and restated in our letters to you dated March 1, 2017, March 7, 2018, and March 6, 2019, will continue:

- Immediate accrual of paid time off at the annual rate of 160 hours. This takes the place of separate accruals for vacation and sick leave. Maximum accrual of paid time off will be 160 hours.
- The Foundation observes twelve (12) holidays (the eleven (11) scheduled holidays in the City of San Bruno's holiday schedule as well as New Year's Eve on December 31 (or, if December 31 falls on a weekend, the closest weekday to December 31), and you will receive annually twelve (12) paid vacation days as per this schedule.
- Life insurance at 1X original base salary with option to purchase additional coverage at employee expense (employee is responsible for taxability of the life insurance benefit).

- Eighty (80) hours paid leave for jury duty, as required.
- Reimbursement of reasonable and necessary expenses related to the performance of the job; payment for conferences, training, publications, professional associations, and professional development at the discretion of the Board and as approved in advance.
- Workers' Compensation coverage, State Disability Insurance, and other benefits if required by California laws.
- Health (medical, dental, vision) insurance, but at the time of your hiring, you indicated that you currently had, and will continue to maintain, such health insurance from other sources and therefore that you declined such insurance from the Foundation.

We look forward to your continued service as Executive Director of the Foundation.

Sincerely,

Emily Roberts  
President

**RESOLUTION NO. 2020-\_\_**

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION  
AUTHORIZING EXECUTIVE DIRECTOR TO EXECUTE FIVE-YEAR OFFICE LEASE EXTENSION  
FOR AN AMOUNT NOT TO EXCEED \$80,990**

**WHEREAS**, The San Bruno Community Foundation currently rents 387 square feet of office space from San Bruno Office Associates, LLC, at 901 Sneath Lane, Suite 209, San Bruno, California;

**WHEREAS**, the current office lease expires on March 31, 2020; and

**WHEREAS**, San Bruno Office Associates has offered the Foundation a five-year lease extension beginning April 1, 2020, and terminating on March 31, 2025, for an amount not to exceed \$80,990.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors authorizes Executive Director Leslie Hatamiya to execute a five-year office lease extension for the Foundation's office at 901 Sneath Lane, Suite 901, San Bruno, California, with San Bruno Office Associates, LLC, for an amount not to exceed \$80,990.

Dated: March 4, 2020

ATTEST:

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John McGlothlin, Secretary

I, John McGlothlin, Secretary, do hereby certify that the foregoing Resolution No. 2020-\_\_ was duly and regularly passed and adopted by the Board of Directors of The San Bruno Community Foundation on this 4<sup>th</sup> day of March, 2020, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

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## Community Foundation

December 2019

### Budget Narrative

This report primarily describes amounts in column a (Actual Year to Date) of the monthly Budget Report. When projections vary from Budget (column b), the changes will be reflected in columns d (Final Expected Amount) and e (Change in Budget), and also be explained. First six months equal 50% of the fiscal year.

### INCOME

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

**Line 2 Transfers from Strategic Pool** – Year-to-date transfers of \$1,700,000, are 35.6% of budget.

**Line 3 Restricted Donations** – \$70,000 final expected amount is donation received in January for Scholarships.

**Line 4 Interest Income** – \$11,694 is 60.5% of budget. Liquidity Pool – Operating balance is currently \$1,407,482.

**Line 5 Miscellaneous Income** – \$5,000 unbudgeted amount is scholarship payable write off resulting from the early graduation of a recipient.

### EXPENSES

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

**Line 8 Community Grants** – \$100,000 final projected increase per Google funding provided last fiscal year and Board approval.

**Line 9 Strategic Grants** – \$323,545 is 40% of budget and is: First Responder Mobile Command Unit (\$303,545); and 2020 Community Day (\$20,000).

**Line 12 Salaries & Wages** – Expense is exactly on budget at 50%.

**Line 13 Payroll Taxes & Benefits** – Expense (\$9,077) is 40.4% of budget. Retirement (\$4,804) is the largest cost. Other costs include Social Security/Medicare (\$3,705); and workers' compensation (\$354) and life (\$214) insurances.

**Line 15 Occupancy** – Only cost is office lease (\$7,525). Amount is 48% of budget. Five-year lease extension includes 2.2% rent reduction beginning in April.

**Line 16 Insurance** – Total (\$9,039) is exactly on budget and includes Directors & Officers (\$7,188), crime (\$1,275), and commercial package (\$576) policies.

**Line 17 Telecommunications** – Cost (\$907) is 47.2% of budget and includes cell phone (\$379) and internet (\$351).

**Line 18 Postage & Shipping** – Cost (\$1,630) is 81.5% of budget. Annual Report mailing to San Bruno residents (\$1,370) represents 84% of the total.

**Line 19 Marketing & Communications** - \$9,342 expense is 63.8% of budget. Design and production of the Annual Report (\$7,147) represents 77% of the total. Another \$1,892 has gone toward Crestmoor Scholarships flyers and ads.

**Line 20 Office Supplies & Equipment** – Total (\$2,889) is 54.3% of budget. A new laptop (\$2,019) is 77% of the total. Another \$452 used for toner.

**Line 21 Legal Fees** – \$11,395 expense is 29.6% of budget. First two-quarters cost of City attorney (\$9,236) and legal fees for Community Grants (\$1,155), administrative (\$645), and Strategic Grants (\$360) issues are included.

**Line 22 Accounting & Payroll Fees** – Total (\$19,334) is 56.6% of budget. Cost of Accounting Consultant (\$9,729), financial statement audit and tax preparation (\$9,100), and payroll fees (\$505) make up the total.

**Line 23 Other Consultants** - Cost (\$24,937) is 48.8% of budget and is for Program (\$19,232) and Administrative (\$560) support and Technology (\$5,145) consultants.

**Line 24 Travel, Meetings & Conferences** – \$1,992 expense is 46% of budget. \$1,369 used for Board meeting audio recording and \$520 for meeting room rent.

**Line 25 Miscellaneous** – Cost (\$1,002) equals 43.6% of budget with an organizational membership (\$400) as the largest cost.

## **SUMMARY**

Excluding the budget for Scholarships & Grants, total expenses are at 48.5% of budget, which is below 50% benchmark for the first half of the year. In terms of dollars, the \$195,147 in year-to-date expense is \$6,173 less than the first half budget allocation. Two line-items are significantly over budget. Postage & Shipping (81.5% of budget) and Marketing & Communications (63.8%) are both over budget due to timing of Annual Report related expenses. Neither of these are expected to remain over budget by year-end.

The Fidelity Liquidity Pool – RAC, was created with a \$10 million July 2018 transfer. The balance as of December 31, 2019 is \$10,376,025, including market value gain of \$21,940 in December.

Total December investment net income or increase in value is \$539,316. This came from the Strategic Pool (\$215,632), Quasi Endowment (\$301,744), and Liquidity Pool – RAC (\$21,940). Year-to-date investment gains are \$2,399,915 and come from Strategic Pool (\$1,340,044), Quasi Endowment (\$934,909), and Liquidity Pool – RAC (\$124,962).

Overall organization year to date net income or increase in net assets is \$1,897,917.

Total Net Assets, as of December 31, 2019 are \$70,945,593 with \$18,715,599 in Quasi Endowment; \$52,128,794 in general Unrestricted funds; and \$101,200 in Temporarily Restricted Net Assets.

# SAN BRUNO

## Community Foundation

### December 2019 2019-2020 Budget Report

	(a)	(b)	(c)	(d)	(e)
	Actual Year to Date	Budget	Actual as % of Budget (a/b)	Final Expected Amount	Change in Budget (d - b)
<b>INCOME &amp; TRANSFERS</b>					
1 Transfers from Quasi Endowment	\$ 200,000	\$ 317,510	63.0%	\$ 317,510	\$ -
2 Transfers from Strategic Pool	1,700,000	4,781,214	35.6%	4,781,214	-
3 Restricted Donations	-	-		70,000	70,000
4 Interest Income	11,694	19,329	60.5%	19,329	-
5 Miscellaneous Income	5,000	-		5,000	5,000
<b>6 Total Available for Operations</b>	<b>1,916,694</b>	<b>5,118,053</b>	<b>37.4%</b>	<b>5,193,053</b>	<b>75,000</b>
<b>EXPENSES</b>					
7 Crestmoor Scholarships	-	120,000	0.0%	190,000	70,000
8 Community Grants	-	200,000	0.0%	300,000	100,000
9 Strategic Grants	323,545	808,545	40.0%	808,545	-
10 Other Grants	-	10,000	0.0%	10,000	-
<b>11 Subtotal Direct Program Expenses</b>	<b>323,545</b>	<b>1,138,545</b>	<b>28.4%</b>	<b>1,308,545</b>	<b>170,000</b>
12 Salaries & Wages	96,078	192,156	50.0%	192,156	-
13 Payroll Taxes & Benefits	9,077	22,485	40.4%	22,485	-
<b>14 Subtotal Personnel Expenses</b>	<b>105,155</b>	<b>214,641</b>	<b>49.0%</b>	<b>214,641</b>	<b>-</b>
15 Occupancy	7,525	15,690	48.0%	15,037	(653)
16 Insurance	9,039	18,085	50.0%	18,085	-
17 Telecommunications	907	1,920	47.2%	1,920	-
18 Postage & Shipping	1,630	2,000	81.5%	2,000	-
19 Marketing & Communications	9,342	14,638	63.8%	14,638	-
20 Office Supplies & Equipment	2,889	5,325	54.3%	5,325	-
21 Legal Fees	11,395	38,471	29.6%	38,471	-
22 Accounting & Payroll Fees	19,334	34,160	56.6%	34,160	-
23 Other Consultants	24,937	51,080	48.8%	51,080	-
24 Travel, Meetings & Conferences	1,992	4,330	46.0%	4,330	-
25 Miscellaneous	1,002	2,300	43.6%	2,300	-
<b>26 Subtotal Non-Personnel</b>	<b>89,992</b>	<b>187,999</b>	<b>47.9%</b>	<b>187,346</b>	<b>(653)</b>
<b>27 Total Expenses</b>	<b>518,692</b>	<b>1,541,185</b>	<b>33.7%</b>	<b>1,710,532</b>	<b>169,347</b>
<b>27 Net Surplus/(Loss)</b>	<b>\$ 1,398,002</b>	<b>\$ 3,576,868</b>		<b>\$ 3,482,521</b>	<b>\$ (94,347)</b>

# SAN BRUNO

## Community Foundation

### Statement of Financial Position as of December 31, 2019

#### ASSETS

Cash, Wells Fargo General	\$	28,779.74	
Cash, Wells Fargo Payroll		21,004.19	
Cash, Wells Fargo Savings		140,085.29	
Cash, Fidelity Liquidity Pool - Operating		1,407,481.65	
<b>Total Cash</b>			1,597,350.87
Investments, Fidelity Liquidity Pool - RAC		10,376,024.94	
Investments, Fidelity Strategic Pool		46,423,066.76	
Investments, Fidelity Quasi-Endowment		18,715,599.07	
Accrued Interest Receivable		3,464.12	
<b>Total Investments</b>			75,518,154.89
Prepaid Rent		1,265.83	
Prepaid Insurance		4,944.50	
<b>Total Other Current Assets</b>			6,210.33
Deposits		1,253.45	
<b>Total Other Assets</b>			1,253.45
<b>TOTAL ASSETS</b>			\$ 77,122,969.54

#### LIABILITIES & NET ASSETS

##### LIABILITIES

Accounts Payable		16,338.08	
Accrued Grants Payable		6,006,257.62	
Accrued Scholarships Payable		140,000.00	
Accrued Employee PTO		14,780.80	
<b>Total Liabilities</b>			6,177,376.50

##### NET ASSETS

Unrestricted, Non-QE 7/1/2019 Balance		50,662,240.34	
Transfer from Quasi-Endowment		200,000.00	
Year to Date Net Income from Operations		(198,452.83)	
Year to Date Strategic Investment Income		1,465,006.46	
<b>Total Non-QE Unrestricted Net Assets</b>			52,128,793.97
Quasi-Endowment 7/1/2019 Balance		17,980,690.19	
Transfer to Liquidity for Operations		(200,000.00)	
Year-to-date QE Investment Income		934,908.88	
<b>Total QE Unrestricted Net Assets</b>			18,715,599.07
<b>Total Unrestricted Net Assets</b>			70,844,393.04
Temporarily Restricted Net Assets 7/1/2019 Balance		404,745.54	
Year to Date Temporarily Restricted Income		(303,545.54)	
<b>Total Temporarily Restricted Net Assets</b>			101,200.00
<b>Total Net Assets</b>			70,945,593.04
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>			\$ 77,122,969.54

# SAN BRUNO

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## Community Foundation

January 2020

### Budget Narrative

This report primarily describes amounts in column a (Actual Year to Date) of the monthly Budget Report. When projections vary from Budget (column b), the changes will be reflected in columns d (Final Expected Amount) and e (Change in Budget), and also be explained. First seven months equal 58.3% of the fiscal year.

### INCOME

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

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

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

**Line 4 Interest Income** – \$13,266 is 68.6% of budget. Liquidity Pool – Operating balance is currently \$2,185,051.

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

### EXPENSES

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

**Line 8 Community Grants** – \$280,900 is 140.5% of budget. Two additional grants totaling \$19,100 will bring total to \$300,000 based on \$100,000 final projected increase per Google funding last fiscal year and Board approval.

**Line 9 Strategic Grants** – \$323,545 is 40% of budget and is: First Responder Mobile Command Unit (\$303,545); and 2020 Community Day (\$20,000).

**Line 12 Salaries & Wages** – Expense is exactly on budget at 58.3%.

**Line 13 Payroll Taxes & Benefits** – Expense (\$11,162) is 49.6% of budget. Retirement (\$5,604) is the largest cost. Other costs include Social Security/Medicare (\$4,930); and workers' compensation (\$414) and life (\$214) insurances.

**Line 15 Occupancy** – Only cost is office lease (\$8,791). Amount is 56% of budget. Five-year lease extension includes 2.2% rent reduction beginning in April.

**Line 16 Insurance** – Total (\$10,546) is exactly on budget and includes Directors & Officers (\$8,386), crime (\$1,488), and commercial package (\$672) policies.

**Line 17 Telecommunications** – Cost (\$1,059) is 55.2% of budget and includes cell phone (\$443), internet (\$410), and landline (\$206) services.

**Line 18 Postage & Shipping** – Cost (\$1,687) is 84.4% of budget. Annual Report mailing to San Bruno residents (\$1,370) represents 81% of the total.

**Line 19 Marketing & Communications** - \$9,539 expense is 65.2% of budget. Design and production of the Annual Report (\$7,147) represents 75% of the total. Additional costs include: \$1,892 for Crestmoor Scholarships flyers and ads; and \$203 for grants & scholarships application software subscription.

**Line 20 Office Supplies & Equipment** – Total (\$3,762) is 70.6% of budget. Largest costs are: laptop (\$2,019); toner (\$852); and Intuit Quickbooks subscription (\$430).

**Line 21 Legal Fees** – \$11,545 expense is 30% of budget. First two-quarters cost of City attorney (\$9,235) and legal fees for Community Grants (\$1,305), administrative (\$645), and Strategic Grants (\$360) issues are included.

**Line 22 Accounting & Payroll Fees** – Total (\$21,775) is 63.7% of budget. Cost of Accounting Consultant (\$12,069), financial statement audit and tax preparation (\$9,100), and payroll fees (\$606) make up the total.

**Line 23 Other Consultants** - Cost (\$28,087) is 55% of budget and is for Program (\$22,382) and Administrative (\$560) support and Technology (\$5,145) consultants.

**Line 24 Travel, Meetings & Conferences** – \$1,992 expense is 46% of budget. \$1,369 used for Board meeting audio recording and \$520 for meeting room rent.

**Line 25 Miscellaneous** – Cost (\$1,454) equals 63.2% of budget with two organizational memberships (\$850) as the largest cost.

## **SUMMARY**

Excluding the budget for Scholarships & Grants, total expenses are at 55.5% of budget, which is below 58.3% benchmark for the first seven months of the year. In terms of dollars, the \$223,490 in year-to-date expense is \$11,383 less than the first seven months budget allocation. Two line-items are significantly over budget. Postage & Shipping (84.4% of budget) is over budget due to timing of Annual Report related expenses. Office Supplies & Equipment (70.6%) is over budget due to purchase of a new laptop. Neither of these are expected to remain over budget by year-end.

The Fidelity Liquidity Pool – RAC, was created with a \$10 million July 2018 transfer. The balance as of January 31, 2020 is \$10,421,197, including market value gain of \$45,172 in January.

Total January investment net income or increase in value is \$664,515. This came from the Strategic Pool (\$601,261), Quasi Endowment (\$18,082), and Liquidity Pool – RAC (\$45,172). Year-to-date investment gains are \$3,064,430 and come from Strategic Pool (\$1,941,305), Quasi Endowment (\$952,991), and Liquidity Pool – RAC (\$170,134).

Overall organization year to date net income or increase in net assets is \$2,335,161.

Total Net Assets, as of January 31, 2020 are \$71,382,837 with \$18,733,681 in Quasi Endowment; \$52,577,956 in general Unrestricted funds; and \$71,200 in Temporarily Restricted Net Assets.

# SAN BRUNO

## Community Foundation

### January 2020 2019-2020 Budget Report

	(a)	(b)	(c)	(d)	(e)
	Actual Year to Date	Budget	Actual as % of Budget (a/b)	Final Expected Amount	Change in Budget (d - b)
<b>INCOME &amp; TRANSFERS</b>					
1 Transfers from Quasi Endowment	\$ 200,000	\$ 317,510	63.0%	\$ 317,510	\$ -
2 Transfers from Strategic Pool	2,700,000	4,781,214	56.5%	4,781,214	-
3 Restricted Donations	70,000	-		70,000	70,000
4 Interest Income	13,266	19,329	68.6%	19,329	-
5 Miscellaneous Income	15,400	-		15,400	15,400
<b>6 Total Available for Operations</b>	<b>2,998,666</b>	<b>5,118,053</b>	<b>58.6%</b>	<b>5,203,453</b>	<b>85,400</b>
<b>EXPENSES</b>					
7 Crestmoor Scholarships	-	120,000	0.0%	190,000	70,000
8 Community Grants	280,900	200,000	140.5%	300,000	100,000
9 Strategic Grants	323,545	808,545	40.0%	808,545	-
10 Other Grants	-	10,000	0.0%	10,000	-
<b>11 Subtotal Direct Program Expenses</b>	<b>604,445</b>	<b>1,138,545</b>	<b>53.1%</b>	<b>1,308,545</b>	<b>170,000</b>
12 Salaries & Wages	112,091	192,156	58.3%	192,156	-
13 Payroll Taxes & Benefits	11,162	22,485	49.6%	22,485	-
<b>14 Subtotal Personnel Expenses</b>	<b>123,253</b>	<b>214,641</b>	<b>57.4%</b>	<b>214,641</b>	<b>-</b>
15 Occupancy	8,791	15,690	56.0%	15,037	(653)
16 Insurance	10,546	18,085	58.3%	18,085	-
17 Telecommunications	1,059	1,920	55.2%	1,920	-
18 Postage & Shipping	1,687	2,000	84.4%	2,000	-
19 Marketing & Communications	9,539	14,638	65.2%	14,638	-
20 Office Supplies & Equipment	3,762	5,325	70.6%	5,325	-
21 Legal Fees	11,545	38,471	30.0%	38,471	-
22 Accounting & Payroll Fees	21,775	34,160	63.7%	34,160	-
23 Other Consultants	28,087	51,080	55.0%	51,080	-
24 Travel, Meetings & Conferences	1,992	4,330	46.0%	4,330	-
25 Miscellaneous	1,454	2,300	63.2%	2,300	-
<b>26 Subtotal Non-Personnel</b>	<b>100,237</b>	<b>187,999</b>	<b>53.3%</b>	<b>187,346</b>	<b>(653)</b>
<b>27 Total Expenses</b>	<b>827,935</b>	<b>1,541,185</b>	<b>53.7%</b>	<b>1,710,532</b>	<b>169,347</b>
<b>27 Net Surplus/(Loss)</b>	<b>\$ 2,170,731</b>	<b>\$ 3,576,868</b>		<b>\$ 3,492,921</b>	<b>\$ (83,947)</b>

# SAN BRUNO

## Community Foundation

### Statement of Financial Position as of January 31, 2020

#### ASSETS

Cash, Wells Fargo General	\$ 11,977.73	
Cash, Wells Fargo Payroll	49,025.42	
Cash, Wells Fargo Savings	140,087.87	
Cash, Fidelity Liquidity Pool - Operating	2,185,050.77	
<b>Total Cash</b>		2,386,141.79
Investments, Fidelity Liquidity Pool - RAC	10,421,197.16	
Investments, Fidelity Strategic Pool	46,027,791.32	
Investments, Fidelity Quasi-Endowment	18,733,681.29	
<b>Total Investments</b>		75,182,669.77
Prepaid Rent	1,265.83	
Prepaid Insurance	3,556.00	
<b>Total Other Current Assets</b>		4,821.83
Deposits	1,253.45	
<b>Total Other Assets</b>		1,253.45
<b>TOTAL ASSETS</b>		<b>\$ 77,574,886.84</b>

#### LIABILITIES & NET ASSETS

##### LIABILITIES

Accounts Payable	13,011.09	
Accrued Grants Payable	6,024,257.62	
Accrued Scholarships Payable	140,000.00	
Accrued Employee PTO	14,780.80	
<b>Total Liabilities</b>		6,192,049.51

##### NET ASSETS

Unrestricted, Non-QE 7/1/2019 Balance	50,662,240.34	
Transfer from Quasi-Endowment	200,000.00	
Year to Date Net Income from Operations	(395,723.42)	
Year to Date Strategic Investment Income	2,111,439.12	
<b>Total Non-QE Unrestricted Net Assets</b>		52,577,956.04
Quasi-Endowment 7/1/2019 Balance	17,980,690.19	
Transfer to Liquidity for Operations	(200,000.00)	
Year-to-date QE Investment Income	952,991.10	
<b>Total QE Unrestricted Net Assets</b>		18,733,681.29
<b>Total Unrestricted Net Assets</b>		71,311,637.33
Temporarily Restricted Net Assets 7/1/2019 Balance	404,745.54	
Year to Date Temporarily Restricted Income	(333,545.54)	
<b>Total Temporarily Restricted Net Assets</b>		71,200.00
<b>Total Net Assets</b>		<b>71,382,837.33</b>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>		<b>\$ 77,574,886.84</b>

# SAN BRUNO

## Community Foundation

### Memorandum

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**DATE:** February 28, 2020

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

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Report on Recreation and Aquatics Center Project

In 2017, the Foundation Board agreed in principle to earmark up to \$50 million in strategic grants to the City of San Bruno for the planning, design, and construction of a new recreation and aquatics center in San Bruno City Park. The overall project consists of three phases: conceptual design, development of schematic design plans and construction drawings, and construction. In March 2018, the Board created the Ad Hoc Committee on Recreation and Aquatics Center Project to serve as the Foundation's liaison to the City of San Bruno in the design and construction of the new recreation and aquatics center. Vice President Jim Ruane and Board Member Nancy Kraus currently serve on the Committee.

#### **1. Presentation on Recreation and Aquatics Center Project by the City of San Bruno**

At the March 4, 2020, Board meeting, a team from the City of San Bruno and its consultants will give a presentation to the Board about the San Bruno Recreation and Aquatics Center (RAC) Project. The presentation team will include:

- Jovan Grogan, San Bruno City Manager
- Joanne Magrini, San Bruno Community Services Director
- Kelly Beggs, Senior Planner, Good City Company
- Dawn Merkes, Principal, Group 4 Architecture, Research + Planning, Inc.
- Daheen Maeng, Job Captain, Group 4 Architecture, Research + Planning, Inc.
- Lance Solomon, Sr. Program & Construction Manager, Griffin Structures
- Jon Hughes, Director of Operations, Griffin Structures

As previously reported, the project is in its second phase – schematic design and construction documents – led by Group 4. Group 4 is currently in the design development stage and is proceeding with developing further detailed renderings and designs for City Council approval and subsequent construction.

# SAN BRUNO

## Community Foundation

### Memorandum

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In addition, the project is proceeding through the California Environmental Quality Act (CEQA) process, which requires the City to identify the significant environmental impacts of the project and to avoid or mitigate those impacts, if feasible. The City released a Draft Environmental Impact Report (EIR) for the proposed RAC Project on Monday, January 27, 2020, starting a required 45-day public comment period that will conclude on Wednesday, March 11, 2020. As outlined in the Draft EIR, the proposed project would include the following components: (1) demolition of the existing Veterans Memorial recreation building and pool; (2) construction of a new approximately 47,000 square foot San Bruno Recreation and Aquatics Center; (3) the reconfiguration of adjacent existing parking areas and roadways within the park; and (4) the relocation of the existing channelized creek within a portion of the park.

As documented in the Draft EIR, the proposed project has been analyzed and would result in potentially significant impacts related to: Biological Resources; Cultural Resources; Transportation; Air Quality; Noise; Geology and Soils; Hazards and Hazardous Materials; and Hydrology and Water Quality. The report states that all impacts, with the exception of Cultural Resources, would be reduced to less-than-significant levels through implementation of identified mitigation measures; a significant unavoidable impact related to the demolition of the existing Veterans Memorial building, which is considered to be a historic resource, is identified in the Draft EIR.

According to the City, the EIR, along with the planning entitlements for the Architectural Review Permit and Conditional Use Permit will be reviewed by the Planning Commission in Spring 2020. The City's Planning Commission has final approval authority on this project, unless appealed to the City Council.

The Draft EIR, all documents incorporated by reference including special studies, and additional information regarding the proposed project can be accessed on the City's [website](#) and is also available for public review at the City Community and Economic Development Department public service counter, at the City Clerk's public counter in City Hall and at the San Bruno Library.

The City's project team will provide a thorough update on the EIR process and overall progress on the project.

## **2. Update on RAC Grants**

The Foundation is funding the RAC project through a series of separate grant agreements that will cover specific portions of the project costs, totaling no more than \$50 million. The first grant for the conceptual design phase has been completed and, in the end, totaled \$416,108.85. The Foundation completed payment on the grant in November 2018. The second

# SAN BRUNO

## Community Foundation

### Memorandum

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grant, for up to \$5,420,388, covers architectural services through the schematic design/construction documents and construction phases and is outlined in more detail below. The third grant, for up to \$1,079,000, covers project and construction management services for the duration of the project.

#### **a. Grant #2: Architectural Services**

In December 2018, the City finalized its contract with Group 4 Architecture, Research + Planning for architectural services for Phase 2 (schematic design and construction documents) and for support services through Phase 3 (construction). Following execution of the contract, in January 2019 the Foundation and the City executed the second grant agreement for the project, to cover the costs associated with architectural design and support costs for the remainder of the project for an amount not to exceed \$5,420,388. The grant period runs through March 2022. Grant payments are being made on a quarterly basis, based on a progress report submitted by the City each quarter outlining expenses incurred. Thus far the Foundation has paid four quarterly payments totaling \$1,192,515.14. The Foundation received the fourth quarterly grant report (\$375,669.02 in expenses) at the end of January and disbursed that payment in mid-February.

#### **b. Grant #3: Project Management and Construction Services**

On March 6, 2019, the Board approved a strategic grant to the City for project and construction management services on the project in an amount not to exceed \$1,079,000 and authorized me as Executive Director to finalize and execute on behalf of the Foundation a grant agreement setting forth the specific terms and conditions, including the specific grant purposes, for such a grant to the City. On March 12, 2019, the City Council approved a contract with Griffin Structures, which the City selected after a Request for Proposal process, for an amount not to exceed \$1,079,000. In mid-May, the Foundation and the City executed the third grant agreement for the RAC project, to cover the costs associated with project and construction management services for the duration of the project for an amount not to exceed \$1,079,000. The grant period runs through December 2022, and the reporting and disbursement schedule follows same schedule as for RAC Grant #2. Thus far the Foundation has paid three quarterly payments totaling \$72,304.08. The Foundation received the third quarterly grant report (\$47,474.82 in expenses) at the end of January and disbursed that payment in mid-February.

# SAN BRUNO

## Community Foundation

### Memorandum

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**DATE:** February 28, 2020

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

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Report on Music Education Strategic Initiative

At the March 4, 2020, Board meeting, I will give an update on the Music Education Strategic Initiative and seek feedback from the Board on a proposal to extend funding to the San Bruno Education Foundation (SBEF) and the Capuchino High School Alumni Association (CHSAA) in support of the music programs in the San Bruno Park School District (SBPSD) and Capuchino High School, respectively, for a fourth year.

In May 2017, the Board approved strategic grants to SBEF and CHSAA totaling \$495,000 over three years to support implementation of the Music Education Strategic Initiative, with the goal of making music education a hallmark of San Bruno's public schools.

In June 2017, per the terms of the two grant agreements, the Foundation made the first-year installments of the strategic grants to SBEF (\$201,618) and CHSAA (\$90,820). The Foundation made Year 2 payments of \$97,480 to SBEF and \$16,860 to CHSAA in June 2018. In June 2019, the Foundation made its final payments of \$79,792 to SBEF and \$8,430 to CHSAA. SBEF and CHSAA submit written grant reports each year. The Foundation Board last received an oral report on the Initiative from representatives of both organizations in September 2019. I also periodically check in with SBEF and CHSAA to monitor the Initiative's progress.

For the past three school years, Foundation grants have enabled SBPSD to offer high-quality, age-appropriate music curriculum to all 1,600 elementary school students in partnership with the nonprofit Music for Minors, including nearly 700 students at the district's Title 1 schools that would not otherwise have had access to music education. The grants to SBEF have also supported the music program at Parkside Intermediate School, primarily funding the purchase of key equipment and supplies. At Capuchino High School, Foundation grants to CHSAA have funded the purchase of new marching band uniforms and other necessary equipment and supplies as well as transportation expenses that enable the high school music groups to participate in off-campus performances and competitions. The music programs at both Parkside and Capuchino have experienced increased enrollment over the three years of the Initiative, and Capuchino music groups, in particular, have won numerous awards at various competitions.

# SAN BRUNO

## Community Foundation

### Memorandum

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From the beginning, a key component of the Initiative has been to ensure that the progress made in the music education programs in the San Bruno Park School District and at Capuchino High School will be sustainable once SBCF funding sunsets. At that time, it will be the responsibility of the existing key stakeholders – SBPSD, elementary school PTAs, Parkside Music Boosters/PTO, Capuchino High School, San Mateo Union High School District, and CHSAA/Capuchino Music Boosters to sustain and, ideally, grow the programs fostered under the Initiative. In the original Initiative proposal, SBCF acknowledged that the nonprofit fundraising arms for the school entities are all volunteer-driven organizations without paid staff, which limits the fundraising capacity of these organizations.

As a result, all three years of the Initiative have included funding for program sustainability measures (\$27,500 in Year 1, \$20,000 in each of Years 2 and 3), such as the creation of a Steering Committee, program coordination of the Initiative, and an expansion of the fundraising capacity of the participating organizations. SBEF Vice President Bryan Vander Lugt, in particular, has emphasized the importance of the sustainability funding in supporting the organizations' ability to fundraise and develop "Music in the Air" as a community showcase for music in San Bruno's public schools and a fundraising vehicle for the music programs. The first "Music in the Air," held in November 2018, raised about \$80,000.

Over the past year, the San Bruno Park School District has faced a number of significant obstacles that have made for an extremely challenging fundraising environment for the schools and their fundraising arms. Former Superintendent Stella Kemp, who had provided strong, visionary leadership for the district – including passage of a \$79 million bond measure to repair and replace the district's aging school facilities and transform them into "schools with tomorrow inside" – unexpectedly announced her resignation at the end of the 2018-2019 school year. The Chief Business Officer and the Director of Student Services and Special Education resigned soon after. Since the summer, Interim Superintendent Sharon Kamberg has been leading the district, which recently began the formal search process for a permanent superintendent. In addition, parent organizations at two of the district's schools have suffered from embezzlement incidents. Last fall, the former PTA treasurer at John Muir Elementary School was arrested and faces felony embezzlement charges on suspicion of misappropriating more than \$80,000 in funds raised for the school community. Soon after, the former treasurer of the Music Boosters at Parkside Intermediate School was arrested and charged with embezzling \$35,000 of the group's funds.

In the wake of these developments, which has created a public perception that "this is not an ideal time for public investment" in San Bruno's schools, SBEF has, unsurprisingly, found its fundraising efforts stymied. SBEF reports that donations received have decreased 70% this school year and donations from school families are down 50%.

# SAN BRUNO

## Community Foundation

### Memorandum

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As a result, I have been concerned about SBEF and SBPSD being able to sustain the music programs – particularly at the elementary school level, where they are outsourced to the Music for Minors program and funded entirely from donations – in the next school year, negating the significant gains made over the past three years with the Music Education Strategic Initiative. I approached Dr. Vander Lugt about the challenges facing SBEF, and he expressed deep appreciation for the outreach. At my suggestion, he proposed an extension of the Initiative’s funding to ensure that SBEF and the district weathers the current storm and can continue to build up its fundraising capacity to be able to support the elementary school music program on an ongoing basis. On behalf of SBEF, he proposed an additional \$60,000 for each of the next two school years. Of that amount, \$50,000 would cover a significant portion of the \$90,000 budget for Music for Minors. This would be a decrease from our support for this program (elementary music received \$70,350 in Year 1, \$74,880 in Year 2, and \$58,491 in Year 3) and is consistent with our original philosophy of gradually weaning SBEF off SBCF funding. SBEF is confident that it would be able to cover the remaining \$40,000 each year, in addition to the other support it provides the school district. SBEF is also requesting \$10,000 per year in sustainability funds, as it anticipates the need for increased marketing and community-building efforts to stimulate philanthropic support for the music programs in the current environment. Approximately \$2,500 would be targeted toward promotional resources and \$7,500 toward community-building activities.

In the spirit of collaboration and equity, I also reached out to CHSAA to inquire about funding needs of the music programs at Capuchino High School. While Capuchino’s music programs do receive financial support from the better-funded San Mateo Union High School District, the growth in the school’s music programs have led to increased transportation costs, in particular, related to performances and competitions, which are typically covered by donations. The Capuchino music director reports that transportation costs to a single event can range from \$2,000 to \$4,000. This year, SBCF’s grant of \$8,430 has been entirely designated to cover transportation expenses, which will likely exceed \$17,000 this school year.

Based on this information, I would like the Board to consider an extension of the Music Education Strategic Initiative for a fourth year at the following levels:

**Year 4 Grant to SBEF:**

Elementary School Music Education	\$50,000
<u>Program Sustainability</u>	<u>\$10,000</u>
TOTAL	\$60,000

**Year 4 Grant to CHSAA**

<u>Music Program Transportation</u>	<u>\$8,000</u>
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# SAN BRUNO

## Community Foundation

### Memorandum

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TOTAL

\$8,000

Given the unfortunate and unexpected circumstances facing SBEF and SBPSD schools, I believe an additional investment in the Music Education Strategic Initiative is warranted to ensure that the music programs continue to thrive and the San Bruno community continues to reap the benefits of the Foundation's original \$495,000 investment. Plans for the second annual Music in the Air – this time an outdoor springtime event in San Bruno City Park held in conjunction with the school district's Children's Day/Book Day to encourage greater community involvement – are underway. I would propose a one-year extension at these levels for the 2020-2021 school year. If the school community anticipates continued fundraising challenges in 2021-2022, the Foundation could consider an additional extension a year from now.

On March 4, I would like to get the Board's feedback on this proposal for a one-year extension of music education funding to SBEF and CHSAA. Representatives from SBEF and CHSAA will be present at the meeting to answer questions you may have about the SBPSD and Capuchino music programs and the benefits of additional funding. Based on the Board's feedback, I hope to bring a final proposal for formal consideration at the June Board meeting.

I have attached a copy of original Music Education Strategic Initiative Proposal that the Board approved in May 2017 for your reference.

#### Attachments:

1. Proposal for Music Education Strategic Initiative, dated April 28. 2017

# **SAN BRUNO**

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## **Community Foundation**

### **Proposal for Music Education Strategic Initiative:**

*A Collaboration of The San Bruno Community Foundation, San Bruno Park School District, Capuchino High School, San Bruno Education Foundation, and Capuchino High School Alumni Association*

April 28, 2017

#### **I. Background**

In November 2015, the Board of Directors of the San Bruno Community Foundation identified a list of strategic grantmaking priorities and directed staff to begin working with the relevant community partners to research and, as appropriate, develop concrete funding proposals to address these priorities. Based primarily on feedback received through the Foundation's spring 2015 Community Listening Campaign, the list of priorities includes, among others, education and community building. The inclusion of education reflects a broad community desire to improve San Bruno's public schools, and the inclusion of community building reflects the strong sense of community that exists in San Bruno and the desire to foster more community-building activities and places for people to gather. These two priorities form the roots of this proposal for a Music Education Strategic Initiative.

Numerous studies document the profound benefits of music education on children. When initiated at the elementary and high school levels, music is an integral part of community building, promotes high levels of academic achievement, and is a part of lifelong personal and community growth. Music nurtures the human spirit, promotes personal development, and is central to learning and the creative process. Research reveals that students engaged in arts education have significantly higher attendance and graduation rates and succeed at higher levels than students without it, regardless of the socioeconomic level of the school or district. When students are making music together they are learning the spirit of team work, discipline, and most important, self-discovery, which promotes physical well-being and social understanding.

Music education benefits not just the students participating in the programs and their families, but also the community at large. The broader community benefits include advancement of the cultural arts in the local area, community performances by student musicians, a sense of pride in accomplished musical groups, and a strengthening of the public schools that can help attract families to the San Bruno.

San Bruno public schools, particularly Capuchino High School, have long had a tradition of excellence in music education with award-winning bands and notable community performances. Unfortunately, budget cuts have caused the Capuchino music program to diminish over the past decade. In recent years, while also facing budgetary constraints, instrumental music education has experienced a renaissance at Parkside Intermediate School. Today approximately 350 Parkside students, or more than 40% of the student body, participate in the school's music program, benefiting from musical learning opportunities through daily band and orchestra classes and ukulele ensembles. Both schools struggle financially to support their music programs – Capuchino to rebuild its program, now headed by a new music director who has the expertise and enthusiasm to return Capuchino's music program to its glory days, and Parkside to build upon its recent success undertaken by two dynamic music

instructors to develop a sustainable program to support all students who seek accessible and affordable music instruction. In fact, Capuchino leaders feel that it is critical that the school provide a quality music program to attract Parkside musicians to the school, or else risk losing these students to other high schools in the San Mateo Union High School District (SMUHSD) and elsewhere with strong music programs.

Music education in San Bruno Park School District (SBPSD) elementary schools has been inconsistent and uneven and, as the district has faced financial challenges in recent years, is dependent on support from school parent teacher associations (PTA). In 2016, to prepare older elementary school students for the instrumental music program at Parkside Intermediate School, the San Bruno Education Foundation (SBEF) began funding after-school instrumental group instruction for fourth and fifth grade students. This program was so successful that SBEF added a summer program for grades 4-8 last summer.

The leadership at both SBPSD and Capuchino High School has identified music education as a desired and valuable program, but both entities lack the necessary financial resources to support the programs at the optimal level. Both recognize that a not insignificant portion of the funding that is needed to support music education must come from outside the limited resources available from school districts.

In fact, the Capuchino High School Alumni Association (CHSAA) applied to SBCF for a Community Grant to support the high school's music program, seeking funds to cover the costs of sheet music, instrument materials and repairs, uniform/costume entry fees for festivals and competitions, performance lighting and sound, transportation to events, and field trips to observe performances. SBEF applied for two Community Grants – one to support the instrumental music program at Parkside, and another to bring an age-appropriate music program to second and third graders at three SBPSD schools where the PTAs are unable to underwrite the cost of offering such a program. In December 2016, the SBCF Board approved one Community Grant to CHSAA for \$19,180 and two Community Grants to SBEF totaling \$25,000 (\$14,000 for the Parkside music program and \$11,000 for the elementary school program). Because space constraints at Parkside have postponed the launch of the specialty performance groups what were to be funded by the Community Grant until next year, when a new building will be completed on campus, SBEF requested – and SBCF approved – a modification of the Parkside grant. The \$14,000 is now being used to fund the summer instrumental program that SBEF offers to 4<sup>th</sup>-8<sup>th</sup> graders and performance venue enhancements, such as stage curtains or acoustic baffles, at Parkside. The elementary school program ended up costing \$1,650 less than the \$11,000 grant funding provided, so the balance is being applied as a deposit on the program in 2017-2018 and has been taken into consideration in the funding of the elementary school program enhancements in this proposal.

With the strong educational and community benefits of music education in mind, in November 2016 the SBCF Board created an ad hoc committee consisting of Board Members Emily Roberts (chair) and Patricia Bohm to investigate the creation of a strategic initiative to significantly bolster music education in San Bruno's public schools. The Committee's charge is to develop a proposal laying the foundation for music education to become a hallmark or distinguishing feature of San Bruno's public schools, through a meaningful capital investment by SBCF and the development of a long-term plan to make the programs sustainable once SBCF funding sunsets, including the identification and cultivation of other funding sources and the development of productive fundraising operations of SBEF and CHSAA.

## **II. Strategic Initiative Working Group**

The Ad Hoc Committee on Music Education Strategic Initiative assembled a group of representatives of key stakeholders to assist in the development of an Initiative proposal. The Working Group eventually grew to 15 people, including:

- Emily Roberts, Chair, SBCF Ad Hoc Committee on Music Education Strategic Initiative

- Pat Bohm, Member, SBCF Ad Hoc Committee on Music Education Strategic Initiative
- Leslie Hatamiya, Executive Director, SBCF
- Shamar Shanks, Principal, Capuchino High School
- Scott Souza, Music Director, Capuchino High School
- Cheryl Olson, Superintendent, San Bruno Park School District
- Leigh Schwartz, Director of Student Services/Special Education, San Bruno Park School District
- Kerry Dees, Principal, Parkside Intermediate School
- Michael Case, Vice Principal, Parkside Intermediate School
- Elyse Mahfouz, Music Teacher, Parkside Intermediate School
- Ciana Whitfield, Music Teacher, Parkside Intermediate School
- Colleen Hennessy, Principal, Rollingwood Elementary School
- Judy Puccini, Vice President, Capuchino High School Alumni Association
- Renee Callantine, Treasurer, San Bruno Education Foundation
- Paul Linden, Board Member, San Bruno Education Foundation

The Working Group met five times from early December 2016 to late March 2017, and its deliberations formed the basis of this strategic initiative proposal.

### **III. Goals**

The Working Group identified the following goals for the Music Education Strategic Initiative and its efforts to develop an enhanced music education program in San Bruno’s public schools:

- To provide equal access to music education opportunities in San Bruno public schools
- To retain students in and attract families to San Bruno public schools
- To bolster community pride, particularly in San Bruno public schools
- To develop accomplished musicians
- To nurture a love of and appreciation for music in San Bruno public school students
- To improve academic achievement in San Bruno public schools
- To develop teamwork, self-confidence, self-esteem, time management, and other life skills for San Bruno public school students
- To educate parents on the value of music education

### **IV. Intended Outcomes**

As both an investment and a collaboration, the Music Education Strategic Initiative aims to result in the following outcomes:

- Retention of students in San Bruno public schools at all levels
- Increased student, school, and community pride and appreciation
- Increased number of community performances
- Increased student participation in music education programs
- Providing music education opportunities on an articulated continuum across different levels
- Accomplished musicians and performance groups
- Improved student academic achievement, attendance, and connections to school
- Achievement at music competitions
- Stronger community for students in the programs and stronger student connections to alumni
- Better integration of music with the broader arts curriculum
- Coordination and collaboration between Capuchino High School and the San Bruno Park School District

## V. Vision Statement

A vision statement is an aspirational description of what an organization or effort would like to achieve or accomplish over the long term and serves as a clear guide for choosing current and future courses of action. The vision for the Music Education Strategic Initiative is:

San Bruno public schools provide equitable access to music education for all children through a continuum of superior music opportunities, from elementary through high school, that inspire, build self-confidence, and develop life skills in students, with our community sharing in the value, pride, and appreciation of their contributions.

## VI. Strategic Initiative Framework

If approved, an SBCF grant of \$495,000, distributed over a three-year time frame starting with the 2017-2018 school year, will provide the foundation for a vibrant, equitable music program from transitional kindergarten through high school in San Bruno's public schools. Grant support will be greatest in Year 1, when a district-wide elementary school music program is launched and significant one-time capital investments are made at the middle and high school levels to cover major gaps that the cash-strapped schools have been unable to fill in recent years. Once these investments are made, the annual recurring expenses reach a manageable level that should be sustainable with moderate fundraising.

Table 1. SBCF Funding, 2017-2020

<b>Earmarked For</b>	<b>Year 1 2017-2018</b>	<b>Year 2 2018-2019</b>	<b>Year 3 2019-2020</b>	<b>Total Years 1-3 2017-2020</b>
<i>1. Elementary School: Music for Minors</i>	\$70,350	\$74,880	\$58,491	\$203,721
<i>2. Middle School: Priority 1 Expenses (Instruments, Mouthpiece Supplies, Music Ed Supplies, Music Office, Repair, Supplies)</i>	\$89,768	\$2,600	\$1,300	\$93,668
<i>3. Middle School: Specialty Groups</i>	\$14,000	\$0	\$0	\$14,000
<i>4. High School: Priority 1 Expenses (Uniforms, Music, Transportation, Instrument Repair/Replacements, SmartMusic)</i>	\$90,820	\$16,860	\$8,430	\$116,110
<i>5. Program Sustainability: Fundraising Strategy Consultant</i>	\$7,500	\$0	\$0	\$7,500
<i>6. Program Sustainability: Fund Development/Program Coordination</i>	\$20,000	\$20,000	\$20,000	\$60,000
<b>TOTAL SBCF</b>	<b>\$292,438</b>	<b>\$114,340</b>	<b>\$88,221</b>	<b>\$495,000</b>

The funds will be disbursed from SBCF to two grant recipients: (1) SBEF will receive funding for lines 1-3 and 5-6, to support programs offered by SBPSD and the program sustainability measures, and (2) CHSAA will receive funding for line 4 to support programs at Capuchino High School.

The SBCF grant funds assume other sources of funding to support the identified needs of the music programs, including:

- Elementary School PTAs: Annual contribution of \$13,000-\$14,000 to support Music for Minors
- San Bruno Education Foundation: Annual funding of more than \$13,000 to support the after-school instrumental program for grades 4-5 and additional music program needs for grades TK-8
- Parkside School Budget: Annual funding of \$10,000 to support additional Parkside music program needs
- Parkside Music Boosters/PTO: Annual net contribution of \$10,000 to support additional Parkside music program needs
- Capuchino School Budget: Annual funding of \$3,000 to support additional Capuchino music program needs
- San Mateo Union High School District Budget: Annual funding of \$5,200 to support additional Capuchino music program needs
- Capuchino Music Boosters/High School Alumni Association: Annual net contribution of \$10,000 to support additional Capuchino music program needs

A Music Education Steering Committee will oversee the Initiative. The Steering Committee will consist of representatives of:

- San Bruno Education Foundation
- San Bruno Park School District administration
- Parkside Intermediate School
- Parkside Music Boosters/PTO
- SBPSD Elementary Schools and PTAs
- Capuchino High School
- Capuchino Music Boosters/High School Alumni Association
- San Bruno Community Foundation

SBEF will provide a program coordination function for the Initiative, and a portion of the funds granted to SBEF will be designated for efforts to support the sustainability of the Initiative. In this role, SBEF will:

- Support implementation of the Initiative
- Facilitate communication and collaboration among the various entities
- Coordinate Music Education Strategic Initiative Steering Committee
- Hire consultants needed for the sustainability component of the initiative; funds included in the grant are to underwrite hiring of fundraising consultant (\$7,500 in Year 1) and fund development and program coordination support (combined total of \$20,000 each of the three years)
- Oversee/coordinate new fundraising efforts to ensure sustainability of the initiative's programs
- Fulfill all reporting requirements for the grant

A critical part of the Initiative is assisting SBEF, CHSAA, and other stakeholders in acquiring the fund development capacity to raise the funds necessary to sustain the programs that make up the Initiative once SBCF funding sunsets.

## **VII. Program Enhancements**

The Music Education Strategic Initiative seeks to support program enhancements at the elementary school, middle school, and high school levels. In addition, the Initiative includes efforts to bolster the sustainability of the program enhancements once SBCF funding sunsets.

## **A. Elementary School**

Founded in 1906, the San Bruno Park School District serves the overwhelming majority of San Bruno public school students from transitional kindergarten through the eighth grade. (The district's three preschool programs are not a part of this proposal.) SBPSD includes six elementary schools throughout San Bruno – Allen, Belle Air, El Crystal, John Muir, Portola, and Rollingwood – with a total enrollment of approximately 1,900.

Particularly since the Great Recession of the late 2000s and early 2010s, the district has struggled financially, resulting in increased class sizes, the closure of one school, and tension with the teachers' and classified staff unions. The district continues to grapple with a structural deficit.

### **1. Current Program Offerings**

In this context, it is not surprising that the district has not offered a comprehensive music program at its elementary schools. Music education at the elementary school level has been dependent on funding from individual school parent teacher associations (PTAs), with decisions on programming made at the school level. Prior to the 2016-2017 school year, three schools – El Crystal, John Muir, and Portola – offered PTA-funded, singing and rhythm-based music programs. El Crystal and Portola have contracted with Rhythm and Moves, the entity that the district hires to provide physical education at all of the elementary schools, for their music programs, while John Muir provides music education through music specialist Susan Bell. With the previously mentioned SBCF Community Grant to SBEF, the district has been able to offer for the second half of the current school year music programming through Music for Minors for second and third graders at the other three schools (Allen, Belle Air, and Rollingwood). Rollingwood is also now offering the Music for Minors program to its other grade levels with funding from its PTA.

As mentioned above, beginning in the 2015-2016 school year, SBEF has offered an optional, after-school instrumental program for district fourth and fifth graders in preparation for the band and orchestra offerings at Parkside. The program is offered at one school in the district, and participants are responsible for their transportation to the instruction site and for obtaining their own instruments. Participants receive two one-hour sessions of instruction per week. SBEF funds the program through its fundraising efforts and a nominal program fee that is waived for participants with financial need.

### **2. Strategic Initiative Enhancements**

With the Strategic Initiative, SBPSD will offer consistent, high-quality music program to all six elementary schools through Music for Minors (<http://mfm.org/>). Founded in 1976 and based in San Carlos, Music for Minors partners with school districts to provide sequential, California standards-based music education programs at an affordable rate. Its programs offer students at the elementary school level hands-on participation in many facets of music, such as singing, movement, theory, dance, musical games, and the use of rhythm instruments. The playing of recorders is introduced at the third grade. Music for Minors assumes responsibility for hiring and managing the instructors, scheduling, and developing curricula across the grades. The response from staff at the three schools now engaged with Music for Minors has been very positive in terms of the well-developed curriculum and the quality of the music teachers, including their classroom management.

Music for Minors' rates are based on the number of classes at each school that receive the weekly instruction (30 minutes per class per week). Music for Minors offers a slightly discounted rate for under-resourced schools, defined by the percentage of students qualifying for the free and reduced-price lunch program. Allen and Belle are the SBPSD schools that currently qualify for the discounted rate. As a 501(c)(3) nonprofit organization, Music for Minors has a dedicated fundraising operation that enables it to subsidize its program offerings to participating schools based on need.

Under current projections for the number of grade TK-5 classes in SBPSD in the 2017-2018 school year, the cost to offer Music for Minors to all classes districtwide will be \$85,000. Music for Minors’ rates increase by 3%-5% each year. Under the proposal, SBCF will fund 100% of the discounted rate for all schools for Years 1 (\$70,350 in new funds plus a rollover of \$1,650 from the Community Grant, for a total of \$72,000) and 2 (\$74,880). The proposal asks the PTAs at the schools that do not qualify for the under-resourced school rate to cover the difference between the discounted rate and the full rate (which comes to \$2,800-\$4,400 per school, depending on number of classes at each school, which is less than what the PTAs are currently spending to fully fund music programs at their schools). The Working Group has reached out to the elementary school PTAs regarding this partnership, and all of the PTAs at the schools that do not qualify for the discounted rate have already expressed their willingness to cover the difference between the discounted rate and the full rate at their schools for the 2017-2018 school year. To the extent that some PTAs are unable or willing to participate in this effort in a particular year, new fundraising will be required to cover the gap.

In Year 3, SBCF’s subsidy will be reduced to \$58,491 (22% decrease), with new fundraising necessary to cover the remaining expense. Once SBCF’s funding for the program sunsets at the end of Year 3, SBEF, SBPSD, and the PTAs will be responsible for ensuring the continuation of the districtwide program.

SBEF will continue to fund the after-school instrumental program for fourth and fifth graders, and no SBCF funds will be dedicated to that program.

Table 2. SBCF Funding for the Elementary School Level, 2017-2020

<b>Earmarked For</b>	<b>Year 1 2017-2018</b>	<b>Year 2 2018-2019</b>	<b>Year 3 2019-2020</b>	<b>Total Years 1-3 2017-2020</b>
<i>1. Elementary School: Music for Minors</i>	\$70,350	\$74,880	\$58,491	\$203,721

**B. Middle School**

SBPSD has one middle school – Parkside Intermediate – which the vast majority of San Bruno middle schoolers attend. Since 2009, Parkside has been in Program Improvement (a designation under state and federal law for low-performing schools), which initially led to the elimination of most elective courses. Several years ago, Parkside was able to focus again on band and strings electives, and under the leadership of current music instructors Elyse Mahfouz and Ciana Whitfield, the Parkside music program has flourished, developing into one of the school’s strengths.

**1. Current Program Offerings**

More than 40% of Parkside’s student body (355 students) are currently enrolled in a music course. Parkside offers beginning, intermediate, and advanced band and strings courses, as well as courses in ukulele. All groups participate in concert performances at the school, with the more advanced groups also participating in competitions and community performances. The school does not currently have any choir offerings. With growing enthusiasm for the program, bolstered by the institution of the instrumental program for fourth and fifth graders in 2015-2016, the school expects enrollment in music courses to exceed 400 in 2017-2018, with more modest increases of about 6% per year in subsequent years.

The school budget has been able to provide about \$10,000 annually in addition to covering the salary and benefits of the two music teachers. As part of the Parkside PTO, the Parkside Music Boosters raise funds through concert ticket sales and other fundraising efforts to support the music program. This proposal assumes

an annual net contribution of \$10,000 from the Parkside Music Boosters to support the program’s needs. The school district superintendent has committed to earmarking \$10,000 per year for the Parkside music program, and the Parkside Music Boosters believe that their annual fundraising efforts will be able to contribute approximately \$10,000 to the program.

**2. Strategic Initiative Enhancements**

The Parkside music teachers have developed an extensive “program needs list” of equipment, supplies, programming, and other items that they feel are necessary for the program to effectively serve their students and to compete on relatively equal footing with music programs at other Bay Area middle schools. The list includes instruments and accessories, music instruction supplies (including music books and music stands), music program office equipment and supplies (including a sound system for the music room and copiers), and instrument maintenance and repairs. The vast majority of these expenses are one-time investments, while a small number are recurring expenses. The teachers prioritized the items on the list (Priority 1, 2, and 3).

Under the Initiative, SBCF will fund 100% of the Priority 1 items on the program needs list for Years 1 (\$89,768) and Year 2 (\$2,600) and 50% in Year 3 (\$1,300). The Year 1 total includes nearly \$55,000 for instruments, \$25,000 on music books, music stands, and related supplies, and \$5,700 for music office equipment including copiers, a sound system, and speakers. SBCF will also seed the launch of specialty performance ensembles in Year 1 (\$14,000). The specialty groups were to be funded by the Community Grant SBCF awarded to SBEF, but due to space constraints at Parkside, the specialty groups will not launch until the next school year when a new building is completed on campus.

The school budget, Parkside Music Boosters, and new fundraising efforts will support Priority 2 and 3 items, 50% of Priority 1 items in Year 3, and the specialty performance ensembles starting in Year 2.

Table 3. SBCF Funding for the Middle School Level, 2017-2020

<b>Earmarked For</b>	<b>Year 1 2017-2018</b>	<b>Year 2 2018-2019</b>	<b>Year 3 2019-2020</b>	<b>Total Years 1-3 2017-2020</b>
<i>2. Middle School: Priority 1 Program Needs (Instruments, Mouthpiece Supplies, Music Ed Supplies, Music Office, Repair, Other Supplies)</i>	\$89,768	\$2,600	\$1,300	\$93,668
<i>3. Middle School: Specialty Groups</i>	\$14,000	\$0	\$0	\$14,000
<b>TOTAL</b>	<b>\$103,768</b>	<b>\$2,600</b>	<b>\$1,300</b>	<b>\$107,668</b>

**C. High School**

Capuchino High School is San Bruno’s main public high school. Part of the San Mateo Union High School District, Capuchino has about 1,150 students, most of whom attended Parkside for middle school.

As early as the 1950s, Capuchino developed a distinguished music program, winning numerous competitions and performing in the Tournament of Roses Parade and the Inauguration Parade for President John F. Kennedy. Over the past decade, the music program has faced significant budget cuts, largely the result of the economic downturn beginning in 2008, and enrollment in music classes has dwindled. However, with the growth of the Parkside music program, student demand for music instruction has increased and will continue to increase in the foreseeable future. In addition, in the 2016-2017 school year a new music director, Scott Souza, with the vision, experience, and energy to revive the music program joined the Capuchino faculty.

## 1. Current Program Offerings

Capuchino currently offers band, orchestra, and choir courses. In total, about 110 students participate in the music program, including a color guard and drumline. A steady increase in the number of students enrolled in music courses is expected as students who participated in Parkside’s music program matriculate at Capuchino. Mr. Souza is scheduled to receive the necessary training to offer music courses as part of the school’s International Baccalaureate program. The groups perform both at school events and in the community and also participate in musical competitions and parades.

In 2016-2017, \$1,000 in school discretionary funds support the music program. Going forward, the principal is committed to funding the music program at the \$3,000 level. The music program also receives \$5,200 annually from the school district. In addition, the Capuchino Music Boosters, which operates under the CHSAA umbrella, raises funds through the selling of concert tickets and other fundraising efforts to support the Capuchino music program. This proposal assumes a net contribution of \$10,000 from the Capuchino Music Boosters to support the music program’s needs, and the Capuchino Music Boosters organization has committed to providing this level of funding. In addition, the proposal acknowledges that SMUHSD provided in 2016-2017 on a one-time basis substantial funding to the Capuchino music program to increase an aging and dwindling inventory of instruments.

## 2. Strategic Initiative Enhancements

Since Mr. Souza arrived at Capuchino in the summer of 2016, he has identified a long list of program needs to get the program back on track. In particular, aware that an increasing number of dedicated musicians will be coming to Capuchino from Parkside, he is concerned that the program does not have sufficient equipment and materials to accommodate the expected enrollment growth. SBCF’s Community Grant of \$19,180 has allowed him to begin to address those needs, but additional funds are needed to put the program on solid footing. One major expense he has identified as a top priority is new marching band uniforms for nearly 100 students, which cost approximately \$700 each (total cost with tax and shipping estimated at \$73,000). The current uniforms are more than 20 years old, in poor shape, and sized too small for many of today’s teenagers.

Mr. Souza has also identified about \$35,000 in annual recurring costs needed to keep the program prospering. He prioritized the items on the list (priority 1, 2, and 3). SBCF will fund 100% of the Priority 1 items in Year 1 (uniforms plus \$17,820 in recurring costs), 95% of the Priority 1 recurring costs in Year 2 (nearly \$16,860), and 47% in Year 3 (\$8,430). The Priority 1 recurring costs include music books/sheet music, instrument repair/replacement, SmartMusic software license, and transportation for competitions and performances (which can exceed \$1,500 per trip). Funds from the school budget, SMUHSD budget, the Capuchino Music Boosters, and new fundraising efforts will support Priority 2 and 3 items and a small but increasing portion of Priority 1 items starting in Year 2.

Table 4. SBCF Funding for the High School Level, 2017-2020

<b>Earmarked For</b>	<b>Year 1 2017-2018</b>	<b>Year 2 2018-2019</b>	<b>Year 3 2019-2020</b>	<b>Total Years 1-3 2017-2020</b>
<i>4. High School: Priority 1 Program Needs (Uniforms, Music, Transportation, Instrument Repair/Replacements, SmartMusic)</i>	\$90,820	\$16,860	\$8,430	\$116,110

**D. Program Sustainability Measures**

SBCF support for the Initiative totaling \$495,000 will extend for three years from the 2017-2018 school year to the 2019-2020 school year. This strategic grant is a significant investment of SBCF funds, and it is critical that the funds be used cost-effectively for the purposes for which they are intended and that they be accounted for in reports back to SBCF in an accurate and timely fashion. In addition, the success of the Initiative depends in large part on communication and collaboration between the various stakeholders, so the vision for a comprehensive TK-12 music education program in San Bruno’s public schools is realized.

Moreover, once SBCF funding sunsets, it will be the responsibility of the existing key stakeholders – SBPSD, elementary school PTAs, Parkside Music Boosters/PTO, Capuchino High School, SMUHSD, and CHSAA/Capuchino Music Boosters to sustain and, ideally, grow the programs fostered under the Initiative. SBCF acknowledges that the nonprofit fundraising arms for the school entities are all volunteer-driven organizations without paid staff, which limits the fundraising capacity of these organizations.

As a result, a key component of the Initiative is an investment in program sustainability measures. These measures include the creation of a Steering Committee, funding to support program coordination of the Initiative, and funding to expand the fundraising capacity of the participating organizations.

SBCF hopes this Initiative will result in a strong working relationship between SBPSD and Capuchino High School (and their support organizations), which will extend beyond the schools’ music programs. Because San Bruno does not have a unified school district, communication and collaboration between these entities can be challenging, and ideally this Initiative will be the launching pad for a lasting and meaningful partnership. Moreover, interest by both CHSAA and SBEF to partner in their fundraising efforts on behalf of K-12 education in San Bruno is encouraging, and SBCF is supportive of this Initiative leading to additional opportunities for collaboration.

Table 5. SBCF Funding for Program Sustainability Measures, 2017-2020

<b>Earmarked For</b>	<b>Year 1 2017-2018</b>	<b>Year 2 2018-2019</b>	<b>Year 3 2019-2020</b>	<b>Total Years 1-3 2017-2020</b>
<i>5. Program Sustainability: Fundraising Strategy Consultant</i>	\$7,500	\$0	\$0	<b>\$7,500</b>
<i>6. Program Sustainability: Fund Development/Program Coordination</i>	\$20,000	\$20,000	\$20,000	<b>\$60,000</b>
<b>TOTAL</b>	<b>\$27,500</b>	<b>\$20,000</b>	<b>\$20,000</b>	<b>\$67,500</b>

**1. Steering Committee**

The Steering Committee will provide oversight of implementation of the Initiative and ensure communication and cooperation among the various entities. As mentioned above, the Steering Committee will consist of representatives of:

- San Bruno Education Foundation
- San Bruno Park School District administration
- Parkside Intermediate School
- Parkside Music Boosters/PTO
- SBPSD Elementary Schools and PTAs
- Capuchino High School

- Capuchino Music Boosters/High School Alumni Association
- San Bruno Community Foundation

Each entity will identify its representative and an alternate. SBEF’s representative will serve as the Committee’s chair.

## **2. Program Coordination Function**

SBEF will be responsible for the program coordination function, and SBCF has budgeted funds for all three years of the grant to allow SBEF to bolster its capacity to fulfill this function (staff or consultant). As part of this role, SBEF will:

- Support implementation of the Initiative
- Facilitate communication and collaboration among the various entities
- Coordinate the Steering Committee
- Fulfill all reporting requirements for the grant

## **3. Increasing Fundraising Capacity**

SBEF will also be the key point organization to enlist paid fundraising support, although the benefits of such capacity-building are to be shared with the other nonprofit organizations involved, including CHSAA/Capuchino Music Boosters, Parkside Music Boosters/PTO, and the elementary school PTAs. SBCF has budgeted funds for (1) a fundraising consultant to develop a comprehensive fundraising strategy and (2) fund development support, which could take the form of a grant writer, event planner, and/or fundraising assistant, to implement that strategy. SBCF also encourages SBEF to enlist pro bono fundraising assistance as available.

It is roughly estimated that an additional \$78,000 will need to be raised – beyond the contributions of the PTAs, SBEF, Parkside Music Boosters, and Capuchino Music Boosters that are already assumed in this proposal – over the three years of the Initiative to cover the identified program needs. Once SBCF funding sunsets at the end of Year 3, it is expected that new fundraising of at least \$135,000 per year will be required to sustain the programs on an ongoing basis.

SBCF has budgeted \$7,500 in Year 1 for the fundraising strategy consultant as well as \$20,000 in each of the three years for program coordination support and fund development support combined. SBCF acknowledges that it is asking SBEF, which is a volunteer-led organization, to undertake significant responsibility under this Initiative. SBCF is committed to providing SBEF assistance in identifying the necessary personnel or consultant(s) needed to fulfill its program coordination and fund development roles under the Initiative. The funding for the program coordination and fund development functions are combined in order to give SBEF flexibility in seeking the assistance it determines it needs. If SBEF were to determine that funding above the budgeted level is needed to secure the necessary services, SBCF would be willing to consider redirecting other funds for this purpose, so long as the overall grant amount of \$495,000 is not increased. Such a scenario would likely require additional fundraising to cover the reallocated funds.

Over the long term, the hope is that SBPSD and Capuchino High School will be able to integrate the program enhancements supported by the Initiative into their normal operations. For SBPSD (a district whose funding is primarily based on average daily attendance) in particular, increased enrollment resulting from a strengthened music program launched by this Initiative would lead to increased funding, some portion of which could be used to fund the music program enhancements on an ongoing basis. Bolstered by additional fundraising opportunities identified through the Initiative, the overall goal, as stated on the second page of this proposal, is

to make music education a distinguishing feature of San Bruno's public schools that is fully incorporated into the schools' curriculum, operations, and budget for years to come.

# SAN BRUNO

## Community Foundation

### Memorandum

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**DATE:** February 28, 2020

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

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Report on Other Programs (Community Grants Fund, Crestmoor Neighborhood Memorial Scholarship, and Other Strategic Grants)

At the March 4, 2020, Board meeting, Program Consultant Stephanie Rutgers and I will give an update on the Crestmoor Neighborhood Memorial Scholarship and the Foundation's other strategic grants.

#### **1. Community Grants Fund**

##### **a. 2017-2018 Grant Cycle**

In December 2017, the Board approved a \$25,000 Community Grant to the San Bruno Education Foundation to establish a Gifted and Talented Education (GATE) program to engage accelerated learners and highly creative students in the San Bruno Park School District. In mid-November 2018, SBEF informed the Foundation in writing that the grant funds would not be expended by December 31, 2018, as required under the Grant Agreement, as SBPSD activities around its restructuring plans and the passage of Measure X have delayed the implementation timeline for the GATE program. SBEF requested a six-month extension of the grant period, with commencement of the GATE program taking place in the second half of the current school year. Concluding that a six-month extension would be reasonable under these circumstances, I agreed to the extension, and SBEF Vice President Bryan Vander Lugt and I executed an amendment to the Grant Agreement, changing the end of the grant period to June 30, 2019.

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

# SAN BRUNO

## Community Foundation

### Memorandum

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#### b. 2019-2020 Grant Cycle

In December, the Board approved 29 grants totaling \$300,000 (of which \$100,000 was donated by YouTube/Google.org). We have executed grant agreements for all 29 grants and distributed 24 grant checks. The remaining five checks will be distributed in the near future.

We want to give a big thank you to the following Board members who have represented the Foundation by personally delivering grant checks to various grantees: Tim Ross, Malissa Netane-Jones, Emily Roberts, Nancy Kraus, and John McGlothlin. This year we have primarily focused on in-person grant check presentations for new grantees. The grantees have expressed their deep appreciation for the grant awards as well as the personal check presentations. For returning grantees, we intend to schedule site visits by staff or Board members over the year to see (and photograph) our grants “in action.” Ms. Netane-Jones has already visited a session of the Latino Commission’s Xinachtli program, which is a comprehensive bilingual/bicultural youth development process designed to provide girls the guidance for a healthy development into adulthood, and Raul Gomez is scheduled to visit a Samoan cultural workshop conducted by Samoan Solutions in mid-March.

#### c. 2020-2021 Grant Cycle

Following our usual schedule, we plan to launch the 2020-2021 cycle of the Community Grants Fund at the beginning of July. At this time, we do not anticipate making any significant changes to the program.

## **2. Crestmoor Neighborhood Memorial Scholarship**

The 2020 Crestmoor Neighborhood Memorial Scholarship launched in early December 2019, when the online application became accessible and we began distributing updated marketing materials to local schools and throughout the community. The online application is available on the Foundation website, [sbcf.org](http://sbcf.org), and the application deadline is March 3, 2020. Program Consultant Stephanie Rutgers has been handling the day-to-day management of the program.

Over the past two months, Ms. Rutgers has conducted two scholarship workshops and attended an Opportunity Fair at Capuchino High School and offered two workshops at Skyline College. One of the Capuchino workshops specifically targeted high school seniors planning to attend community college in the fall.

Online registration for the scholarship application has been robust, and we expect the number of submitted applications to be in the same range as last year, when we had 42 high school applicants and 26 community college applicants.

# SAN BRUNO

## Community Foundation

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We are in the process of preparing materials for the volunteer selection panel, which will follow a similar schedule as last year. We expect to notify applicants of the results of the selection process before the end of April. The scholarship winners will be recognized at the June 3, 2020, Board meeting. Supplemented by a \$70,000 donation from the Joseph W Welch Jr Foundation, we expect to distribute scholarships totaling \$190,000 this year.

### **3. Other Strategic Grants**

#### a. Community Day 2020

At the December 4, 2019, Board meeting, the Board approved a resolution committing to a strategic grant of up to \$20,000 to the City to help fund Community Day 2020 and authorizing staff to again receive donations earmarked for Community Day from corporate and other donors. The City Manager and I executed the grant agreement for this strategic grant later in December.

City staff is developing new marketing materials for Community Day sponsorships. Once they are ready, the Foundation will approach some of the community partners that have supported Community Day in the past. City staff will continue to take on more of the responsibility for securing Community Day sponsorships.

# SAN BRUNO

## Community Foundation

### Memorandum

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**DATE:** February 28, 2020

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

**FROM:** Leslie Hatamiya, Executive Director

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

Article XIII, Section 4, of the San Bruno Community Foundation's Bylaws states that the Foundation "shall retain an[] independent auditor and conduct annual independent audits (commencing with Section 12586(d) of the California Government Code)." As a tax-exempt 501(c)(3) public charity, the Foundation is required to submit federal (IRS Form 990) and state (California Form 199) information tax returns as well as the annual registration renewal fee report with the California Attorney General's Office (RRF-1). For the past five fiscal years, the Foundation has used Novogradac & Company LLP to conduct the audit of the Foundation's financial statements and to prepare the Foundation's annual federal and state tax returns.

The Foundation's Fiscal Policies and Procedures require the Foundation to issue a Request for Proposal (RFP) for audit and tax preparation services at least every five years. Under the Bylaws, the duties of the Audit Committee include "[a]ssisting the Board in choosing an independent auditor and recommending termination of the auditor, if necessary."

Under the Bylaws, the duties of the Audit Committee include "[a]ssisting the Board in choosing an independent auditor and recommending termination of the auditor, if necessary." The Audit Committee currently consists of Raul Gomez (chair) and Malissa Netane-Jones.

The Foundation issued an its first RFP for audit and tax preparation services in 2015, when the Board selected Novogradac & Company as its auditor. Because Novogradac has prepared the Foundation's audited financial statements and tax returns for five consecutive years, the Foundation was required to issue a new RFP for the fiscal year 2019-2020 audit and tax preparation. While the Fiscal Policies and Procedures require issuing an RFP at least every five years, they do not require that the Board make a change in CPA firms.

At the November 6, 2019, Board meeting, the Audit Committee shared with the full Board the Request for Proposal for Audit and Tax Preparation Services (RFP) that I prepared with Audit

# SAN BRUNO

## Community Foundation

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Committee support. On November 18, 2019, I began distributing the RFP to various Bay Area certified public accounting (CPA) firms with nonprofit practices. By the January 15, 2020, deadline, the Foundation had received proposals from six CPA firms.

I provided electronic copies of the proposals to the Committee and requested that Committee Members review the proposals. On January 27, 2020, the Committee met and discussed the proposals at length, selecting two finalists for further consideration, including follow-up phone calls and reference checks.

The Committee met again on February 19, 2020, to share the results of its due diligence and select an accounting firm to recommend to the full Board for approval.

After considerable deliberation, the Committee recommends that the Foundation continue its relationship with Novogradac to provide audit and tax preparation services for fiscal year 2019-2020. Novogradac is a national certified public accounting and consulting firm headquartered in San Francisco with 25 offices nationwide. While the firm also specializes in affordable housing and community development, it has a substantial nonprofit practice and expertise. Its nonprofit clients range in size from under \$5 million to more than \$1 billion in assets and include community foundations, community development organizations, educational foundations, and health/welfare organizations.

In recommending Novogradac, the Committee took into consideration a variety of factors, including the quality of the submitted proposal, the firm's relevant experience, and the proposed fees. The Committee also weighed the feedback it received on the two finalists from the reference checks it conducted.

The Foundation's engagement team at Novogradac would continue to be led by Lance Smith, CPA, who is a partner in the Petaluma office and specializes in audit and tax services for affordable housing partnerships and nonprofit organizations. The Committee requested – and Mr. Smith agreed to – rotating the staff accountants working on the Foundation's account, so that the two primary accountants who have been handling the Foundation's activities would be moved off and two new accountants would be assigned to the Foundation. The Committee believes this rotation of the accountants closely reviewing the Foundation's accounting books would bring "fresh eyes" to the audit but still enable the firm to leverage its five years of experience with the Foundation.

Novogradac's proposed fees are \$7,300 for audit services and \$2,200 for tax preparation for fiscal year 2019-2020, with slightly higher fees for fiscal years 2020-2021 and 2021-2022. This is a small increase over the fees the Foundation paid for fiscal year 2018-2019 (\$7,100 for audit services and \$2,000 for tax preparation).

# SAN BRUNO

## Community Foundation

### Memorandum

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On March 4, Committee Chair Gomez will report on the Committee's review process and explain its recommendation that the Board select Novogradac to conduct the Foundation's audit and tax preparation services for fiscal year 2019-2020.

I recommend that the Board adopt the attached resolution authorizing President Emily Roberts to execute a contract with Novogradac & Company LLP for audit and tax preparation services for fiscal year 2019-2020 for an amount not to exceed \$9,500.

Attachment:

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

**RESOLUTION NO. 2020-\_\_**

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION  
AUTHORIZING PRESIDENT EMILY ROBERTS TO EXECUTE A CONTRACT WITH NOVOGRADAC &  
COMPANY LLP FOR AUDIT AND TAX PREPARATION SERVICES FOR FISCAL YEAR 2019-2020 FOR  
AN AMOUNT NOT TO EXCEED \$9,500**

**WHEREAS**, Article XIII, Section 4, of the Bylaws calls for the retention of an independent auditor to conduct an annual audit of The San Bruno Community Foundation's financial statements and records;

**WHEREAS**, Article VII, Section 4, of the Bylaws establishes an Audit Committee consisting of at least two directors to assist the Board in selecting an independent auditor, negotiate the auditor's compensation, confer with the auditor regarding the Foundation's financial affairs, and review and accept or reject the annual audit;

**WHEREAS**, the Audit Committee issued a Request for Proposals for nonprofit audit and tax preparation services to various Bay Area accounting firms with nonprofit practices, reviewed six proposals, and conducted due diligence on two finalists;

**WHEREAS**, after much due diligence and consideration, the Audit Committee recommends that the Board of Directors select Novogradac & Company LLP as the accounting firm to provide audit and tax preparation services to the Foundation for fiscal year 2019-2020, with the requirement that the firm rotate the accountants on the team assigned to the Foundation's account;

**WHEREAS**, Novogradac & Company LLP successfully provided audit and tax preparation services to the Foundation for fiscal years 2014-2015, 2015-2016, 2016-2017, 2017-2018, and 2018-2019;

**WHEREAS**, Novogradac partner Lance Smith, who oversees the firm's relationship with the Foundation, has agreed to change the staff accountants assigned to work on the Foundation's audit and tax preparation; and

**WHEREAS**, Novogradac & Company LLP has presented the Foundation Board of Directors with a proposal to provide audit and tax preparation services to the Foundation for fiscal year 2019-2020, with fees totaling \$9,500 (\$7,300 audit services and \$2,200 for tax preparation services).

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors hereby authorizes President Emily Roberts to execute a contract with Novogradac & Company LLP for audit and tax preparation services for fiscal year 2019-2020 for an amount not to exceed \$9,500, with the

condition that Novogradac assign a new set of staff accountants to work on the Foundation's account.

Dated: March 4, 2020

ATTEST:

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John McGlothlin, Secretary

I, John McGlothlin, Secretary, do hereby certify that the foregoing Resolution No. 2020-\_\_ was duly and regularly passed and adopted by the Board of Directors of The San Bruno Community Foundation on this 4<sup>th</sup> day of March, 2020, by the following vote:

AYES:        Board members:

NOES:        Board members:

ABSENT:     Board members:

# SAN BRUNO

## Community Foundation

### Memorandum

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**DATE:** February 28, 2020

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

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Report from Investment Committee

The March 4, 2020, Board meeting will include a report from the Investment Committee regarding its recent quarterly meeting, which was held on February 26, 2020. Treasurer Tim Ross chairs the Committee; Secretary John McGlothlin and community members Tony Clifford, Mark Hayes, and Frank Hedley also serve on the Committee.

On February 26, a team representing Sand Hill Global Advisors LLC (SHGA), the Foundation's investment adviser – including Chief Executive Officer Brian Dombkowski and Senior Wealth Manager Kristin Sun – made its quarterly presentation to the Committee.

Mr. Dombkowski first gave an overview of the firm's investment outlook. He gave a summary of the firm's current economic forecast for the first quarter of 2020, commenting on economic growth, interest rates, the employment market, corporate earnings, international developed markets, emerging markets, inflation, commodity markets, valuation, and the housing market. He also commented on how global trade tensions and, more recently, the coronavirus are affecting market conditions and economic growth.

Ms. Sun then reviewed the Foundation's Investment Dashboard for the fourth quarter of 2019, including December 31, 2019, balances of \$18,728,167 for the Quasi-Endowment, \$46,467,541 for the Strategic Pool, and \$11,790.625 for the Liquidity Pool. She and Mr. Dombkowski also provided up-to-date information about the Foundation's investment holdings, as well as performance data of underlying funds.

I also provided an overview of the Foundation's activities, particularly the status of its various program disbursements and their cash flow implications.

The Committee's next quarterly meeting will be held on Wednesday, May 20, 2020, at 4:30 p.m., at San Bruno City Hall, Room 101.