

SAN BRUNO

Community Foundation

Investment Committee

Pak Lin, *Chair* • Anthony Clifford, Mark Hayes, Tim Ross, and Belinda Wong, *Members*
Leslie Hatamiya, *Executive Director*

MINUTES

SAN BRUNO COMMUNITY FOUNDATION

Regular Meeting of the Investment Committee

November 15, 2023

4:30 p.m.

Meeting Location:

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

- 1. Call to Order:** Committee Chair Lin called the meeting to order at 4:30 p.m. She welcomed SBCF Board Member Wong to her first meeting serving on the Investment Committee.
- 2. Roll Call:** Committee Members Lin, Clifford, Hayes, Ross, and Wong, present.
- 3. Public Comment:** None.
- 4. Approval of Minutes:** August 16, 2023, Regular Investment Committee Meeting: Committee Member Ross moved to approve the minutes of the August 16, 2023, Regular Meeting, seconded by Committee Member Clifford, passed unanimously by roll call vote.
- 5. Executive Director's Report**

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

- **Community Grants Fund:** The Foundation received 48 applications for Community Grants by the September 20 deadline, providing a robust and competitive applicant pool. The applications have been evaluated by a review panel of community volunteers. The Board will consider the panel's grant recommendations at the December 6 Board meeting; with a \$100,000 donation from Google.org/YouTube, the Foundation will award grants totaling \$300,000 this cycle.
- **Crestmoor Scholarship:** The 2024 Crestmoor Neighborhood Memorial Scholarship will launch in December, when the online application will be accessible and updated marketing materials will be distributed to local schools and throughout the community. The application deadline will be March 5, 2024.

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- Recreation and Aquatic Center (RAC): Ms. Hatamiya noted that the project had some hiccups in the past few months, due to weather and power issues. She noted that construction will be completed in 2024 and that it is likely that the full \$1.5 million in additional construction contingency will be utilized.
- Centennial Plaza: With regard to the Centennial Plaza Improvement Project, which the Foundation is helping fund with a \$500,000 grant to the City of San Bruno, the project schedule has been pushed out. She said the City plans to go out to bid for a contractor soon, with the project likely completed in late 2024.
- Community Day: Ms. Hatamiya reported that because the City decided not to hold a Community Day event in 2023, the City and Foundation terminated the grant agreement for the 2023 grant, and the City will return with a request for funding for a 2024 event once it has a plan in place.
- Music Education Strategic Initiative: She reported that the Board received a report from the San Bruno Park School District, the San Bruno Education Foundation, and Capuchino High School on the music programs being funded by the most recent set of music education grants. They highlighted the robust music program at Parkside Intermediate School, particularly the extensive sixth grade offerings that SBCF is supporting, the music programs offered at the elementary schools, and the recent accomplishments of Capuchino High School's choir, instrumental music, and color guard programs.
- SBPSD School Field Trip Grant: Ms. Hatamiya reported that San Bruno Park School District Superintendent Matt Duffy also gave a report on the recent \$35,000 grant the Foundation awarded to the school district for field trips and assemblies. He said that the field trips are making a memorable mark in students' experiences and that the grant funding is inspiring teachers to reinvest time and energy to identify and implement programming beyond the school walls.

Ms. Hatamiya noted that the Foundation's 2023 Annual Report was mailed to all San Bruno addresses the first week of October.

Ms. Hatamiya also reported that Novogradac & Company prepared the FY2022-2023 audited financials, which were accepted by the Audit Committee in October and approved by the Board in November, and issued a clean opinion. The Foundation submitted its state and federal tax returns by the November 15 deadline.

She reported that the Foundation Board reelected its officers for the 2024 term: President Malissa Netane-Jones, Vice President Jim Ruane, Secretary Raul Gomez, and Treasurer Pak Lin.

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Ms. Hatamiya noted that the Board began its post-RAC strategic planning process in November, looking at whether there are some larger legacy projects to fund. She said the Investment Committee would become involved in making recommended amendments to the Investment Policy Statement and Investment Operating Plan once the Board makes some decisions on program and investment strategy.

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

Finally, Ms. Hatamiya reminded the Committee of its upcoming meetings: February 21, May 15, August 21, and November 20, 2024. All meetings will be held in person at San Bruno City Hall Room 101.

6. Conduct of Business

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

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

Mr. Dombkowski gave an overview of the firm's investment outlook, as well as a summary of the firm's current economic forecast, commenting on global risk factors, economic growth, interest rates, inflation, commodity markets, the employment market, corporate earnings, international developed markets, emerging markets, the housing market, and valuation. He noted that it was uncommon to see both stocks and bonds fall at the same time, that fears of a recession have abated, that interest rates appear to have peaked, and that in 2024, growth is expected to normalize around the 2% level.

Ms. Daters then reviewed the Foundation's Investment Dashboard for the third quarter of 2023, including September 30, 2023, balances of \$20,457,608 for the Quasi-Endowment, \$5,592,674 for the Strategic Pool, and \$4,388,202 for the Liquidity Pool, for a total of \$30,438,485. She also discussed the performance of the underlying funds in the Foundation's Quasi-Endowment, Strategic, and Liquidity pools. She explained the firm's recent portfolio adjustment bringing the equity allocation back to target weight, with a modest increase to market neutral assets offsetting the decrease in equities.

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

The Committee briefly discussed cash flow strategies related to the San Bruno Recreation and Aquatic Center (RAC) grants. Ms. Hatamiya reported that since early 2018, the Foundation has made grant payments totaling \$49,179,902 related to the eight grants supporting the design and construction of the RAC. The latest set of RAC grant payments totaling \$8,343,196 was made in early November based on the City's latest set of quarterly grant reports. The remaining balance of RAC grant payments to be paid is \$2,320,098, of which \$1.5 million is the additional amount that the Board approved for construction contingency earlier this year. She noted that all funds committed to the RAC grants have already been transferred to the Liquidity Pool.

7. Committee Member Comments: None

8. Adjourn: Committee Member Wong moved to adjourn the meeting at 5:18 p.m., seconded by Committee Member Hayes, approved unanimously.

Respectfully submitted for approval at the Regular Investment Committee Meeting of February 21, 2023, by Investment Committee Chair Pak Lin.



Pak Lin, Investment Committee Chair