

SAN BRUNO

Community Foundation

Board of Directors

Frank Hedley, *President* • Emily Roberts, *Vice President* • John P. McGlothlin, *Secretary* • Tim Ross, *Treasurer*
Patricia Bohm • Nancy A. Kraus • Jim Ruane
Leslie Hatamiya, *Executive Director*

MINUTES

SAN BRUNO COMMUNITY FOUNDATION

Regular Meeting of the Board of Directors

September 4, 2019

7:00 p.m.

Meeting Location:

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

- 1. Call to Order/Welcome:** President Frank Hedley called the meeting to order at 7:00 p.m.
- 2. Roll Call:** Board Members Hedley, Roberts, McGlothlin, Ross, Bohm, Kraus, and Ruane, present.
- 3. Public Comment:** None.
- 4. Presentation:** Recognition of Dr. Regina Stanback Stroud for Service on the San Bruno Community Foundation Board of Directors

President Hedley stated that Dr. Regina Stanback Stroud resigned from the Foundation Board at the end of June to coincide with her retirement as President of Skyline College this summer. On behalf of the Board, President Hedley recognized Dr. Stanback Stroud with a proclamation from the San Bruno Community Foundation outlining her significant contributions to the Foundation as a founding member of the Board of Directors and presented her with gifts from the Board. Other Board members shared memories of working with Dr. Stanback Stroud and lauded her for her contributions to the Foundation and Skyline College.

- 5. Approval of Minutes:** June 5, 2019, Regular Board Meeting: Vice President Roberts moved to approve the minutes of the June 5, 2019, Regular Board Meeting, seconded by Board Member Kraus, approved unanimously.

- 6. Executive Director's Report:** Executive Director Leslie Hatamiya announced that the Foundation's Annual Report was mailed to all San Bruno addresses the previous day, that the San Bruno City Council approved the Foundation's fiscal year 2019-2020 budget on June 25, and that website traffic and e-newsletter readership have remained stable in recent months.

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7. Consent Calendar

- a. Adopt Resolution Canceling the October 2, 2019, Regular Board Meeting
- b. Receive and Approve Treasurer's Report (May, June, and July 2019 Financial Statements)

Secretary McGlothlin moved to accept the Consent Calendar as presented, seconded by Board Member Bohm, approved unanimously.

8. Conduct of Business

- a. Receive Report from Investment Committee and Presentation from Sand Hill Global Advisors, LLC, Regarding SBCF's Investment Portfolio

Investment Committee Chair Ross gave a brief summary of the Committee's most recent quarterly meeting, which was held on August 21, 2019. He reported that the meeting included the quarterly report from the team at Sand Hill Global Advisors, LLC, the Foundation's investment adviser, and noted that the Committee is regularly spending time addressing the Foundation's cash flow needs in light of the Recreation and Aquatics Center project.

Chair Ross then introduced Brian Dombkowski, Sand Hill's CEO, and Senior Wealth Manager and San Bruno resident Kristin Sun to give the firm's annual presentation to the Board.

Mr. Dombkowski gave the firm's assessment of the economic and market outlook and described the market as late cycle in the longest economic expansion in U.S. history. He then reviewed the three pools of the Foundation's investment portfolio: (1) a Quasi-Endowment Pool, with a long-term time horizon following a classic endowment investment strategy (June 30, 2019, balance of \$17,992,176); (2) a Strategic Pool to be spent down on strategic projects and operations (June 30 balance of \$46,833,894), and (3) a Liquidity Pool to cover the Foundation's near-term cash needs (June 30 balance of \$10,600,536). He described the overall performance of the three pools of funds as positive, with a combined value, as of June 30, 2019, of \$75,426,606 and total value added since inception of \$9,382,313. Mr. Dombkowski concluded his presentation by remarking that the firm is committed to remaining an independent fiduciary and is honored to work on behalf of the Foundation and the San Bruno community.

- b. Receive Report on Music Education Strategic Initiative

Executive Director Hatamiya reminded the Board that in 2017 the Foundation launched a Music Education Strategic Initiative, investing \$495,000 through the San Bruno Education Foundation and the Capuchino High School Alumni Association in the music education programs of San Bruno's public schools. She then introduced SBEF Vice President Bryan Vander Lugt, Capuchino High School Principal Jesse Boise, and Capuchino Music Boosters President Jennifer Gomez to provide a report on the implementation of the Initiative over the past year and plans for the third year.

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Ms. Gomez and Mr. Boise reported on the growth in the music program at Capuchino High School. They thanked the Foundation for supporting the school's music programs.

Dr. Vander Lugt reported on the music offerings in the San Bruno Park School District, including offering general music education for every elementary school student in the district. He highlighted one of the top outcomes of the Initiative as the network of support among the school groups and other community groups that has developed. He reported on Music in the Air, the Initiative's first community concert through which SBEF raised \$80,000. He said SBEF is now focused on how it will continue to support the music programs after SBCF funds sunset and reported on plans for the second annual Music in the Air, which will be held in conjunction with SBPSD's Day of the Child on April 25, 2020. He also reported that SBEF compared SBEF's fundraising efforts with those of the Millbrae Education Foundation and realized that SBEF is doing well comparatively, with some underperformance in school family engagement.

Board Members expressed their appreciation to Dr. Vander Lugt, Ms. Gomez, Mr. Boise, and other school leaders in shepherding the Initiative and said the implementation is blossoming like the Board envisioned in approving the strategic grant.

c. Receive Report from Ad Hoc Committee on Recreation and Aquatics Center Project

On behalf of the Ad Hoc Committee on Recreation and Aquatics Center Project, President Hedley provided a brief update on the development of the new Recreation and Aquatics Center in San Bruno City Park. He reminded the Board that the Foundation is funding the project through a series of grants: The grant for architectural design services and the grant for project management services are paid out quarterly based on financial reports received from the City, and since the last Board meeting, the Foundation received reports for both grants and paid out grant payments of about \$466,000 and \$20,000, respectively, over the summer.

He also reported that project's schematic design phase continues and explained that, like projects developed by private parties, the City must go through the same planning and environmental clearance processes. He said a planning application is under review for the project and the California Environmental Quality Act (CEQA) review has begun (expected conclusion in the first quarter of 2020), that reviews before the City's Parks & Recreation Commission, Architectural Review Committee, and Planning Commission, City Council approval of the design, environmental review document, construction bid documents, and a Business Plan for the new facility, and issuing a request for proposals for demolition and construction are all scheduled to occur in 2020, with demolition and construction projected to take 20-22 months. He reported that regular programs, recreation activities, and annual events will continue to occur at the current pool and recreation center through next summer, including summer camps in 2020. He reported that City staff is working with the San Mateo Union High School District to investigate the use of the former Crestmoor High School site as a satellite Recreation Center while the new Recreation and Aquatics Center is developed and that the City is confident that most recreation and camp activities can be accommodated at alternative locations during construction, but aquatic operations will likely cease at the end of 2020 and will not resume until the new facility opens.

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Board members asked several questions about progress on the project, including why the pool will be closed during the construction phase.

d. Receive Report from Ad Hoc Committee on Crestmoor Scholarship

Board Member Bohm reported on behalf of the Committee, which was created in June to evaluate the Crestmoor Neighborhood Memorial Scholarship program and propose adjustments to the program in order to better achieve its goals of honoring the Crestmoor neighborhood and assisting outstanding San Bruno students in seeking post-secondary educational opportunities. Committee Member McGlothlin reported that the Committee has concluded that the program has been a success and does not plan to recommend any significant structural changes to the program. Rather, the Committee reported it is considering several tweaks to the program, including enhancing outreach efforts at Capuchino High School and Skyline College, increasing the annual program budget by \$40,000 to \$160,000, and considering external funding partners, as well as recommending the creation of an ad hoc committee to explore ways in which the Foundation could support vocational training through a strategic grant initiative. The Board discussed these ideas and expressed support for the adjustments.

In light of the Committee's proposal to consider soliciting gifts for the scholarship program, Board Member Bohm made a motion to create an ad hoc committee charged with developing a gift acceptance policy and appoint Board Members Bohm, Kraus, and Ruane to the committee, seconded by Board Member Kraus, approved unanimously.

Community Member Bryan Vander Lugt expressed concern about SBCF actively competing with SBEF and other community organizations for donors, negatively affecting the other organizations' ability to fundraise. Board members said that they appreciated Dr. Vander Lugt's viewpoint and would take it into consideration as the Committee finalized its proposals.

e. Receive Report on Other Programs (Community Grants Fund, Other Strategic Grants)

Executive Director Hatamiya and Program Consultant Stephanie Rutgers gave brief updates on the Foundation's other programs. With regard to the Community Grants Fund, Ms. Rutgers announced that the fourth iteration of the program was launched in early July, with a September 25 application deadline. She said one Grant Workshop was held in August, with a second scheduled for September 9. Finally, she said the Foundation is pleased to have the support of Google.org and YouTube again this year; with the Google/YouTube donation of \$100,000, the Foundation will award grants totaling \$300,000 in December.

Ms. Hatamiya then reported on various strategic grants. First, she reported on the First Responder Effectiveness Strategic Initiative, as the Board approved in June a second grant to the City of San Bruno, in an amount not to exceed \$303,545, to cover costs related to the acquisition of a mobile command vehicle that can be deployed at the scene of a critical incident, natural disaster, or planned large-scale event. She said the San Bruno Police Department is working with the vendor to finalize plans for the

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mobile command vehicle, and once the City Council has approved a contract with the vendor for construction and acquisition of the vehicle, the Foundation and the City will finalize and execute the grant agreement for this project. Second, she reported that the Foundation recently received the City's grant report for Community Day 2019, which was held on June 2, 2019, and that the Foundation will soon make to the City a grant payment of \$47,500 (including \$17,500 in sponsorships from community partners) to support Community Day. Finally, Ms. Hatamiya reported on the Schools Transformation strategic grant, and the Foundation should receive the grant report from the San Bruno Education Foundation soon.

f. Receive Report from Ad Hoc Committee on Board Development

On behalf of the Ad Hoc Committee on Board Development, Vice President Roberts reported that the San Bruno City Council appointed Board Member Jim Ruane to finish the term vacated by Dr. Regina Stanback Stroud, which concludes on December 31, 2019, and also appointed Mr. Ruane, Raul Gomez, and Malissa Netane to new four-year terms commencing on January 1, 2020. She reported that the Committee has been working on plans to onboard the new Board members this fall. The orientation includes the development of updated Board Resource Binders for all Board members, an electronic folder on Google Drive with key Foundation documents accessible to all Board members, in-person orientation training, and a strategic study session on the future of the Foundation with the support of an outside facilitator. Board members were supportive of the plans, and most discussion centered on the logistics of the study session, which the Committee hoped to include both outgoing and incoming Board members. City Attorney Marc Zafferano explained that under the Brown Act, outgoing, continuing, and incoming Board members could not all be seated as Board members in a single meeting, and that those who are not actually on the Board at the time of the gathering would be able to attend and participate as members of the public. Board members expressed waiting until 2020 when the new Board members would be seated on the Board to hold the strategic study session portion of the orientation.

g. Receive Report from Audit Committee Regarding Fiscal Year 2018-2019 Audit

On behalf of the Audit Committee, Chair McGlothlin reported that Foundation staff closed the fiscal year 2018-2019 accounting books and provided requested materials to the Foundation's certified public accounting firm for the annual audit, which is on track to be completed by the November Board meeting. He mentioned that the Audit Committee would be meeting on October 18 at City Hall to review the draft audited financial statements with the auditors, who are also preparing the Foundation's informational tax returns.

h. Discuss Upcoming Officer Elections for 2020 Term

President Hedley noted that under Board's officer elections process, the subject of officer elections is agendized at the meeting prior to taking nominations and holding the election to allow for Board discussion on this topic. President Hedley began the discussion by acknowledging that his two terms on the Board would conclude in December, complimenting Vice President Roberts, and recommending that the Board elect Vice President Roberts, to serve as president next year. He also encouraged the Board

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to support new Board Member Ruane, with his wealth of knowledge of the inner workings of the City of San Bruno, to serve as vice president. Several Board Members expressed support for President Hedley's suggestions, and Vice President Roberts and Board Member Ruane both expressed a willingness to serve in whatever capacity the Board thinks is appropriate. Vice President Roberts also supported Secretary McGlothlin and Treasurer Ross continuing in their officer roles. Secretary McGlothlin suggested that the Board should wait until the new Board members are seated in January 2020 to elect new officers but also acknowledged that the current process may not allow for that.

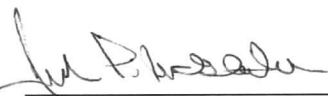
9. Board Member Comments

At his first meeting as a Board Member, Mr. Ruane expressed his appreciation for being a part of the Board and noted that Monday, September 9, is the ninth anniversary of the gas pipeline explosion in the Crestmoor neighborhood. He asked that the meeting be adjourned in honor of those San Bruno community members who suffered from the explosion.

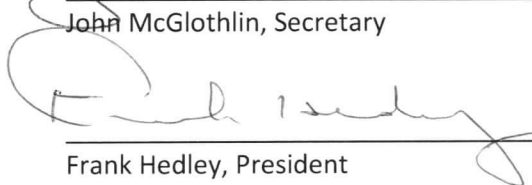
Board Member Kraus announced that the San Bruno Police Officers Association is partnering with the San Bruno Park School District to collect donations of school supplies to be distributed to children in need. She noted that the police officers would have a collection stand at the Shops at Tanforan on September 14-15, 2019, from 12:00 to 5:00 p.m.

10. Adjourn: Board Member Ruane moved to adjourn the meeting at 9:11 p.m. in honor of those who suffered from the 2010 gas pipeline explosion, seconded by Secretary McGlothlin, approved unanimously.

Respectfully submitted for approval at the Regular Board Meeting of November 6, 2019, by Secretary John McGlothlin and President Frank Hedley.



John McGlothlin, Secretary



Frank Hedley, President