

SAN BRUNO

Community Foundation

Board of Directors

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

MINUTES

SAN BRUNO COMMUNITY FOUNDATION

Regular Meeting of the Board of Directors

June 7, 2023

7:00 p.m.

Meeting Location:

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

- 1. Call to Order/Welcome:** President Netane-Jones called the meeting to order at 7:00 p.m. She noted that Vice President Ruane was unable to attend the meeting in person because he was under the weather and that he had notified the Foundation that he would attend the meeting remotely for “just cause” due to illness. She said that legal counsel confirmed that he was allowed to do so under the new Brown Act meeting provisions and noted that a quorum of the Board was participating in the meeting in person. As required by the Brown Act, Vice President Ruane noted that no other person 18 years of age or older was in the room where he was located.
- 2. Roll Call:** Board Members Netane-Jones, Ruane, Gomez, Lin, and Torres, present. Board Member Perry, excused.
- 3. Public Comment:** None.
- 4. Presentation:** Recognition of the 2023 Crestmoor Neighborhood Memorial Scholarship Recipients

President Netane-Jones acknowledged the leadership of the Foundation’s Executive Director, Leslie Hatamiya, and Program Manager, Jessica Carrillo, in administering the Crestmoor Neighborhood Memorial Scholarship program and thanked the volunteers who served on the selection panel. She acknowledged dignitaries present, including San Bruno Mayor Rico Medina, Patricia Flores of Skyline College, and Capuchino High School Principal Jose Gomez, and also welcomed past Crestmoor Scholars in attendance, including Zidane Mili, Jumana Abdelgadir, and Lauren Valles.

She then gave a brief summary of the creation of the Crestmoor Scholarship, which honors the community members who most directly endured the destruction of the 2010 gas pipeline explosion and resulting fire in San Bruno’s Crestmoor neighborhood, and thanked Allan and Mary Lou Johnson for financially supporting the program this year. She addressed the 10 scholarship recipients and expressed admiration for their

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accomplishments in school as well as their success as young adults in recognizing the importance of being positive contributors to society.

President Netane-Jones then introduced the 10 Crestmoor Scholars – Capuchino High School graduating seniors Awab Abdelgadir, Oscar Caballero, Lena Feldman, Siofra Linden, Rubi Santacruz-Huerta, and Adrian Womack, Skyline College students Julio Lau, Eureka Soriano, and Alysia Tanimura, and College of San Mateo student Grace Rofii – and read short biographies about each. Secretary Gomez presented each Crestmoor Scholar with a certificate and a commendation from the San Mateo County Board of Supervisors provided by Supervisor Dave Pine.

On behalf of the high school and community college recipients, respectively, Ms. Linden and Mr. Lau expressed thanks to the Foundation for the scholarship recognition. Zidane Mili, a 2019 Crestmoor Scholar who recently graduated from Menlo College, reflected on what the Crestmoor Scholarship has meant to him and provided the 2023 Scholars with words of advice as they move forward in their college careers.

Mayor Medina then congratulated the Crestmoor Scholars and reminded them of the circumstances behind the creation of the scholarship program.

Several Board Members commended the Crestmoor Scholars and their commitment to the San Bruno community.

Community member Maria Barr, a resident of the Crestmoor neighborhood, congratulated the Crestmoor Scholars and noted the significance of the scholarship program that honors the neighbors she lost on September 9, 2010.

At the conclusion of the presentation, the Board took a brief pause to allow those attending the Scholarship Presentation only to depart from the room and then resumed the meeting.

5. Approval of Minutes: April 5, 2023, Regular Board Meeting: Treasurer Lin moved to approve the minutes of the April 5, 2023, Regular Board Meeting, seconded by Board Member Torres, approved unanimously by roll call vote (Perry absent).

6. Executive Director's Report

In the interest of time, Executive Director Hatamiya referenced the Executive Director's Report in the Board meeting packet, which contained updates on the Foundation's insurance renewals, next engagement with the Foundation's information auditor, and website/e-newsletter traffic.

7. Consent Calendar

- a. Adopt Resolution Appointing Member to the Audit Committee

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- b. Adopt Resolution Appointing Board Representatives to Participate in the San Bruno City Council's SBCF Board Appointment Interview Process
- c. Receive and Approve Treasurer's Report (March and April 2023 Financial Statements)

Treasurer Lin moved to accept the Consent Calendar as presented, seconded by Vice President Ruane, approved unanimously by roll call vote (Perry absent).

8. Conduct of Business

- a. Receive Report on the San Bruno Recreation and Aquatic Center from the City of San Bruno

Representing the City of San Bruno, Project Manager Rod Macaraeg reported to the Board on recent progress on the Recreation and Aquatic Center Project, which SBCF is supporting with up to \$51.5 million in grant funding. He reviewed work recently completed, including work on the indoor and outdoor pools, electrical and mechanical work, wall framing, water line installation, and tree removal. He also covered upcoming work scheduled at the construction site, public outreach related to the project, progress on other related plans in San Bruno City Park, improvements at the intersection of Crystal Springs Road, Oak Street, and City Park Way, and the project budget. Board members asked questions about the work on the creek in City Park and the installation of the gazebo in a new location.

- b. Receive Report on Other Programs (Community Grants Fund and Other Strategic Grants)

Executive Director Hatamiya gave a brief update on the Foundation's other programs and referred to her written staff report for further details. She announced that the 2023-2024 cycle of the Community Grants Fund will launch in early July and follow the same timeline as last year: online application available at the beginning of July, grant workshops held over the summer, an application deadline of September 20, and Board consideration of a review panel's recommendations in December.

- c. Receive Report from Investment Committee on its May 17, 2023, Regular Meeting

As Investment Committee Chair, Treasurer Lin reported on the Committee's latest quarterly meeting on May 17, 2023. She gave highlights of the report from Sand Hill Global Advisors, the Foundation's investment adviser, which included the firm's investment outlook and a review of the performance of the Foundation's three investment accounts (Quasi-Endowment, Strategic Pool, and Liquidity Pool). Ms. Lin reported that the Sand Hill team commented on the lack of economic indicators that a recession is coming, in large part due to the strength of the job market, and said that there may continue to be some market volatility.

She noted that the Committee also advised on the timing of transfers from the Foundation's investment accounts to its operating accounts to cover grant payments related to the Recreation and Aquatic Center project, particularly the additional \$1.5 million for construction contingency that the Board approved in

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April. She reported that after much discussion, the Committee recommended, consistent with the original purpose of the Liquidity Pool, that the full \$1.5 million be transferred immediately from the Strategic Pool to the Liquidity Pool, and that following this recommendation, Executive Director Hatamiya instructed Sand Hill to transfer \$1.5 million from Strategic to Liquidity in late May. She noted that if the City does not need the full \$1.5 million for RAC construction contingency, the remaining balance can eventually be used for non-RAC strategic grants and operating expenses.

Treasurer Lin reported that the Committee decided to follow the practice of recommending to the Board a Quasi-Endowment payout rate that would result in an amount sufficient to meet the cash flow needs for the Crestmoor Scholarship and the Community Grants Fund for the upcoming fiscal year and recommended that the fiscal year 2023-2024 Quasi-Endowment payout rate be set at 1.78%.

Finally, Treasurer Lin reported that the Committee conducted its annual review of the Foundation's Investment Policy Statement and its Investment Operating Plan with Sand Hill, declining to recommend any amendments to either document.

- d. Adopt Resolution (a) Approving Fiscal Year 2023-2024 Budget, (b) Setting the Quasi-Endowment Payout Rate for Fiscal Year 2023-2024, (c) Approving Transfer from the Strategic Pool Investment Account to the Liquidity Account for Fiscal Year 2023-2024, and (d) Directing the Executive Director to Submit the Fiscal Year 2023-2024 Budget to the San Bruno City Council for Consideration and Approval

Executive Director Hatamiya presented the fiscal year 2023-2024 budget to the Board. She noted the overall financial health of the organization, with assets of \$36.5 million as of April 30, 2023. She said the Foundation has benefited from a robust stock market (despite recent unrealized losses due to market volatility and inflation), prudent investment management by and guidance from the team at Sand Hill, and solid fiscal management practices and policies by the Board and staff.

She explained that, unlike most nonprofit budgets, the Foundation's budget is expense-driven rather than income-driven, and that the Foundation does not seek to achieve a balanced budget, as the Foundation's cash needs, which drive the income portion of the budget (primarily transfers from investments) do not necessarily match recorded expenses in a given year.

She then went through the three categories of expenses (direct program expenses of \$970,000, including \$500,000 for strategic grants; direct personnel expenses of \$261,468; and non-personnel support costs of \$195,591), for a total of \$1,427,059.

She noted that the Foundation's cash-flow requirements drive the transfers from investments, the Foundation's primary source of "income." She explained the Foundation's cash-flow needs, with the Quasi-Endowment payout based on cash needs for the Crestmoor Scholarship and the Community Grants Fund and transfers from the Strategic Pool to cover strategic grants and operating expenses. Based on the Foundation's cash-flow needs, the Quasi-Endowment payout of 1.78%, as recommended by the Investment Committee, will be \$372,843.

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Noting that all funds needed to pay out the remaining set of Recreation and Aquatic Center grant payments have already been transferred to the Liquidity Pool, Ms. Hatamiya explained that the main drivers behind the transfers from the Strategic Pool are payments for other strategic grants and operating expenses. With total strategic cash needs of \$10,239,746, nearly \$8.9 million will be covered by the Strategic Carry Forward from fiscal year 2022-2023 and operating income will cover about \$17,000, resulting in a Strategic Payout of \$1,441,576.

She asked the Board to approve a multi-part resolution: (a) approving the fiscal year 2023-2024 budget, (b) approving the 2023-2024 Quasi-Endowment payout rate of 1.78%, resulting in a transfer of \$372,843, (c) approving a transfer of \$1,441,576 from the Strategic Pool to the Liquidity-Operating Pool, and (d) directing the Executive Director to submit the budget to the San Bruno City Council for consideration and approval. She further noted that the transfer amounts are all ceilings and that the resolution gives the Executive Director the discretion to divide the transfers into smaller increments, set the timing of the transfer of those increments, and transfer less than the approved amount, based on the Foundation's cash flow needs. She explained that following the Board's approval, she was scheduled to present the budget to the City Council on June 13.

Vice President Ruane moved to adopt the resolution (a) approving fiscal year 2023-2024 budget, (b) setting the Quasi-Endowment payout rate for fiscal year 2023-2024, (c) approving a transfer from the Strategic Pool investment account to the Liquidity account for fiscal year 2023-2024, and (d) directing the Executive Director to submit the fiscal year 2023-2024 budget to the San Bruno City Council for consideration and approval, seconded by Board Member Torres, passed unanimously by roll call vote (Perry absent).

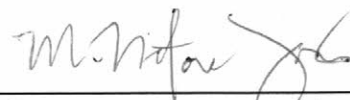
9. Board Member Comments: Treasurer Lin thanked Executive Director Hatamiya for the detailed budget analysis.

10. Adjourn: Treasurer Lin moved to adjourn the meeting at 8:40 p.m., seconded by Secretary Gomez, approved unanimously.

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



Raul Gomez, Secretary



Malissa Netane-Jones, President