

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 • Belinda Wong
Leslie Hatamiya, *Executive Director*
www.sbcf.org

This meeting will be held in person at the San Bruno Senior Center, with members of the public able to attend and offer public comment in person at the Senior Center or virtually via Zoom or telephone.*

IN-PERSON MEETING LOCATION

San Bruno Senior Center
1555 Crystal Springs Road
San Bruno, CA 94066

REMOTE VIA ZOOM OR TELEPHONE

Zoom Link:
<https://us02web.zoom.us/j/87470712247?pwd=QTVFcnczZmhSb1ljR3ZVYkFVeHlwQT09>
Webinar ID: 874 7071 2247
Passcode: 316553
Dial-in: (669) 900-6833

* Remote participation is offered in the meeting via Zoom as a courtesy to the public. If a technical error or outage occurs and remote participation is unavailable, the SBCF Board may continue the meeting in the San Bruno Senior Center where the public can attend and offer comments in person.

PUBLIC COMMENT: In person attendees who want to provide public comment will be asked to fill out a speaker card and submit it with the SBCF Executive Director. Virtual attendees can comment by using the “Raise Hand” feature in Zoom to request to speak. For dial-in comments, press *9 to “Raise Hand” and *6 to unmute. Public comment may also be emailed to info@sbcf.org. Comments received via email will not be read aloud during the meeting. Materials related to the agenda distributed after it is published will be available for public inspection at San Bruno City Hall, 567 El Camino Real, San Bruno, in compliance with the Brown Act.

ACCESSIBILITY: In compliance with the Americans with Disabilities Act, individuals requiring special accommodations or modifications to participate in this meeting should contact the SBCF Office 48 hours prior to the meeting at (650) 763-0775 or info@sbcf.org.

AGENDA

SAN BRUNO COMMUNITY FOUNDATION

Regular Meeting of the Board of Directors

November 1, 2023

7:00 p.m.

- 1. Call to Order/Welcome**
- 2. Roll Call**

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3. Public Comment: Individuals are allowed three minutes at this time to comment on items within the jurisdiction of the Board that are not on this agenda. 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. Approval of Minutes: September 6, 2023, Regular Board Meeting

5. Executive Director's Report

6. 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. Receive and Approve Treasurer's Report (August and September 2023 Financial Statements)

7. Conduct of Business

- a. Receive Report from Audit Committee and Presentation from Novogradac & Company LLP Regarding the San Bruno Community Foundation's Audited Financial Statements for the Year Ended June 30, 2023; Adopt Resolution Approving the Foundation's Audited Financial Statements for the Year Ended June 30, 2023; and Discuss Foundation's Annual Federal and State Tax Returns
- b. Receive Report on Music Education Strategic Initiative from San Bruno Education Foundation, San Bruno Park School District, and Capuchino High School
- c. Receive Report on the SBPSD School Field Trip Grant from the San Bruno Park School District
- d. Receive Update on District Initiatives from the San Bruno Park School District and Adopt Resolution Creating and Appointing Members to the Ad Hoc Committee on SBPSD Strategic Initiatives
- e. Receive Report on Other Programs (Community Grants Fund, Crestmoor Scholarship, and Other Strategic Grants)
- f. Discuss Upcoming Officer Elections for 2024 Term
- g. Elect Officers for 2024: President, Vice President, Secretary, and Treasurer

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8. Study Session: Strategic Planning Discussion on Post-RAC Program and Investment Strategy

- a. Review of Strategic Plan 2.0
- b. Presentation on Quasi-Endowment Scenarios by Sand Hill Global Advisors, LLC

9. Board Member Comments

10. Adjourn: The next regular meeting of the Board of Directors is scheduled for Wednesday, December 6, 2023, at 7:00 p.m.

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MINUTES

SAN BRUNO COMMUNITY FOUNDATION

Regular Meeting of the Board of Directors

September 6, 2023

7:00 p.m.

Meeting Location:

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

1. Call to Order/Welcome: Vice President Ruane called the meeting to order at 7:01 p.m. He noted that Board Member Torres was unable to attend the meeting in person because he learned that a family member with whom he had spent time tested positive for an illness, and out of an abundance of caution, he did not want to attend in person in the event that he also tests positive in the next few days. He had notified the Foundation that he would attend the meeting remotely for “just cause.” Vice President Ruane also reported that Treasurer Lin was unable to attend the meeting in person, as she informed the Foundation that she was under the weather with what might be a contagious illness and therefore would attend the meeting remotely for “just cause.” He said that legal counsel confirmed that Board Member Torres and Treasurer Lin were allowed to attend remotely under the 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, both Board Member Torres and Treasurer Lin noted that no other person 18 years of age or older was in the room where they were located.

Vice President Ruane welcomed new Board Member Belinda Wong to her first meeting.

Vice President Ruane also noted the 13th anniversary of the devastating gas pipeline explosion in the Crestmoor neighborhood of September 9, 2010. He dedicated the meeting to all those affected by the explosion and fire 13 years ago.

2. Roll Call: Board Members Ruane, Gomez, Lin, Perry, Torres, and Wong, present. Board Member Netane-Jones, excused.

3. Public Comment: None.

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4. Presentation: Introduction of New San Bruno City Manager Alex McIntyre

Vice President Ruane introduced Alex McIntyre, the new San Bruno City Manager, to the Board. Mr. McIntyre made brief remarks, expressing his excitement to be in San Bruno and to bring his skills and experience to the City. He also thanked the Board for its support of the new Recreation and Aquatic Center, highlighted some of his top priorities as City Manager, and looked forward to a productive relationship with the Foundation.

5. Approval of Minutes: June 7, 2023, Regular Board Meeting: Board Member Perry moved to approve the minutes of the June 7, 2023, Regular Board Meeting, seconded by Treasurer Lin, approved unanimously by roll call vote (Netane-Jones absent).

6. Executive Director's Report

Executive Director Hatamiya gave a brief report. She first reported that she and Accounting Consultant Frank Bittner submitted all requested reports and documents to the Foundation's auditors at Novogradac & Company for the fiscal year 2022-2023 audit. She noted that the Novogradac team will prepare drafted audited financial statements by October 10 and meet with the Audit Committee at a public meeting on October 16 at 4:00 p.m. She also said the Novogradac team will present the audited financial statements to the Board at its November 1 meeting.

Ms. Hatamiya also welcomed new Board Member Wong and noted that she had conducted a Board orientation session with her. She also congratulated President Netane-Jones, Vice President Ruane, and Secretary Gomez for their reappointment by the San Bruno City Council to second four-year terms on the Foundation Board, which begin on January 1, 2024. She thanked Treasurer Lin and Board Member Perry for representing the Foundation in interviewing Board applicants with the City Council.

Finally, Ms. Hatamiya said that staff is working on the 2023 SBCF Annual Report, which will be mailed to all San Bruno addresses in early October.

7. Consent Calendar

- a. Adopt Resolution Appointing Member to the Investment Committee
- b. Receive and Approve Treasurer's Report (May, June, and July 2023 Financial Statements)

Treasurer Lin moved to accept the Consent Calendar as presented, seconded by Board Member Torres, approved unanimously by roll call vote (Netane-Jones absent).

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8. Conduct of Business

- a. Receive Report from Investment Committee on its August 16, 2023, Regular Meeting and Presentation from Sand Hill Global Advisors, LLC, Regarding SBC's Investment Portfolio

On behalf of the Investment Committee, Treasurer Lin gave a brief summary of the Committee's most recent quarterly meeting, which was held on August 16, 2023. She noted that, in addition to receiving its regular report from the Sand Hill team, the Committee discussed cash flow strategies related to the San Bruno Recreation and Aquatic Center grants. She said that the Committee is pleased with the guidance that the Sand Hill team has given to the Foundation.

She then introduced Brian Dombkowski, CEO of Sand Hill Global Advisors, LLC, which serves as the Foundation's investment adviser, and Senior Wealth Manager 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, noting that recession monitors suggest that the economy remains strong. He highlighted the strength of the employment market, slower but continuing economic growth, and declining inflation. He also 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, 2023, balance of \$21.2 million); (2) a Strategic Pool to be spent down over the next several years on strategic projects and operations (June 30 balance of \$6.3 million), and (3) a Liquidity Pool to cover the Foundation's near-term cash needs (June 30 balance of \$9.0 million). He explained that the portfolio has provided \$17.5 million in additional net value in the past six years since the Foundation took possession of the restitution funds in May 2016 (initial funding balance of \$69.9 million), factoring in the \$55.9 million in withdrawals to support all of the Foundation's investments in the community. Finally, Mr. Dombkowski gave a brief update on Sand Hill Global Advisors as a firm.

In responding to questions from Board members, Mr. Dombkowski defined the "Liquidity Pool" or "Liquidity Portfolio" as the part of the investment portfolio holding funds to be used by the Foundation in the near term. He also noted that Sand Hill does not use crypto currency as an asset class in the portfolio.

- b. 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, roofs, exterior walls, interior work, utilities, contaminated soil removal, and creek improvements. 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 on City Park Way, parking area work, and the project budget.

Vice President Ruane reported that in late July and early August, the Foundation made quarterly grant payments related to the Recreation and Aquatic Center totaling \$4.9 million to the City. He also noted that

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the Foundation has paid out a total of \$47.8 million in grant payments for the project and has a balance of up to \$3.7 million left to disburse to the City.

- c. Receive Report on the San Bruno Sister City Trip to Narita, Japan, and Adopt Resolution Creating and Appointing Members to the Ad Hoc Committee on the San Bruno-Narita Sister City Program

Secretary Gomez reported on the recent San Bruno Sister City trip to Narita, Japan. As a member of the San Bruno delegation that visited Narita in July, he outlined San Bruno's sister city relationship with Narita, which began in 1990, and shared highlights of the trip, including meeting with the mayor of Narita, participation at the Gion Festival, and visits to schools, temples, libraries, hospitals, and other cultural sights in Narita. He noted that since 1990, each city has annually sent a delegation of about ten middle school students and teachers to its counterpart, as a cultural exchange that allows the students to stay with host families and learn about the culture and people of the other community. He explained that a main goal of this summer's visit was to lay the groundwork for restarting the student exchange program in 2024 after a three-year hiatus caused by the COVID-19 pandemic.

The Board then considered a resolution creating an ad hoc committee on the San Bruno-Narita sister city program to research and consider ways in which the Foundation can support San Bruno's sister city relationship with Narita and appointing President Netane-Jones, Secretary Gomez, and Board Member Wong to the committee.

Treasurer Lin moved to adopt the resolution creating and appointing members to the Ad Hoc Committee on the San Bruno-Narita Sister City Program, seconded by Board Member Perry, approved unanimously by roll call vote (Netane-Jones absent).

- d. Receive Report on Other Programs (Community Grants Fund, Crestmoor Scholarship, and Other Strategic Grants)

Executive Director Hatamiya reported on the Foundation's other programs and initiatives. First, she noted that the application for the 2023-2024 cycle of the Community Grants Fund is available on the SBCF website, with a September 20, 2023, application deadline. She said that staff held two well-attended grant workshops and is in the process of assembling the Community Grants Fund Review Panel.

She also reported that the Foundation in August disbursed the second year grant payments on the Music Education Strategic Initiative extension that the Board approved in 2022, including \$120,000 to the San Bruno Education Foundation for the sixth grade music program at Parkside Intermediate School and \$10,000 to the Capuchino High School Alumni Association for the Capuchino music program. She noted that the Board will receive an update from the partner organizations on these grants at the next Board meeting.

9. Board Member Comments: Board Member Wong said she was happy to join the SBCF Board of Directors.

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10. Adjourn: Secretary Gomez moved to adjourn the meeting at 8:24 p.m., seconded by Treasurer Lin, approved unanimously.

Respectfully submitted for approval at the Regular Board Meeting of November 1, 2023, by Secretary Raul Gomez and President Malissa Netane-Jones.

Raul Gomez, Secretary

Malissa Netane-Jones, President

SAN BRUNO

Community Foundation

Memorandum

DATE: October 27, 2023

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Executive Director's Report

Since the September 6, 2023, Board meeting, I have continued to focus on administering the Community Grants Fund and Crestmoor Scholarship programs, monitoring and attending to various strategic grant initiatives, and supporting the Audit Committee, all of which will be covered during the business portions of the November 1, 2023, regular Board meeting. In addition, I have handled a variety of other matters, including the following:

1. 2024 Board Meeting Calendar

Our Bylaws list the first Wednesday of each month as the Board's regular meeting schedule. Board members should plan to hold on their calendars the evening of the first Wednesday of each month in 2023: January 3, February 7, March 6, April 3, May 1, June 5, July 3, August 7, September 4, October 2, November 6, and December 4. We may be able to cancel some meetings if there is no pressing business for the Board to conduct. We may also need to schedule some special meetings, possibly for strategic planning discussions or to handle urgent business that arises between regularly scheduled meetings, during the year.

2. Annual Report

The Foundation's 2023 Annual Report was mailed to all San Bruno addresses at the beginning of October. Like the last two years, the Annual Report is a twelve-page, full-color, letter-sized brochure that provides an update on the Foundation's strategic initiatives, profiles of the 2023 Crestmoor Scholars and highlights about Scholarship alumni, information about the Community Grants Fund, and financial information. The Annual Report is posted on the Foundation website and available at gathering places around town, such as City Hall, the Library, the Senior Center, and the Recreation Center. Thank you to President Malissa Netane-Jones, Vice President Jim Ruane, and Program Manager Jessica Carrillo for editing and proofreading assistance, Mikko Design for graphic design work, and HH Global for printing and mail house services.

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Community Foundation

Memorandum

3. Email Newsletter and Website Hits

Since the September 6 Board meeting, I have sent out two email blasts to the Foundation's email distribution list, one reporting on the September Board meeting and the other a final reminder of the Community Grants Fund application deadline. Of the approximately 800 emails sent, 49% and 55%, respectively, of the recipients opened the email.

According to Google Analytics, activity on the sbcf.org website was moderate the past two months. In the September 6-October 20 time period, more than 1,000 users visited the Foundation website. Not surprisingly, the most visited pages were the home page and the pages related to the Community Grants Fund, as the application deadline was on September 20.

SAN BRUNO

Community Foundation

Memorandum

DATE: October 27, 2023

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Consent Calendar for the September 6, 2023, Regular Board Meeting

For the November 1, 2023, Regular Meeting of the Board of Directors of the San Bruno Community Foundation, the Consent Calendar includes one item related to administrative and operational functions of the Foundation.

1. Receive and Approve Treasurer's Report (August and September 2023 Financial Statements)

The August and September 2023 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 fiscal year 2023-2024 budget figures approved at the June 7, 2023, Board meeting.

I recommend that the Board approve the attached resolution and the Treasurer's Report, as outlined above, as part of the Consent Calendar on November 1, 2023.

Attachments:

1. August 2023 Financial Statements
2. September 2023 Financial Statements

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Community Foundation

August 2023

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 Projected Amount) and e (Change in Budget) and be explained. First two months equal 16.7% of the fiscal year.

INCOME

Line 1 Transfers from Quasi Endowment – Transfers planned for later in the year, coinciding with Community Grants and Scholarships payments.

Line 2 Transfers from Strategic Pool – First transfer of the year is \$500,000 and equals 20.5% of budget.

Line 4 Interest Income – Total is \$2,863 or 16.7% of budget.

EXPENSES

Line 11 Subtotal Direct Program Expenses – There have been no Grant or Scholarship expenses.

Line 12 Salaries & Wages – Expense is under budget at 15.7%.

Line 14 Payroll Taxes & Benefits – Expense (\$4,970) is 18.6% of budget. Social Security/Medicare tax (\$2,827) and retirement (\$1,732) are the largest costs. Also included is life insurance (\$214).

Line 16 Occupancy – Only cost is office lease (\$2,799). Amount is 16.5% of budget.

Line 17 Insurance – Total (\$3,072) is 15.5% of budget and includes Directors & Officers (\$2,380), crime (\$482), and commercial liability (\$210) policies.

Line 18 Telecommunications – Cost (\$410) is 15.5% of budget.

Line 19 Postage & Shipping – Cost (\$115) is 4.5% of budget.

Line 20 Marketing & Communications - \$206 expense is 1.2% of budget and has been for grants and scholarship application software.

Line 21 Office Supplies & Equipment – Cost (\$167) is 2.9% of budget.

Line 22 Legal Fees – \$540 expense is 1.1% of budget. Cost includes \$405 for Strategic Grants support.

Line 23 Accounting & Payroll Fees – Total (\$4,822) is 13.1% of budget with \$4,635 for Accounting Consultant.

Line 24 Other Consultants – No expenses incurred this year.

Line 25 Travel, Meetings & Conferences – \$3,092 expense is 69.9% of budget. \$2,727 has been for Board member travel to Japan for San Bruno-Narita Sister City trip and \$365 has been for Board meeting expenses.

Line 26 Miscellaneous – Cost (\$99) equals 3.6% of budget.

SUMMARY

Excluding the budget for Scholarships & Grants, total expenses are at 12.7% of budget, which is well below 16.7% benchmark for the first two months of the year. In terms of dollars, the \$57,240 in year-to-date expense is \$17,893 less than the two-month budget allocation.

Total August Investment net loss or decrease in value is \$536,569. This came from Strategic Pool (\$81,782) and Quasi Endowment (\$468,854) losses, and Liquidity Pool (\$14,067) gain. Year-to-date Investment net gain or increase in value is \$91,055.

Overall organization year to date net income or increase in net assets is \$36,677.

Total Net Assets, as of August 31, 2023 are \$27,161,506 with \$21,286,371 in Quasi Endowment; \$5,773,935 in general Unrestricted funds; and \$101,200 in Donor Restricted Net Assets.

SAN BRUNO

Community Foundation

August 2023 2023-2024 Budget Report

	(a)	(b)	(c)	(d)	(e)
	Actual Year to Date	Budget	Actual as % of Budget (a/b)	Final Projected Amount	Change in Budget (d - b)
INCOME & TRANSFERS					
1 Transfers from Quasi Endowment	\$ -	\$ 372,843	0.0%	\$ 372,843	\$ -
2 Transfers from Strategic Pool	500,000	2,439,538	20.5%	2,439,538	-
3 Donations	-	-	-	-	-
4 Interest Income	2,863	17,177	16.7%	17,177	-
5 Miscellaneous Income	-	-	-	-	-
6 Total Available for Operations	502,863	2,829,558	17.8%	2,829,558	-
EXPENSES					
7 Crestmoor Scholarships	-	160,000	0.0%	160,000	-
8 Community Grants	-	300,000	0.0%	300,000	-
9 Strategic Grants	-	500,000	0.0%	500,000	-
10 Other Grants	-	10,000	0.0%	10,000	-
11 Subtotal Direct Program Expenses	-	970,000	0.0%	970,000	-
12 Salaries & Wages	36,948	234,648	15.7%	234,648	-
13 Payroll Taxes & Benefits	4,970	26,757	18.6%	26,757	-
14 Subtotal Personnel Expenses	41,918	261,405	16.0%	261,405	-
15 Occupancy	2,799	17,009	16.5%	17,009	-
16 Insurance	3,072	19,787	15.5%	19,787	-
17 Telecommunications	410	2,648	15.5%	2,648	-
18 Postage & Shipping	115	2,560	4.5%	2,560	-
19 Marketing & Communications	206	17,786	1.2%	17,786	-
20 Office Supplies & Equipment	167	5,800	2.9%	5,800	-
21 Legal Fees	540	47,040	1.1%	47,040	-
22 Accounting & Payroll Fees	4,822	36,742	13.1%	36,742	-
23 Other Consultants	-	32,882	0.0%	32,882	-
24 Travel, Meetings & Conferences	3,092	4,424	69.9%	4,424	-
25 Miscellaneous	99	2,713	3.6%	2,713	-
26 Subtotal Non-Personnel	15,322	189,391	8.1%	189,391	-
27 Total Expenses	57,240	1,420,796	4.0%	1,420,796	-
28 Net Surplus/(Loss)	\$ 445,623	\$ 1,408,762		\$ 1,408,762	\$ -

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Statement of Financial Position as of August 31, 2023

ASSETS

Cash, Wells Fargo General	\$	188,802.08	
Cash, Wells Fargo Payroll		27,332.56	
Cash, Fidelity Liquidity Pool - Operating		4,371,052.56	
Total Cash		4,587,187.20	4,587,187.20
Investments, Fidelity Strategic Pool		5,771,017.01	
Investments, Fidelity Quasi-Endowment		21,286,371.25	
Total Investments		27,057,388.26	27,057,388.26
Prepaid Rent		1,399.44	
Prepaid Insurance		11,936.00	
Total Other Current Assets		13,335.44	13,335.44
Deposits		909.45	
Total Other Assets		909.45	909.45
TOTAL ASSETS			\$ 31,658,820.35

LIABILITIES & NET ASSETS

LIABILITIES

Accounts Payable		10,251.69	
Accrued Grants Payable		4,209,509.19	
Accrued Scholarships Payable		262,500.00	
Accrued Employee PTO		15,053.44	
Total Liabilities		4,497,314.32	4,497,314.32

NET ASSETS

Unrestricted, Non-QE 7/1/2023 Balance		5,810,649.13	
Year to Date Net Income from Operations		(54,377.16)	
Year to Date Strategic Investment Income		17,662.81	
Total Non-QE Unrestricted Net Assets		5,773,934.78	
Quasi-Endowment 7/1/2023 Balance		21,212,979.52	
Year-to-date QE Investment Income		73,391.73	
Total QE Unrestricted Net Assets		21,286,371.25	
Total Unrestricted Net Assets			27,060,306.03
Donor Restricted Net Assets 7/1/2023 Balance		101,200.00	
Year to Date Donor Restricted Net Income		-	
Total Donor Restricted Net Assets		101,200.00	
Total Net Assets			27,161,506.03

TOTAL LIABILITIES & NET ASSETS			\$ 31,658,820.35
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September 2023

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 Projected Amount) and e (Change in Budget) and be explained. First three months equal 25% of the fiscal year.

INCOME

Line 1 Transfers from Quasi Endowment – Transfers planned for later in the year, coinciding with Community Grants and Scholarships payments.

Line 2 Transfers from Strategic Pool – First transfer of the year is \$500,000 and equals 20.5% of budget.

Line 4 Interest Income – Total is \$4,294 or 25% of budget.

EXPENSES

Line 11 Subtotal Direct Program Expenses – There have been no Grant or Scholarship expenses.

Line 12 Salaries & Wages – Expense is under budget at 24.2%.

Line 14 Payroll Taxes & Benefits – Expense (\$7,444) is 27.8% of budget. Social Security/Medicare tax (\$4,336) and retirement (\$2,597) are the largest costs. Also included are workers' compensation (\$297) and life (\$214) insurance.

Line 16 Occupancy – Only cost is office lease (\$4,198). Amount is 24.7% of budget.

Line 17 Insurance – Total (\$4,608) is 23.3% of budget and includes Directors & Officers (\$3,570), crime (\$723), and commercial liability (\$315) policies.

Line 18 Telecommunications – Cost (\$617) is 23.3% of budget. \$288 has been for cell phone service.

Line 19 Postage & Shipping – Cost (\$134) is 5.2% of budget.

Line 20 Marketing & Communications - \$898 expense is 5% of budget and has been for Annual Report design (\$589) and grants and scholarship application software (\$309).

Line 21 Office Supplies & Equipment – Cost (\$167) is 2.9% of budget.

Line 22 Legal Fees – \$2,546 expense is 5.4% of budget. Cost includes \$1,601 for Administrative, \$540 for Strategic Grants, and \$405 for Community Grants support.

Line 23 Accounting & Payroll Fees – Total (\$6,043) is 16.4% of budget with \$5,760 for Accounting Consultant and \$283 for payroll software/fees.

Line 24 Other Consultants – No expenses incurred this year.

Line 25 Travel, Meetings & Conferences – \$3,092 expense is 69.9% of budget. \$2,727 has been for Board member travel to Japan and \$365 has been for Board meeting expenses.

Line 26 Miscellaneous – Cost (\$99) equals 3.6% of budget.

SUMMARY

Excluding the budget for Scholarships & Grants, total expenses are at 19.4% of budget, which is well below 25% benchmark for the first quarter of the year. In terms of dollars, the \$86,523 in year-to-date expense is \$26,176 less than the three-month budget allocation.

Total September Investment net loss or decrease in value is \$1,003,341. This came from Strategic Pool (\$183,169) and Quasi Endowment (\$835,892) losses, and Liquidity Pool (\$15,719) gain. Year-to-date Investment net loss or decrease in value is \$912,287.

Overall organization year to date net loss or decrease in net assets is \$994,516.

Total Net Assets, as of September 30, 2023 are \$26,130,313 with \$20,450,480 in Quasi Endowment; \$5,578,633 in general Unrestricted funds; and \$101,200 in Donor Restricted Net Assets.

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Community Foundation

September 2023 2023-2024 Budget Report

	(a)	(b)	(c)	(d)	(e)
	Actual Year to Date	Budget	Actual as % of Budget (a/b)	Final Projected Amount	Change in Budget (d - b)
INCOME & TRANSFERS					
1 Transfers from Quasi Endowment	\$ -	\$ 372,843	0.0%	\$ 372,843	\$ -
2 Transfers from Strategic Pool	500,000	2,439,538	20.5%	2,439,538	-
3 Donations	-	-	-	-	-
4 Interest Income	4,294	17,177	25.0%	17,177	-
5 Miscellaneous Income	-	-	-	-	-
6 Total Available for Operations	504,294	2,829,558	17.8%	2,829,558	-
EXPENSES					
7 Crestmoor Scholarships	-	160,000	0.0%	160,000	-
8 Community Grants	-	300,000	0.0%	300,000	-
9 Strategic Grants	-	500,000	0.0%	500,000	-
10 Other Grants	-	10,000	0.0%	10,000	-
11 Subtotal Direct Program Expenses	-	970,000	0.0%	970,000	-
12 Salaries & Wages	56,677	234,648	24.2%	234,648	-
13 Payroll Taxes & Benefits	7,444	26,757	27.8%	26,757	-
14 Subtotal Personnel Expenses	64,121	261,405	24.5%	261,405	-
15 Occupancy	4,198	17,009	24.7%	17,009	-
16 Insurance	4,608	19,787	23.3%	19,787	-
17 Telecommunications	617	2,648	23.3%	2,648	-
18 Postage & Shipping	134	2,560	5.2%	2,560	-
19 Marketing & Communications	898	17,786	5.0%	17,786	-
20 Office Supplies & Equipment	167	5,800	2.9%	5,800	-
21 Legal Fees	2,546	47,040	5.4%	47,040	-
22 Accounting & Payroll Fees	6,043	36,742	16.4%	36,742	-
23 Other Consultants	-	32,882	0.0%	32,882	-
24 Travel, Meetings & Conferences	3,092	4,424	69.9%	4,424	-
25 Miscellaneous	99	2,713	3.6%	2,713	-
26 Subtotal Non-Personnel	22,402	189,391	11.8%	189,391	-
27 Total Expenses	86,523	1,420,796	6.1%	1,420,796	-
28 Net Surplus/(Loss)	\$ 417,771	\$ 1,408,762		\$ 1,408,762	\$ -

SAN BRUNO

Community Foundation

Statement of Financial Position as of September 30, 2023

ASSETS

Cash, Wells Fargo General	\$	182,356.53	
Cash, Wells Fargo Payroll		4,625.63	
Cash, Fidelity Liquidity Pool - Operating		4,388,202.42	
Total Cash		4,575,184.58	
Investments, Fidelity Strategic Pool		5,587,848.49	
Investments, Fidelity Quasi-Endowment		20,450,479.73	
Total Investments		26,038,328.22	
Accounts Receivable		550.00	
Prepaid Rent		1,399.44	
Prepaid Insurance		10,301.00	
Total Other Current Assets		12,250.44	
Deposits		909.45	
Total Other Assets		909.45	
TOTAL ASSETS			\$ 30,626,672.69

LIABILITIES & NET ASSETS

LIABILITIES

Accounts Payable		9,297.35	
Accrued Grants Payable		4,209,509.19	
Accrued Scholarships Payable		262,500.00	
Accrued Employee PTO		15,053.44	
Total Liabilities		4,496,359.98	

NET ASSETS

Unrestricted, Non-QE 7/1/2023 Balance		5,810,649.13	
Year to Date Net Income from Operations		(82,229.30)	
Year to Date Strategic Investment Income		(149,786.85)	
Total Non-QE Unrestricted Net Assets		5,578,632.98	
Quasi-Endowment 7/1/2023 Balance		21,212,979.52	
Year-to-date QE Investment Income		(762,499.79)	
Total QE Unrestricted Net Assets		20,450,479.73	
Total Unrestricted Net Assets			26,029,112.71
Donor Restricted Net Assets 7/1/2023 Balance		101,200.00	
Year to Date Donor Restricted Net Income		-	
Total Donor Restricted Net Assets			101,200.00
Total Net Assets			26,130,312.71
TOTAL LIABILITIES & NET ASSETS			\$ 30,626,672.69

SAN BRUNO

Community Foundation

Memorandum

DATE: October 27, 2023

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Report from Novogradac & Company LLP Regarding the San Bruno Community Foundation's Audited Financial Statements for the Year Ended June 30, 2023, Resolution Approving the Audited Financial Statements for the Year Ended June 30, 2023, and Discussion of Foundation's Annual Federal and State Tax Returns

On October 16, 2023, the Audit Committee met to discuss the fiscal year 2022-2023 audited financial statements. At the November 1, 2023, Board meeting, Committee Chair Raul Gomez will provide a report on behalf of the Committee as well as introduce the audit team who will present the audited financial statements. Board Member Irving Torres also serves on the Audit Committee.

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 in accordance with the applicable provisions of the Supervision of Trustees and Fundraisers for Charitable Purposes Act (commencing with Section 12586 of the California Government Code)." As authorized by the Board on April 4, 2022, the Foundation is using Novogradac & Company LLP to conduct the audit of the Foundation's financial statements for the year ended June 30, 2022, and to prepare the Foundation's annual federal and state tax returns. Engagement partner Lance Smith is again heading up the Novogradac team assigned to the Foundation.

In July, Accounting Consultant Frank Bittner and I began preparing the financial reports and documentation Novogradac requested to begin work on the audit. We submitted all of the requested materials by August 28. Since then, the Novogradac team has examined the Foundation's financial records, accounts, business transactions, accounting practices, and internal controls. Mr. Bittner and I responded to several follow-up requests for additional information from the Novogradac team.

Article VII, Section 4, of the Bylaws states that that duties of the Audit Committee include reviewing and accepting the annual audit. On October 16, the Audit Committee met to review and discuss the audited financial statements with Mr. Smith. After the discussion, the

SAN BRUNO

Community Foundation

Memorandum

Committee approved a resolution accepting the Audited Financial Statements for the Year Ended June 30, 2023.

Attached to this memorandum are the final financial statements and audit report, covers the Foundation's finances from July 1, 2022, through June 30, 2023. Novogradac's report states its unqualified opinion that "the financial statements...present fairly, in all material respects, the financial position of The San Bruno Community Foundation as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America." Novogradac has also issued a standard AU-C 260 letter, as it has in past years.

At the November 2, 2022, Board meeting, Mr. Smith will present the audited financial statements to the Board, review his team's findings with regard to the Foundation's financial records, accounts, business transactions, accounting practices, and internal controls, and field questions from the Board. Attached to this memo are the audited financial statements and AU-C 260 letter from Novogradac.

At the conclusion of Mr. Smith's report, I recommend that the Board adopt the attached resolution approving the Foundation's audited financial statements for the year ended June 30, 2023.

On a related note, the Novogradac team has prepared a draft of the Foundation's annual federal and state tax returns (IRS Form 990 and California Form 199), which Mr. Bittner and I have reviewed. On October 20, I circulated a copy of the tax returns to the entire Board for review. At the Board meeting, Mr. Smith and I will be able to answer any questions Board members may have about the tax returns, which we intend to submit by the November 15, 2023, deadline.

Attachments:

1. Resolution Approving the San Bruno Community Foundation's Audited Financial Statements for the Year Ended June 30, 2023
2. The San Bruno Community Foundation Financial Statements and Report of Independent Auditors for the year ended June 30, 2023, with comparative totals as of and for the year ended June 30, 2022
3. AU-C 260 Letter from Novogradac

RESOLUTION NO. 2023-__

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION
APPROVING THE FOUNDATION'S AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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, on April 5, 2023, the Board of Directors authorized President Malissa Netane-Jones to execute a contract with Novogradac & Company LLP to conduct the audit of the Foundation's financial statements for the year ended June 30, 2023, and to prepare the Foundation's annual federal and state tax returns;

WHEREAS, Novogradac & Company LLP examined the Foundation's financial records, accounts, business transactions, accounting practices, and internal controls;

WHEREAS, Novogradac has produced audited financial statements for the Foundation for the year ended June 30, 2023, and issued an unqualified opinion that the Foundation's financial statements present fairly, in all material respects, the Foundation's financial position as of June 30, 2022, in accordance with accounting principles generally accepted in the United States;

WHEREAS, on October 16, 2023, the Audit Committee reviewed, discussed, and approved a resolution accepting the audited financial statements for the Foundation for the year ended June 30, 2023; and

WHEREAS, Lance Smith, the Novogradac engagement partner assigned to the Foundation's account, has presented the audited financial statements to the Board at the Foundation's November 1, 2023, regular Board meeting.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors approves the audited financial statements for the year ended June 30, 2023, as prepared by Novogradac & Company LLP.

Dated: November 1, 2023

ATTEST:

Raul Gomez, Secretary

I, Raul Gomez, Secretary, do hereby certify that the foregoing Resolution No. 2023-__ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this 1st day of November, 2023, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

THE SAN BRUNO COMMUNITY FOUNDATION

**Financial Statements and
Report of Independent Auditors**

**For the year ended June 30, 2023
with comparative totals as of and
for the year ended June 30, 2022**

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Report of Independent Auditors

To the Board of Directors of
The San Bruno Community Foundation:

Opinion

We have audited the accompanying financial statements of The San Bruno Community Foundation, which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The San Bruno Community Foundation as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The San Bruno Community Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Changes in Accounting Principles

As discussed in Note 2 to the consolidated financial statements, The San Bruno Community Foundation adopted accounting standards changes related to accounting and disclosure for leasing arrangements. Our opinion is not modified with respect to those matters.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The San Bruno Community Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The San Bruno Community Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The San Bruno Community Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited The San Bruno Community Foundation's financial statements for the year ended June 30, 2022, and our report dated October 19, 2022 expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Novogradac & Company LLP

Petaluma, California
October 19, 2023

THE SAN BRUNO COMMUNITY FOUNDATION
STATEMENT OF FINANCIAL POSITION
June 30, 2023
with comparative totals as of June 30, 2022

ASSETS

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 418,722	\$ 307,978
Investments (See Note 4)	36,314,509	57,055,703
Right-of-use asset - office lease	28,905	-
Prepaid expenses	16,605	16,692
Deposits	<u>909</u>	<u>909</u>
 Total assets	 <u>\$ 36,779,650</u>	 <u>\$ 57,381,282</u>

LIABILITIES

Accounts payable	\$ 35,730	\$ 28,310
Office lease payable	28,905	-
Accrued scholarships	317,500	320,000
Accrued grants payable	<u>9,272,687</u>	<u>29,785,792</u>
Total liabilities	9,654,822	30,134,102

NET ASSETS

Without donor restriction		
Board designated	21,212,980	19,804,108
Non-designated	5,810,648	7,341,872
With donor restriction	<u>101,200</u>	<u>101,200</u>
Total net assets	<u>27,124,828</u>	<u>27,247,180</u>
 Total liabilities and net assets	 <u>\$ 36,779,650</u>	 <u>\$ 57,381,282</u>

see accompanying notes

THE SAN BRUNO COMMUNITY FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the year ended June 30, 2023
with comparative totals for the year ended June 30, 2022

	2023			2022
	Without donor restriction	With donor restriction	Total	Total
REVENUE AND OTHER SUPPORT				
Donations	\$ 236	\$ 101,500	\$ 101,736	\$ 171,006
Investment return, net	2,726,322	-	2,726,322	(6,067,172)
Net assets released from restrictions	101,500	(101,500)	-	-
	<u>2,828,058</u>	<u>-</u>	<u>2,828,058</u>	<u>(5,896,166)</u>
EXPENSES				
Program services	2,756,598	-	2,756,598	41,551,952
Management and general	193,812	-	193,812	168,098
	<u>2,950,410</u>	<u>-</u>	<u>2,950,410</u>	<u>41,720,050</u>
CHANGE IN NET ASSETS	(122,352)	-	(122,352)	(47,616,216)
NET ASSETS AT BEGINNING OF YEAR	<u>27,145,980</u>	<u>101,200</u>	<u>27,247,180</u>	<u>74,863,396</u>
NET ASSETS AT END OF YEAR	<u>\$ 27,023,628</u>	<u>\$ 101,200</u>	<u>\$ 27,124,828</u>	<u>\$ 27,247,180</u>

see accompanying notes

THE SAN BRUNO COMMUNITY FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2023
with comparative totals for the year ended June 30, 2022

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>	<u>2022 Total</u>
PERSONNEL EXPENSES				
Salaries and wages	\$ 157,238	\$ 70,088	\$ 227,326	\$ 226,510
Payroll taxes and benefits	<u>18,160</u>	<u>9,723</u>	<u>27,883</u>	<u>31,946</u>
Total personnel expenses	175,398	79,811	255,209	258,456
OTHER EXPENSES				
Scholarships	160,000	-	160,000	190,000
Grants	2,375,000	-	2,375,000	41,144,454
Rent	11,308	5,041	16,349	15,705
Insurance	-	18,587	18,587	22,005
Telecommunications	1,763	785	2,548	2,585
Postage and shipping	1,545	689	2,234	2,131
Marketing and communications	12,081	3,634	15,715	12,240
Office supplies	1,205	647	1,852	3,312
Legal fees	11,129	22,830	33,959	24,598
Accounting and payroll fees	-	32,950	32,950	33,532
Other professional services	7,039	25,739	32,778	8,471
Travel, meetings and conferences	130	1,131	1,261	722
Miscellaneous	<u>-</u>	<u>1,968</u>	<u>1,968</u>	<u>1,839</u>
Total other expenses	<u>2,581,200</u>	<u>114,001</u>	<u>2,695,201</u>	<u>41,461,594</u>
TOTAL EXPENSES	<u><u>\$ 2,756,598</u></u>	<u><u>\$ 193,812</u></u>	<u><u>\$ 2,950,410</u></u>	<u><u>\$ 41,720,050</u></u>

see accompanying notes

THE SAN BRUNO COMMUNITY FOUNDATION
STATEMENT OF CASH FLOWS
For the year ended June 30, 2023
with comparative totals for the year ended June 30, 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (122,352)	\$ (47,616,216)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Net realized/unrealized loss on investments	1,421,947	7,738,735
Decrease in assets:		
Prepaid expenses	87	3,361
Increase (decrease) in liabilities:		
Accounts payable	7,420	(8,326)
Accrued scholarships	(2,500)	5,000
Accrued grants payable	(20,513,105)	25,634,604
Net cash used in operating activities	(19,208,503)	(14,242,842)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Net sales of securities	19,319,247	13,968,497
 Net change in cash, and cash equivalents	110,744	(274,345)
Cash and cash equivalents at beginning of year	307,978	582,323
Cash, cash equivalents and restricted cash at end of year	\$ 418,722	\$ 307,978
 SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Increase in right-of-use asset - office lease and office lease payable	\$ 28,905	\$ -

see accompanying notes

THE SAN BRUNO COMMUNITY FOUNDATION
Notes to Financial Statements
June 30, 2023
with comparative totals as of and for the year ended June 30, 2022

1. Organization

The San Bruno Community Foundation (the “Foundation”), a California nonprofit corporation, was organized in 2013 as a public benefit 501(c)(3) nonprofit corporation and has been determined to be a Type I supporting organization under Section 509(a)(3) of the Internal Revenue Code (“IRC”). Pursuant to the settlement agreement dated March 12, 2012, between Pacific Gas & Electric Company (“PG&E”) and the City of San Bruno (the “City”), both parties agreed to resolve and settle all claims arising out of the September 9, 2010 pipeline incident (the “Settlement Agreement”). The terms required PG&E to contribute a total of \$70 million to the City, which comprised of 1) five vacant plots of land in the Glenview (Crestmoor) neighborhood, which had a total fair market value of \$1,250,000 and 2) \$68,750,000 in cash, to transfer to a tax-exempt, nonprofit public purpose entity. Hence, the Foundation was created from the Settlement Agreement. The Foundation engages primarily in the administration of PG&E restitution funds and building community partnerships.

The Foundation’s goals serve the San Bruno community by investing in projects, programs, services, and facilities that have significant and lasting benefits. Through making grants, leveraging partnerships, and taking advantage of other resources, the Foundation assists and enables the community to maximize shared investments and realize their subsequent enhancements and benefits.

2. Summary of significant accounting policies

Basis of accounting

The Foundation prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America. The Foundation’s year end for tax and financial reporting purposes is June 30.

Basis of presentation

The Foundation is required to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets without donor restrictions:

Net assets available for use in general operations and not subject to donor restrictions. The Foundation’s governing board has designated, from net assets without donor restriction, long-term funds held in the quasi-endowment pool.

Net assets with donor restrictions:

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature, which will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Prior period comparison

The financial statements include certain prior-period summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation’s financial statements for the year ended June 30, 2022, from which the summarized information was derived.

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

THE SAN BRUNO COMMUNITY FOUNDATION
Notes to Financial Statements
June 30, 2023
with comparative totals as of and for the year ended June 30, 2022

2. Summary of significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or less at the date of acquisition. As of June 30, 2023 and 2022, cash and cash equivalents consist of the following:

	<u>2023</u>	<u>2022</u>
Cash - operating	\$ 206,708	\$ 192,481
Liquidity fund cash	<u>212,014</u>	<u>115,497</u>
Total cash and cash equivalents	<u>\$ 418,722</u>	<u>\$ 307,978</u>

Concentration of credit risk

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of temporary cash investments. The Foundation places its temporary cash investments with high credit quality financial institutions and, by policy, limits the amount of credit exposed to any one financial institution. The Foundation has not experienced any losses in such accounts.

Investments

The Foundation carries investments in various investment pools with readily determinable fair values and all investments are stated at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities and Changes in Net Assets.

Accounts receivable

Management considers receivables to be fully collectible. If amounts become uncollectible, they are charged to operations in the period in which that determination is made. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Fair value measurements

The Foundation applies the accounting provisions related to fair value measurements. These provisions define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, establish a hierarchy that prioritizes the information used in developing fair value estimates and require disclosure of fair value measurements by level within the fair value hierarchy. The hierarchy gives the highest priority to quoted prices in active markets (Level 1 measurements) and the lowest priority to unobservable data (Level 3 measurements), such as the reporting entity's own data. These provisions also provide valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flows) and the cost approach (cost to replace the service capacity of an asset or replacement cost).

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of valuation hierarchy are defined as follows:

- Level 1:* Observable inputs such as quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2:* Inputs other than quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3:* Unobservable inputs that reflect the Foundation's own assumptions.

THE SAN BRUNO COMMUNITY FOUNDATION
Notes to Financial Statements
June 30, 2023
with comparative totals as of and for the year ended June 30, 2022

2. Summary of significant accounting policies (continued)

Income taxes

The Foundation is a not-for-profit corporation under Section 501(c)(3) of the IRC and Section 23701(d) of the California Revenue and Taxation Code and therefore, is generally exempt from both federal and state income taxes, except on net income derived from unrelated business activities.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the Foundation to report information regarding its exposure to various tax positions taken. Management has determined whether any tax positions have met the recognition threshold and has measured its exposure to those tax positions. Management believes that the Foundation has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal tax authorities generally have the right to examine and audit the previous three years of tax returns filed. California tax authorities generally have the right to examine and audit the previous four years of tax returns filed. Any interest or penalties assessed to the Foundation are recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying financial statements.

Scholarships expense

The Foundation offers three types of scholarships, which are defined as follows:

1. \$5,000 each year for four years, totaling \$20,000, for a high school student to attend a 4-year college.
2. \$2,500 each year for two years, totaling \$5,000, for a high school student to attend a 2-year community college.
3. \$5,000 each year for two years, totaling \$10,000, for a community college student who transfers to a 4-year college.

Members of the San Bruno community are eligible to apply for a scholarship. Scholarships are recognized when they have been awarded. Recipients are required to renew their scholarships for each year by submitting proof of full-time enrollment for the following fall and certification of status as a student in good standing, by June 1 of each year. For the years ended June 30, 2023 and 2022, scholarship expense was \$160,000 and \$190,000, respectively. As of June 30, 2023 and 2022, accrued scholarships payable was \$317,500 and \$320,000, respectively.

Grant expense

Grants are recognized when they are approved by the board, all significant conditions are met, all due diligence has been completed, and grant agreements have been executed. Grant refunds are recorded as a reduction of grant expense if the refund or notice of refund is received in the same fiscal year as the grant was expensed. For the years ended June 30, 2023 and 2022, grant expense was \$2,375,000 and \$41,144,454, respectively. Grant expense for the year ended June 30, 2023, included \$1,500,000 for the construction of the San Bruno community recreation and aquatic center and related costs, of which \$8,612,687 was payable as of June 30, 2023. Grant expense for the year ended June 30, 2022, included \$40,464,454 for the construction of the San Bruno community recreation and aquatic center and related costs, of which \$27,577,916 was payable as of June 30, 2022. As of June 30, 2023 and 2022, accrued grants payable was \$9,272,687 and \$29,785,792, respectively.

Functional allocation of expenses

The Statement of Functional Expenses reports expenses by both natural and functional classification. Certain categories of expenses are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Costs are directly applied to the related program or supporting service category when identifiable and possible. Other expenses have been allocated to programs and management and general based on estimates of time and effort.

THE SAN BRUNO COMMUNITY FOUNDATION
Notes to Financial Statements
June 30, 2023
with comparative totals as of and for the year ended June 30, 2022

2. Summary of significant accounting policies (continued)

Leases

The Foundation determines if an arrangement is a lease at inception. An arrangement is a lease if the arrangement conveys a right to direct the use of and to obtain substantially all of the economic benefits from the use of an asset for a period of time in exchange for consideration.

Operating lease right-of-use assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. The Foundation uses a risk-free rate at the commencement date in determining the present value of lease payments.

The operating lease right-of-use assets also include any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the leases when it is reasonably certain that the Foundation will exercise that option. The lease agreements do not contain any material residual value guarantees or material restrictive covenants. Lease expense for lease payments is recognized on a straight-line basis over the lease terms.

The office space lease agreement with San Bruno Office Associates, LLC includes monthly predetermined rental payments. Lease liabilities are not remeasured throughout the life of the lease since all predetermined changes in the monthly rent payments have already been considered in the lease liability calculation.

Change in accounting principle

In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Codification (“ASC”) 842, Leases (“FASB ASC 842”) to increase transparency and comparability among organizations by requiring the recognition of lease assets and lease liabilities on the balance sheet by lessees and the disclosure of key information about leasing arrangements.

FASB ASC 842 was adopted July 1, 2022, and any adjustment necessary, if any, was recognized through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the year ended June 30, 2022, are made under prior lease guidance in FASB ASC 840.

As a result of the adoption of FASB ASC 842, on July 1, 2022 an office lease payable of \$28,905 was recognized, which represents the present value of the remaining office lease payments and a right-of-use asset of \$28,905 was recognized, which represents the office lease payable.

Subsequent events

Subsequent events have been evaluated through October 19, 2023, which is the date the financial statements were available to be issued, and there are no subsequent events requiring disclosure.

THE SAN BRUNO COMMUNITY FOUNDATION
Notes to Financial Statements
June 30, 2023
with comparative totals as of and for the year ended June 30, 2022

3. Liquidity and availability of financial assets

The following represents the Foundation's financial assets as of June 30:

Financial assets at year end:	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 418,722	\$ 307,978
Investments	<u>36,314,509</u>	<u>57,055,703</u>
Total financial assets	<u>36,733,231</u>	<u>57,363,681</u>
Less amounts not available due to:		
Net assets with donor restrictions	101,200	101,200
Board designated quasi-endowment fund	21,212,980	19,804,108
Grants payable	9,272,687	29,785,792
Scholarships payable	<u>317,500</u>	<u>320,000</u>
	<u>30,904,367</u>	<u>50,011,100</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 5,828,864</u>	<u>\$ 7,352,581</u>

The Foundation's goal is generally to maintain financial assets to meet its operating and budgeted needs. As part of its liquidity plan, excess cash is invested in short-term investments, including mutual funds.

4. Investments

The following tables present the Foundation's assets that are measured and recognized at fair value on a recurring basis classified under the appropriate level of the fair value hierarchy as of June 30, 2023 and 2022:

	<u>June 30, 2023</u>			Fair Value Measurements
	Level 1	Level 2	Level 3	
Assets				
Liquidity pool				
Mutual funds	\$ 5,104,835	\$ -	\$ -	\$ 5,104,835
Exchange traded products and ETFs	<u>3,693,822</u>	-	-	<u>3,693,822</u>
Total liquidity pool	8,798,657	-	-	8,798,657
Strategic pool				
Cash reserves	78,222	-	-	78,222
Mutual funds	3,151,317	-	-	3,151,317
Exchange traded products and ETFs	<u>3,073,333</u>	-	-	<u>3,073,333</u>
Total strategic pool	6,302,872	-	-	6,302,872
Quasi-endowment pool				
Cash reserves	219,056	-	-	219,056
Mutual funds	5,868,233	-	-	5,868,233
Exchange traded products and ETFs	<u>15,125,691</u>	-	-	<u>15,125,691</u>
Total quasi-endowment pool	<u>21,212,980</u>	-	-	<u>21,212,980</u>
Total assets	<u>\$ 36,314,509</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,314,509</u>

THE SAN BRUNO COMMUNITY FOUNDATION
Notes to Financial Statements
June 30, 2023
with comparative totals as of and for the year ended June 30, 2022

4. Investments (continued)

	June 30, 2022			Fair Value Measurements
	Level 1	Level 2	Level 3	
Assets				
Liquidity pool				
Mutual funds	\$ 2,307,459	\$ -	\$ -	\$ 2,307,459
Exchange traded products and ETFs	6,652,247	-	-	6,652,247
Total liquidity pool	8,959,706	-	-	8,959,706
Strategic pool				
Cash reserves	617,318	-	-	617,318
Mutual funds	18,950,158	-	-	18,950,158
Exchange traded products and ETFs	8,724,413	-	-	8,724,413
Total strategic pool	28,291,889	-	-	28,291,889
Quasi-endowment pool				
Cash reserves	615,172	-	-	615,172
Mutual funds	7,409,761	-	-	7,409,761
Exchange traded products and ETFs	11,779,175	-	-	11,779,175
Total quasi-endowment pool	19,804,108	-	-	19,804,108
Total assets	\$ 57,055,703	\$ -	\$ -	\$ 57,055,703

The Foundation's investments consisted of the following cost basis when originally acquired:

	2023	2022
Liquidity pool	\$ 3,682,523	\$ 9,067,541
Strategic pool	6,428,033	29,016,091
Quasi-endowment pool	18,264,698	17,400,934
Total securities	\$ 28,375,255	\$ 55,484,566

5. Office lease

The Foundation entered into an amended office lease with San Bruno Office Associates, LLC, which expires on March 31, 2025. Current monthly payments are \$1,353. The monthly rent increases annually at a rate of 3% on April 1 of each year. For the years ended June 30, 2023 and 2022, office lease payments were \$16,349 and \$15,705, respectively. As of June 30, 2023, right-of-use asset – office lease and office lease payable were \$28,905 and \$28,905, respectively.

Future minimum lease payments under the operating lease are as follows:

April 2023-March 2024	\$	1,353 per month
April 2024-March 2025	\$	1,394 per month

THE SAN BRUNO COMMUNITY FOUNDATION
Notes to Financial Statements
June 30, 2023
with comparative totals as of and for the year ended June 30, 2022

6. Employee benefit plan

Effective January 1, 2015, the Foundation established a tax-deferred annuity plan qualified under Section 403(b) of the IRC for its employees. The Foundation makes non-matching contributions equal to 5% of the gross salary for individual employees. For the years ended June 30, 2023 and 2022, \$10,102 and \$19,792, respectively, was contributed by the Foundation on behalf of its employees.

7. Net assets with donor restriction

Net assets with donor restriction consist of the following as of June 30:

	<u>2023</u>	<u>2022</u>
Community Grants Fund	\$ 100,000	\$ 100,000
Recreation & Aquatic Memorial Bench	<u>1,200</u>	<u>1,200</u>
Total net assets with donor restriction	<u>\$ 101,200</u>	<u>\$ 101,200</u>

Net assets were released from restrictions by incurring expenses satisfying the restricted purpose or by the expiration of time as follows:

	<u>2023</u>	<u>2022</u>
Community Grants Fund	\$ 100,000	\$ 100,000
CNM Scholarships	<u>1,500</u>	<u>71,000</u>
Total net assets released from restrictions	<u>\$ 101,500</u>	<u>\$ 171,000</u>

October 19, 2023

To the Board of
The San Bruno Community Foundation:

We have audited the financial statements of The San Bruno Community Foundation (the “Foundation”) as of and for the year ended June 30, 2023, and have issued our report thereon dated October 19, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated March 14, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Foundation are described in Note 2 to the financial statements. As described in Note 2, the Foundation changed accounting policies related to leases by adopting FASB Accounting Standards Update No. 2016-02, Leases (Subtopic 842), in 2023. We noted no transactions entered into by the Foundation during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management’s estimates affecting the financial statements based on subjective and objective factors including the allocation of assets, liabilities, revenues and expenses among funds, and the fair market value of investments.

Management’s estimate of the fair market value of investments is based on an evaluation of third party information obtained.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of investments in the notes to the financial statements. This note contains a description of the composition of the investment balance as of June 30, 2023 and 2022.

The disclosure of net assets in the notes to the financial statements. This note contains a description of the composition of net assets with donor restriction and net assets without donor restriction.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There are no such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 19, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Foundation's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Foundation's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board and management of the Foundation and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



NOVOGRADAC & COMPANY LLP

SAN BRUNO

Community Foundation

Memorandum

DATE: October 27, 2023

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Report on Music Education Strategic Initiative from San Bruno Education Foundation, San Bruno Park School District, and Capuchino High School

At its November 1, 2023, regular meeting, the Foundation Board will receive a report on the Music Education Strategic Initiative from representatives of the San Bruno Education Foundation, San Bruno Park School District, and Capuchino High School.

1. Background: Music Education Strategic Initiative

A partnership between SBCF, the San Bruno Education Foundation (SBEF), the San Bruno Park School District (SBPSD), Capuchino High School, and the Capuchino High School Alumni Association (CHSAA), the Music Education Strategic Initiative was created with the goal of making music education a hallmark of San Bruno's public schools. The original grant was for \$495,000 to be spent over three school years from 2017 to 2020, and then the initiative was extended an additional year with \$68,000 in funding. Capuchino High School's funds were spent on schedule in the 2020-2021 school year, but due to the challenges of delivering the elementary school music program via distance learning during the pandemic, we extended the grant period to the 2021-2022 school year for the SBEF/SBPSD grant.

Music program activities funded through the initiative have included:

- New uniforms for the Capuchino High School Marching Band
- Transportation for Capuchino music groups to attend performances and competitions
- Instruments and supplies for the Parkside Intermediate School music program
- Elementary music education for all SBPSD elementary schools through Music for Minors
- Fund development activities to ensure that SBEF and CHSAA are able to sustain the music programs once SBCF funding sunsets

In the spring of 2022, San Bruno Park School District then-Interim Superintendent Michael Milliken requested a two-year extension of the Music Education Strategic Initiative to provide seed funding to "jump start" the Parkside music program to remedy the negative impacts of the COVID-19 pandemic on music instruction. The district sought to revamp the sixth grade music

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Memorandum

program, with the goal of enabling all Parkside sixth graders to take a music class for the year, such as instrumental music, chorus/vocal music, and music exploration to ignite a passion for further music instruction in many of the students.

At the recommendation of the Ad Hoc Committee on Education Initiatives, the SBCF Board approved a two-year extension of its Music Education Strategic Initiative totaling \$290,000 to continue investments in the music programs at Parkside Intermediate School and Capuchino High School. The grants are providing seed funding to launch a new music program for sixth grade students at Parkside and, because the initiative has been a K-12 effort, support transportation, instrument, and other music program expenses at Capuchino.

The latest set of music education grants includes \$270,000 to the San Bruno Education Foundation to launch the new sixth grade music program at Parkside (\$150,000 in 2022-2023 and \$120,000 in 2023-2024). The grant funding has enabled the San Bruno Park School District to hire a dedicated sixth grade music teacher at Parkside and cover the teacher's compensation package for the 2022-2023 and 2023-2024 school years. SBCF's infusion of capital is boosting the middle school music program in ways that the district would not be able to do on its own. The grant also covers related program expenses, including purchasing and repairing instruments, sheet music, and other supplies for the sixth-grade music courses.

As part of the extension, the Capuchino High School music program has received a total of \$20,000 (\$10,000 each year over two school years). Despite the challenges the program has faced throughout the pandemic, student interest in band, orchestra, and chorus classes has continued to thrive, while the costs of properly supporting these students through instruction and performance have grown. The grant funds are boosting the high school music program by providing funding for transportation and other costs related to performances and competitions, replenishing the instrument supply, and instrumental/vocal sectional coaching.

SBCF disbursed the grant payments for the 2023-2024 school year – \$120,000 to the San Bruno Education Foundation and \$10,000 to the Capuchino High School Alumni Association – in August.

2. November 1 Report to the Board

On November 1, SBPSD Superintendent Matthew Duffy and San Bruno Education Foundation President Heather Latta will report on the district's music programs, including the sixth grade music program at Parkside. Capuchino High School Music Director Johnathan Hsu will provide an update on the Capuchino music program and its use of the grant funds.

SAN BRUNO

Community Foundation

Memorandum

DATE: October 27, 2023

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Report on SBPSD School Field Trip Grant

At its November 1, 2023, regular meeting, the Foundation Board will receive a report on the SBPSD School Field Trip Grant from San Bruno Park School District Superintendent Matthew Duffy.

1. Background: SBPSD School Field Trip Grant

In October 2022, the Board approved a \$35,000 grant to the San Bruno Park School District to support field trips and on-campus assemblies in the 2022-2023 school year. The grant reflected the Foundation's belief in the value of field trips for San Bruno's students—the chance to leave the school campus and be exposed to new experiences at museums, parks, concerts, and other community venues – especially after more than two years of the pandemic, during which youth faced mental health challenges with social distancing and isolation. The grant also offered some much-needed financial relief to the schools' parent-teacher organizations, which are often relied upon to fund these types of opportunities. Under the grant, \$5,000 was earmarked to support activities at each of the five elementary school and \$10,000 to support activities at Parkside Intermediate School.

Over the summer, the school district informed me that the schools had not expended all of the grant funds during the 2022-2023 school year, in part due to other grant funding for field trips with earlier expiration dates, and requested an extension to be able to use the remaining funds in the 2023-2024 school year. This fall, we executed an amendment to the grant agreement that (1) extends the end of the grant period to June 30, 2024, (b) amends the grant purposes to allow for funds to be spent through the 2023-2024 school year, and (c) amends the grant purposes to give the school district the discretion to distribute any remaining funds designated for Rollingwood Elementary School (which closed in June 2023) after the 2022-2023 school year to any other district school.

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2. November 1 Report to the Board

On November 1, SBPSD Superintendent Matt Duffy will update the Board on the ongoing implementation of the School Field Trip Grant, including how the schools utilized the grant funds in the 2022-2023 school year and their plans to use the funds in the current school year.

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Community Foundation

Memorandum

DATE: October 27, 2023

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Update on District Initiatives from the San Bruno Park School District and Resolution Creating and Appointing Members to the Ad Hoc Committee on SBPSD Strategic Initiatives

At its November 1, 2023, regular meeting, the Foundation Board will receive a report from San Bruno Park School District Superintendent Matthew Duffy.

As you know, the San Bruno Park School District is San Bruno's pre-K-8th grade public school district, which includes four elementary schools (Allen, Belle Air, John Muir, and Portola), and one intermediate school (Parkside). Superintendent Duffy's report will include an update on the district and an overview of key district initiatives, including some related to STEAM (science, technology, engineering, arts, and math) initiatives at the elementary schools and at Parkside, and to the athletic fields at various school sites, which the Foundation may have an interest in supporting.

The Board will then consider a resolution to create a new Ad Hoc Committee on SBPSD Strategic Initiatives to explore opportunities for the Foundation to support some of the school district's priority activities. Following this Board's usual process for evaluating potential strategic grant opportunities, I recommend that the Board adopt the attached resolution appointing an ad hoc, advisory committee to research and consider ways in which the Foundation could support various initiatives of the San Bruno Park School District and, as appropriate, return to the Board with possible strategic grantmaking proposals to support such efforts in 2024. The Committee would meet with representatives from the San Bruno Park School District to learn more about their plans to bolster STEAM curriculum and activities at all schools, efforts to improve the athletic fields on school district property, and other priority initiatives, and then, as appropriate, request one or more formal grant proposals and consider recommending to the Board, at a future Board meeting, strategic grants to support such proposals. If the Board adopts the resolution creating this Committee, such action would not commit the Foundation to support any projects financially. If the Committee were to eventually propose one or more strategic grants, the Board would need to take separate action to consider such proposals.

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Under the resolution, Board Member Irving Torres would chair the committee, and Secretary Raul Gomez and Board Member Supriya Perry would serve as committee members.

Attachment:

1. Resolution Creating and Appointing Members to the Ad Hoc Committee on SBPSD Strategic Initiatives

RESOLUTION NO. 2023-__

RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION CREATING AND APPOINTING MEMBERS TO THE AD HOC COMMITTEE ON SBPSD STRATEGIC INITIATIVES

WHEREAS, the San Bruno Community Foundation’s Program Strategy Framework establishes strategic grantmaking as one of the Foundation’s core program activities;

WHEREAS, the Board identified education activities among its strategic grantmaking priorities;

WHEREAS, the San Bruno Park School District is San Bruno’s pre-K-8th grade public school district;

WHEREAS, at the November 1, 2023 Board meeting, the leadership of the San Bruno Park School District identified a number of strategic priorities for the district, including but not limited to enhanced STEAM curriculum and activities and athletic field improvements, which the Foundation may be interested in supporting;

WHEREAS, the SBCF Board of Directors is interested in learning more about the San Bruno Park School District’s current strategic priorities and exploring how the Foundation could support such efforts.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby creates an Ad Hoc Committee on SBPSD Strategic Initiatives to research and consider ways in which the Foundation could support the San Bruno Park School District’s strategic initiatives and, as appropriate, assist the District in preparing one or more strategic grantmaking proposals for the Board to consider in 2024 to support such efforts; and

RESOLVED FURTHER, that the Board of Directors hereby appoints Board Member Irving Torres as chair and Secretary Raul Gomez and Board Member Supriya Perry as committee members.

Dated: November 1, 2023

ATTEST:

Raul Gomez, Secretary

I, Raul Gomez, Secretary, do hereby certify that the foregoing Resolution No. 2023-__ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this 1st day of November, 2023, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

SAN BRUNO

Community Foundation

Memorandum

DATE: October 27, 2023

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

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

At the November 1, 2023, Board meeting, I will give an update on the Community Grants Fund, Crestmoor Scholarship, and the Foundation's other strategic grants.

1. Community Grants Fund

a. 2023-2024 Cycle

As reported at the last Board meeting, the Foundation received 48 applications for Community Grants by the September 20 deadline. A volunteer review panel of 13 individuals (community members and/or individuals with experience in grantmaking and the nonprofit sector) is in the process of reviewing and rating the applications based on the five criteria set forth in the program guidelines:

- Benefits of the proposed program to the San Bruno community
- Proposal's alignment with one of the Foundation's focus areas
- Program methodology and budget
- Requested grant amount in relation to the anticipated community benefit
- Organizational track record, stability, and financial health

All panelists attended a review process training session in mid-October, and new members of the review panel received a diversity, equity, and inclusion (DEI) training, led by President Malissa Netane-Jones, which introduced the concept of cultural humility and encouraged panelists to follow a process of description, interpretation, and evaluation when reviewing the grant applications.

After independently reviewing the applications, the panel will meet to discuss the applications. With assistance of the Executive Director and Program Manager, the panel will ultimately make a recommendation on grant awards to the Board. The goal is for the Board to consider and approve grant awards at the December 6 Board meeting. With the \$100,000 donation from

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Google.org and YouTube announced over the summer, the Foundation plans to award grants totaling \$300,000 this cycle.

b. 2020-2021 Cycle

For the 2020-2021 grant cycle, the Capuchino High School Alumni Association received a \$24,451 grant to provide professional development training and participation in an Equity Summit, including implicit bias reflection and identification, training on anti-racist practices, and establishing equity goals, to Capuchino High School faculty. In September 2021, we amended the grant agreement to extend the grant period to August 31, 2022. The original plan was to hold the in-person Equity Summit in August 2021, but when the principal had to make a decision in April 2021 about holding the Summit, it was very unclear what the COVID situation would be at the start of the next school year. He strongly felt that the Equity Summit needed to be held in person, not over Zoom, and so he requested the extension in order to postpone the Equity Summit until August 2022.

During the 2021-2022 school year, the school district provided the Capuchino faculty with a considerable amount of diversity, equity, and inclusion training, and by the spring of 2022, the principal felt that having an Equity Summit with all teachers attending would not be most beneficial use of the grant funds. Instead, he proposed using the grant funds to support small teams of teachers working together on specific areas of focus related issues of equity and anti-racism, such as equitable grading practices, restorative practices, social emotional learning, and/or culturally responsive instruction, over the 2022-23 school year – activities consistent with the original idea of supporting DEI-focused professional development for the teachers, but in a different format. As a result, in June 2022, we amended the grant agreement a second time to (1) adjust the grant purposes to include a broader definition of diversity, equity, and inclusion training to be funded by the grant, and (2) extend the end of the grant period to June 30, 2023.

This fall, the current principal requested a third extension to the grant period. The transition to a new principal in the 2022-2023 school year, who was not fully aware of the timeline for the grant and was juggling several transitions in administrative leadership at the school, resulted in not all the grant funds being used last school year. After a year in the position, he now has a clear professional plan aligned with the school's equity imperative to activate in the current school year. In response to his request, SBCF and CHSAA executed a third amendment to the grant agreement, extending the conclusion of the grant period to June 30, 2024.

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2. Crestmoor Neighborhood Memorial 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. We are in the process of reviewing the program and at this time do not anticipate making any significant changes.

Program Manager Jessica Carrillo and I will soon begin working on updating the online application and developing new marketing materials. Staff will offer in-person workshops on the Scholarship and the application process at Capuchino High School and Skyline College as well as virtual workshops for those who attend other high schools or community colleges. The application deadline will be Tuesday, March 5, 2024.

3. Recreation and Aquatic Center

The City of San Bruno submitted the latest quarterly report for the Recreation and Aquatic Center (RAC) Grant #8 (Construction) in mid-October, and we paid out \$1,391,696.06, which was the remaining balance on the original construction grant amount. The \$1,500,000.00 balance on RAC Grant #8 is reserved for construction contingency, as needed.

The quarterly reports for RAC Grants #4 and #5 are due by October 31, 2023, and we will make those grant payments in early November. As shown in the table below, as of October 20, 2023, the Foundation has paid out a total of \$49,161,488.51 in RAC grant payments and has a balance of up to \$2,338,511.49 left to disburse.

RAC Grant #	For	Total Grant Amount	Total Grant Payments Made as of 10/20/2023	Balance to Pay
1	Conceptual Design	\$416,108.85	\$416,108.85	\$0.00
2	Architectural Services	\$5,420,388.00	\$5,420,388.00	\$0.00
3	Project & Construction Management Services	\$1,079,000.00	\$1,079,000.00	\$0.00
4	City Compliance Review	\$1,061,611.00	\$590,977.80	\$470,633.20
5	Temporary Facilities	\$375,000.00	\$96,841.94	\$278,158.06
6	Business Plan	\$60,000.00	\$60,000.00	\$0.00
7	Tom Lara Field Parking Lot	\$1,123,438.00	\$1,033,717.77	\$89,720.23
8	Construction	\$41,964,454.15	\$40,464,454.15	\$1,500,000.00
	TOTAL	\$51,500,000.00	\$49,161,488.51	\$2,338,511.49

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The City will provide its next quarterly RAC update to the Board at the Board's December meeting.

4. Other Strategic Grants

The Board will receive reports from the City of San Bruno on the grants funding the Centennial Plaza Improvement Project and Community Day at the December Board meeting.

SAN BRUNO

Community Foundation

Memorandum

DATE: October 27, 2023

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Discussion Regarding Upcoming Officer Elections for 2024 Term

The Foundation's Bylaws provide limited guidance related to the election of officers. Article VIII, Section 2, of the Bylaws states:

The officers of the Corporation, except the Executive Director and those appointed under Section 3 of this Article [meaning those other than the President, Vice President, Secretary, and Treasurer], shall be chosen annually by the Board for one-year terms starting on January 1 and shall serve at the pleasure of the Board, subject to the rights, if any, of any officer under any contract of employment, and subject to the approval of the City Council.

At its September 7, 2016, meeting, the Foundation Board adopted two documents – (1) San Bruno Community Foundation General Principles Regarding Election of Officers, and (2) San Bruno Community Foundation Process for Electing Officers – which now govern the Foundation's election of officers. Under the Process for Electing Officers:

Officer elections are held no later than the Board's regular November meeting, so that, per the Bylaws, the San Bruno City Council can consider and approve the officers by December 31. Prior to the making of nominations, the subject of elections will be agendaized to give Board members the opportunity to comment.

Per the Process for Electing Officers, a discussion of the election of officers for 2024 has been agendaized for the November 1, 2023, Board meeting, giving Board members the opportunity to comment on the elections prior to election, which will take place later on in the meeting. Board members will be able to ask questions and make comments related to the officer elections.

Attachments:

1. SBCF General Principles Regarding Election of Officers
2. SBCF Process for Electing Officers

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Community Foundation

General Principles Regarding Election of Officers

Approved by the Board of Directors, September 7, 2016

- All elections should be guided by the provisions contained in the Foundation's Bylaws and Articles of Incorporation or by any rules of procedure adopted by the Board of Directors.
- The skillset desirable for the President to possess to provide leadership and support for the evolving development of the Foundation includes:
 - Oral communication and meeting management skills to serve as the presiding officer
 - Interpersonal and communication skills to address the concerns of the public, City of San Bruno leaders, and Board members
 - Strong ties to the community and a demonstrated ability to hold the community in trust
 - Character and strong integrity
 - Reputation of fairness and transparency
 - Consideration of other viewpoints
 - Ability to collaborate and build consensus
- It is desirable for the Vice President to possess the skillset to perform the duties of the President as needed.
- The skillset desirable for the Treasurer to possess to support the Foundation's evolving finance and investment functions includes:
 - Professional experience in accounting, finance, business, and/or investment management
 - Strong ties to the community and a demonstrated ability to hold the community in trust
 - Character and strong integrity
 - Reputation of fairness and transparency
 - Consideration of other viewpoints
 - Ability to collaborate and build consensus
- The skillset desirable for the Secretary to possess to maintain the Foundation's records includes:
 - Strong writing skills and attention to detail
 - Strong ties to the community and a demonstrated ability to hold the community in trust
 - Character and strong integrity

- Reputation of fairness and transparency
 - Consideration of other viewpoints
 - Ability to collaborate and build consensus
- Officers of the organization should be able to commit the required time to fulfill their roles at the current stage of the Foundation's development.
- Officers should be able to meet their personal legal and fiduciary responsibility of serving as an officer.
- Officers should be nominated to serve as an officer only with their consent and expressed interest in serving and carrying out such responsibilities.

SAN BRUNO

Community Foundation

Process for Electing Officers

Approved by the Board of Directors, September 7, 2016

1. Terms of Officers

The terms of offices are defined in the Bylaws (“shall be chosen annually by the Board for one-year terms starting on January 1”).

2. Officers to be Elected

Per the Bylaws, the following officers shall be elected by the Board of Directors, in the following order:

- President
- Vice President
- Secretary
- Treasurer

3. Scheduling of Officer Elections

Officer elections are held no later than the Board’s regular November meeting, so that, per the Bylaws, the San Bruno City Council can consider and approve the officers by December 31. Prior to the making of nominations, the subject of elections will be agendized to give Board members the opportunity to comment.

4. Nominations

Nominations, including self-nominations, for each office are made orally at the meeting. A nomination must receive a second prior to any vote on that nomination. A Director nominated for an office may decline the nomination, even if the nomination has been seconded. Nominations are taken for each office individually, following the order in Section 2 above.

A candidate who is not elected for an office may be nominated for a different office.

5. Voting

The Board will take nominations and vote in turn for each office in the order specified in Section 2. If there is more than one candidate for an office, the Secretary shall conduct a roll-call vote, with each Director casting his/her vote for one candidate. To be elected, a candidate must receive votes from a majority of Directors participating in the meeting.

6. Record of the Election

The minutes of the Board meeting at which the election occurred shall record the candidates nominated for each position and the elected candidate.

7. Process for Filling a Mid-Term Vacancy

In the event that the office of the President becomes vacant prior to the completion of the current term, the Vice President will assume the Presidency for the remainder of the term. In the event of a vacancy of the any other office, the elections process as outlined in Sections 4-6 above will be implemented immediately to fill the position.

SAN BRUNO

Community Foundation

Memorandum

DATE: October 27, 2023

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Election of Officers for 2024

The San Bruno Community Foundation has four elected officers: President, Vice President, Secretary, and Treasurer. Article VIII, Section 2, of the Bylaws states:

The officers of the Corporation, except the Executive Director and those appointed under Section 3 of this Article [meaning those other than the President, Vice President, Secretary, and Treasurer], shall be chosen annually by the Board for one-year terms starting on January 1 and shall serve at the pleasure of the Board, subject to the rights, if any, of any officer under any contract of employment, and subject to the approval of the City Council.

At its September 7, 2016, meeting, the Foundation Board adopted two documents – (1) San Bruno Community Foundation General Principles Regarding Election of Officers, and (2) San Bruno Community Foundation Process for Electing Officers – which now govern the Foundation’s election of officers.

Under the Process for Electing Officers:

Officer elections are held no later than the Board’s regular November meeting, so that, per the Bylaws, the San Bruno City Council can consider and approve the officers by December 31. Prior to the making of nominations, the subject of elections will be agendaized to give Board members the opportunity to comment.

Under the process, the officers shall be elected by the Board of Directors, in the following order:

- President
- Vice President
- Secretary
- Treasurer

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Community Foundation

Memorandum

Nominations, including self-nominations, for an office are made orally at the meeting. A nomination must receive a second prior to any vote on that nomination. A Director nominated for an office may decline the nomination, even if the nomination has been seconded. After nominations for a particular office are taken, the Board is to take a vote. If there is more than one candidate for an office, the Secretary shall conduct a roll-call vote, with each Director casting his/her vote for one candidate. To be elected, a candidate must receive votes from a majority of Directors participating in the meeting.

Following this process, officer elections for 2024 will take place at the Board's November 1, 2023, Regular Meeting. The City Council will consider approving the slate of elected officers for 2024, which will likely take place at the Council's December 12, 2023, Regular Meeting.

SAN BRUNO

Community Foundation

Memorandum

DATE: October 27, 2023

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Strategic Planning Study Session

At the November 1, 2023, regular Board meeting, the Board will have a strategic planning study session. This session will primarily be a recap of the strategic planning process the Board conducted in 2021, as a refresher for three Board members who participated in the 2021 process and to educate the four Board members who joined the Board since then. This session will set the stage for the Board's strategic planning deliberations in 2024.

1. 2021 Strategic Planning Process

In 2019, the Board expressed a desire to begin a new strategic planning process on the future of the Foundation once the Foundation has fully disbursed \$50 million to the City of San Bruno for the design and construction of a new Recreation and Aquatic Center for the San Bruno community. In January 2020, the Board created the Ad Hoc Committee on Strategic Planning, charged with leading a strategic planning process for the Foundation's next phase.

In the second half of 2020, at the suggestion of the Ad Hoc Committee, the Board embarked on a three-part strategic planning process that launched at the end of December:

- Diversity, equity, and inclusion (DEI) training for the Board to examine internal biases/leanings and adopt practices that promote diversity, equity, and inclusion in the Foundation's decision-making processes and communications.
- Community listening campaign 2.0 to solicit from members of the San Bruno community feedback on the Foundation's programs thus far and input on current community needs and a vision for the Foundation going forward.
- Strategic planning deliberations by the Board to develop a forward-looking plan articulating the Foundation's program and investment strategies once its investment portfolio decreases after the Recreation and Aquatic Center is funded, its role in the community, and the size and scope of its ongoing operations.

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The DEI component included an exploration of DEI concepts and what it means for a community foundation to be DEI-focused at two Board study sessions in January and February, individual self-inventory assessments, and individual meetings with the Foundations' DEI consultant, Dr. Rona Halualani of Halualani & Associates.

With the Board's approval, in December 2020 the Foundation contracted with the Public Dialogue Consortium (PDC) to manage the community listening campaign and strategic planning components. PDC is the firm that conducted the Foundation's original community listening campaign in 2015. With three main components – an online survey open to the entire community, seven focus groups by invitation, and two virtual town hall meetings – Community Listening Campaign 2.0 launched in February and concluded in late April of 2021.

From May to July 2021, the Board participated in series of strategic planning study sessions informed by the information gathered through the DEI training and Community Listening Campaign 2.0. The first study session, in May 2021, included two substantive presentations: (a) a presentation by PDC Consultants Shawn Spano and Jennifer Mair on the findings of Community Listening Campaign 2.0, and (b) a presentation by Kristin Sun of Sand Hill Global Advisors, LLC, SBCF's investment management firm, on quasi-endowment scenarios. Dr. Spano presented PDC's report documenting the community input received throughout Community Listening Campaign 2.0, including appreciations, process recommendations, and input on current community needs, investment strategies, and program strategies. Ms. Sun covered the reasons why the Foundation might want to set aside funds as a quasi-endowment, the potential trade-offs between putting funds in a quasi-endowment and designating funds for near-term one-time expenditures, key principles in understanding endowments, the assumptions built into the quasi-endowment scenario model, the benefits of a smoothing formula, and, most important, sample quasi-endowment payout scenarios.

The Board's second strategic planning session in June 2021 was led by Dr. Spano and focused on the Foundation's investment strategy going forward. First, the Board reviewed and affirmed the Foundation's purpose statement, vision statement, mission statement, guiding principles, funding criteria, including focus areas, and "three bucket" program strategy.

Dr. Spano then reviewed the Community Needs identified in the Foundation's Community Listening Campaign 2.0, highlighting the proposed ideas likely to cost at least \$1 million.

The Board discussed and considered one of the process recommendations from Listening Campaign 2.0 to "Actively Attract Additional Funds" through fundraising, grants, and corporate donations. Dr. Spano noted the Foundation's current program focused business model and the projected costs of transitioning to a model that is both program and fund development

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focused, which would likely require the hiring of a development director. In agreeing to stay with the current program-focused model, Board members noted the Board's original decision not to fundraise to avoid competing with other local nonprofits, the costs of building up a fundraising operation, and the fact that the City might be better positioned to fundraise than the Foundation.

The Board then reviewed the results from Listening Campaign 2.0 on the community's views of the investment strategy, the 2021-22 budget breakdown, and strategic grants that have been awarded by year for background and context. Ms. Sun presented sample spending scenarios for a quasi-endowment that continues on in perpetuity and one that is spent down over 25 years.

Dr. Spano led a discussion of the pros and cons of each of three main options:

- Spend all of the remaining funds in the near-to-mid term (within the next five years or sooner)
- Spend down remaining funds over the next 25 years (with the option to spend some portion of the funds in the near term)
- Follow an endowment model, under which the Foundation is sustained in perpetuity using investment income so that the purchasing power of the principal is maintained (with the option to spend some portion of the funds in the near term)

The Board engaged in an extensive discussion of the possible investment strategies, including the time horizon and starting investment principal. No Board member favored the endowment-in-perpetuity strategy, as several Board members noted the modest annual budgets allowed by that model. A majority of the Board preferred a 25-year time horizon as a flexible approach, with the qualification that it will be assessed regularly and changed depending on emerging circumstances. Board members expressed interest in exploring a shorter time horizon, such as 15 or 20 years, and Ms. Sun agreed to run those scenarios for the Board to consider. One Board member proposed no longer than a five-year horizon, with the Foundation investing significantly in the community in the short term. Some Board members noted the importance of the Community Grants Fund and Crestmoor Scholarship program, while others emphasized the impact of strategic grants in addressing community needs. The Board agreed to revisit the investment strategy question at its next study session.

At the third strategic planning session in July 2021, again facilitated by Dr. Spano, the Board considered other process recommendations from the Listening Campaign to ensure diversity of the Board as well as of decisionmakers for grants and scholarships, to broaden outreach and engagement to increase visibility, awareness, and transparency of the Foundation's work, and

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Community Foundation

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to continue to invest wisely to ensure broad community benefits. The Board agreed to continue to prioritize diversity – broadly defined to include experience, skills sets, and demographics – in the makeup of its Board and review panels. The Board also voiced support for continuing its current staff-driven communications model, with input and support from the Board as needed.

After Dr. Spano reviewed the Board's investment strategy discussion from the second strategic planning session in June, Ms. Sun presented sample spending scenarios for a quasi-endowment that is spent down over 15, 20, and 25 years. After considerable discussion of the possible investment strategies, the Board tentatively reached consensus on a 20-year time horizon with a starting endowment size of \$25 million, which would allow for an ongoing annual budget of approximately \$1.7 million and the likely opportunity to spend at least \$5 million outright on larger strategic initiatives. The Board also expressed a preference for the Foundation to revisit the investment strategy on a regular basis (at least every five years). The Board tasked the Investment Committee with reviewing the proposed strategy in light of the current Investment Policy Statement and expressed a desire to formally approve a final strategy through resolution at a future Board meeting.

At its August 2021, meeting, the Investment Committee discussed the investment strategy proposal under consideration as part of the strategic planning process. The Committee and the Sand Hill team found the Board's approach to be a reasonable strategy focused on ensuring the Foundation continues to make a meaningful impact in San Bruno, rather than on continuing in perpetuity. Given that the Board seemed more concerned about sustaining an annual budget that allows for meaningful community investment, rather than existing for a precise number of years, the Committee recommended that, in describing the strategy, the Board call for a \$1.7 million annual payout, adjusted for inflation, which may allow the Foundation to continue for approximately 20 more years. Since the \$1.7 million figure appears to be somewhat discretionary, based on the spending scenarios Ms. Sun had run for the Board, the Committee discussed whether it might make more sense to round the target to a cleaner number like \$1.75 million, \$1.8 million, or even a maximum of \$2 million, which would also future Board some flexibility in setting the annual budget in a given year based on community needs at that time.

In addition, the Committee noted that in the first year under the new strategy, the payout would likely be under the 7% maximum quasi-endowment payout under the current Investment Policy Statement (IPS), but that future payouts may exceed the maximum and require revisions to the IPS.

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2. Strategic Plan 2.0

In September 2021, the Board formally endorsed Strategic Plan 2.0, which is attached to this memorandum. The Strategic Plan covers three areas – program strategy, investment strategy, and operations – as summarized below:

a. Program Strategy

The Board reaffirmed the Foundation’s Program Strategy Framework, as originally approved in 2015, including the Foundation’s purpose, vision, and mission statements, guiding principles, funding criteria, and program categories. In particular, the Board reaffirmed the Foundation’s three-bucket program strategy:

- Crestmoor Neighborhood Memorial Scholarship (Foundation-run program)
- Community Grants Fund (responsive grantmaking)
- Strategic Grants (strategic grantmaking)

b. Investment Strategy

The Board decided that once the Foundation has fully disbursed the \$50 million in RAC grants to the City, the Foundation will update its investment strategy as follows:

- Quasi-Endowment starting balance: \$25 million
- Annual Quasi-Endowment payout target: \$1.75 million, adjusted annually for inflation
- Quasi-Endowment spend-down time horizon: Approximately 20 years
- Strategy formally revisited by the Board: At least once every five years

c. Operations

As part of the Strategic Plan, the Board committed to the following operational actions:

- Maintain current program-focused business model
- Ensure diversity in the composition of the Board of Directors and Grant and Scholarship Review Panels
- Increase visibility and awareness of the Foundation’s programs, spending decisions, and program results
- Continue to invest wisely to ensure broad community benefits

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- Continue current process for developing annual budget
- Create ad hoc committee to identify strategic grantmaking priorities and assess potential strategic grant opportunities

3. Post-Adoption of Strategic Plan 2.0

In September 2021, the Board also created the Ad Hoc Committee on Program Development, charged with reviewing the community needs and program ideas identified in Community Listening Campaign 2.0, recommending to the Board priority areas for both larger (at least \$1 million) and smaller (under \$1 million) Strategic Grants, and assessing proposals and opportunities for Strategic Grants in the near- and mid-term.

The Committee's first order of business was revisiting the strategic grantmaking criteria and priorities set forth in 2015 and discussed revisions to them in light of the recent Community Listening Campaign 2.0. The Committee suggested several relatively minor changes, and in December 2021, the Board approved the updated strategic grantmaking criteria and priorities, as follows:

- Criteria for Identifying Strategic Grantmaking Opportunities:
 - Brings added benefits and amenities to the San Bruno community
 - Broad community benefits, affecting large segments of the community
 - Inclusive and equitable community benefits that support and reflect San Bruno's diversity
 - Responsive to community input received during Community Listening Campaign
 - High impact – Foundation support can make a meaningful difference
 - Augments City programs and services or improves community facilities
- Strategic Grantmaking Priorities (in no particular order)
 - Library upgrades and programming
 - Athletic field and park improvements
 - Education
 - Social and human services
 - Community-building
 - Community health, safety, and wellness
 - Economic vitality
 - Youth and recreation activities

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The Committee also discussed various strategic grantmaking concepts for the Foundation to consider pursuing and developing into initiatives to fund in 2022, including:

- Teacher grants and other education-related initiatives
- Programs to ensure that recreational opportunities are inclusive and accessible to all in San Bruno
- Library enhancements and programming
- Diversity and cultural arts programming and services
- Community safety and wellness programming and services

Moreover, the Committee recommended that the Foundation's Board of Directors create an ad hoc committee to investigate ways in which the Foundation can support San Bruno's K-12 public schools, recognizing the challenges created by the transition in leadership in the San Bruno Park School District at that time. The Board created the new Ad Hoc Committee on Education Initiatives in January 2022. That ad hoc committee ultimately recommended – and the Board approved – two additional years of funding (totaling \$290,000) for the Music Education Strategic Initiative, to jump start a new sixth grade music program at Parkside Intermediate School and to continue supporting the Capuchino High School music program. The committee also surveyed the parent-teacher organizations at the San Bruno Park School District schools, which led to the Board approving a \$35,000 grant to fund field trips and assemblies at all district schools.

Other strategic grants awarded in 2022 included an additional \$50,000 for the Tanforan Memorial project, as recommended by the Ad Hoc Committee on Tanforan Memorial; \$30,000 for Community Day 2022, as recommended by the Ad Hoc Committee on Program Development; \$500,000 for the Centennial Plaza Improvement Project, as recommended by the Ad Hoc Committee on Centennial Plaza Improvement Project; and \$30,000 for Community Day 2023 (event was postponed and the grant has not been paid out). In addition, in 2023, at the City's request, the Board approved an additional \$1.5 million for the Recreation and Aquatic Center construction grant, to be used only if necessary for construction contingency. Since the beginning of 2022, the Board has approved strategic grants totaling \$2,435,000.

The Foundation also further considered opportunities for fund development as part of its future strategy. In the fall of 2021, in adopting Strategic Plan 2.0, the SBCF Board committed in the near term to maintaining the organization's program-focused business plan. In doing so, Board members noted the Board's original decision not to fundraise to avoid competing with other local nonprofits, the costs of building up a fundraising operation, and the belief that the City and other grantees might be better positioned to fundraise than the Foundation.

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In April 2022, at the San Bruno City Council's request, SBCF President Malissa Netane-Jones and Dr. Shawn Spano of the Public Dialogue Consortium (PDC) made a presentation to the Council on the results of Community Listening Campaign 2.0 and the strategic planning process. Subsequent to that presentation, the City Council, at the request of then-Vice Mayor Linda Mason, requested that the Foundation "reconsider [our] priorities to include...(2) Active fundraising since the community ranked it number 4 as a process recommendation from members of the San Bruno community and it is not listed as a San Bruno Community Foundation Priority."

Concurrently, President Netane-Jones and I both believed that in order for the Board to further consider the possibility of building up a fund development operation, a high-level analysis of SBCF's fundraising potential (what it could realistically raise on an annual basis) and the projected cost of implementing an active fundraising operation, including hiring fund development staff, would be extremely beneficial. SBCF is a very leanly staffed organization, ramping up a fundraising operation is not inexpensive, and the costs of fundraising must be weighed against the realistic expectations of how much money the Foundation could raise on an annual basis.

We engaged with the Partnership Resources Group to provide high-level fundraising analysis and strategic guidance to assist the Board and staff in considering whether to develop a proactive fundraising program for the Foundation after the Foundation has fully disbursed the RAC grants. The PRG team explored the following questions:

- What is the potential for fundraising to add to the Foundation's corpus and/or to raise operating funds on an annual basis, and what is enough to justify the effort?
- What are the fundraising-related best practices of a community-based foundation tied to a local City?
- How may donors think about giving to a foundation versus directly to the organizations it supports? What is the unique value proposition that the Foundation brings to the table? Should the Foundation focus more on project-based funding or more general?
- How would the Foundation best organize itself internally and what kind of staff and leadership would be needed to be successful? Is there enough ROI?

In February 2023, PRG representatives Elliot Levin and Melissa Irish summarized the firm's analysis and key findings, as documented in a written report. They highlighted the key findings as the following:

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- SBCF has a strong track-record of putting its assets to use since establishment, creating “standing” in the community.
- There are indicators of untapped and under-tapped wealth in San Bruno from individuals and companies but giving capacity is only part of the equation.
- The purpose of additional fundraising must be defined by identifying needs and solutions as a precursor to assessing what fundraising is possible.
- Fundraising feasibility assessment by engaging potential donor prospects is necessary to accurately measure what can be raised by the Foundation.
- The Foundation can play a valuable role as a convener and can build on this role to generate and direct future funds.
- The Foundation’s ability to raise charitable funds is diminished if perceived to be merely a fundraising arm of the City.
- Time and money would have to be invested to launch a fundraising effort, including hiring development staff and dedicating 30-40% of the executive director’s time to fundraising.

Mr. Levin and Ms. Irish also identified possible next steps as conducting a feasibility study to understand the interest and inclination of potential individual and institutional donors to give, considering a planned giving program, continuing to be a channel for funding from institutions, and developing funding collaboratives with regional partners to address issues of common concern.

The Board discussed the fundraising analysis and possible next steps. The Board declined to move forward with specific plans for a fundraising program, but Board members agreed that the issue merits further discussion and analysis before making any decisions about starting a fundraising program and that the Board should not rush such a decision.

4. Revisiting the Post-RAC Strategic Plan 2.0

It has been more than two years since the Board adopted Strategic Plan 2.0, and now that all RAC grants are likely to be paid out in the current fiscal year, the Board will revisit Strategic Plan 2.0 in light of current circumstances and a more accurate projection of the Foundation’s assets. In 2021, there were no major projects that the City was undertaking that might have led the Board to more seriously consider the option of funding another significant capital project using most or all of the remaining funds post-RAC. This fall, the City conducted a community survey regarding community needs, including but not limited to a new fire station, a new library, and athletic field improvements, and community support for funding such needs. The results of the survey will be shared with the City Council and public later this year and may motivate the City

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to undertake some significant projects that the Foundation might be interested in supporting. In addition, the new San Bruno Park Superintendent will be sharing the district's priority initiatives, which the Foundation may also want to support.

As of September 30, 2023, the Foundation's total net assets are \$26,130,313. By the end of the 2023-2024 fiscal year, the Foundation will likely have total net assets around \$25 million. Assuming all (or nearly all) RAC grant payments are disbursed by the end of the current fiscal year, it would make sense for adjusted program and investment strategies to take effect in the 2024-2025 fiscal year.

As a result, we are launching further strategic planning deliberations on November 1. As mentioned earlier, the first session will primarily be a recap of Strategic Plan 2.0 and the Foundation's subsequent actions, which I will lead, to ensure that all Board members are fully educated on the Board's past decisions and deliberations. In addition, Kristin Sun of Sand Hill Global Advisors will review the quasi-endowment scenarios the Board considered in 2021, with updated assumptions and options.

One of the fundamental questions the Board tackled in 2021 and will revisit in 2024 is whether (a) to spend down the remaining funds in the short term (particularly on one or a small number of larger "legacy" projects), (b) to treat the funds as an endowment with investment income fueling the Foundation's work over the long term (either in perpetuity or for some extended period of time (*e.g.*, 20 years), or (c) to pursue a combination of the two (spend a portion of the funds in the short term on immediate community needs, while preserving the balance of the funds as endowment to support the long-term continuation of the Foundation).

In the fall of 2015, Mark Hayes, Ph.D. – who is a partner at MAP Energy, an investment firm that focuses on natural gas and renewable energy assets, a former managing director of the Stanford Management Company, the investing arm that manages Stanford University's endowment portfolio, and a member of SBCF's Investment Committee – provided the Board with a primer on endowments and a model demonstrating various scenarios in which a different portion of the restitution funds is treated as quasi-endowment. Coupled with the results of the 2015 Listening Campaign, Dr. Hayes' presentation and guidance contributed to the Board's decision to set aside \$15 million as quasi-endowment – with the goal of using investment income to fund the Crestmoor Scholarship and Community Grants Fund programs in the near term and to fund all program and operational expenses over the long term once the other funds have been exhausted – and make \$55 million available to be spent outright in the near-to-medium term on immediate community needs, including at least one major community facility project.

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An endowment is designed to keep the principal amount intact, while using investment income for specifically designated charitable purposes. A true endowment is established at the direction of the donor and must be maintained inviolate and held in perpetuity. None of the Foundation's restitution funds are legally designated as endowment, and, therefore, the funds would not be considered a true endowment. The Foundation has no legal obligation to treat any portion of the funds as an endowment and could spend its entire investment portfolio in the short term. However, one strategy for leveraging the funds and providing ongoing benefits is to treat all or a portion of the restitution funds as a quasi-endowment (sometimes also referred to as "funds functioning as endowment," or "FFE") that is invested following a long-term investment strategy. Legally, the principal of a quasi-endowment can be withdrawn and spent at any time, but the quasi-endowment is established to reap the benefits of long-term investment potential and should not be set up if frequent withdrawals are needed.

On November 1, Ms. Sun will review the reasons why the Foundation might want to set aside funds as a quasi-endowment, the potential trade-offs between putting funds in a quasi-endowment and designating funds for near-term one-time expenditures, key principles in understanding endowments, the assumptions built into the quasi-endowment scenario model, sample quasi-endowment payout scenarios, and the benefits of a smoothing formula.

Subsequent strategic planning study sessions in early 2024 will enable the Board to discuss and consider various options for amending Strategic Plan 2.0, possible projects for significant investments (legacy projects like the RAC), and, ultimately, to confirm or amend the Foundation's post-RAC program and investment strategies.

Attachments:

1. SBCF Community Listening Campaign Final Report, June 29, 2015
2. SBCF Program Strategy Framework, as adopted by the SBCF Board on October 7, 2015, and approved by the San Bruno City Council on November 10, 2015
3. SBCF Investment Policy Statement, as adopted by the SBCF Board on April 6, 2016, and approved by the San Bruno City Council on April 26, 2016
4. SBCF Listening Campaign 2.0 Final Report, May 2021
5. Strategic Plan 2.0, as adopted by the SBCF Board on September 1, 2021

San Bruno Community Foundation Community Listening Campaign

Final Report

If you had \$70 million to benefit San Bruno, how would you spend it?



Now is YOUR chance to offer suggestions on how the San Bruno Community Foundation can thoughtfully and effectively use \$70 million to benefit the entire San Bruno community over the long term.



Compiled by
The Public Dialogue Consortium

June 29, 2015

SAN BRUNO
Community Foundation

Si usted tuviera \$70 millones para ayudar a San Bruno, ¿cómo los invertiría?



Ahora es SU oportunidad para ofrecernos sugerencias de cómo la Fundación de la Comunidad de San Bruno puede utilizar cuidadosa y efectivamente \$70 millones para beneficiar a toda la comunidad a largo plazo.

La Fundación de la Comunidad de San Bruno (SBCF) fue establecida por la alcaldía para supervisar \$70 millones en fondos de reembolsos resultantes de la devastadora explosión del oleoducto ocurrida en nuestra ciudad en el 2010. La Fundación quiere **oír de la comunidad** antes de tomar decisiones de inversión.

Necesitamos SU voz en esta conversación. Diganos sus ideas. Conozca la opinión de las otras personas de la comunidad.

Así es como puede participar:

ASISTA A UNA REUNION EN LA ALCALDIA

Seleccione la que sea más conveniente para usted.

6:30-8:30 p.m.	Lunes, 11 de Mayo Capuchino High School Cafeteria, 1501 Magnolia Avenue
Refrigerios. No necesita reservación.	Jueves, 28 de Mayo Belle Air Elementary School, 450 3rd Avenue
Las reuniones serán facilitadas por el Public Dialogue Consortium en representación de la Fundación de la Comunidad de San Bruno.	Miércoles, 3 de Junio San Bruno Senior Center, 1555 Crystal Springs Road

Se habla Español.

PARTICIPE EN LÍNEA

No puede asistir a la reunión? También puede darnos su opinión haciendo una encuesta en línea o participando en a nuestro panel de discusión en www.SBCFListens.com

La fecha límite para completar la encuesta es el 12 de Junio. Las copias impresas de la encuesta se pueden recoger y entregar en la Alcaldía de San Bruno (San Bruno City Hall), la Biblioteca, el Centro de Recreación y el Centro para Personas de la Tercera Edad (Senior Center).

SUS IDEAS IMPORTAN. ¡QUEREMOS ESCUCHAR DE USTED!



Overview

The San Bruno Community Foundation (SBCF), along with Public Dialogue Consortium (PDC), conducted a Community Listening Campaign from late April to mid-June 2015. The purpose of the Campaign was to engage the public in conversations related to the assets and needs of the San Bruno community, and to hear the public's ideas for how to allocate the nearly \$70 million dollars in restitution funds from PG&E for the benefit of the entire community.

The two months of intensive public outreach and engagement included one-on-one community conversations, focus groups, large town hall conversations, an online survey and participation platform, and a written survey. Each of these outreach and engagement activities was organized around a common set of questions that enabled community members to express a wide range of views and perspectives, while also providing the SBCF Board of Directors with focused responses related to allocating the restitution funds.

An analysis of the responses reveals that community members expressed a number of dominant themes regarding the assets and needs of their community, and how they would like to see the restitution funds allocated to meet those needs. These themes emerged clearly from the responses, indicating a fairly stable and consistent set of ideas and suggestions that cut across each of the engagement activities. This report summarizes these themes as well as the overall outreach and engagement effort, while also including some of the more distinct and unique ideas that were expressed.

Background

Consequent to the devastating 2010 gas pipeline explosion in San Bruno's Crestmoor neighborhood, the Mayor, City Council, and City leaders pursued a restitution settlement from PG&E to be used to benefit the entire San Bruno community. Their efforts resulted in a \$70 million fund to be managed by a new nonprofit foundation.

In 2013, the City Council created the SBCF, adopted Foundation Bylaws defining the mission and scope of the Foundation, and appointed a seven-member volunteer Board of Directors entrusted to manage the fund and oversee the organization. The Council defined the primary purpose of the Foundation as being "to benefit the San Bruno community through enduring and significant contributions to, and investments in, charitable and community programs, and publicly owned community facilities over the long term."

As a supporting organization to the City Council, the Foundation is required to operate under the provisions of the Brown Act. All Board meetings are open to the public, and meeting agendas, minutes, and reports are posted on the City's website. Further, the Council maintains a number of reserved powers over the Foundation, including approving the Foundation's annual budget and the grant and investment policies.

The Board members assumed their appointed roles in late 2013 and began the task of acquiring official nonprofit status for the Foundation and adopting policies and procedures to govern its operations.

In 2014, the Board conducted a nationwide search for the Foundation's first Executive Director. Leslie Hatamiya joined the Foundation in February 2015 and serves as its only employee.

As the first stage in its strategic planning process, in late April 2015 the Foundation launched the Community Listening Campaign to give members of the San Bruno community the opportunity to share their thoughts and ideas about how to use the \$70 million to benefit the entire San Bruno community prior to the Board making any decisions about program or investment strategy. The Foundation engaged the services of the PDC to design, implement, and facilitate the campaign.

The following principles underscored all aspects of the Community Listening Campaign:

- The Foundation has no preconceived ideas about how to spend the money.
- The feedback from the community will help inform the Board as it deliberates the development of investment and grant-making strategies.
- The Foundation's Purpose Statement, which is referenced above, guides the Listening Campaign's engagement with the community.

Engagement Approach

To meaningfully engage as many San Bruno community members as possible, the Board approved a multi-pronged approach that included mailing an announcement of the process, including dates of meetings, to every address in San Bruno; distributing flyers throughout the community; and conducting community conversations, focus groups, town hall conversations, and an online and written survey. PDC formulated the outreach and engagement questions used throughout the campaign to elicit both broad and specific community input designed to help the Foundation Board decide how to utilize the funds.

The same set of questions was used across all of the engagement activities. These questions were developed using a tiered approach, starting with an appreciative question designed to elicit community assets and resources (Question 1). The second question built on the first question, while eliciting a different set of responses that served as a bridge between community assets and needs (Question 2). The next question asked directly about community needs, with a follow-up probe designed to encourage participants to elaborate and expand on their initial responses (Question 3). These three questions established a foundation for the final question, which asked participants for specific ideas and suggestions for allocating the funds in ways that would address the community's needs (Question 4).

The four questions used in each of the engagement activities were:

- 1) *What are some of things that you like most about San Bruno?*
- 2) *What do you think would make San Bruno even better?*
- 3) *What needs do you see in San Bruno? Why they are important?*
- 4) *What kinds of projects or services do you think would address those needs?*

Engagement Activities

The Listening Campaign consisted of a robust engagement strategy involving four distinct yet parallel activities.

Community Conversations: These Conversations, which took the form of one-on-one interviews, were conducted at three San Bruno community events, each of which was open to the public. Members of the PDC team attended the events and gently approached participants to ask if they would be willing to answer questions about the restitution fund. SBCF Board members and the Executive Director were present, but not in an interviewing capacity. PDC team members recorded responses on clipboards. Approximately 200 participants engaged in Community Conversations at these events:

1. American Legion Breakfast (April 25)
2. Operation Clean Sweep (May 2)
3. Annual Posy Parade (June 7)

Focus Groups: The Foundation organized seven Focus Groups targeting varying demographics and affinity groups in San Bruno. The Focus Groups were facilitated and recorded by members of the PDC team. SBCF Board members and the Executive Director were in attendance but did not participate. The Focus Groups mirrored the community conversations with the exception that they were conducted with a group of 9-14 people rather than in a one-on-one format. Approximately 100 participants engaged in these targeted group discussions:

1. Teenagers and young adults (May 8)
2. Latino community members, conducted in Spanish (May 13)
3. Business community members (May 19)
4. Crestmoor neighborhood residents (May 26)
5. Parents of San Bruno youth (June 2)
6. Sports, recreation, and youth activities leaders (June 10)
7. Longtime San Bruno residents (June 10)

Town Hall Conversations: Three Town Hall Conversations were conducted at different locations in the City on different days of the week. Like the Community Conversations, these events were open to the public. SBCF Board members, the Executive Director, City Councilmembers, the City Manager, and the City Attorney attended but did not participate. Each Town Hall began with a welcome from San Bruno Mayor Jim Ruane and a brief overview of the Listening Campaign by a member of the PDC team. The large group was then divided into small group discussions, which were facilitated and recorded by PDC team members. Each small group then identified a community member to report out to the entire room. Overall, approximately 300 people participated in these three Town Hall Conversations, which were held at:

1. Capuchino High School (May 11)
2. Belle Air Elementary School (May 28)
3. San Bruno Senior Center (June 3)

Surveys: A survey was developed to enable community members to respond individually to the engagement questions and voice their ideas. At www.SBCFListens.com, residents were invited to participate in an online discussion via the MySidewalk platform or to take an online survey (created using SurveyMonkey). Hard copies of surveys were available at various locations in the City, including San Bruno City Hall, the San Bruno Senior Center, the San Bruno Recreation Center, and the San Bruno Public Library. Approximately 450 community members participated in the survey or on the online discussion board.

Recruitment and Participation

In order to recruit community members to participate in one or more of the engagement activities, the Foundation developed and mailed a postcard announcing the Listening Campaign to every address in San Bruno. In addition, a flyer in both English and Spanish, was disseminated widely throughout the City and at each of the engagement activities (see Spanish-language version on the cover of this Report). Further outreach included a formal press release from the Foundation to the media resulting in several articles, a televised news report, and radio coverage of the campaign. Additionally, the Foundation's Executive Director and individual Board members personally invited individuals and various community groups to participate. As a result of these comprehensive efforts

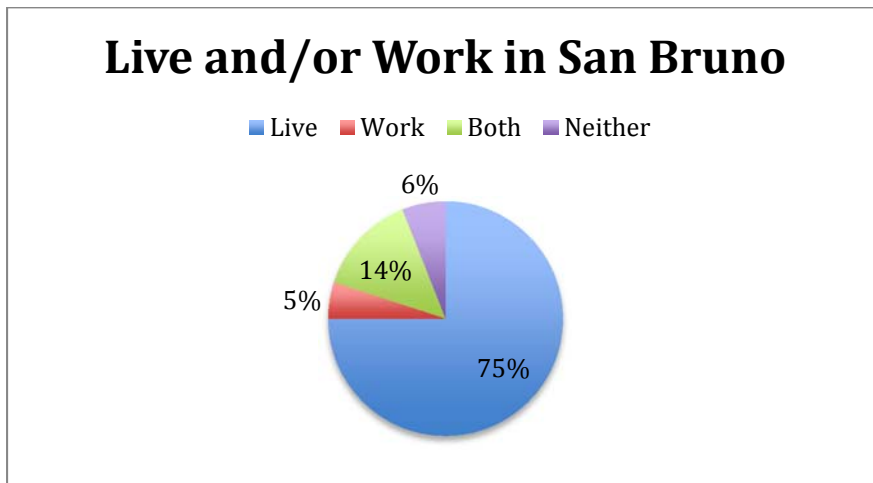
by the Foundation, the engagement of the community in the Listening Campaign was enormously successful.

In total, approximately 1,050 community members participated during the two-month Listening Campaign. In PDC's experience, this high level of participation reflects a well-publicized and thoughtful Listening Campaign. It also speaks positively to the commitment and willingness of community members to participate.

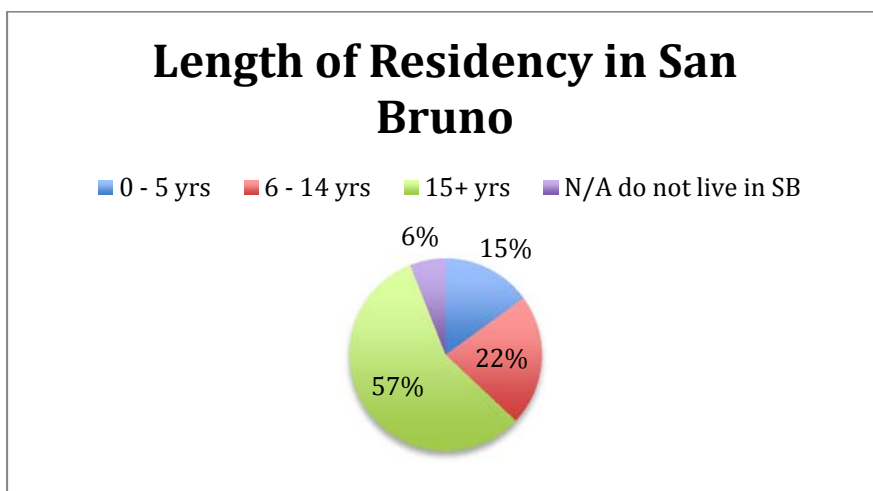
Participant Demographics

In addition to attracting a large number of participants, the Listening Campaign was successful in engaging a cross-section of community members in terms of length of residency, location of residency, age, gender, and ethnicity. This information was obtained from a demographic sheet that participants were asked to fill out at each of the engagement activities. A breakdown of participant demographics is as follows:

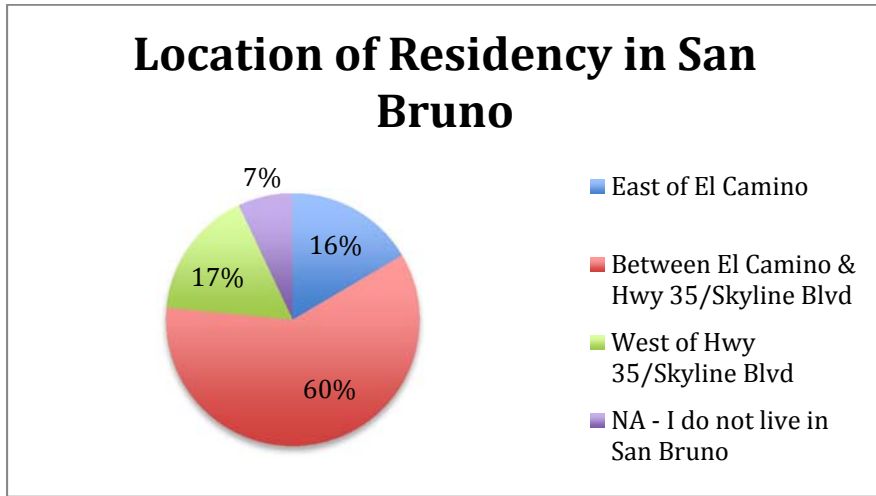
Percentage of Participants who Live and/or Work in San Bruno



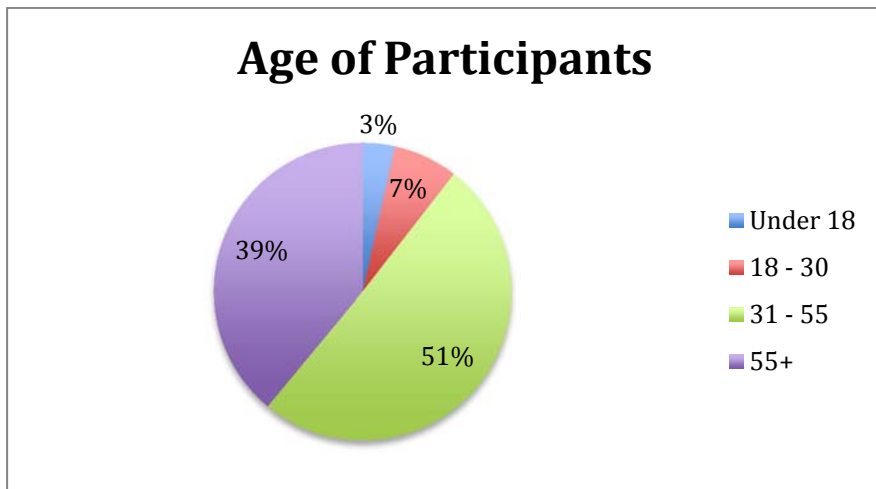
Length of Residency in San Bruno by Percentage



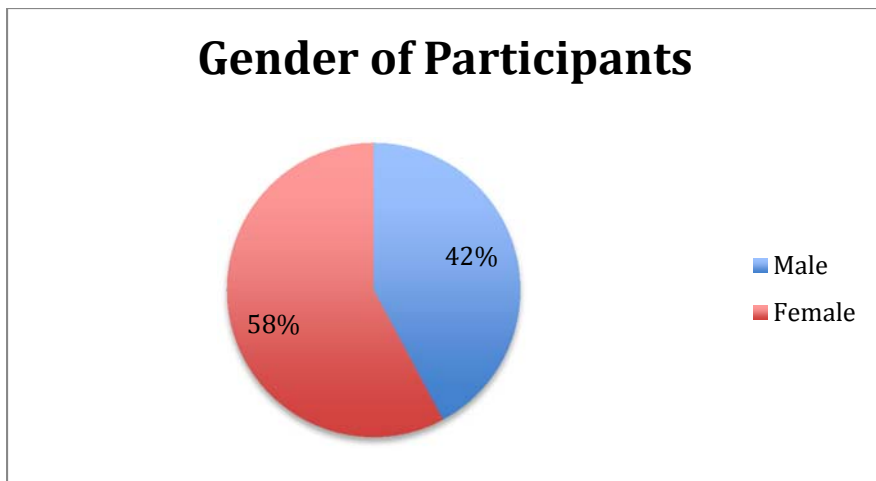
Location of Residence in San Bruno by Percentage



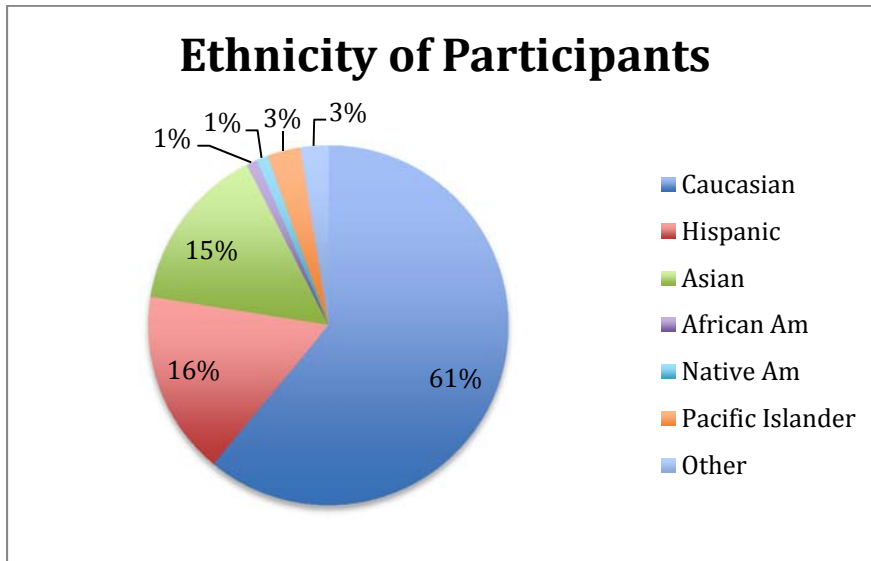
Age of Participants by Percentage



Gender of Participants by Percentage



Ethnicity of Participants by Percentage



Emerging Themes Consequent to the Listening Campaign

PDC conducted a qualitative analysis of the response data from all of the engagement activities to identify key themes in the responses to the Campaign's set of questions. These themes reflect patterns and trends in the data; they are not attributable to any one engagement activity, group, organization, or individual.

As noted earlier, clear themes emerged from the response data, as participants expressed their views about San Bruno's assets, needs, and their ideas for how the funds should be spent to benefit the whole community. These themes are organized into two large categories: (1) Assets and Resources, and (2) Needs and Suggestions (on how the restitution funds should be spent). Each theme is described below with a brief summary followed by specific bullet points to illustrate the nature of the theme and to provide insight and awareness. Although the analysis is qualitative, the themes are presented here in an order that reflects the general frequency and intensity with which the themes were articulated.

Assets and Resources

Three key themes emerged in response to the question, *"What are some of the things that you like most about San Bruno?"* Additional community assets were also mentioned and are included below as well.

Sense of Community

Participants said that they like San Bruno because it is a strong, close-knit community, populated with friendly people who watch out for each other. This strong sense of community is bolstered by the diversity of the residents and family-friendly activities and events.

- Small, close knit community.
- People know each other, help each other and watch out for each other.
- Diverse community – ethnically, socio-economically, and professionally.
- Friendly and down to earth people.
- Middle class, working class pride – humble, not pretentious.

- People stay here and are involved in the community.
- Family and kids activities – a great place to raise a family.

Location, Access, and Transportation

Participants identified San Bruno’s location as a major asset. Specifically, the City is uniquely positioned to offer convenient access and transportation to San Francisco, San Francisco International Airport (SFO), beaches, Silicon Valley and the Peninsula, and other Bay Area attractions and destinations.

- Strategically located on the Peninsula, near San Francisco, SFO, and Silicon Valley.
- Good public transportation with BART and Caltrain.
- Easy access to three main freeways (I-280, I-380, and Highway 101).

Open Spaces and Parks

Participants clearly said they enjoy the natural beauty and open spaces that San Bruno offers, with San Bruno City Park, the San Andreas segment of the Crystal Springs Regional Trail, and the Sweeney Ridge area of the Golden Gate National Recreation Area emerging as major assets.

- People really use and like San Bruno City Park – it is the hub of the community.
- Opportunities for outdoor recreation.
- Walking and biking trails, particularly the San Andreas trail and in the Sweeney Ridge area west of Skyline Boulevard.

Other Community Assets

While participants identified the assets described above most often, the following community assets were also mentioned:

- Local schools and teachers.
- Skyline College.
- San Bruno Senior Center.
- The Shops at Tanforan.
- Youth sports programs.
- Safe and responsive community – good fire and police services.
- Community events (*e.g.*, Operation Clean Sweep, Posy Parade, Easter Egg Hunt).
- The weather/climate.
- The relative affordability of housing.
- San Bruno Municipal Cable.
- San Bruno Public Library.
- Local churches.
- Local restaurants.

Needs and Suggestions for Spending the Restitution Funds

Several key themes emerged in response to the questions, “*What do you think would make San Bruno even better? What needs do you see in San Bruno? Why they are important?*” and “*What kinds of projects or services do you think would address those needs?*” These themes are described below, followed by additional needs and suggestions that were also mentioned. It should be noted that these themes reflect what community members expressed during the campaign and do not take into account whether the City and other stakeholders have already begun efforts to address them.

Upgrade and Expand the Library

The San Bruno Public Library is considered a valuable resource that needs to be updated and expanded to meet the evolving needs of the community. The suggested upgrades focused on increasing the size of the library as well as specific features and programming.

- Upgrade and add new technology.
- Add activities and study spaces for younger children.
- Add activities and study spaces for teenagers.
- Add activities and study spaces for adults.
- Add multipurpose meeting spaces.
- Include a technology-training center.
- Make the library accessible and inclusive for the whole community.
- Add extended hours, drop off and pick up areas.

Upgrade and Expand the Recreation Center, Gym, and Pool

Participants viewed San Bruno's Veterans Memorial Recreation Center, which includes a gym, and the City's public pool – located near each other in San Bruno City Park – as valuable centers for recreation and health in San Bruno. Similar to the library, participants would like to see these assets upgraded, with expanded hours and uses for all ages.

- Build a new Recreation Center to include a gym, meeting room space, other recreation spaces, and underground parking to accommodate increased size of facility, keeping the facility in the footprint of the existing complex to maintain integrity of the feeling of the park setting.
- Upgrade the existing pool and make modifications so that it is usable year round (*e.g.*, new pool cover, retractable roof, heated year round).
- Build a new indoor pool that is available for use year round.
- Add swimming classes and programming for all ages.
- Expand and upgrade the gym, adding new equipment.
- Make both the park and the pool accessible and inclusive with upgraded parking, curbs, ramps, and playground equipment that are ADA compliant.
- Have state-of-the-art sports facilities that can host tournaments and draw money to the City and local businesses.
- Lengthen the hours the recreation facilities are open to the public.
- Keep the feel and warmth of City Park and the Recreation Center.
- Consider charging fees for using the Recreation Center to generate revenue.

Upgrade and Expand Sports Fields and Programs

Participants expressed pride in San Bruno's youth sports programs, which are highly regarded and well attended. Participants expressed a desire to increase support for these programs, expand them, upgrade existing playing fields, and build new fields.

- Add and expand sports programs and activities for youth.
- Redo and maintain sports fields, add lights for night games, and ensure that they are safe and not contributing to injuries.
- New restroom facilities at San Bruno City Park and other playing fields.
- Improve fields at specific school sites for community use.
- Youth and sports groups are willing to volunteer to help maintain the fields.

- Build more sports fields, especially for soccer. Specific suggestion is to purchase parcel 170 (former Crestmoor High School site) and build a state-of-the-art soccer complex with new turf, lights, restrooms, and concession stands. An online petition has generated support for this proposal (www.change.org/p/field-of-dreams).
- Make sure fields are multi-use for various sports, similar to Burlingame High School.
- Add infrastructure to fields such as concession stands, lights for night play, restrooms, and covered places for kids and families.
- Host youth sports tournaments to draw visitors to San Bruno, generate income for the City, and increase reputation of the City for youth sports.

Upgrade and Expand Parks and Open Spaces

Participants identified the recreation and health benefits that come from San Bruno's parks, open spaces, and trails as important community assets. San Bruno City Park, in particular, is considered an epicenter of the community. Participants expressed a desire to upgrade, expand, and support these assets.

- Upgrade and expand existing facilities, such as playground equipment and restrooms.
- Create more hiking and biking trails, particularly in the Sweeney Ridge area; upgrade existing bike paths.
- Add outdoor exercise stations and a track for jogging and walking.
- Make sure the parks have sufficient lighting for safety and for use after dark.
- Make parks and playground areas in the City accessible to all by installing ADA-compliant playground equipment, curbs, parking, sidewalks, and restrooms.
- Build a new dog park.

Community Meeting Spaces – Use Existing Public Facilities

Many participants expressed the need for more community meeting spaces and programs, suggesting that they be connected to an upgraded Library, City Hall, and/or Recreation Center. Together, these centers would offer space and programming for both adults and youth, with upgraded technology that would keep the community at the forefront of growth and skills training. These centers could also help create a vibrant, engaged community for generations to come, while offering youth and young adults important support, activities, and training.

- Community activity and meeting rooms are needed. New generations of people and workers need better facilities.
- The current facilities limit the programs and events in San Bruno.
- Build new City Council chambers in the civic center complex.
- Add programs and workshops for both youth and adults.
- Add more youth and family activities.
- Add job and technology training and workshops.
- Having more meeting spaces can generate revenue for the community with rental fees for private events, but it is important to keep these facilities affordable with tiered pricing so the spaces are available to all segments of the community.

New Multi-Purpose Community Center

Among the many participants who expressed the need for more community meeting spaces, some suggested a new, stand-alone community center.

- Some of the participants who suggested a new Community Center described it as a multi-purpose facility with a variety of different programming options (*e.g.*, youth, adult), available

for a variety of community events and meetings, including local government (*e.g.*, as a site for City Council meetings).

- Others suggested a new community center devoted exclusively to culture and the performing arts.
- In both cases, the new Center could serve a revenue generating function through rental fees for private parties and events.

Downtown Revitalization, Beautification, and Maintenance

Participants expressed the desire for the main downtown area, primarily along San Mateo Avenue and El Camino Real, to be revitalized and developed to become a more vibrant city center that attracts local residents and out-of-town visitors.

- Upgrade San Mateo Avenue, as well as San Bruno Avenue and the main El Camino Real strip.
- Create gathering places (*e.g.*, benches, a plaza) and walking paths in the downtown area.
- Look at what neighboring cities like Redwood City, Millbrae, Burlingame, and San Carlos have done; use them as models and examples of best practices.
- Repair and upgrade the American Legion Hall building.
- Start a city matching fund program to encourage upgrades to store fronts.
- Have a city-sponsored competition/award for upgraded storefronts.
- Manage and improve blighted buildings in the downtown area.
- Plant trees, landscape downtown area with planters and flowers.
- Install trash cans and clean up trash.
- Add a parking structure.
- Do regular street sweeping.
- Support small, local businesses; fill empty storefronts.
- Have regularly scheduled events (weekly, monthly, seasonal) that attract people downtown.
- Encourage outdoor restaurant seating.

Infrastructure Upgrade – For Safety, Growth, and Technology

Participants identified the aging infrastructure of the City as a major need for improvements, suggesting that significant upgrades are needed to ensure safety, to accommodate future growth, and to take advantage of new technologies.

- Upgrade roads, sidewalks, and transportation infrastructure.
- Upgrade storm drains, pipes, lighting, water, sewer, and power lines, including locating power lines underground.
- Pave roads and repair sidewalks, fix potholes and cracks, add speed signs, speed bumps, and new crosswalks (various streets and intersections were mentioned).
- Upgrade San Bruno Municipal Cable, including bringing gigabit Internet service to all San Bruno homes and businesses through installation of a fiber network.
- Install free citywide Wi-Fi system as a benefit for residents and as an incentive to attract businesses.
- Ensure safety by upgrading equipment and offering programs, such as CERT & CPR training, to residents.
- Replace and retrofit the City's two Fire Department facilities.
- Increase accessibility with ADA compliant curbs, parking, and sidewalks throughout the City.

- Create transportation/shuttle bus system with routes to major spots around town for connectivity (including BART, Caltrain, Bayhill area, downtown, Skyline College, entrances to main hiking trails, and various residential neighborhoods).
- Improve bike paths to decrease reliance on automobiles to get around town.
- Invest in alternative energy development like solar and wind.
- Add wells and water catchment and storage.
- Ensure the City of San Bruno pays for the needed infrastructure upgrades so that it does not come out of the restitution funds.

Support and Invest in Schools

Support for the schools was voiced by many participants who said that the schools need resources to improve current facilities, upgrade and acquire new technologies, and provide sufficient staff resources to keep current teachers while attracting new ones.

- Ensure teachers are adequately paid; contribute money for teacher salaries.
- Upgrade technology (new computers, laptops, high speed Internet, etc.).
- Support existing arts and music programs; create new arts programs.
- Make sure there are physical education activities and programs, with appropriate equipment and fields.
- Improve school playground structures and fields.
- Create block grants, endowments, and scholarships for schools.
- Set up investments and income generators for ongoing support of schools.
- Foster and support extra-curricular activities.
- Add school bus services.
- Support the San Bruno Education Foundation (SBEF) in two ways: (1) Seed an endowment for the SBEF, and (2) develop a “matching program” for the donations SBCF receives for its Fall Pledge Drive.
- A significant number of participants voiced concerns about the Foundation giving money to the schools for salaries

Citywide Beautification

San Bruno residents spoke about cleaning up and beautifying all areas of San Bruno, not just the downtown corridor.

- Repurpose old and run-down buildings.
- Make entrances to San Bruno more inviting.
- Add landscaping and trees.
- Add trash and recycling cans throughout the City.
- Build public bathrooms in designated areas.
- Start a citywide tree-planting program; plant native plants.

Youth Programs and Facilities

Participants expressed strong support for youth and young adults, highlighting the need for activities, programs, and facilities that will contribute to their development.

- Build a Youth/Teen Recreation Center with after-school programs and activities (could be connected to City Park, the Recreation Center, and/or the Library).
- Offer mentoring and tutoring programs.
- Develop and fund a nonprofit learning center.

- Develop youth-oriented classes, programs, and workshops, such as language courses and technology training (can be run by the schools or community organizations).
- Provide financial assistance to supplement the lack of extra-curricular activities offered at schools.
- Add an arcade or game center for youth and teens.
- Encourage businesses that provide activities or attractions for teens (*e.g.*, trampoline facility, cafes and beverage shops like Tpumps) to open in San Bruno to provide teens with more local “hangout” spots.
- Create a Crestmoor neighborhood memorial scholarship program to assist high school graduates in pursuing post-secondary education.
- Keep youth engaged and safe.

Economic Development Plan for Downtown - Recruit and Attract Businesses

In step with beautification and revitalization of the downtown areas of San Bruno, people expressed the desire for a plan to attract businesses downtown while increasing revenue for the City.

- Attract more desirable small and large businesses, including more upscale hotels and restaurants.
- Keep money in the community; use “local currency” to encourage people to spend dollars locally.
- Provide economic incentives to open new businesses (*e.g.*, tax incentives, lower permit fees, cost offsets).
- Attract tourist dollars from those using the airport (SFO).
- Keep rent controlled so big businesses do not take over.
- Revise policies against live music and food trucks.
- Create a hub or town center (*i.e.*, a visible and known central gathering place).

Community Events and Public Awareness

Participants value San Bruno’s strong sense of community and would like to see more events that enhance awareness and participation by creating places for people to gather and create community together.

- Bring people together with community events.
- Create a larger, more engaged sense of community.
- Increase fun activities for youth and families.
- Have a system to let people know what activities and services are available, including installation of a digital community announcements board and creation of a community events email list-serve.
- Have monthly events that draw local residents, support local businesses, and create community.
- Start a Neighborhood Block Party Program.
- Have monthly and seasonal events that draw people into the area.

Social Services and Affordable Housing

Participants suggested the need for additional and more accessible social services and affordable housing opportunities to support disadvantaged groups and individuals in the community.

- Help low-income families with financial assistance.
- Increase services for the homeless and veterans.

- Offer youth and family services (health, mental health, etc.) at schools.
- Create a scholarship to support low-income youth in education.
- Offer job training and technology training for the unemployed.
- Support and create affordable housing opportunities; offer financial assistance to help lower income families and the elderly purchase homes and pay rent to live in San Bruno.

Integrate Community Resources

Many participants encouraged collaboration across community resources and services, including the development of volunteer programs, as a way to leverage resources and restitution funds while incentivizing community members to help improve the City.

- Encourage cross coordination among current centers and programs to share resources.
- Leverage the expertise and time of retired, military, college, and high school students.
- Partner with San Bruno Education Foundation to help identify and fund school needs.
- Coordinate social services to youth and families with school services and offerings.
- Share community resources and spaces (*e.g.*, Capuchino High School's theater as a fine arts center, schools share fields with sports programs, library adds a technology center).
- To encourage volunteerism, create a volunteer recognition program, including monetary awards for stellar San Bruno volunteers.
- Start a citywide tree-planting program.
- Support existing community groups and their community service projects.
- Start a volunteer program with youth and sports groups to help maintain the fields.

Develop Public – Private Partnerships

Participants suggested that the Foundation and the City partner with businesses and other private entities to leverage funds for various facilities and programs that will benefit the community.

- Partner with technology companies (*e.g.*, Google/YouTube) to fund technology upgrades (*e.g.*, free high-speed Internet) and other community resources (*e.g.*, library, schools, facilities, programs).
- Partner with technology companies to build a Technology Center.
- Offer youth scholarships and grants (leadership programs, etc.) with donations and matching funds from private businesses.
- Partner with private businesses to upgrade parks, the Recreation Center, and other public facilities.
- Partner with the school districts.

Leverage and Invest the Funds for Future Growth

Participants encouraged the Foundation to leverage and invest the restitution funds for long-term financial growth (in addition to spending some of the money on immediate programs, services, and facilities, as described in this Report). Specific suggestions include the following:

- Create an endowment fund; invest all or part of the funds to generate income indefinitely for future projects and needs.
- Balance the need for funding projects now and investing funds for the future. Spread the money around as much as possible.
- Partner with the City and big businesses to increase the reach of the funds with partnerships and matching programs.
- Pursue grants; hire grant writers to increase funding for the community.

- Consider criteria of community safety, aesthetics, and the broadest community benefit to help the most people for the longest amount of time.
- Consider investing in facilities that can generate and draw income for the facilities and the community, such as the pool and Recreation Center, meeting rooms, and fields for tournaments.
- Look at studies and projects from other cities to inform decisions for San Bruno; partner with others during development; “do not reinvent the wheel.”
- Make sure there is transparency and accountability to ensure the credibility and long-term viability of the Foundation.

Other Community Needs and Suggestions

As to be expected with the large number of people who participated in the Listening Campaign, a number of other community needs and suggestions for spending the money were offered that did not fit the themes described above. These additional items are:

- Develop community gardens; coordinate programming with the schools.
- Install LED lighting and solar panels throughout the City.
- Fund more police to patrol neighborhoods and schools.
- Build a YMCA in San Bruno.
- Create Mandarin and Spanish language immersion programs.
- Commemorate the fire/explosion through the creation of a scholarship program, a park in the Crestmoor neighborhood, or other memorial.
- Provide grants to nonprofits that sell fireworks to wean them off their reliance on fireworks revenue, with the goal of eventually ending fireworks sales in San Bruno.
- Build a museum to document the history of San Bruno.
- Develop and/or support a wellness center.

Conclusion

The more than 1,000 people who participated in this Listening Campaign have communicated a strong sense of commitment and pride in San Bruno and care deeply about their community. These sentiments are also obvious in the work and efforts of the Foundation and the City Council.

Throughout the two-month Listening Campaign, community members were clearly motivated to participate and provided thoughtful ideas and suggestions. While there will surely be tough decisions and tradeoffs to be made in how to best use the \$70 million, the community has already benefited by coming together for this engagement process and will no doubt continue to benefit from the efforts of the San Bruno Community Foundation. Indeed, numerous participants envision the Foundation becoming a leader in the community for convening further discussions, in concert with the City Council, to ensure that San Bruno is a vibrant community for years to come.

SAN BRUNO

Community Foundation

Program Strategy Framework

Adopted by the SBCF Board of Directors, October 7, 2015
Approved by the San Bruno City Council, November 10, 2015

The San Bruno Community Foundation was established by the San Bruno City Council to administer, for the long-term benefit of the San Bruno community, the \$70 million in restitution funds resulting from the devastating 2010 gas pipeline explosion in San Bruno's Crestmoor neighborhood.

This document articulates the over-arching conceptual framework for the Foundation's program strategy for using the restitution funds to benefit the community. It includes the Foundation's mission, vision, and purpose statements; guiding principles; funding criteria; and a "three-bucket" program strategy approach. The framework recognizes the Foundation's unique position in San Bruno to invest in community programs, projects, and facilities in an effort to enhance the quality of life for all members of the community.

In creating this program strategy framework, particularly the funding criteria and focus areas, the Foundation considered feedback from the Community Listening Campaign it conducted in the spring of 2015, San Bruno demographics, and the "Ten Key Components of Healthy, Equitable Communities in San Mateo County" compiled by the San Mateo County Health System.

This framework envisions the Foundation as a nimble, flexible, and transparent institution that is responsive to the needs of the community and dedicated to building and supporting a vibrant, healthy, and equitable San Bruno for years to come.

I. Purpose, Vision, Mission

The San Bruno Community Foundation's Purpose, Vision, and Mission Statements drive what the Foundation does and how it operates.

A. Purpose Statement in SBCF Bylaws

Approved by the San Bruno City Council, October 2013:

The primary purpose of the Foundation is to benefit the San Bruno Community through enduring and significant contributions to, and investments in, charitable and community programs, and publicly owned community facilities, over the long term.

B. Vision Statement

Adopted by the SBCF Board of Directors, October 2014:

The SBCF is a resource dedicated to enhancing the quality of life for the San Bruno Community.

C. Mission Statement

Adopted by the SBCF Board of Directors, October 2014:

The SBCF serves the San Bruno community by investing in projects, programs, services, and facilities that have significant and lasting benefits. Through making grants, leveraging partnerships, and taking advantage of other resources, the SBCF assists and enables the community to maximize shared investments and realize their subsequent enhancements and benefits.

II. Guiding Principles

The Foundation's Guiding Principles include:

- A. The Foundation focuses on projects, programs, and initiatives that promote a healthy, vibrant, and equitable San Bruno community, especially where it can serve as a catalyst for significant enhancements in the quality of life for those who live and work in San Bruno.
- B. Through the collective impact of all of its programs, the Foundation seeks to address the needs of the various and diverse components of the San Bruno community.
- C. The San Bruno Community Foundation is committed to open and transparent communication with the community and maintaining the highest ethical standards in all areas of its operations.
- D. To maximize the impact of its work, the Foundation collaborates with the City of San Bruno and other appropriate organizations to enhance and/or leverage projects, programs, and initiatives being undertaken or considered by the City or other organizations, thereby pooling resources and avoiding duplication of effort on projects of common interest.
- E. The Foundation strives to use its resources effectively and prudently in all its activities.
- F. The Foundation recognizes its role as a partner, convener, and facilitator toward the goal of enhancing the quality of life in San Bruno.
- G. The Foundation encourages giving from other sources and has a stake in encouraging and developing philanthropy generally.
- H. The Foundation wishes to remain flexible, maintaining the ability to respond to unforeseen circumstances, the evolving needs of the community, and emerging opportunities in a timely fashion.

III. Funding Criteria

Generally speaking, the Foundation adheres to the following funding guidelines, while retaining the discretion to modify or amend them if circumstances require.

A. What the Foundation Funds

The Foundation provides three main types of support:

1. Programs and Project Support

The Foundation may fund programs and projects that fall within one or more of its focus areas and further its mission. This support is targeted to a specific program or project that provides direct benefits to the community. This support may be used to pay for all costs directly related to the operation of the program or project, including staff costs.

In the case of providing “seed” funding for new or expanded programs and projects, the Foundation may require a business plan that outlines long-term maintenance and self-sustainability.

2. Support for Capital Projects for Community Facilities

The Foundation may provide funding for the new construction, expansion, renovation, or replacement of community facilities in San Bruno. To ensure long-term success, these projects require a partnership with the appropriate public or nonprofit entity that owns and would provide continuing maintenance for the community facility. They also may require the community facility entity to have in place a viable business plan to ensure proper maintenance, care, upkeep, and usage of the facility over the long term.

3. Capacity-Building

The Foundation may provide funding to help nonprofits and other organizations carry out their missions more effectively. Capacity building can take many forms, including strategic planning, business planning, and organizational assessment; board and staff development; fundraising, marketing, and communications planning and implementation; improving financial management; and initiating collaboration with other organizations. This support is targeted to a specific capacity-building activity over a set period of time.

B. What the Foundation Does Not Fund

The Foundation generally does not fund the following items:

1. Existing deficits
2. Direct contributions to restricted endowments
3. Unsolicited requests for direct aid to individuals
4. Lobbying or political activity
5. Religious activity that government agencies are legally prohibited from funding

C. Eligible Funding Recipients

Generally speaking, the Foundation may fund organizations that provide a significant benefit to the San Bruno community. They include:

1. Tax-exempt nonprofit organizations
2. Governmental entities (*e.g.*, City of San Bruno, school districts that serve San Bruno youth)
3. Individuals, but only if the Foundation has specifically established a program to provide assistance to recipients based on articulated guidelines and qualifications (*e.g.*, a college scholarship program)

Entities that are not eligible for Foundation funding include political organizations and any organization that unlawfully discriminates in violation of state or federal law, including on the basis of race, ethnicity, nationality, gender, disability, sexual orientation, gender identity, age, or religion

The Foundation may not use public funds to fund any organization in violation of state or federal law.

D. Focus Areas

The Foundation focuses its funding on **enhancing the quality of life in San Bruno**, with an emphasis on enduring and long-term benefits. These areas of priority include:

- Publicly owned community facilities
- Community health and safety
- Sports and recreation
- Education
- Youth activities
- Public spaces, parks, and open space
- Community-building
- Human and social services for all
- Economic vitality
- Intra-San Bruno transit
- Healthy, stable, and affordable housing

IV. Program Categories: The “Three-Bucket” Approach

The Foundation’s programs fall into three categories, or buckets, of activity. Under the first two buckets, the Foundation operates as a grantmaker, providing grant funding to eligible organizations. Under the third bucket, the Foundation actively runs its own programs and projects in furtherance of its mission.

A. Strategic Grantmaking

One of the Foundation’s primary roles is as a strategic grantmaker, identifying a specific community need and proactively charting a course to address that need, with specific outcomes in mind.

The Foundation’s strategic grantmaking activities can take various forms, including:

- *Proactive Grantmaking:* The Foundation seeks out and identifies organizations and programs that target specific issues the Foundation wants to address.
- *Initiative Grantmaking:* The Foundation assumes a leadership role to focus on specific issue areas. This form of grantmaking may involve convening and collaborating with key partners.
- *Collaborative Grantmaking:* The Foundation works with other funders on specific areas of interest that all mutually agree to support.

It is anticipated that many of the Foundation's larger grants will be strategic grants, where the Foundation, in partnership with other key stakeholders, identifies a specific community need and proactively reaches out to the organizations best suited to address that need to develop a course of action.

B. Responsive Grantmaking

As a responsive grantmaker, the Foundation may distribute grants in response to requests from community groups for programs and projects that fall within the Foundation's mission and the guidelines it establishes for the funding. The Foundation may accept unsolicited grant applications from these community groups and will consider them for funding based on established guidelines.

C. Foundation Programs

In addition to grantmaking, the Foundation may run its own programs and projects. Such activities will most likely be limited to programs involving disbursements of funds and/or honorary recognition to individuals following articulated guidelines (*e.g.*, scholarship or awards program) or hosting of events. In the future, Foundation programs may include research, consulting (*e.g.*, advising nonprofits), and mission-related investment opportunities.

SAN BRUNO

Community Foundation

INVESTMENT POLICY STATEMENT

Approved by the SBCF Board of Directors, April 6, 2016
Approved by the San Bruno City Council, April 26, 2016

INVESTMENT POLICY STATEMENT

This Investment Policy Statement (“Policy”) is intended to govern the investment practices of the capital assets of the San Bruno Community Foundation (“SBCF” or “Foundation”). It is to allow all parties who interact directly or indirectly with SBCF’s investment assets full understanding of how the assets will be managed. This policy addresses the following areas:

- The general goals of the Foundation
- The structure and purpose of the separate pools of funds
- The roles and responsibilities of all parties involved in the investment process
- Investment goals and objectives for each pool of funds
- Investment process including asset allocation framework and rebalancing policies
- Measurement and evaluation of investment performance
- The Foundation’s spending policy and how it interfaces with the investment management of each pool of funds

I. FOUNDATION’S PURPOSE AND GOALS

The San Bruno Community Foundation was established in 2013 by the San Bruno City Council to administer, for the long-term benefit of the San Bruno community, approximately \$70 million in restitution funds resulting from the devastating 2010 gas pipeline explosion in San Bruno’s Crestmoor neighborhood. SBCF has been charged with determining the use of the funds and administering them to benefit the San Bruno community through enduring and significant contributions to, and investments in, charitable and community programs, and publicly owned community facilities, over the long term.

The SBCF Board has approved the establishment of three separate pools of funds with varying purposes, time horizons and withdrawal requirements.

1. A Quasi-Endowment Pool to support the annual operating and program expenses of the Foundation over the long term.
2. A Strategic Pool earmarked to cover the costs of major strategic grant making projects, including capital improvements of community facilities, over a 7-10 year period. The Strategic Pool will be fully exhausted either at the completion of those strategic projects, or by consolidation into the Quasi-Endowment Pool at the Board’s discretion.
3. A Liquidity Pool to act as a holding account for expenditures planned in the subsequent 0-24 months. The purpose of this pool is to mirror the Foundation’s operating accounts. This account may be funded by both the Quasi-Endowment and the Strategic Pool.

II. ROLES AND RESPONSIBILITIES

1. The SBCF Board of Directors is responsible for the following:
 - a. Formation of the Investment Committee, including appointment of a sitting Board Member as the Committee Chair. The Committee can consist of a mix of SBCF Board

Members and non-Board Members. For non-Board Members, a preference will be given to individuals with experience and/or expertise in finance and investment management.

- b. Approval, termination, or replacement of the External Investment Manager.
 - c. Approval of this Investment Policy Statement and subsequent modifications to it.
 - d. Approval of an Investment Operating Plan executed with the External Investment Manager.
 - e. Approval of the Foundation spending policy, as defined in section VII of this document.
 - f. Approval of any transfer of funds to or from the Quasi-Endowment Pool or the Strategic Portfolio, as defined in section IV, beyond that specified in the Board-approved spending policy.
 - g. Maintain guidelines for the External Investment Manager to ensure that Foundation assets are invested in a manner consistent with the mission of the Foundation. It is at the Board's discretion to implement specific restrictions on how the assets of the Foundation shall be invested. Such restrictions may include but are not limited to Socially Responsible Investing known as Environmental, Social and Governance (ESG). Any active restrictions will be detailed within the Investment Operating Plan.
2. The Investment Committee, with support from the Executive Director, is responsible for providing guidance to the Board on all aspects of the investment management process. The Investment Committee is not empowered to approve decisions, as that power lies with the full Board. As part of its guidance to the Board, the Investment Committee will:
- a. Review at least annually the Investment Policy Statement and Investment Operating Plan and monitor compliance with both documents.
 - b. Review the long-term asset allocation of each pool of funds.
 - c. Monitor the performance and risk profile of the investment assets of the Foundation as a whole, including each pool of funds.
 - d. Review and address all potential conflicts of interest in accordance with the SBCF Conflict of Interest Policy.
 - e. Monitor the External Investment Manager.
3. The External Investment Manager (the "Investment Manager") is responsible for the following:

- a. Discretion to select, evaluate, and terminate the underlying fund managers and investments, as well as discretion to make tactical shifts within the parameters of the asset allocation established for each pool.
 - b. Monitor the appropriateness of each investment given the Foundation's risk tolerance and objectives.
 - c. Oversee the Foundation's investment assets and report on the status of the investments to the Investment Committee and Board of Directors.
4. The San Bruno City Council is responsible for the following:
- a. Approval of the initial Investment Policy Statement, including the Foundation's spending policy, as articulated in Section VII of this document, for the Foundation.
 - b. Approval of all future modifications to the Investment Policy Statement.

III. POLICY REVIEW

This Statement shall be reviewed annually by the Investment Committee and any recommendations for modification shall be presented to the full Board of Directors. Updates to this Policy must be approved by both the SBCF Board and the San Bruno City Council.

IV. INVESTMENT GOALS AND OBJECTIVES

The primary goal of the Foundation is to administer these funds for the long-term benefit of the San Bruno community. The specific goals for these funds include but are not limited to supporting SBCF's annual operating expenses and the three categories of program activities outlined in SBCF's Program Strategy Framework (strategic grant making, responsive grant making, and Foundation programs).

The risk tolerance of each pool of funds is dictated by the time horizon and liquidity needs, and as directed by the Board of Directors. The specific goals and objectives, risk tolerance, and time horizon for each pool of funds is as follows:

1. Quasi-Endowment Pool: The Foundation seeks to meet the current payout objectives while maintaining the total purchasing power of these assets for the San Bruno community in the future. As such, Capital Appreciation is the primary objective, with Capital Preservation as the secondary objective. The risk tolerance of the Quasi-Endowment can be described as Moderately Conservative and the time horizon as Long-Term.
2. Strategic Pool: The Foundation seeks to achieve growth of the portfolio at a conservative rate in excess of inflation. As such, Capital Preservation is the primary objective. The risk tolerance of the Strategic Pool can be described as Conservative. The goal of the Strategic Pool is to be drawn down to zero over a 7-10 year period. As such, the time horizon can be described as Mid-Term.
3. Liquidity Pool: The Foundation seeks to preserve the principal balance of all funds directed into this pool. As such, Capital Preservation and Liquidity are the primary objectives. The risk

tolerance of the Liquidity Pool can be described as Conservative. The goal of the Liquidity Pool is to cover Foundation expenditures that will be withdrawn within the succeeding 24 months from initial funding. As such, the time horizon can be described as Short-Term.

V. INVESTMENT POLICY AND ASSET ALLOCATION

1. Asset Guidelines:

- a. No individual equity securities (stocks) will be held in any Direct Account. A Direct Account is defined as any investment account registered in the name of the Foundation.
- b. Direct investments in any securities, including equity and fixed income, of Pacific Gas & Electric Corporation (Symbol: PCG) is prohibited.
- c. Individual fixed income securities (bonds) may be held in Direct Accounts. These include, but are not limited to, municipal bonds, U.S. government securities, federal government agency securities, corporate debt (limited to U.S. or multinational corporations), and high-yield debt.
- d. Commingled funds, mutual funds, and index funds may be held in Direct Accounts. The fund selection process will incorporate criteria such as investment style and process, experience of the investment team, organizational stability, and performance analysis such as long-term, risk-adjusted returns, manager tenure, relative performance in up and down markets, consistency of management style, and the associated cost to own (expense ratio).
- e. Other investments may be held in Direct Accounts. Other investments will be broadly defined as, but not limited to, investments in market-neutral funds, commodities and gold, real return strategies, venture capital, and real estate. These categories are to be implemented only through diversified investment vehicles.
- f. Cash and cash equivalents may be held in Direct Accounts. Cash equivalent positions will be high-quality instruments such as U.S. Treasury Bills, Eurodollar Certificates of Deposit, time deposits (CDs), money market funds, and repurchase agreements.

2. Investment Procedures:

- a. Diversification: All portfolios will be managed as diversified portfolios. The goal of diversification across various asset classes, sectors, and security types is to minimize risk while improving performance.
- b. Investment Vehicles: Within the constraints of the target asset allocation of each portfolio, investments will be allocated across various asset classes, either directly or through pooled or commingled investment accounts (mutual funds and index funds), that might include domestic and foreign equities, bonds, real estate, other investments, and cash or cash equivalents. With each asset class, the Investment Manager will weigh factors including expense, market efficiency, transparency of information, and

diversification to determine whether direct investments or commingled investments are in the Foundation's best interests.

- c. Rebalancing: Rebalancing is designed to minimize portfolio deviations from allocation targets. The portfolio will be reviewed regularly by the Investment Manager and rebalanced whenever the weighting of a major asset class deviates materially from the target asset allocation, or a tactical opportunity presents itself.
- d. Custody of Assets: The Foundation's assets shall be held at a third-party custodian recommended by the Investment Committee and approved by the Board. The Investment Manager shall have discretion and authority to trade on behalf of the Foundation via the custodian's trading platform.
- e. Custodian's Margin Loan Option: A Margin Loan allows a brokerage account holder to gain access to cash by borrowing against the invested securities in the account. The margin loan option on any Direct Accounts shall be disabled.

3. Asset Allocation:

The Investment Manager shall invest the funds per the strategic asset allocation parameters established for each pool of funds. Investments will be categorized as either Capital Appreciation or Capital Preservation.

Capital Appreciation can be generally defined as a strategy where the primary goal is to grow the capital base over time. Investments in this category include, but are not limited to: equities (stocks), real estate, commodities, and natural resources.

Capital Preservation can be generally defined as a strategy where the primary goal is to preserve capital and prevent loss of principal. Investments in this category include, but are not limited to: high-quality fixed income (bonds), market-neutral investments, cash equivalents, and cash.

- a. Quasi-Endowment Pool: In accordance with the Foundation's risk tolerance, as well as the goals, objectives, time horizon, and liquidity needs of the Quasi-Endowment, management of this pool will target a 60/40 allocation: 60% Capital Appreciation and 40% Capital Preservation.
- b. Strategic Pool: In accordance with the Strategic Pool's goals, objectives, time horizon and liquidity needs, management of this pool will target a 20/80 allocation: 20% Capital Appreciation and 80% Capital Preservation.
- c. Liquidity Pool: In accordance with the Liquidity Pool's goals, objectives, time horizon and liquidity needs, management of this pool will target a 100% Capital Preservation allocation.

VI. INVESTMENT MANAGER REPORTING AND EVALUATION

The Investment Manager shall provide the Investment Committee with quarterly performance and holdings reports to allow the Committee to review the overall investment performance of the

Investment Manager and the individual securities in each portfolio with respect to the risk and return objectives established for the Foundation. At a minimum, the reports shall include the following:

- An accounting of all securities held in the investment accounts for the Foundation.
- Comparative returns for each pool of funds against their respective benchmarks.

Additionally, the Investment Manager shall present to the Board of Directors on an annual basis.

VII. SPENDING POLICY

1. Quasi-Endowment Pool

The SBCF Board will determine the spending policy for the Quasi-Endowment with input from the Investment Committee. The SBCF Board will use the following guidelines in approving a fixed payout amount each year. The SBCF Board will review this policy annually.

The payout amount will be determined once annually, prior to the conclusion of the Foundation's fiscal year for the subsequent fiscal year. The payout rate will range up to 7%, as determined by the Board, multiplied by the average of the latest available twelve (12) prior quarter-ending Quasi-Endowment values.

2. Strategic Pool

The Strategic Pool has been earmarked by the Board to fund strategic projects, including but not limited to capital improvement projects of community facilities, that benefit the San Bruno community. As such, withdrawals will be determined by the timing of project expenditures, as well as guidance from the SBCF Board. The Investment Committee and SBCF staff will provide direction to the Investment Manager regarding liquidation of investments to fund the withdrawals. Cash proceeds will be deposited in the SBCF Liquidity Pool on an as-needed basis.

3. Liquidity Pool

The Liquidity Pool will contain funds that have been earmarked for disbursement by the SBCF Board, with the guidance from the Investment Committee. As directed by SBCF staff, withdrawals will take place in the subsequent 0-24 months following initial deposit into the Liquidity Pool.

VIII. CONFLICTS OF INTEREST

In accordance with the SBCF Conflict of Interest Policy, all employees, members of the Board of Directors, and members of the Investment Committee are expected to use good judgment, adhere to high ethical standards, and act in such a manner as to avoid any actual, perceived, or potential conflict of interest.

San Bruno Community Foundation Listening Campaign 2.0

Final Project Report
May 2021

Prepared For
San Bruno Community Foundation
SAN BRUNO
Community Foundation

Prepared By
Public Dialogue Consortium
PDC  Public Dialogue
Consortium

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I. Background and Overview

The San Bruno Community Foundation (SBCF), along with Public Dialogue Consortium (PDC), conducted a Community Listening Campaign 2.0 from February to April 2021. The purpose of the Campaign was to elicit the community's perception of community needs and to inform the next phase SBCF's funding priorities and strategies. This effort was modeled on SBCF's first Listening Campaign, which was conducted in 2015 to hear the community's ideas regarding community needs and ways to allocate the original \$70 million dollars in restitution funds from PG&E to meet those needs. Results from that community engagement project have guided SBCF's investment and program strategies over the past six years. Listening Campaign 2.0 was undertaken to enable community members to help shape the funding priorities and program and investment strategies for the next phase of SBCF's work.

This report details the deep appreciation Listening Campaign 2.0 participants expressed for the work of SBCF. There was a clear consensus that the Foundation has provided broad support for the entire community, resulting in community benefits that are impactful and wide-reaching. This report also details the range of current community needs that participants identified as important to the community of San Bruno. Some priorities highlight long-term needs in San Bruno (e.g. downtown San Bruno upgrades and infrastructure), while others are more recent, a product of the negative impacts from COVID (e.g. student learning gaps in the schools, assistance for small businesses). In addition to community needs, participants also identified process recommendations for SBCF to consider (e.g. broaden outreach and engagement to increase visibility and awareness of the Foundation).

This report provides a description of the community engagement and outreach methods used and the interview and survey questions asked. The results section provides a comprehensive summary of what community members appreciate about SBCF, along with the process recommendations, community needs, and program and investment strategies that were identified. Participant demographics are also included.

Outreach and Engagement Methods and Questions

Due to the COVID-19 pandemic and the ongoing need for social distancing into Spring 2021, Listening Campaign 2.0 utilized strategies to engage community members virtually, to work with community partners to enhance the reach of engagement activities into the San Bruno community, and also to conduct outreach via food distribution programs, schools, churches, and commercial centers in San Bruno.

Approximately 550 San Bruno community members participated in the Listening Campaign. The outreach strategy and engagement methods included:

- Community-wide postcard mailed to all San Bruno residential and commercial addresses to announce the Listening Campaign activities
- Seven Key Partner focus groups (70 participants)

- Conducted virtually via Zoom
- Included one teen/young adult focus group
- Included one Spanish language focus group
- Community Engagement Survey (374 participants)
 - Online
 - Paper surveys distributed in person at food distribution centers, through senior meal delivery programs, and upon request
- City Council Interviews (5)
 - One-on-one interviews with each of the five Council members.
- Two Town Hall Webinars (100 participants)

A concerted effort was made to engage the diverse demographics of San Bruno. To assist with this outreach effort, two Spanish-speaking college freshmen who are current recipients of Crestmoor Scholarships awarded by the Foundation were recruited and given temporary paid internship positions with PDC to assist with outreach and engagement of those who tend to be underrepresented in community engagement processes. Community partners and others also assisted with outreach to Spanish speakers and members of the Pacific Islander community in particular. The survey, program highlights video, and other project materials were translated to Spanish.

Focus Groups

During March of 2021, a broad cross-section of the San Bruno community, including representatives of City boards and commissions, community organizations, various demographic groups, and other community stakeholders, were invited to participate in a series of seven virtual focus groups to describe what they thought about the work of the Foundation, recommendations for going forward, priorities and needs for the San Bruno community, as well as investment recommendations for the remainder of the funds. The topics discussed in the focus groups mirrored the questions asked in the community engagement survey. Seventy community members participated in the seven focus groups.

One of the seven focus groups, organized in partnership with Capuchino High School, was targeted to youth. Another focus group was held for Spanish-speaking community members.

Community Engagement Survey

Key partners, schools, community organizations, churches, and food distribution centers assisted with circulating the project survey and website links to constituents and members. A total of 374 community members, almost all currently living in San Bruno, participated in the survey between February 22 - April 1, 2021. While the majority of the surveys were completed online, some were submitted in paper format, and the college student interns conducted 63 in-person surveys at various locations in San Bruno. Most of these respondents were teens and young adults, and members of the Latinx community.

City Council Interviews

One-on-one interviews were conducted with Mayor Rico Medina, Vice Mayor Marty Medina and Councilmembers Tom Hamilton, Linda Mason, and Michael Salazar between February 26 – March 10, 2021.

Town Hall Webinars

Two Town Hall Webinars were conducted following the focus group dialogues and the community engagement survey. These meetings were open to the entire San Bruno community and were streamed live on the SBCF Facebook page. A total of 84 community members participated via zoom, while another 15 or so participated via Facebook live. The format consisted of three segments: (1) background on SBCF and the Listening Campaign 2.0 engagement project, (2) the results of the focus group dialogues and the engagement survey, and (3) an assessment of the results and recommendations using an online webinar poll where results were tabulated and communicated to the participants in “real time.”

Engagement Questions

The same questions were used for the focus groups, survey, and City Council interviews. All questions were open-ended. This format enabled community members to express their views and preferences in their own words. Utilizing the same questions across the different engagement methods also enabled the consulting team to analyze and summarize responses into a unified set of results.

The following questions were asked:

1. What do you think about the work the SBCF has done?
2. What has SBCF done well?
3. What, if anything could SBCF improve?
4. What do you see as the most critical community needs in San Bruno at this time?
5. Should the remaining funds be spent in the short term, or should the funds be treated as an endowment, with investment income fueling the work of the SBCF over the long term?
6. Why? What are the advantages and/or disadvantages of your preference?
7. Rank your future program priorities from 1-3:
 - Crestmoor Scholarship Program - prioritize giving college scholarships to San Bruno students. For more info visit <https://www.sbcf.org/scholarships>
 - Community Grants - prioritize giving smaller grants to local community organizations for programs that benefit the San Bruno community. For more visit <https://www.sbcf.org/grants>
 - Strategic Initiatives - prioritize giving larger grants to address significant and prioritized community needs. (Current and past strategic initiatives have funded the design and construction of the new San Bruno Recreation and Aquatic Center, music education in San Bruno’s public schools, first responder programs, pedestrian safety improvements,

Community Day in the Park, and COVID-19 relief programs. For more info visit <https://www.sbcf.org/strategic-grants>

8. Do you recommend focusing on one, two or all of the above priorities? Why?
9. What specific recommendations would you like to offer regarding how SBCF spends or invests the rest of its funds?
10. Are there any other suggestions you would like to communicate to the SBCF?

II. Summary of Results

The results below are organized into categories that align to the questions that were asked. The results include narrative descriptions, direct quotes from the participants, and raw scores and percentages where applicable.

APPRECIATIONS FOR SBCF

By far the most important and appreciated aspect of the work of SBCF is **its broad support for various sectors of the community** that has resulted in community benefits that are wide-reaching. The strong majority of those familiar with the work of the Foundation were highly complimentary of the "phenomenal," "important," "balanced," "impactful," and "extremely well managed" investments across diverse sectors and demographics that support the San Bruno community as a whole and have wide-reaching impacts. Community members see these efforts as **addressing both immediate needs and investing in the future of the San Bruno community**, and many familiar with SBCF mentioned being pleased with the range of **accomplishments over a short period of time**.

The programs community members are especially grateful for include **investments in scholarships, music education, small businesses, first responders, local non-profits, food distribution, pedestrian safety, and the new Recreation and Aquatic Center**. Some of those who received scholarships and community grants expressed **appreciation for the support they received** to navigate the application process and articulated how scholarships provide **opportunities for youth and their families they would not otherwise have**. Those who were familiar with one program area (e.g. scholarships and education grants) were often surprised and **amazed to learn about the broad range of programs supported by SBCF** (e.g. small business, first responder and COVID relief grants).

- *"I support the overall approach - to use the bulk of the money for the new recreation center, but also to create a large number of programs with an immediate, positive impact for the San Bruno community. It's remarkable how much the foundation has done."*
- *"The idea of funding projects of various sizes (strategic, community, etc.) has made a significant and positive impact on the community. SBCF has made thoughtful decisions in*

- *determining projects to fund, scholarships to offer, etc. SBCF has also managed to reach diverse areas of the community in funding, offering board positions, etc."*
- *"Support for San Bruno businesses and residents in ways that make them more resilient and growth oriented with a good focus on equity."*
- *"Thank you for the work you are doing. You are doing great things in the community!"*

SBCF was praised by many respondents for **engaging with and listening to the community on needs and priorities to inform decisions about investments and spending**, and for **having good transparency and communication**. Some appreciate and think it important the **Foundation is independent from the City**, and a few recognized the Foundation for **bringing in additional grant money from the private sector** to augment the funds received by the PG&E settlement. The quotes below reflect the variety of ways community members appreciate the work and impact of the Foundation.

- *"SBCF has done an excellent job of engaging the community, really listening to the needs and addressing them."*
- *"SBCF has engaged to residents of San Bruno well. They have been inclusive and has incorporated the public feed back into how their funds are allocated."*
- *"I appreciate the money that was spent on the community meetings to assess how the community would like to use the money from PG&E. Even though the decision to build the aquatic center wasn't what I wanted (I wanted a new library and community space) the meetings were really well run and involved the whole city."*
- *"I think the listening campaign was done well. I'm glad so many young people have had the immediate, tangible benefit of the scholarships. I am disappointed the pool/community center is taking so long to get underway but that is not really the SBCF's fault."*
- *"SBCF is doing a fabulous job with many achievements and successes ... The professional staff and Board Members are doing an outstanding job supporting our San Bruno Community."*
- *"I really appreciate a foundation that is separate from city finances."*
- *"I think that you are all doing a good job with the disbursement of the money. When showing where you have put the money it shows all different organizations and businesses. Great job."*
- *"I wish to thank you for the many ways you have enhanced my life and the life of my family. As a native of San Bruno, a resident of San Bruno, and a teacher in San Bruno I have benefited greatly from your generosity."*
- *"Great job involving the community in the decision-making process, fantastic engagement, and decision making."*
- *"I am happy to see people I recognize benefit from the grants and scholarships, like how it is enriching and benefitting the community."*

PROCESS RECOMMENDATIONS FOR SBCF

While the overwhelming majority expressed appreciation and admiration for the community investments made by the Foundation, there were suggestions for improvement. The recommendations below are listed in the order of how often they were mentioned by focus group and survey participants.

#1 Continue to Invest Wisely to Ensure Broad Community Benefits

The large majority of participants believe the funds should be invested wisely to **continue to grow the resources of the Foundation** so the work of SBCF can continue to benefit the community. Some are unaware that SBCF uses a third-party investment manager and are concerned with the oversight of the funds. Some cautioned to invest conservatively to protect and slowly grow the remaining principal, while others advised to not be overly conservative in order to grow the funds more quickly. Very few think the funds should be spent down and the work of SBCF is done. The range of community advice and feedback is captured in the quotes below:

- *"Spend wisely. Continue to use people in the community to run the foundation to make decisions."*
- *"The Investment Committee has done an incredible job investing the funds and should continue to do so."*
- *"I am quite impressed with the \$17M that SBCF has made on the original funds."*
- *"Be somewhat aggressive in the investments."*
- *"Invest conservatively so as not to lose principal."*
- *"I hope there is strict oversight on how money is being spent, and it needs to be audited."*
- *"I think they should continue investing the funds so that SBCF will continue helping the SB Community."*
- *"Invest in organizations started by, staffed by, and serving San Bruno residents."*

Some participants expressed the desire for the SBCF funds to be spent in a way that upgrades the infrastructure for all San Bruno residents, including updates to the storm water /sewer system, the streets, the internet, and downtown. Older community members were especially concerned that their property taxes are increasing while they are not experiencing the benefits of the investments.

- *"Spend the money on things that benefit all residents. Ironically this money came to us because PG&E didn't maintain their infrastructure. San Bruno has not been able to afford to maintain our infrastructure."*

#2 Broaden Outreach and Engagement to Increase Visibility and Awareness of the Work of SBCF

The suggestion made most often by those less familiar with the work of the Foundation was to make the work of the Foundation more visible, and to **ensure people are aware of the community support and opportunities offered by SBCF**. When asked about the work of the Foundation, approximately 20% of respondents were unaware of or unfamiliar with SBCF. Outreach and visibility suggestions include:

- Utilize social media outlets including Facebook, Nextdoor, Instagram
- Broadcast meetings via zoom and send meeting notifications via email and text, and announce SBCF meetings and decisions at City Council meetings. Consider broadcasting on the local cable channel.
- Distribute periodic newsletters and announcements to PTAs, both public and private schools, local churches, and organizations.

- *"Let the public know about all the great work you're doing. Many people still ask, 'What happened to the PG&E money?'"*
- *"Perhaps advertising more what the Foundation is doing. I was unaware of most of these things until I received the postcard in the mail."*
- *"I think signage that indicates how the SBCF has invested the funds would help grow awareness. It's nice to have newsletters and online info, but a sign near the rec center showing the plans & letting everyone know that the SBCF is paying for the work might be beneficial."*
- *"Most people don't know what the Foundation does. Increase visibility and encourage community participation whenever possible, keep the board meetings on Zoom or TV."*
- *"Keep visible all the great things that SBCF is doing. I like the monthly e-mails that the City Manager sends so if these projects and the great work that this fund is doing is highlighted there or in other social media that would be helpful."*
- *"I am delighted to see all of the ways SBCF has contributed to the community (music support), I have been unaware of all of their work as my son goes to a private school. Maybe do a better job of marketing to ALL schools for ALL events, improve communications to the community, opportunities are being missed."*
- *"I see a need to communicate more outside of the schools, people do not know about all of the good work going resulting from the Foundation, communicate more broadly to inspire pride and awareness of the investments and opportunities in the community."*
- *"Reaching those not online, connected via the internet is challenging, announce events and activities, and introduce at the Senior Center - go to where they are to introduce activities and opportunities."*
- *"Work to outreach to specific parts of the community such as classes in Spanish, salsa and other dance classes."*

Community members also advised the Foundation to **focus additional resources on outreach and engagement** to the community to continue to gather input on decisions, and to ensure inclusion of diverse demographics across the city.

- *"Ensure that there is sufficient community input."*

- *"Communicate all the great work you're doing and how other residents can get involved and support your work."*
- *"More surveys like this to make people think, to participate, and to communicate with SBCF."*
- *Invest in community outreach to those who can most benefit from community programs and services, but who often do not hear about offerings such as older people, Latinx, Tongan."*

#3 Increase Education and Transparency on Spending Decisions and Program Results

While it was noted by some that SBCF does a good job of notifying the community of its ongoing investment decisions and results, suggestions were made by others to **increase awareness and transparency** on a variety of questions people had about how the funds are being managed and spent. Some noted a need for the Foundation to **communicate clearly** its mission and long-term goals, while others wanted to understand the breakdown of overhead costs in comparison to investments and private donations generated. Some wanted more information about the reasons for decisions to build the Recreation and Aquatic Center, delays in building, as well as ongoing maintenance costs and funding sources. Additional suggestions to increase awareness and transparency include:

- *"Provide evaluation information regarding each grant program. Has the support led to sustainability, or was it a one and done event?"*
- *"More detailed information on disbursements, as in the video, to the community. The mailed brochure annual report is high-level and sort of vague."*
- *"Make transparent, who is making decisions and how. Distance and distinction between SBCF and city council is important so it doesn't look like city council is rigging the decisions."*
- *"I would like to see a concerted effort in the area of communication about what are options and why they were chosen. Use multiple communication tools to try and reach San Bruno residents about the next steps. Use Nextdoor, use the San Bruno Now website, advertise at Clean San Bruno Now, use print media and mailers. Announce it at every City Council meeting."*
- *"The Foundation Highlights clip is excellent, and similar, continued media work would, as this did, not only highlight SBCF's work but also spotlight and foster community spirit."*
- *"How do we find out what SBCF does and how they make decisions and spend money? The Rec Center was the #1 community priority (in the last listening campaign), maybe have FAQs as a way to remind people how decisions are made."*
- *"Add a marquis board to advertise community events, SBCF work, classes and programs offered."*
- *"I would like to hear more follow up on the community grants. Some organizations are good at providing services, but not so good at reporting back. Incorporate milestones and benchmarks. I'd like to hear from community organizations how many people have benefitted, how the money was used. The community needs more follow up on how money was spent to benefit the community."*

#4 Continue to Actively Attract Additional Funds

Some mentioned the importance of the Foundation as a vehicle to **attract additional funds from the private sector**, capitalizing on the concept of corporate responsibility. Other suggestions included **applying for federal grants**.

- *"The Foundation could establish a sustaining program and/or person to get grants and donations from big corporations to keep the programs going."*
- *"Is there a plan to replenish this funding after the ~\$30M is exhausted? YouTube is expanding and isn't Amazon coming to town? Is there any way we can continue to leverage those relationships to continue this work?"*
- *"Explore continuing as an ongoing community resource beyond the current scope of the restitution funds--there's no comparable organization in San Bruno."*
- *"Apply for federal grants."*
- *"The Foundation should continue, apply for grants and continue to raise funds to support the community. The money SBCF has invested is critical to the community for the long term."*
- *"Keep the foundation going, leverage the remaining funds to attract more investments."*

#5 Ensure Diversity of the Board as well as Decision Makers for Grants and Scholarships

A few participants recommend ensuring the board members and decision makers are diverse and **reflect the diversity of the community**.

- *"To the extent possible...maintain a diverse and apolitical board (to) influence the SBCF's spending decisions."*
- *"I do appreciate the work done. I've lived in San Bruno since I was a teenager and grew up in neighboring Pacifica. I'm now raising my own family here and my children attend Allen Elementary. I think there needs to be more involvement from our Pacific Islander, Latino, Asian residents to better reflect the diversity that IS San Bruno."*
- *"The Foundation is doing good work, however there is a need to equitably distribute investments into the Latinx community. The Latinx community is at the margins, families are looking for help and assistance and tend to be less informed/aware of opportunities. There can more investments into this community."*

CURRENT COMMUNITY NEEDS

Community members were asked open-ended questions rather than provided a list of options and choices to allow them to define what they see as the most pressing needs and priorities for the San Bruno community. The needs are listed in order below based on the number of times they were mentioned in a focus group, survey or interview. The number of times each was mentioned is captured in parentheses.

COMMUNITY NEED #1 - Downtown San Bruno Upgrades and Beautification (239)

- Downtown beautification, revitalization that includes a facelift, welcome signs, banners, public art, lights and music to make it desirable community hub (87)
- Fix and pave the streets (35)
- Trash and litter removal (34)
- Resurfacing sidewalks (16)
- Add more parking, including permitted parking (15)
- Plant trees and add landscaping (12)
- Add traffic signals, crosswalks, lighting, accessible sidewalks and other features for safe walking and biking (8)
- Spend money in east San Bruno, not just west San Bruno (7)
- Add shuttle buses with transportation routes that cut down on traffic, parking and emissions (7)
- Attract more businesses and a stronger tax base (6)

- *"Commercial improvements, downtown matching grants and community projects that improve public facilities with matching funds/labor by community groups/businesses."*
- *"Initiate a new planning phase with the city to identify one or more projects to revitalize downtown and perhaps support large community events."*
- *"It would be great to see SBCF MATCH business district funds."*
- *"Organize more volunteer, clean up, opportunities to come together to upkeep SB."*
- *"Provide grants to people that want to beautify the landscaping of the city and plant native species, especially large shade trees."*

COMMUNITY NEED #2 - Students, Schools, Education and Scholarships (139)

Students, Schools and Education Programs (72)

- Invest in students who have experienced a learning gap, tutors, after school programs, summer school (23)
- Support for teachers, increase pay, offer housing stipends for teachers (15)
- Continue investments in art and music programs (9)
- Focus money into elementary and middle schools rather than high schools (5)
 - o STEM education in middle school
- Cross guards, cross walks, lighting, speed bumps as needed around all schools for safety (4)
- Upgrades to walking and biking paths, especially around schools to make them safer for all (3)
- Support drug and alcohol education in the schools (2)
- Help for special needs youth (2)
- Support for preschools (2)
- Better laptops and books for students (2)
- Bullying prevention
- Make Skyline College free to all SB residents age 18-25

- Computer/coding training
- Better food in schools

Scholarships (67)

- Some students and families prefer less money to more students (3)
- Some prefer full scholarships for those otherwise cannot afford college (3)
- Some want to see scholarships go to community college transfer students (3)
- More communication and awareness of scholarships (2)
- Scholarships for students attending vocational and trade schools

"Top notch schools are foundational for great communities."

COMMUNITY NEED #3 - Community and Social Services (126)

- Provide assistance for low-income households and families struggling financially - rent relief, help with water and electricity bills (63)
- Address homelessness (29)
- Invest in affordable housing (9)
- Food security and distribution (8)
- Invest in mental health related to loss, isolation, financial struggle (8)
- Invest in resources to address equity and racism (4)
- Support childcare for working families (3)
- Provide legal aid and support for families without legal status (2)
- Support local non-profits (3)
 - o Grants for organizations that support veterans

COMMUNITY NEED #4 - Community Events and Activities (75)

- More youth activities and programs outside of school (35)
 - o After school programs, summer camps for youth helps working families (9)
 - o Subsidized for low-income families (8)
 - o Early career / internship programs
 - o Painting, yoga, martial arts, dance, art, swim classes
- Volunteer programs, some for city clean up (6)
- Sustainability workshops (4)
- Latinx /Tongan focused activities (4)
- Theater and performing arts funding (3)
- Foster productive civic engagement (3)
- Community garden (3)
- Art workshops for all ages
- Monthly craft / flea market
- Classes and workshops for all ages
- Preventative health

- *"Tech aid and assistance to older adults, classes, assistance, technology to help keep them connected."*
- *"Invest in educational events that focus on anti-racism and discrimination."*
- *"Offer master classes to adults at the new center."*
- *"Offer events and programs at the Rec Center that are welcoming to more factions of the community (Latinx, Tongan, etc.) as people do not always feel welcome in the town center / senior center."*

COMMUNITY NEED #5 Library Upgrades and Programming (58)

- Invest in upgrading the library, purchasing computers, and expanding classes and programs to support those who rely on the library, especially low-income families (16)

- *"Investment in the library is important, this is an important community resource for all demographics in the community, especially children and seniors."*
- *"Programs at the Library serve youth and low income. Tutoring and other programs, computer and wifi accessibility are critical for some families."*
- *" We need to plan for how we are going to sustain major capital investments, SB is quite dilapidated, we need to consider the ongoing maintenance costs of staff and maintenance for a library."*
- *"Children are needing additional support and tutoring, especially those in families that cannot afford it. Critical programs are offered through the schools and libraries to assist these students and keep them from falling behind."*
- *"Plan for long term investments to fund things like the library - mix funds from city, SBCF and private funds to be able to afford a library."*

COMMUNITY NEED #6 - Other Infrastructure Upgrades and Maintenance (51)

- Invest in/lower costs for water, sewer, storm drain system (29)
- Invest in sustainable infrastructure (10)
 - o Invest in and encourage solar, subsidize solar for lower income families (2)
 - o Prioritize preventing and preparing for climate change (2)

COMMUNITY NEED #7 - More + Better Parks, Safe Places for Youth and All Ages to Gather (45)

- Skate/bike park does not require much ongoing funding to support (7)

COMMUNITY NEED #8 - Youth Sports, Soccer + Sports Fields and Facilities (36)

- Concern with the recent loss of fields to a developer to build housing
- Upgrade current parks and facilities like basketball courts (4)

COMMUNITY NEED #9 - Seniors (34)

- Upgrade the senior center (6)
- Support and outreach to seniors (5)
- Sponsor trips and outings for seniors

- Provide additional programming and meals

- *"Seniors rely on the Senior Center for meals and activities."*
- *"Add a sidewalk from Junipero Park to the Senior Center for safety."*
- *"Help seniors with financial planning and setting up trusts."*
- *"Home help for seniors - repairs, cleaning, etc."*

COMMUNITY NEED #10 - Small Businesses (32)

- Consider partnerships with Skyline College for workforce training and small business development

- *"Thank you, the grant I received helped me stay afloat. It gave me an opportunity to meet other business owners and create comradery."*

COMMUNITY NEED #11 - Security and Public Safety (24)

- Especially in places kids hang out
- Neighborhood watch
- Police - student relationship building in schools

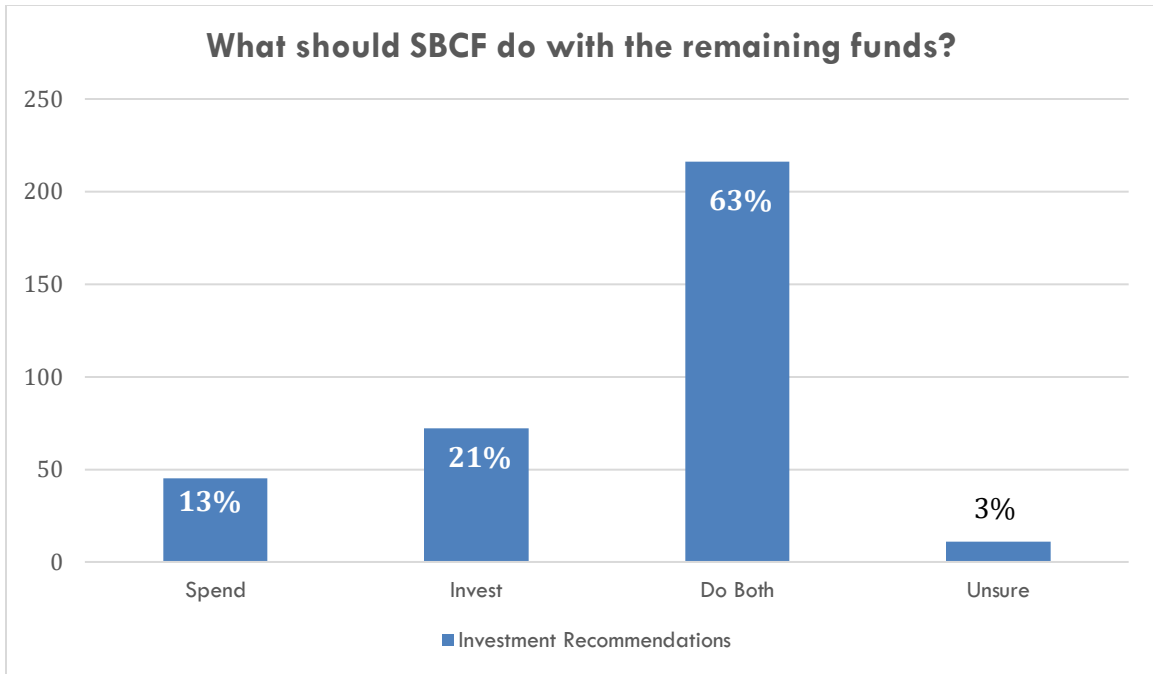
COMMUNITY NEED #12 - Municipal Internet, Free Access to San Bruno Residents (14)

OTHER COMMUNITY NEEDS

- New fire station (2)
- Outdoor pool (1)

INVESTMENT STRATEGIES

When asked, *"Should the remaining funds be spent in the short-term, or should the funds be treated as an endowment, with investment income fueling the work of SBCF over the long-term?"* the majority of participants desire both (63%). Many indicated the immediate needs they are seeing on the part of students, families and businesses that are struggling and would like the Foundation to continue to assist in these areas. The large majority (84%) of participants would like to see SBCF continue on in perpetuity, investing a large portion of the remaining funds so they can continue to support community needs and priorities (21% "invest" + 63% "do both" = 84%). A minority (13%) of participants think the money should be spent now on San Bruno needs and the work of the Foundation is done.



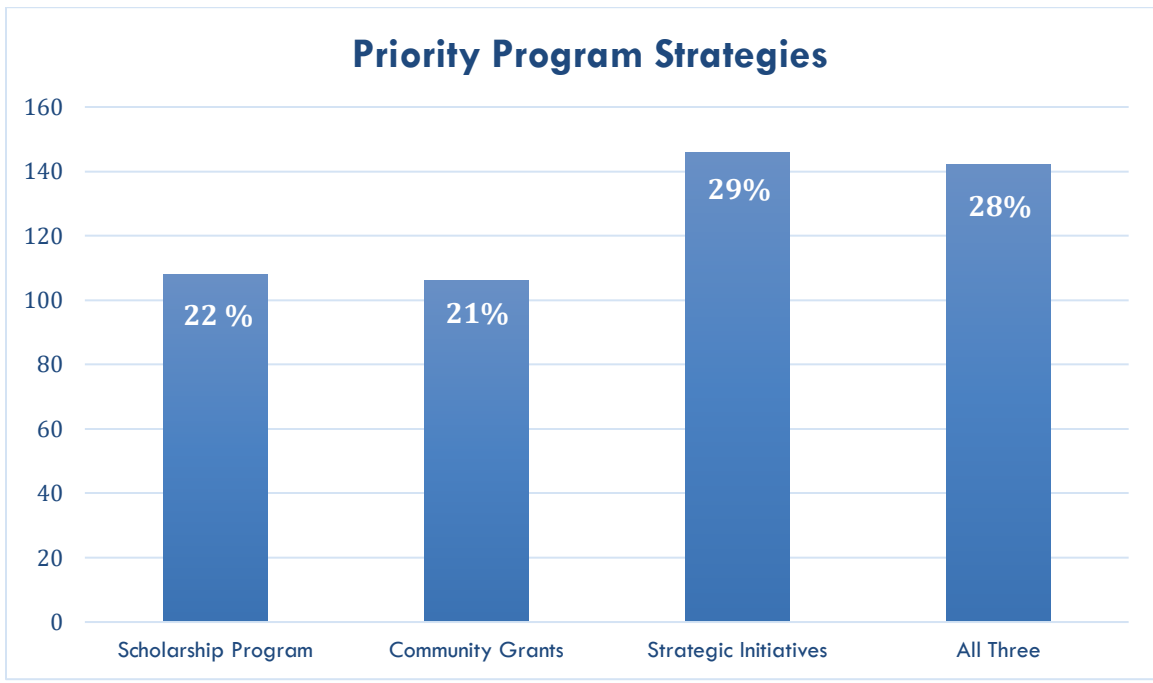
- *"It would be a disservice to the community to dissolve the Foundation, the community is learning how valuable and critical SBCF is, it needs to continue."*
- *"Endow the scholarship fund and attract matching funds from the private sector."*
- *"Invest half of the money for long term, focusing on many smaller, short term investments now where people most need it."*

PROGRAM STRATEGIES

SBCF currently operates programs in three categories: (1) the Crestmoor Neighborhood Memorial Scholarship, which helps San Bruno students obtain a college degree and honors those most directly affected by the 2010 gas pipeline explosion, (2) the Community Grants Fund, which enables local community organizations to apply for annual grants of up to \$25,000 for programs that benefit the San Bruno community, and (3) Strategic Initiatives, which provide significant funding to key community partners to address high priority community needs. The response to the question, *"What are your program priorities? Rank the Scholarship Program, Community Grants and Strategic Initiatives accordingly,"* indicates community members value all of the areas SBCF has focused funds. When asked to prioritize the three program categories in order of importance, it is clear that all three are important to the San Bruno community as a whole. Many people articulated that all are important as they benefit different aspects of the community.

When asked, *"Do you recommend focusing on one, two or all of the above priorities? Why?"* some participants expressed strong preferences for one or two over another, and many (142 participants) specified all three. Taken as a whole the data shows all three program strategies as

critical to the community. Very few expressed that none of these reflect their priorities, and they would rather have the money invested in City infrastructure.



SCHOLARSHIP PROGRAM (108) = 22% identified as their top priority

- *"Give more scholarships for less money, stipulate a requirement for students to return to the community in the summer, etc. to continue to receive scholarship money."*
- *"Scholarships are critical, continue to invest in youth in SB, possibly tie to incentives to bringing their talents back to SB, maybe as teachers."*
- *"Expand scholarships to adults who may need mid-life career training."*
- *"Continue to invest in youth and scholarships, continue the foundation in perpetuity."*

COMMUNITY GRANTS (106) = 21% identified as their top priority

- *"Focus funds on businesses and families who are struggling."*
- *"Right now San Bruno needs quick, decisive action that supports the community, our investments now will benefit us in the long term - support small businesses, it is quite stressful on those trying to survive through this. Supplement and give incentives to support small businesses that support their families and the community."*
- *"Consider internship partnerships between small businesses receiving grants and youth in the community."*
- *"Small business grants and support are critical to the vitality of the community who do not have anywhere else to turn to when they need help. In return business owners can provide internships and apprentice programs."*

STRATEGIC INITIATIVES (146) = 29% identified as their top priority

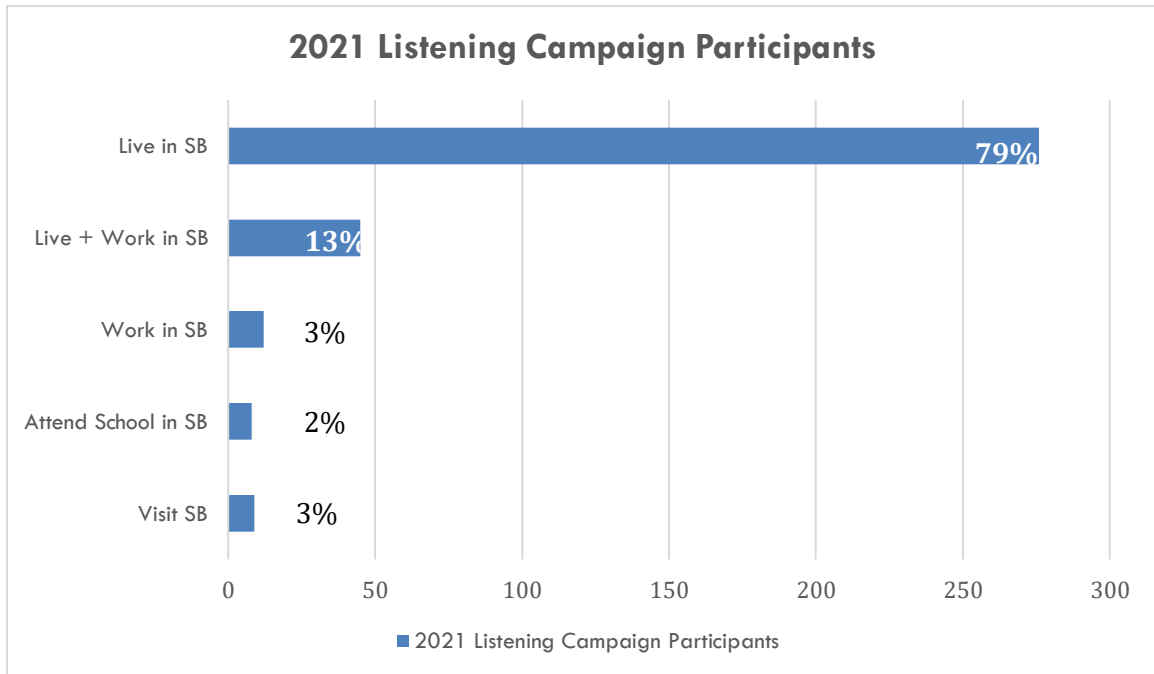
- *"Focus especially those focused on schools and education."*
- *"Build out strategic initiatives to ensure funding over time, do not spend all remaining funds now."*
- *"A strategic initiative approach is the best focus, as it allows the foundation to partner with others in the community better for long term development. Scholarships and grants are also important but focusing on strategic initiatives invests the most into the community for the long term."*
- *"Support strategic initiatives such as the music program offered to ALL kids throughout the District, multi-year, that can address equity issues and is more of a broad, strategic investment."*
- *"Use long term sustainability as a metric for making big investments."*

ALL 3 PROGRAM PRIORITIES (142) = 28% identified as their top priority

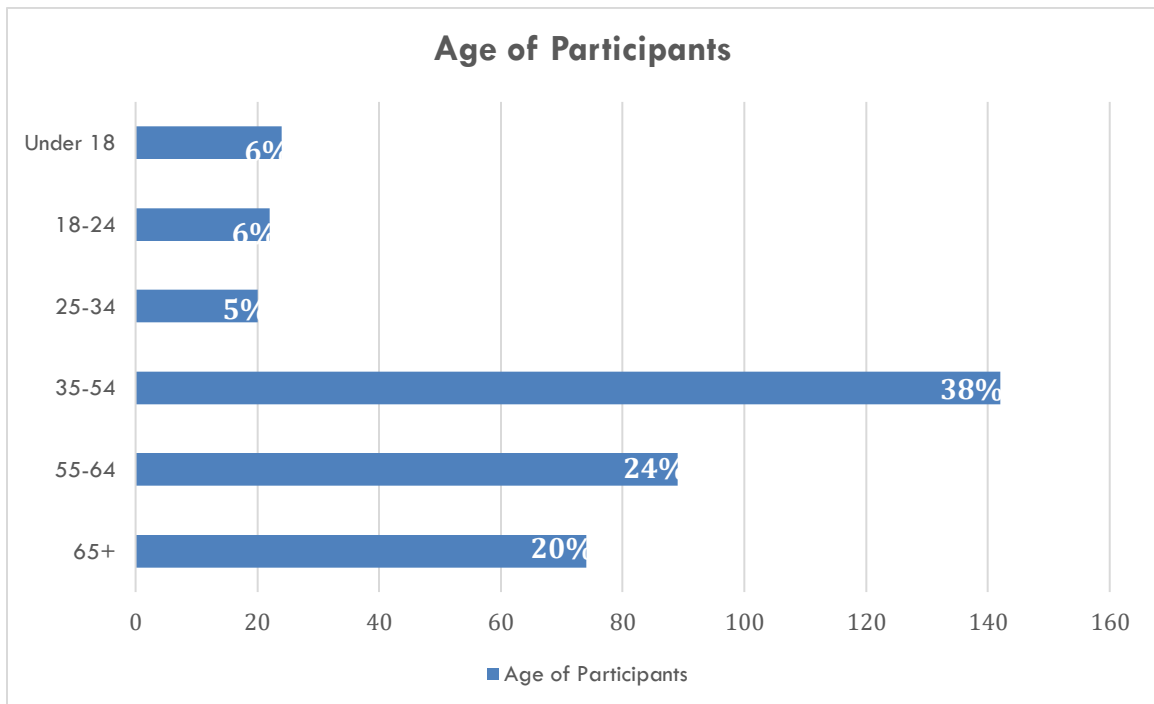
- *"All three benefit different segments of the community. Together they invest across the community."*
- *"All three (investment priorities) are critical, it is like a balanced diet. By spreading money across the city in different areas it keeps interest in the Foundation."*
- *"They are all good, if funding is available for all. Kids need help going to school, community organizations understand what needs to be improved in the community, and the larger program strategies by the foundation bridges the gap between smaller groups and the government. "*
- *"Recommend focusing on all the priorities. They each address different needs of the community that (to me) are on the same level of importance. If there is a way to continue balancing these different, unique needs, it seems like the way to go."*
- *"Look for partnerships to fund initiatives, focus on scholarships, but also invest in the long-term assets of the community with a library, cultural center, etc."*
- *"We need to continue to invest in schools and youth with grants, programs, education, classes, bolstering the youth as much as possible, need internet access, focus the money on the younger generation."*

PARTICIPANT DEMOGRAPHICS (survey participants)

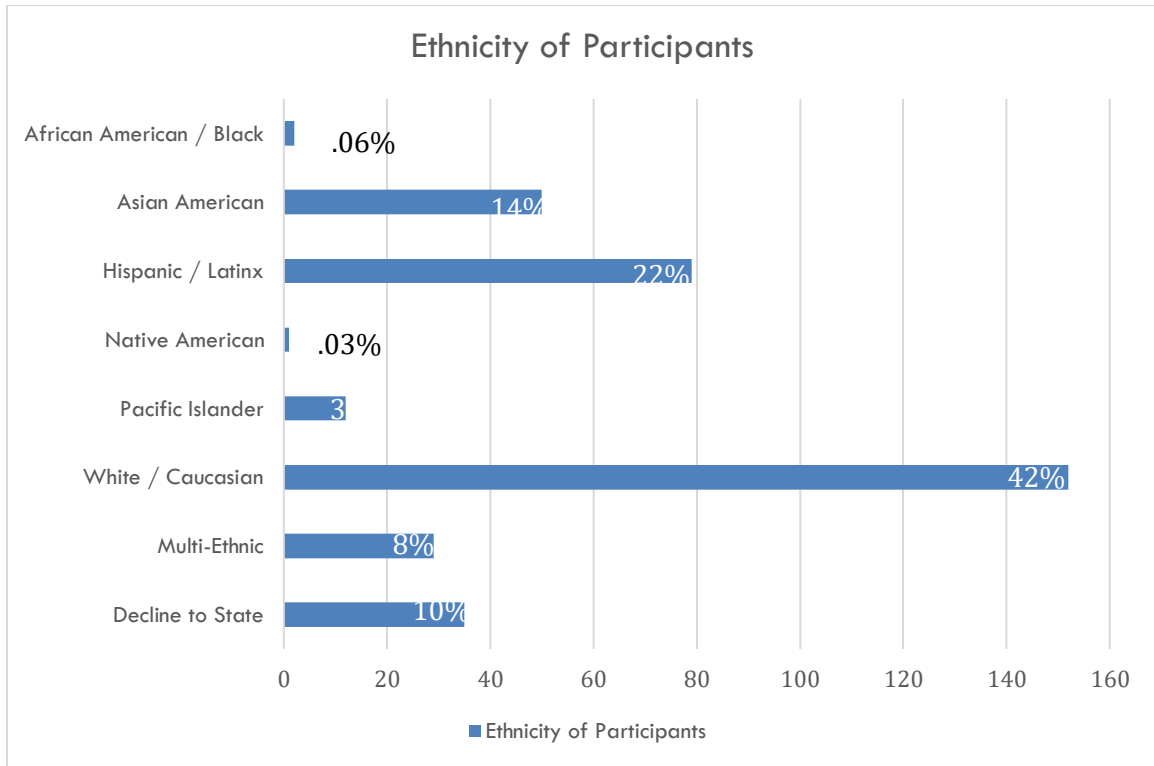
SAN BRUNO AFFILIATION



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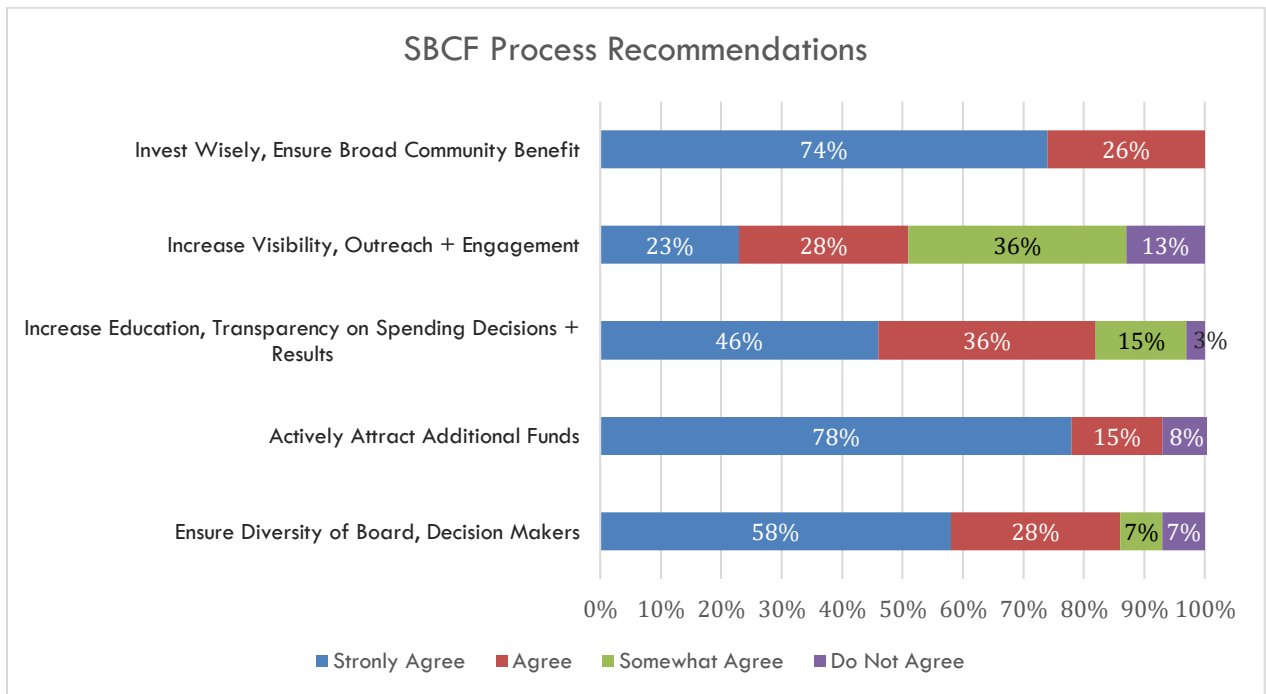
III. Town Hall Webinars

Two Town Hall Webinars were conducted following the focus group dialogues and the community engagement survey. The webinars, held on April 20th and 26th, were open to the entire San Bruno community and were live streamed on the SBCF Facebook page. A total of 84 community members participated via zoom and another 15 or so participated via Facebook live, for a total of approximately 100 webinar participants. The recordings of these webinars can be viewed on the [San Bruno Community Foundation Facebook page](#) and have received 350 additional views as of the writing of this report.

The webinars consisted of three segments: (1) background on SBCF and the Listening Campaign 2.0 engagement project, (2) the results of the focus group dialogues and the engagement survey, and (3) an assessment of the results and recommendations using an online webinar poll where results were tabulated and communicated to the participants in “real time.”

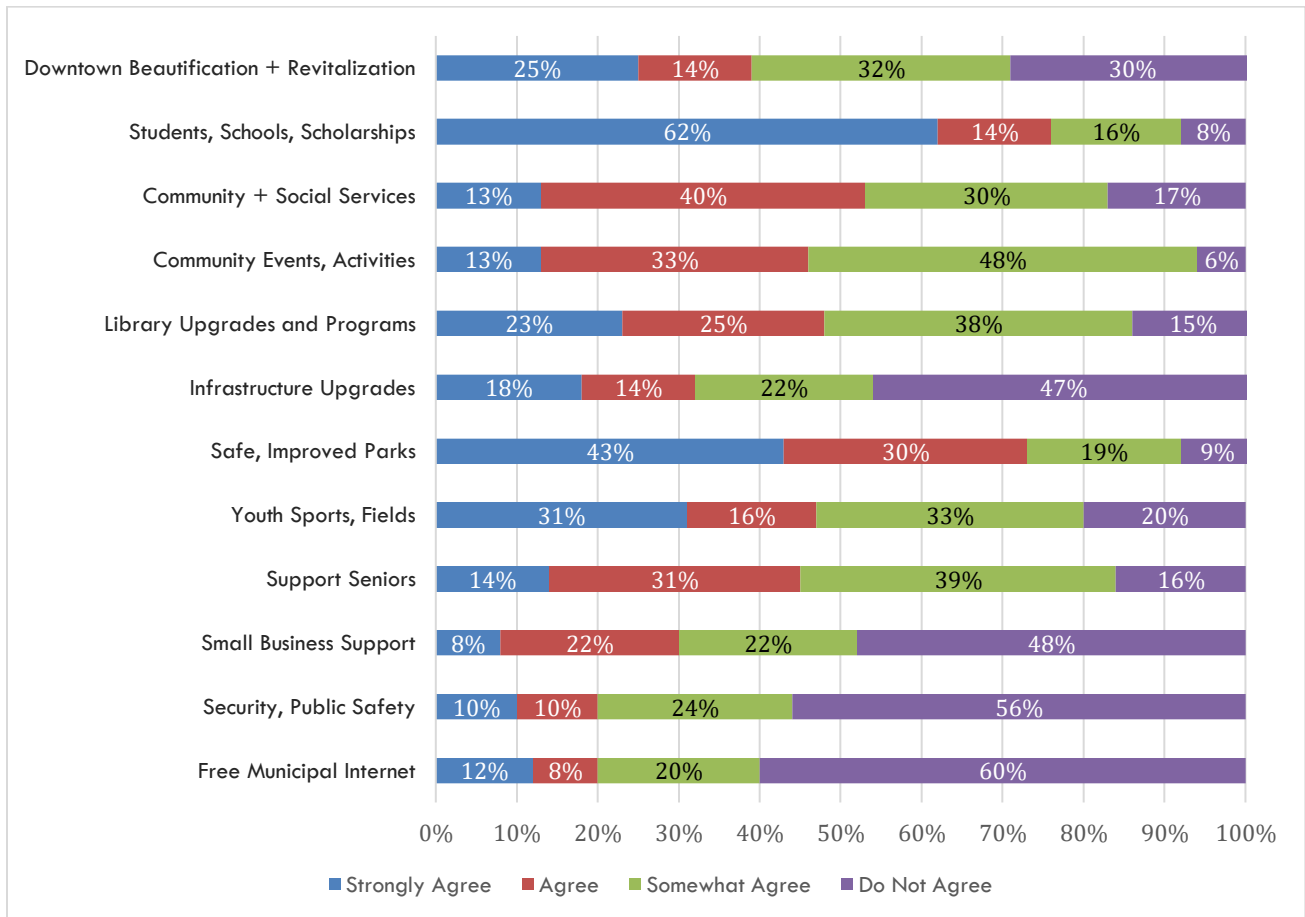
Webinar participants were asked to gauge their **level of agreement** with the process recommendations, current community needs, investment strategy recommendations, and priority program strategy results from community members in the focus groups and community survey. Approximately 2/3 of the webinar participants had previously participated in a focus group or survey. The results of the webinar polling are summarized in the charts below.

Chart One: Level of Agreement with SBCF Process Recommendations



The poll on process recommendations indicates that webinar participants either agreed or strongly agreed with all five of the process recommendations heard in the focus groups and survey. The one exception was that only about half of the webinar participants think it important that the Foundation increase its visibility, outreach, and engagement in the San Bruno community.

Chart Two: Level of Agreement with Current Community Needs



Webinar participants had slightly different levels of agreement with the community needs that were identified in the focus groups and survey. Most notably, *Students, School and Scholarships* rose to the top priority for webinar participants (76% strongly agree or agree), while *Safe and Improved Parks* was a close second (73% strongly agree or agree). A specific suggestion related to *Safe and Improved Parks* offered by some webinar participants that was not previously heard in the Listening Campaign was to purchase the El Crystal property adjacent to San Bruno Park.

Downtown Beautification and Revitalization (39% strongly agree or agree), as well as *Infrastructure Upgrades* (32% strongly agree or agree) were not as high of priorities for webinar participants as they were for survey and focus group participants. The other priorities mostly aligned with what was previously heard in the Listening Campaign.

Chart Three: Level of Agreement with SBCF Program Strategies

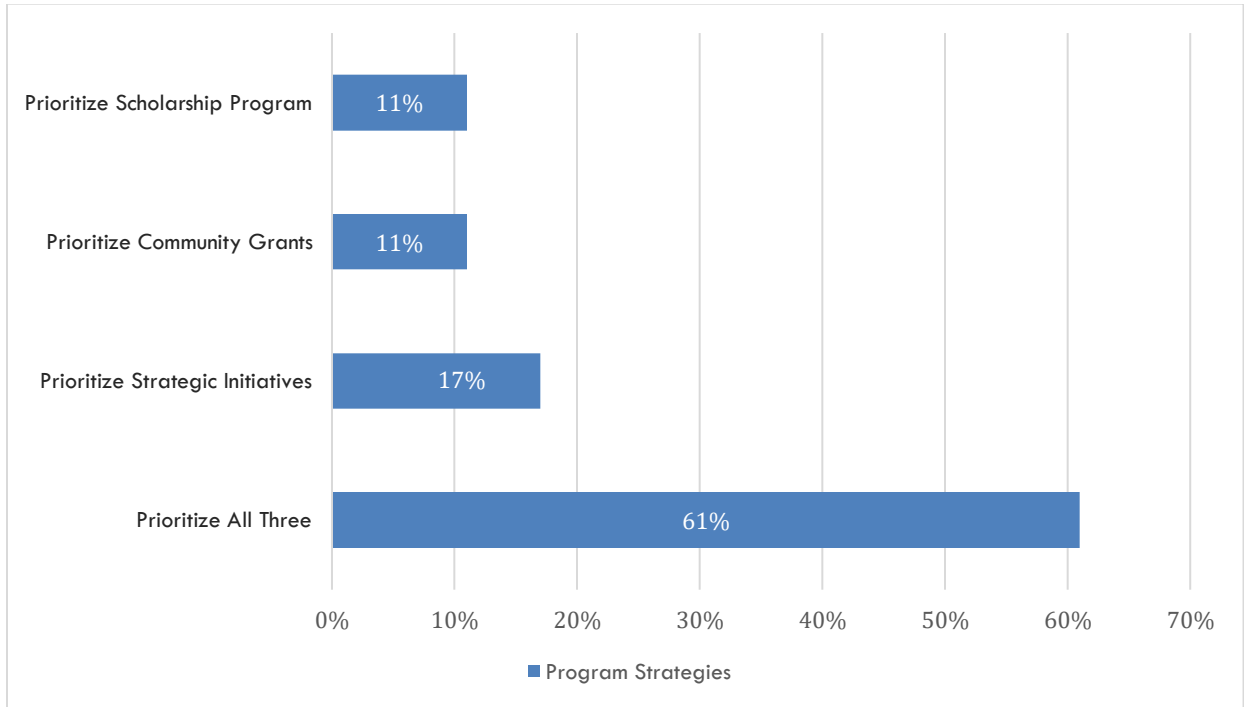
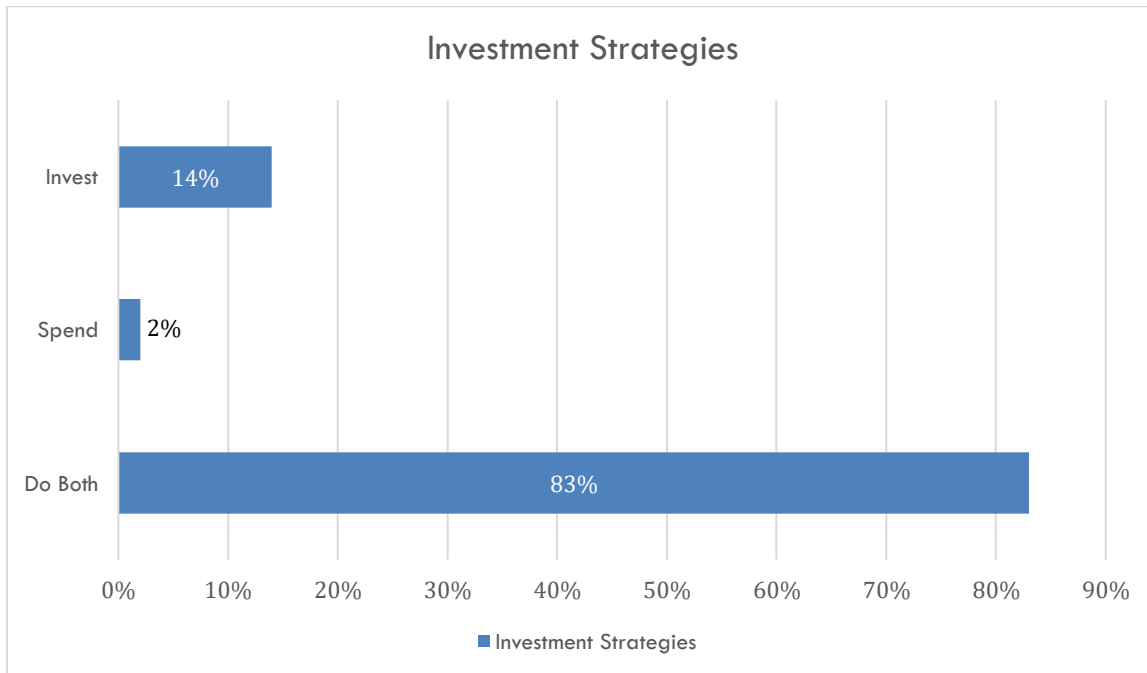


Chart Four: Levels of Agreement with SBCF Investment Strategies



The results displayed in Charts Three and Four show agreement with what was heard in the focus groups and surveys, with even more emphasis on continuing the work of the Foundation in both the short and long term (spending small sums now and investing the bulk of the funds for the future), as well as continuing to prioritize all three program strategy areas in the community.

IV. Next Steps

This Project Report marks the end of the community engagement phase of Listening Campaign 2.0. The next phase consists of a series of Strategic Planning Meetings with the SBCF Board. The PDC consulting team will review this report with the Board to ensure a shared understanding of the results and recommendations that the community advises for the Foundation. This will be followed by decision-making activities that will enable the Board to establish the strategic goals and priorities that will guide SBCF for the next several years.

SAN BRUNO

Community Foundation

Strategic Plan 2.0

Adopted by the San Bruno Community Foundation Board of Directors, September 1, 2021

In late 2020, the Board of Directors of the San Bruno Community Foundation launched a three-part strategic planning process on future program and investment strategies once the Foundation has fully disbursed \$50 million to the City of San Bruno for the design and construction of a new Recreation and Aquatic Center (RAC) for the San Bruno community:

- Diversity, equity, and inclusion (DEI) training, led by Dr. Rona Halualani of Halualani & Associates, for the Board to examine internal biases/leanings and adopt practices that promote diversity, equity, and inclusion in the Foundation's decision-making processes and communications.
- Community Listening Campaign 2.0, led by the Public Dialogue Consortium (PDC), to solicit from members of the San Bruno community feedback on the Foundation's programs thus far and input on current community needs and a vision for the Foundation going forward.
- Strategic planning deliberations by the Board, facilitated by Dr. Shawn Spano of PDC, to develop a forward-looking plan articulating the Foundation's program and investment strategies once its investment portfolio decreases after the Recreation and Aquatic Center is funded, its role in the community, and the size and scope of its ongoing operations.

In response to the feedback received during Community Listening Campaign 2.0, as a result of the strategic planning deliberations, and while embracing a commitment to diversity, equity, and inclusion, the Board seeks to adopt the following action items, which collectively make up its updated Strategic Plan for the Foundation:

1. Program Strategy

The Board reaffirms the Foundation's Program Strategy Framework, as originally approved by the SBCF Board on October 7, 2015, and by the San Bruno City Council on November 10, 2015, including the Foundation's purpose, vision, and mission statements, guiding principles, funding criteria, and program categories. In particular, the Board reaffirms the Foundation's three-bucket program strategy:

- Crestmoor Neighborhood Memorial Scholarship (Foundation-run program)
- Community Grants Fund (responsive grantmaking)
- Strategic Grants (strategic grantmaking)

The Board seeks to continue all three program areas on an ongoing basis, maintaining the Crestmoor Scholarship and the Community Grants Fund at current program levels and Strategic Grants as the annual budget allows.

2. Investment Strategy

Once the Foundation has fully disbursed the \$50 million in RAC grants to the City, the Foundation will update its investment strategy as follows:

- Quasi-Endowment starting balance: \$25 million
- Annual Quasi-Endowment payout target: \$1.75 million, adjusted annually for inflation
- Quasi-Endowment spend-down time horizon: Approximately 20 years
- Strategy formally revisited by the Board: At least once every five years

Based on the Foundation's current operating expenses and program disbursements, the \$1.75 million annual Quasi-Endowment payout will enable the Foundation to maintain its current level of operations and a meaningful level of investment in the San Bruno community. The Foundation Board acknowledges that this payout rate, in the absence of the development of other funding sources, will likely result in the Foundation exhausting its assets approximately 20 years after the new strategy is implemented.

Under the current timeline for the construction of the RAC, this strategy will likely take effect beginning in fiscal year 2023-2024. The Investment Committee will be tasked with reviewing the Investment Policy Statement and the Investment Operating Plan and recommending amendments to both documents to reflect the new investment strategy prior to the implementation of the new strategy.

Given the Foundation's total assets of approximately \$79 million as of June 30, 2021, the Foundation will likely have in excess of \$5 million to invest outright in Strategic Grants in the next two years in order to begin fiscal year 2023-2024 with a \$25 million balance in the Quasi-Endowment. At the time new investment strategy takes effect, the Board can decide whether to maintain any assets in excess of \$25 million in the Strategic Pool to be used outright to fund Strategic Grants or to roll all or some portion of those assets into the Quasi-Endowment.

3. Operations

As part of the Strategic Plan, the Board also commits to the following operational actions:

- a. Maintain Current Program-Focused Business Model

The Board affirms the current program-focused business model. By declining to transition to a business model focused on both program and fund development, the Board acknowledged its original decision not to fundraise to avoid competing with other local nonprofits, the substantial costs of building up a viable fundraising operation, and the belief that the

Foundation's partners, which implement the Foundation's initiatives, may be better positioned to fundraise than the Foundation, which primarily operates as a grantmaking body.

b. Ensure Diversity in the Composition of the Board of Directors and Grant and Scholarship Review Panels

With regard to Board appointments and acknowledging that the San Bruno City Council appoints Board members, the Board is committed to continuing to prioritize diversity and to embracing an expansive definition of diversity to include expertise, experience, and skill sets valuable on the Board as well as other background and demographic characteristics. The Foundation will also continue to individuals with diverse backgrounds and perspectives on the community panels that review and evaluate Community Grant and Crestmoor Scholarship applications.

c. Increase Visibility and Awareness of the Foundation's Programs, Spending Decisions, and Program Results

The Board endorses continued efforts to effectively communicate with the San Bruno community and other stakeholders about the Foundation's programs and operations. The Executive Director will continue to manage outreach and communication activities, with guidance from the Board as needed

d. Continue to Invest Wisely to Ensure Broad Community Benefits

The Board affirms its fiduciary duties to the Foundation to ensure that the Foundation's assets are invested for the long-term of the community with the guidance of a Board-selected investment management firm and in accordance with a Board- and City Council-approved investment policy statement.

e. Continue Current Process for Developing Annual Budget

The Board affirms the current process, led by the Executive Director, to develop the annual budget, particularly once the new investment strategy is in place and the Foundation is relying primarily on the Quasi-Endowment payout to fund programs and operations: maintain Community Grants Fund and Crestmoor Scholarship disbursement levels at the same as the previous year, factoring in whether the Foundation has received any restricted donations earmarked for either program; estimate necessary operating costs assuming current activity levels; and reserve the balance of funds for Strategic Grants.

f. Create Ad Hoc Committee to Identify Strategic Grantmaking Priorities and Assess Potential Strategic Grant Opportunities

The Board will create a new ad hoc committee to review the community needs and program ideas identified in Community Listening Campaign 2.0, recommend to the Board priority areas for both larger (at least \$1 million) and smaller (under \$1 million) Strategic Grants, and assess proposals and opportunities for Strategic Grants in the near- and mid-term.