

# SAN BRUNO

## Community Foundation

### *Board of Directors*

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

---

## AGENDA

### SAN BRUNO COMMUNITY FOUNDATION

#### Regular Meeting of the Board of Directors

**June 5, 2019**

**7:00 p.m.**

#### **Reception Honoring 2019 Recipients of the Crestmoor Neighborhood Memorial Scholarship**

**6:30 p.m.**

#### **Meeting Location:**

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

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

- 1. Call to Order/Welcome**
- 2. Roll Call**
- 3. Public Comment:** Individuals are allowed three minutes, groups in attendance, five minutes. If you are unable to remain at the meeting, contact the President to request that the Board consider your comments earlier. It is the Board's policy to refer matters raised in this forum to staff for research and/or action where appropriate. The Brown Act prohibits the Board from discussing or acting upon any matter not agendaized pursuant to State Law.
- 4. Presentation:** 2019 Crestmoor Neighborhood Memorial Scholarship Recipients
- 5. Approval of Minutes:** March 6, 2019, Regular Board Meeting
- 6. Executive Director's Report**

# SAN BRUNO

## Community Foundation

### *Board of Directors*

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

---

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

- a. Adopt Resolution Canceling the July 3, 2019, and August 7, 2019, Regular Meetings of the Board of Directors
- b. Adopt Resolution Authorizing Executive Director Leslie Hatamiya to Execute a Consulting Agreement with Program Consultant Stephanie Rutgers for an Amount Not to Exceed \$36,960
- c. Adopt Resolution Approving Revised Fiscal Policies and Procedures
- d. Adopt Resolution Reducing Transfer from the Strategic Pool Investment Account to the Liquidity Pool Account to Cover Operating Expenses and Strategic Grant Obligations for Fiscal Year 2018-2019 to \$1,043,704
- e. Receive and Approve Treasurer's Report (February, March, and April 2019 Financial Statements)

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

- a. Receive Report from San Bruno Park School District Superintendent Stella Kemp on SBPSD Schools Transformation Strategic Grant
- b. Receive Report on First Responder Effectiveness Strategic Initiative and Adopt Resolution Approving First Responder Effectiveness Strategic Grant for a Mobile Command Vehicle to the City of San Bruno in an Amount Not to Exceed \$303,545
- c. Receive Report from Ad Hoc Committee on Recreation and Aquatics Center Project
- d. Receive Report on Crestmoor Neighborhood Memorial Scholarship Program and Adopt Resolution Creating Ad Hoc Committee on Crestmoor Scholarship
- e. Receive Report on Other Programs (Community Grants Fund and Other Strategic Grants)
- f. Receive Report from Ad Hoc Committee on Board Development and Recommend to the San Bruno City Council Board Applicants for Appointment to the San Bruno Community Foundation Board of Directors

# SAN BRUNO

## Community Foundation

*Board of Directors*

Frank Hedley, *President* • Emily Roberts, *Vice President* • John P. McGlothlin, *Secretary* • Tim Ross, *Treasurer*

Patricia Bohm • Nancy A. Kraus • Regina Stanback Stroud

Leslie Hatamiya, *Executive Director*

---

- g. Receive Report from Investment Committee
- h. Adopt Resolution Approving Fiscal Year 2019-2020 Budget, Setting the Quasi-Endowment Payout Rate for Fiscal Year 2019-2020, and Approving Transfer from the Strategic Pool Investment Account to the Liquidity Pool Account for Fiscal Year 2019-2020

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

### **10. Adjourn**

## 2019 CRESTMOOR NEIGHBORHOOD MEMORIAL SCHOLARSHIP RECIPIENTS

*In 2019, the San Bruno Community Foundation recognizes nine outstanding San Bruno students who have demonstrated a strong commitment to the San Bruno community with multi-year college scholarships totaling \$120,000.*



**JASMIN BEDOLLA:** With interests in environmental science and astronomy, Jasmin Bedolla will begin her studies at the College of San Mateo this fall. A member of the Capuchino High School class of 2019 and motivated by a desire to service the community, Jasmin has been an active member of Latinos Unidos, organizing efforts to share traditional Latin cultural traditions with the broader community, and of Chance Club, which provides assistance to foster youth. Jasmin also served as a volunteer cabin leader for the San Mateo County Outdoor Education program, where she guided students to develop an interest in nature conservation while improving her leadership and communication skills.



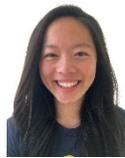
**VALENTINA CARRENO:** As the first female president of Skyline College's Computer Science club, Valentina Carreno has been a trailblazer, substantially growing the club's membership, increasing female participation to 30%, organizing workshops to inspire local low-income youth to pursue interests in science, and hosting the Expanding Your Horizons conference for young women to learn about STEM careers. Valentina has also participated in an ASPIRES science internship, assisted educationally disadvantaged students seeking to excel in math and science at Skyline's MESA center, and played on the college's soccer team. Valentina will spend the summer at MIT in a hands-on research internship prior to enrolling at UC San Diego, where she will pursue a degree in cognitive science.



**MICHELLE HUANG:** Originally from Jakarta, Indonesia, Michelle Huang has become an active member of the Skyline College and broader San Bruno communities. She has served as a business peer tutor in the TRiO program for first-generation students, was elected senator as well as student organization and club liaison for the Associated Students of Skyline College, led the local chapter of Phi Theta Kappa and its community service activities, and was honored with the 2018 Peer Mentorship Award for her service in the Learning Center. For the 2018 Expanding Your Horizons conference, she created a forensic science workshop. This fall Michelle will transfer to UCLA, where she intends to study business economics.



**SHRIYA JAYANTHI:** After experiencing the inner workings of local government as an intern for San Mateo County Supervisor David Canepa, Shriya Jayanthi is considering a career in public policy. A scholar in Capuchino High School's International Baccalaureate diploma program, Shriya has been an officer in the Interact Club, spearheaded a rally against sexual assault as a leader in the San Mateo Activist Coalition, participated as both an actor and a member of the stage crew in a variety of theater productions, worked as a peer tutor, and served as the San Bruno Chamber of Commerce's first student ambassador. A musician and visual artist, Shriya will begin her studies at the University of Southern California this fall.



**KATHY LIN:** A member of the Capuchino High School class of 2019, Kathy Lin will begin her studies at UC Berkeley this fall. Ignited by her participation in the Global Glimpse summer program, Kathy gives back to the community in a variety of ways, most notably as a leader in the Interact Club – both at Capuchino and at the district level – the InspirAsian Club, Students in Action, and the Acts of Random Kindness Club. As a member of Capuchino Leadership, she organized an Oxfam Hunger Banquet, set up a College Pen Pal Mentorship Program, and hosted a Holiday Giveaway aimed to relieve holiday stress and show appreciation for students, staff and families. She has also served on the School Site Council, participated in the Jam Squad, and has worked as a tutor and babysitter.



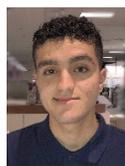
**NICOLE LIU:** Nicole Liu is excited to embark on an undergraduate degree at UC Berkeley this fall. An outstanding student at Capuchino High School and Skyline Middle College who has juggled community college courses during her final two years of high school, Nicole has been a leader in many arenas. At Capuchino, she served as secretary for the Interact Club, captained the varsity tennis team, and was an elected officer on the student council. She has been a youth leader at her church and worked as a lead instructor at Mathnasium. Nicole has also been active on the Skyline campus, working as a supplemental instruction leader at the Skyline Learning Center and as a student ambassador for the Career Services Center, participating in Model United Nations, and serving in the student Senate.



**ZARIAN MARTIN:** Sports and community service have been common threads throughout Zarian Martin's life. With a strong work ethic, respect for his teammates and opponents, and a competitive spirit, Zarian played basketball for Capuchino High School all four years, while also volunteering as a youth basketball coach and summer camp coordinator at the San Bruno Recreation Center. Zarian has also participated in the San Bruno Police Explorer program. He will enroll at Cañada College this fall, with the goals of transferring to a four-year university to pursue a degree in sports management, obtaining an MBA, and eventually working in the area of professional or college sports.



**J. ENRIQUE MARTINEZ:** Spending his early childhood years in San Francisco's Hunters Point and moving to San Bruno at age 10, J. Enrique Martinez has overcome personal and family challenges and is proud to graduate from Skyline College this spring. A graduate of Capuchino High School, Enrique has worked as a student ambassador for AmeriCorps, assisted elderly residents at Marymount Greenhills Retirement Center as a medical technician, and served as a voting precinct inspector during the 2016 general election. Passionate about writing, he has published poetry in Skyline's creative writing journal. This fall Enrique will transfer to San Jose State University to study chemical engineering.



**ZIDANE MILI:** After graduating from Capuchino High School this spring, Zidane Mili will study business at Menlo College, with aspirations of continuing to law school. For the past four years, Zidane has participated in the San Bruno Police Department's Explorer program, rising to the level of Assistant Commander and serving as secretary of the Police Explorer Youth Association. He has also volunteered as a homework tutor at the San Bruno Public Library, coached a Junior Giants baseball team, and served as youth leader at New North Church. This summer Zidane will participate in a mock trial program at Stanford Law School and intern in the district office of Congresswoman Jackie Speier.

# SAN BRUNO

## Community Foundation

### *Board of Directors*

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

---

## MINUTES

### SAN BRUNO COMMUNITY FOUNDATION

#### Regular Meeting of the Board of Directors

**March 6, 2019**

**7:00 p.m.**

#### **Meeting Location:**

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

- 1. Call to Order/Welcome:** President Frank Hedley called the meeting to order at 7:04 p.m.
- 2. Roll Call:** Board Members Hedley, Roberts, McGlothlin, Ross, Bohm, and Kraus, present; Stanback Stroud, excused.
- 3. Approval of Minutes:** February 6, 2019, Special Board Meeting: Board Member Kraus moved to approve the minutes of the February 6, 2019, Special Board Meeting, seconded by Treasurer Ross, approved unanimously.
- 4. Board Member Comments**
  - a. President: None.
  - b. Others: Secretary McGlothlin reported that he presented a Community Grant check to Second Harvest Food Bank of Santa Clara and San Mateo Counties at The Crossing and was impressed with the well-run food distribution process there.
- 5. Executive Director's Report:** Executive Director Hatamiya gave a brief report on several items not covered in the business portion of the agenda. She reported that, under her contract authority as Executive Director, she has renewed the Foundation's commercial general liability, property, non-owned hired auto liability, cyber liability, and workers compensation insurance policies, all of which are up for renewal on March 21, 2019 (total combined premium of \$1,866). She reminded Board members to submit their FPPC Form 700s by the April 2 deadline as well as complete AB 1234 training at their earliest convenience. She also reported that she has hired a contractor, Emme Woollard, to do some of the administrative tasks related to preparing the Crestmoor Scholarship applications for review. Ms.

# SAN BRUNO

## Community Foundation

### *Board of Directors*

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

---

Hatamiya reported that she participated on a panel at a convening on serving the needs of children and families in North San Mateo County hosted by Thrive, the Alliance of Nonprofits for San Mateo County, and a group of foundations. Finally, she reported that website traffic and e-newsletter reach was slightly higher since the December Board meeting due to the Community Grants Fund announcement and Crestmoor Scholarship application activity.

### **6. Consent Calendar**

- a. Adopt Resolution Canceling April 3 and May 1, 2019, Regular Meetings of the Board of Directors
- b. Adopt Resolution Authorizing Executive Director to Bind Directors and Officers Liability Insurance Policy from Philadelphia Insurance Companies for an Amount Not to Exceed \$14,377
- c. Adopt Resolution Authorizing President Frank Hedley to Execute a Contract with Novogradac & Company LLP for Audit and Tax Preparation Services for Fiscal Year 2018-2019 for an Amount Not to Exceed \$9,100
- d. Approve Resolution Adjusting Executive Director's Compensation
- e. Receive and Approve Treasurer's Report (January 2019 Financial Statements)

President Hedley pulled item 6.d. from the Consent Calendar. Board Member Kraus moved to accept items 6.a., 6.b., 6.c., and 6.e. of the Consent Calendar as presented, seconded by Vice President Roberts, approved unanimously.

President Hedley said he pulled item 6.d. from the Consent Calendar because State law requires an oral report on the Board's action to adjust the Executive Director's compensation, and that action is to provide a 3% cost of living increase to her salary, which will now be \$192,155.50, as well as a one-time contribution of an additional 5% of her salary to her 403(b) retirement plan. He reported there would be no other changes to her compensation. Secretary McGlothlin moved to accept item 6.d. of the Consent Calendar as presented, seconded by Board Member Bohm, approved unanimously.

Board Member Kraus and President Hedley thanked Executive Director Hatamiya for another year of her leadership of the Foundation.

### **7. Conduct of Business**

- a. Receive Report from San Bruno Police Chief Ed Barberini and San Bruno Fire Chief Dave Cresta Regarding First Responder Effectiveness Strategic Initiative

Executive Director Hatamiya reported that one year ago, in March 2018, the Board approved a grant of up to \$160,723 to the City to fund three projects that would bolster the effectiveness of the Police and Fire Departments in fundamental and meaningful ways – emergency shelter supplies; critical facilities

# SAN BRUNO

## Community Foundation

### *Board of Directors*

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

---

site assessments, incident action plans, and joint public safety training; and police officer mindfulness, compassion, and resiliency training. She introduced San Bruno Fire Chief Dave Cresta and San Bruno Police Chief Ed Barberini, who gave a presentation on implementation of the three community-oriented projects being funded by the grant.

First, with regard to the emergency shelter supplies project, Fire Chief Cresta reported that grant funds have been used to purchase necessary equipment and supplies that would enable the City to operate a standalone emergency shelter if the need arose. The equipment includes items such as cots, blankets, first aid kits, food and beverage serving supplies, hygiene supplies, lights, a generator, and a trailer to securely and safely store and transport the equipment. He reported that the City received delivery of the trailer and supplies in January; staff assembled the carts and added additional supplies to make the trailer operational; staff will be working with the American Red Cross to provide shelter operation training to San Bruno employees; and that plans are in place to incorporate the use of the shelter supplies in a countywide full-scale exercise in November 2019.

With regard to the police officer mindfulness training, Police Chief Barberini reported that the Police Department used the grant to implement a department-wide mindfulness and resiliency program and that nearly all Police Department personnel participated in December and January in a 2.5-day residential immersion course conducted by the Mindful Badge Initiative. He reported that the training covered such topics as meditation, mindfulness, trauma science and management, body/mind connection, stress reduction methods, sleep improvement, compassion based action, and guardian vs. warrior mentality. He said that some of the benefits that attendees have reported include drastically improved sleep; improved relationships and interactions with family members; improved diet and exercise regimens; increased feelings of control over emotions and reactions; overall feelings of greater calm and ease; and greater comfort with feeling compassion for the people they deal with throughout the day as police officers.

With regard to the critical facilities site assessments and collaborative training project, Chief Barberini reported that the grant has enabled the City, with the assistance of experienced consultants, to conduct a thorough site assessment, produce detailed site maps, develop an incident action plan, and conduct site-specific training exercises for three critical facilities in San Bruno: Capuchino High School, Parkside Intermediate School, and San Bruno City Hall. This effort significantly enhances the preparedness of the San Bruno Police and Fire Departments in dealing with potential natural disasters and other incidents through advance planning and training.

Chief Barberini also reported on the two departments' research into a mobile command vehicle, which would enhance the City's ability to manage responses to critical incidents, natural disasters, and planned large scale events. He said the departments plan to draft a proposal for the mobile command vehicle for additional first responder grant funding, which the Foundation received, following the tragic April 2018 shooting at YouTube's San Bruno headquarters, from Google.org and employees from Google and YouTube.

# SAN BRUNO

## Community Foundation

### *Board of Directors*

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

---

Board members commended the two departments for their implementation of the three projects and expressed particular interest in the leadership the Police Department has shown in integrating the mindfulness training into its operations. Community member Malcolm Robinson, who is a member of the City's Community Preparedness Committee, thanked the Foundation for contributing to these first responder efforts.

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

President Hedley made the report on behalf of the Ad Hoc Committee on Recreation and Aquatics Center Project. He reported that the project consists of three phases – conceptual design, development of schematic design plans and construction drawings, and construction; that the Board has made a commitment to fund this project with \$50 million and that the Foundation and City have agreed to fund the project through a series of separate grant agreements that will cover specific portions of the project costs; that the first grant for the conceptual design phase has been completed and in the end totaled \$416,108.85; and that the second grant, for up to \$5,420,388, covers architectural services through the schematic design/construction documents and construction phases.

i. Receive Project Update Presentation by Dawn Merkes of Group 4 Architecture, Research + Planning and Joanne Magrini, San Bruno Community Services Director

President Hedley then introduced San Bruno City Manager Jovan Grogan, Community Services Director Joanne Magrini, and Dawn Merkes, a principal at Group 4 Architecture, Research + Planning, who updated the Board on progress in the schematic design phase of the Recreation and Aquatics Center project. They explained that the City has launched Phase 2 of the development process, which includes creation of final design drawings and construction documents. They shared preliminary design documents that illustrate a two-story facility that includes a gymnasium, cardio/weight room, a group exercise room, classrooms of various sizes, a year-round indoor pool, locker rooms, and other support features. City staff discussed the challenges in finding the appropriate balance between program elements envisioned by the community and the projected costs of building and operating the facility. Mr. Grogan emphasized that detailed business plan analysis is driving the City's decisions regarding the building's program elements and reported that the City is identifying other possible funding sources that would enable the City to include additional program enhancements, including a seasonal outdoor pool, a large community hall, an elevated walking track, and a more robust community lounge space, in the facility's design. He said that a community-wide update on the project is planned for the April 9 City Council meeting at 7:00 p.m.

Mr. Grogan, Ms. Magrini, and Ms. Merkes outlined the timeline for the project, including completion of final design drawings and construction documents by the summer of 2020, a two-year construction period anticipated to conclude at the end of 2022, with a grand opening celebration in early 2023.

Several Board members thanked the City's team for its due diligence and detailed analysis related to the project and emphasized the importance of keeping the community involved in the process. Board members also inquired about specific design features, such as the indoor pool and a possible community

# SAN BRUNO

## Community Foundation

### *Board of Directors*

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

---

room, encouraged the City to look for community partnerships and other funding sources that would enable the City to supplement the project budget and include all of the additional program enhancements, and advocated for affordable pricing options for lessons and use of the facility in its business plan to ensure that the center is accessible to all community members.

Community member Malcolm Robinson shared several concerns about the project, including maintaining an outdoor pool option, providing more opportunities for community engagement in the design process, considering outdoor programming as part of the project, and including a catering kitchen with the community room.

- ii. Adopt Resolution Approving Strategic Grant to the City of San Bruno for Project and Construction Management Services Related to the Recreation and Aquatics Center Project in an Amount Not to Exceed \$929,000

President Hedley presented to the Board an amended resolution – updated since the Board meeting packets were distributed – approving a strategic grant to the City for project and construction management services related to the Recreation and Aquatics Center project for an amount not to exceed \$1,079,000 (increased from the original amount of \$929,000).

He explained that through an RFP process, City staff has selected Griffin Structures, a California-based firm with a Northern California office in Santa Clara, to provide professional project and construction management services for the project. He said that the City has negotiated contract details for this arrangement with Griffin Structures, and the total cost for the services Griffin Structures is to provide is to not exceed \$929,000, and that, after meeting with Griffin Structures in the past week, City staff decided that, since the contract will be from design through the construction phase over a period of several years, a \$150,000 contingency should be included in case Griffin is needed to eventually perform work outside the original scope of work. This contingency will be initiated, if required, for extra services performed outside the original scope of work after approval by the City. President Hedley explained that the proposal that will be presented to the City Council on March 12 for approval will include a contingency of \$150,000 for additional services, for a total contract cost of \$1,079,000. Since it makes sense for the Foundation's corresponding grant to match that contract amount, he explained that the revised version of the resolution increases the grant to an amount not to exceed \$1,079,000.

He reported that the resolution would also authorize the Executive Director to finalize and execute on behalf of the Foundation a grant agreement setting forth the specific terms and conditions, including the specific grant purposes, for such a grant to the City of San Bruno in an amount not to exceed \$1,079,000.

Board Member Kraus moved to adopt the resolution approving strategic grant to the City of San Bruno for project and construction management services related to the Recreation and Aquatics Center project in an amount not to exceed \$1,079,000, as amended, seconded by Treasurer Tim Ross, approved unanimously.

# SAN BRUNO

## Community Foundation

*Board of Directors*

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

---

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

Executive Director Hatamiya reported on the Foundation's other programs and initiatives. She first reported on the Crestmoor Neighborhood Memorial Scholarship, whose application deadline was the same day as the meeting. She said that online registration for the Scholarship application was robust, and the number of submitted applications is expected to be similar to last year. She said the 2019 Crestmoor Scholars will be recognized at the Foundation's June 5 Board meeting.

With regard to the Community Grants Fund, Ms. Hatamiya shared several highlights of the grant reports submitted by 2017-2018 Community Grants Fund award recipients. She also reported that grant agreements have been executed for all of the 2018-2019 Community Grants Fund awards, with grant checks distributed. She thanked those Board members who have hand-delivered grant checks and announced that the 2019-2020 grant cycle will launch in July and follow the same schedule as the past three years.

She then reported that implementation of the second year of the Music Education Strategic Initiative is proceeding on schedule. She stated that under the leadership of San Bruno Education Foundation Vice President Bryan Vander Lugt, the Initiative's steering committee recently met to discuss plans for the 2019-2020 school year, including a second "Music in the Air" community concert and that the steering committee is looking at coordinated fundraising efforts among the San Bruno Education Foundation, the Capuchino High School Alumni Association, and the school PTAs in order to sustain the music programs at Capuchino High School and San Bruno Park School District schools at their current levels once SBCF funding sunsets. Finally, she announced that the Initiative was recently recognized with an Association of California School Administrators Region 5 Award in the category of Partners in Educational Excellence.

She also reported that two programs funded by a \$250,000 SBPSD Schools Transformation grant to the San Bruno Education Foundation - the Sobrato Early Academic Language (SEAL) Program at Belle Air and Allen Elementary Schools and the Parkside Intermediate School Accelerating Student Learning Through Systems Transformation - are being implemented in the San Bruno Park School District. She said that teachers participating in the SEAL program have completed two units of training and are utilizing the techniques and strategies learned in their classrooms and that, at Parkside, a school transformation consultant from Partners in School Innovation is providing the principal, instructional leadership team, and faculty with a broad range of professional development support.

With regard to Community Day 2019, Ms. Hatamiya reported that this year's event is scheduled for June 2, 2019, that the Foundation has recruited several community partners in sponsoring the event, including the Sammut Family Foundation, YouTube, Skyline College, and Recology San Bruno, and that City staff is also actively soliciting sponsorships from other local businesses.

Ms. Hatamiya reported that the Pedestrian Safety Strategic Initiative, in partnership with YouTube and the City, has finally concluded. She said that in 2018 the City completed installation of five sets of flashing beacons around town (two sets near Parkside Intermediate School, one set each near Portola

# SAN BRUNO

## Community Foundation

### *Board of Directors*

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

---

and John Muir Elementary Schools, and one set on the southern end of San Mateo Avenue), and that upon receiving the final grant report on the project, the Foundation disbursed grant payments totaling \$222,985 to the City.

She briefly updated the Board on the development of a new City-owned park on Florida Avenue, which the Foundation has supported with a \$200,000 grant, reporting that park construction continues to be stalled due to a threat of a lawsuit by a group of community members related to the removal of two trees on the site. She said the City continues to work on resolution of the issue in an effort to avoid litigation.

Finally, Ms. Hatamiya reported that the Foundation awarded a \$5,000 grant to the San Mateo County Historical Association to support its public education efforts related to the 250<sup>th</sup> anniversary of the Spanish discovery of the San Francisco Bay from Sweeney Ridge on the western border of San Bruno. She said that these efforts include a half-hour video production on the Sweeney Ridge discovery site by Doug McConnell that will be aired on NBC Bay Area's "OpenRoad" series on Sunday, April 14, at 6:30 p.m.

- d. Receive Report from Ad Hoc Committee on Board Development and Adopt Resolution Creating Process for Soliciting and Reviewing Applications for Service on the SBCF Board of Directors

Vice President Roberts, as chair of the Ad Hoc Committee on Board Development, reported on the Committee's efforts, as charged by the Board, to create a proposal for soliciting, receiving, and evaluating applicants for the Foundation's Board of Directors and recommending finalists to the San Bruno City Council. She highlighted the key features of the proposal, including an online application through which individuals can express their interest in serving on the Foundation Board, with an application deadline of April 3, 2019; a strategy for publicizing the application and Board service opportunity throughout the San Bruno community; and a process for reviewing and evaluating those applications received and presenting a slate of finalists to the Foundation Board, for recommendation to the City Council. She referenced the "Call for Applications" document, which will serve as the primary marketing document outlining the opportunity to apply for service on the Board and provides background information on the Foundation and outlines the openings on the Board, expectations of the Board as a whole, expectations of individual Board members, Board terms and expected participation, qualifications, and the application process. She said the goal is for the Council to appoint, by the end of July, three individuals to the Board for four-year terms commencing on January 1, 2020.

Board Member Bohm moved to adopt the resolution creating process for soliciting and reviewing applications for service on the SBCF Board of Directors, seconded by Treasurer Tim Ross, approved unanimously.

- e. Receive Report from Investment Committee

Treasurer Ross, who serves as Investment Committee chair, gave a brief report on the Committee's February 13 quarterly meeting, at which Sand Hill Global Advisors reported on the performance of the

# SAN BRUNO

## Community Foundation

### *Board of Directors*

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

---

Foundation's investment portfolio in the fourth quarter of 2018. He reviewed the Foundation's investment portfolio balances (rising from \$71.5 million at the end of the fourth quarter of 2018 to nearly \$73.7 million as of February 28, 2019). He reported that the Committee has begun discussion how to strategically and systematically draw down funds from the investment accounts to meet the cash needs of the Recreation and Aquatics Center project over the next several years.

- f. Discuss Board Protocol for Placing Items on Meeting Agendas and Provide Direction, if any, to Staff

President Hedley explained that this item was placed on the agenda because several Board members inquired about the process for placing items on our meeting agendas. He said the purpose of this discussion was to review the process and see if the Board wanted to make any tweaks to that process or provide any direction to staff in implementing the process. He noted that Board meeting agendas are currently created by the Executive Director in consultation with the President and Vice President, and that, in addition, under the Board Operating Norms approved in September 2014, a majority of the Board may place an item on the agenda. When asked how a Board member can bring up an item, City Attorney Marc Zafferano explained that a Board member can do so under the "Board Member Comments" item at a meeting, or, between meetings, a Board member can contact the Executive Director, who can then poll the rest of the Board. The Board discussed moving "Board Member Comments" to the end of the meeting, which other bodies typically do.

Board Member Kraus made a motion to direct the Executive Director to swap the placement on Board meeting agendas of "Board Member Comments" and "Public Comment," so that "Public Comment" will be placed near the beginning of the agenda and "Board Member Comments" will appear near the end of the agenda, seconded by Treasurer Ross, approved unanimously.

**8. Public Comment:** None.

**9. Adjourn:** Vice President Roberts moved to adjourn the meeting at 9:34 p.m., seconded by Board Member Kraus, approved unanimously.

Respectfully submitted for approval at the Regular Board Meeting of June 5, 2019, by Secretary John McGlothlin and President Frank Hedley.

---

John McGlothlin, Secretary

---

Frank Hedley, President

# SAN BRUNO

## Community Foundation

### Memorandum

---

**DATE:** May 31, 2019

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

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Executive Director's Report

Since the March 7, 2018, 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, supporting the Investment Committee and the Ad Hoc Committee on Board Development, and developing the fiscal year 2019-2020 budget, all of which will be covered during the business portion of the June 5, 2019, regular Board meeting. In addition, I have handled a variety of other matters, including the following:

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

Renewals of the Foundation's workers compensation, directors and officers liability, and commercial general liability, cyber liability, property, and non-owned hired auto liability insurance policies became effective on March 21, 2019.

In addition, the Foundation's crime insurance policy with Travelers Casualty and Surety Company of America has a two-year term, from May 27, 2018, to May 27, 2020. We recently paid the premium (\$2,551) for the second year of the term.

#### **2. Information Technology Consultant**

The Foundation's current professional services agreement with Shake Technologies for information technology services runs from July 1, 2018, through June 30, 2019, for an amount not to exceed \$11,500. This amount was based on ShakeTech's expected work supporting the Foundation's online grant and scholarship applications and review processes, but we ended up also asking the firm to create and support a third online application, for individuals applying to serve on the Foundation Board, this year. As a result, in May ShakeTech and I amended the agreement to allow for fees up to \$12,500 to cover the increase in workload.

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

Since the March 6 Board meeting, I have sent out three email blasts to the Foundation's email distribution list. One reported on the March Board meeting, another announced the

# SAN BRUNO

## Community Foundation

### Memorandum

---

opportunity to apply to serve on the Foundation Board, and a third announced the 2019 Crestmoor Scholars. Not surprisingly, the announcement of the Crestmoor Scholars received the most views. Of the approximately 615 emails sent each time, 32%-45% of the recipients opened the email, and the e-newsletter was viewed, either in email or as posted on the web, 523-658 times.

According to Google Analytics, activity on the sbcf.org website spiked significantly on May 15, when the Crestmoor Scholars were announced. Between March 7 and May 24, 456 users engaged in 626 sessions on the Foundation website, for a total of 1,402 page views. The most visited pages were the home page and pages related to the Crestmoor Scholarship.

# SAN BRUNO

## Community Foundation

### Memorandum

---

**DATE:** May 31, 2019

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

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Consent Calendar for the June 5, 2019, Regular Board Meeting

For the June 5, 2019, Regular Meeting of the Board of Directors of The San Bruno Community Foundation, the Consent Calendar includes five items related to administrative and operational functions of the Foundation:

**1. Adopt Resolution Canceling the July 3, 2019, and August 7, 2019, Regular Meetings of the Board of Directors**

The Foundation Board is scheduled to have regular monthly meetings on July 3 and August 7, 2019 (the first Wednesday of the month). The July meeting falls on the day before the Independence Day holiday, and typically, some Board and staff members take vacation in early August. Moreover, at this time, we do not anticipate the Foundation facing any pressing matters that would require Board attention or action on either date. Thus, I recommend that the Board approve the attached resolution canceling these two meetings as part of the Consent Calendar. Please note that the Board is able to schedule a special meeting in July or August if matters requiring the Board's attention arise and such a meeting is deemed necessary.

**2. Adopt Resolution Authorizing Executive Director Leslie Hatamiya to Execute a Consulting Agreement with Program Consultant Stephanie Rutgers for an Amount Not to Exceed \$36,960**

Since November 2016, Stephanie Rutgers has been serving as the consultant supporting the administration of the Crestmoor Neighborhood Memorial Scholarship and Community Grants Fund programs. On June 6, 2018, the Board approved a resolution authorizing me as Executive Director to execute a consulting agreement with Ms. Rutgers, under which she would support administration of the two programs during the 2018-2019 fiscal year, for an amount not to exceed a total of \$37,800 (based on an average of 45 hours a month).

Ms. Rutgers has competently and attentively fulfilled her duties with the Crestmoor Scholarship and the Community Grants Fund. The schedule for the two programs easily enables one person to manage both at roughly the same monthly time commitment, with the bulk of the work for

# SAN BRUNO

## Community Foundation

### Memorandum

---

the Community Grants Program running June through January and the bulk of the work for the Crestmoor Scholarship running November through June.

This past spring, we also hired a contractor to handle some of the administrative, computer-related tasks related to the preparing of the Crestmoor Scholarship applications for review, including downloading files and copying and pasting information to prepare the application packets for the reviewers. Securing this additional administrative help (which totaled 7.25 hours) relieved Ms. Rutgers of these clerical tasks while she focused on the more substantive and similarly time-consuming part of the preparatory work. I intend to utilize such administrative assistance again in the 2019-2020 fiscal year.

The attached resolution would authorize me to execute a new consulting agreement with Ms. Rutgers for the 2019-2020 fiscal year (July 1, 2019, to June 30, 2020). The agreement would maintain the same hourly rate, but it slightly decreases her budgeted monthly time commitment from 45 hours per month to 44 hours per month. We increased the budgeted monthly time commitment from 40 hours per month in fiscal year 2017-2018 to 45 hours per month in fiscal year 2018-2019 to give us flexibility in the event that the number of grant and scholarship applications increased substantially. She is on track to average less than 42 hours per month for this fiscal year. With additional administrative support, even if the volume of grant and scholarship applications increases, I believe her workload is likely to remain within the 41-42 hours per month range, and allowing for up to 44 hours per month gives us some flexibility, including the possibility of shifting some additional responsibilities to her. Under the agreement, the Foundation's maximum liability for all services performed during the term of the agreement would not exceed \$36,980.

I recommend the Board approve, as part of the Consent Calendar, the resolution authorizing Executive Director Leslie Hatamiya to execute a consulting agreement with Program Consultant Stephanie Rutgers for an amount not to exceed \$36,980.

### **3. Adopt Resolution Approving Revised Fiscal Policies and Procedures**

In March 2015, the Board approved the Foundation's initial Fiscal Policies and Procedures. Consistent with nonprofit financial management best practices and California State ethics standards for local agencies, the Fiscal Policies and Procedures are designed to:

- Protect the Foundation's assets;
- Ensure the maintenance of accurate records of the Foundation's financial activities;
- Provide a framework for the Foundation's financial decision-making;
- Establish operating standards and behavioral expectations;
- Serve as a training resource for staff; and
- Ensure compliance with federal, state, and local legal and reporting requirements.

# SAN BRUNO

## Community Foundation

### Memorandum

---

In January 2016, the Board approved the first set of revisions to the Fiscal Policies and Procedures, which incorporated recommendations arising out of discussions with the Foundation's auditor pursuant to the 2015 audit; strengthened internal controls, including outlining a larger oversight role for the Treasurer, in a way that is practical given the small size of the Foundation's staff; included changes to more accurately reflect the Foundation's current finance operations; and improved the document stylistically.

In May 2016, the Board approved a second set of revisions in anticipation of taking possession of the PG&E restitution funds from the City of San Bruno. The amendments set forth the procedures for handling the investment accounts, consistent with the Investment Policy Statement, the Investment Operating Plan, and the portions of the Fiscal Policies and Procedures regarding the Foundation's operating bank accounts, and outlined the process for making changes to the Foundation's internal financial reports to adjust to changes in the Foundation's operations, such as the establishment of investment accounts, giving the Foundation flexibility in tweaking the reports as appropriate without having to amend the Fiscal Policies and Procedures document each time.

The current set of revisions I am proposing now would allow for ACH/electronic payment of bills where the amounts are predetermined and already approved, such as the monthly rent payment. Accounting Consultant Frank Bittner and I continue to look for ways to save costs on some of our administrative expenses as well as make our processes more efficient. The Foundation's landlord has strongly encouraged ACH payment of the monthly rent check. Routinizing this payment electronically would both ensure that the rent check is paid on time (without concerns for a check getting lost or delayed in the mail) and would also reduce expenses related to preparing the monthly check.

Mr. Bittner and I have also explored electronic bill pay options for other bills, but since those bills fluctuate month-to-month, we would need to figure out an approval process for disbursements greater than \$2,500, which require two signatures under our Fiscal Policies and Procedures. Most electronic bill pay options do not have a built-in mechanism for multiple approvals, so we would likely have to put in place some paper/email trail approval, which would be almost as cumbersome as just writing the check. Some of these bill pay options also have fees associated with them. Given these factors, as well as the fact that we do not cut many checks per month, at this time I am recommending that we limit ACH/electronic payments to those bills like rent where the payment schedule is pre-determined and pre-approved.

In addition to the resolution approving the revised document, attached are a clean version of the amended Fiscal Policies and Procedures and a redlined version showing the changes made to section V.E. related to Cash Disbursements. Treasurer Tim Ross has reviewed the revisions

# SAN BRUNO

## Community Foundation

### Memorandum

---

and supports my proposal to allow for ACH/electronic payment of bills where the amounts are predetermined and already approved.

I recommend that the Board adopt the attached resolution approving the revised Fiscal Policies and Procedures as part of the Consent Calendar.

#### **4. Adopt Resolution Reducing Transfer from the Strategic Pool Investment Account to the Liquidity Pool Account to Cover Operating Expenses and Strategic Grant Obligations for Fiscal Year 2018-2019 to \$1,043,704**

In June 2018, in approving the FY 2018-2019 budget, the Board approved transfers to cover the Foundation's cash needs through June 30, 2019 (\$319,980 from the Quasi-Endowment and \$4,043,704 from the Strategic Pool) and granted "the Executive Director the discretion to divide the transfer into smaller increments and set the timing of the transfer of those increments based on the Foundation's cash flow needs." Two transfers from the Quasi-Endowment to the Liquidity Pool totaling \$319,980 took place in December and May; those funds are covering the Foundation's cash needs for the Crestmoor Scholarship and the Community Grants Fund. In addition, two transfers from the Strategic Pool to the Liquidity Pool totaling \$1,043,704 took place in August and January. A final transfer of \$3 million was to happen by the end of the fiscal year on June 30.

Because the Recreation and Aquatics Center project slowed down for about six months during the transition to a new City Manager and other top City staff, cash needs for the project were significantly lower than anticipated (about \$3 million less). Under analysis of the Foundation's cash needs through the end of the fiscal year on June 30 by Frank Bittner and me, the Foundation will end up with about \$400,000 in operating cash without the remaining \$3 million transfer.

Since the funds are not needed this fiscal year, I would like to decline to request the final transfer of \$3 million and start the FY2019-2020 budget with a clean slate (and a manageable \$400,000 carry-forward in cash), determining the FY2019-2020 Strategic payout based on the cash needs for the year.

City Attorney Marc Zafferano interprets the discretion to "divide the transfer into smaller increments and set the timing of the transfer of those increments based on the Foundation's cash flow needs" the Board granted to me as Executive Director last June to include the discretion to decline transferring the full amount. However, since this possibility was not previously discussed and to ensure complete transparency and written documentation of the decision to not transfer the full amount, he has recommended that the Board take formal action to reduce the transfer amount from the Strategic Pool to the Liquidity Pool to cover

# SAN BRUNO

## Community Foundation

### Memorandum

---

operating expenses and strategic grant obligations in FY2019-2020 to \$1,043,704. As such, I recommend that the Board approve the attached resolution taking such action.

Please note that the resolution addressing the FY2019-2020 budget and corresponding transfers that the Board will also consider at the June 5 meeting includes language explicitly including in the Executive Director's discretion the option to reduce the amount of transfers from Strategic to Liquidity if cash needs for the fiscal year turn out to be less than anticipated.

#### **5. Receive and Approve Treasurer's Report (February, March, and April 2019 Financial Statements)**

The February, March, and April 2019 financial statements each consist of a Budget Report and Balance Sheet. The Budget Narratives provide a thorough explanation of the financial statements. The Budget Reports include the budget figures approved at the June 6, 2018, Board meeting. I recommend that the Board approve the Treasurer's Report as part of the Consent Calendar.

#### Attachments:

1. Resolution Canceling the July 3, 2019, and August 7, 2019, Regular Meetings of the Board of Directors
2. Resolution Authorizing Executive Director Leslie Hatamiya to Execute a Consulting Agreement with Program Consultant Stephanie Rutgers for an Amount Not to Exceed \$36,980
3. Resolution Approving Revised Fiscal Policies and Procedures
4. Exhibit A: Proposed Amended Fiscal Policies and Procedures
5. Proposed Amended Fiscal Policies and Procedures – redlined version
6. Resolution Reducing Transfer from the Strategic Pool Investment Account to the Liquidity Pool Account to Cover Operating Expenses and Strategic Grant Obligations for Fiscal Year 2018-2019 to \$1,043,704
7. February 2019 Financial Statements
8. March 2019 Financial Statements
9. April 2019 Financial Statements

**RESOLUTION NO. 2019-\_\_**

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION CANCELING THE JULY 3, 2019,  
AND AUGUST 7, 2019, REGULAR MEETINGS OF THE BOARD OF DIRECTORS**

**WHEREAS**, the July Regular Meeting of the San Bruno Community Foundation’s Board of Directors is scheduled for July 3, 2019, and the August Regular Board Meeting is scheduled for August 7, 2019; and

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

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors cancels the Regular Board Meetings of July 3, 2019, and August 7, 2019.

Dated: June 5, 2019

ATTEST:

---

John McGlothlin, Secretary

I, John McGlothlin, Secretary, do hereby certify that the foregoing Resolution No. 2019-\_\_ was duly and regularly passed and adopted by the Board of Directors of The San Bruno Community Foundation on this 5<sup>th</sup> day of June, 2019, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

**RESOLUTION NO. 2019-\_\_**

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION AUTHORIZING EXECUTIVE DIRECTOR LESLIE HATAMIYA TO EXECUTE A CONSULTING AGREEMENT WITH PROGRAM CONSULTANT STEPHANIE RUTGERS FOR AN AMOUNT NOT TO EXCEED \$36,960**

**WHEREAS**, on June 6, 2018, the Board of Directors of the San Bruno Community Foundation approved a resolution authorizing Executive Director Hatamiya to execute a consulting agreement with Program Consultant Stephanie Rutgers, under which Ms. Rutgers support administration of the Community Grants Fund and the Crestmoor Scholarship during the 2018-2019 fiscal year, for an amount not to exceed a total of \$37,800;

**WHEREAS**, Executive Director Hatamiya and Ms. Rutgers executed the such consulting agreement on June 8, 2018;

**WHEREAS**, the consulting agreement with Ms. Rutgers terminates on June 30, 2019;

**WHEREAS**, Ms. Rutgers continues to ably perform her duties supporting the administration of the Community Grants Fund and the Crestmoor Scholarship programs; and

**WHEREAS**, Executive Director Hatamiya and Ms. Rutgers have reached agreement to continue Ms. Rutgers' professional relationship with the Foundation for the 2019-2020 fiscal year, with Ms. Rutgers continuing to support the Community Grants Fund and the Crestmoor Scholarship.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors authorizes Executive Director Leslie Hatamiya to execute a consulting agreement with Program Consultant Stephanie Rutgers, under which Ms. Rutgers continues to support administration of the Community Grants Fund and the Crestmoor Scholarship during the 2019-2020 fiscal year, for an amount not to exceed a total of \$36,960.

Dated: June 5, 2019

ATTEST:

---

John McGlothlin, Secretary

I, John McGlothlin, Secretary, do hereby certify that the foregoing Resolution No. 2019-\_\_ was duly and regularly passed and adopted by the Board of Directors of

the San Bruno Community Foundation on this 5<sup>th</sup> day of June, 2019, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

**RESOLUTION NO. 2019-\_\_**

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION  
ADOPTING AMENDED FISCAL POLICIES AND PROCEDURES**

**WHEREAS**, on March 19, 2015, the San Bruno Community Foundation Board of Directors approved adopted the San Bruno Community Foundation Fiscal Policies and Procedures, establishing the Foundation's internal financial controls and ensuring compliance with applicable regulatory standards;

**WHEREAS**, on January 6, 2016, the Board approved revisions to the Fiscal Policies and Procedures that incorporated recommendations arising out of discussions with the Foundation's auditor pursuant to the 2015 audit, strengthened internal controls, included changes to more accurately reflect the Foundation's current finance operations, and improved the document stylistically;

**WHEREAS**, on May 4, 2016, in anticipation of taking, from the City of San Bruno, possession of the restitution funds resulting from City's settlement with Pacific Gas & Electric Company following the tragic 2010 gas pipeline explosion in San Bruno's Crestmoor neighborhood, the Board approved additional revisions to the Fiscal Policies and Procedures that set forth procedures for handling investment accounts, consistent with the Foundation's Investment Policy Statement, Investment Operating Plan, and the portions of the Fiscal Policies and Procedures regarding the Foundation's operating bank accounts, and outlined the process for making changes to the Foundation's internal financial reports to adjust to changes in the Foundation's operations; and

**WHEREAS**, the Foundation's Executive Director and Accounting Consultant, who regularly look for ways to increase efficiency and reduce administrative costs, have identified ACH and other electronic payments methods as a way to streamline the payments process and also decrease related accounting expenses and, therefore, recommend that the Fiscal Policies and Procedures allow for ACH/electronic payment of bills where the amounts are predetermined and already approved.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors adopts the amended version of the San Bruno Community Foundation Fiscal Policies and Procedures attached as Exhibit A.

Dated: June 5, 2019

ATTEST:

---

John McGlothlin, Secretary

I, John McGlothlin, Secretary, do hereby certify that the foregoing Resolution No. 2019-\_\_ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this 5<sup>th</sup> day of June, 2019, by the following vote:

AYES:            Board members:

NOES:            Board members:

ABSENT:         Board members:

EXHIBIT A



# **Fiscal Policies & Procedures**

Approved by the Board of Directors, May 4, 2016

**PROPOSED REVISED DRAFT 5/31/19**

## Table of Contents

<b>I. Accounting Procedures.....</b>	<b>1</b>
A. Basis of Accounting .....	1
B. Journal Entries.....	1
C. Bank Reconciliations .....	1
D. Monthly Close.....	1
E. Recordkeeping .....	2
<b>II. Internal Controls .....</b>	<b>2</b>
A. Lines of Authority.....	2
B. Conflict of Interest.....	2
C. Segregation of Duties.....	3
D. Physical Security.....	3
E. Insurance .....	3
<b>III. Financial Planning &amp; Reporting.....</b>	<b>3</b>
A. Budgeting Process .....	3
B. Internal Financial Reports .....	4
C. Audit .....	4
D. Tax Compliance (Exempt Organization Returns) .....	4
<b>IV. Cash Receipts .....</b>	<b>4</b>
A. Deposits.....	5
<b>V. Expense &amp; Accounts Payable .....</b>	<b>5</b>
A. Payroll.....	5
1. Time Sheet Preparation & Approval .....	5
2. Payroll Additions, Deletions, and Changes .....	5
3. Pay Upon Termination.....	6
B. Purchases & Procurement .....	6
C. Independent Contractors.....	6
D. Invoice Approval & Processing .....	6
E. Cash Disbursements .....	6
F. Credit Cards.....	7
G. Employee Travel & Expense Reimbursements .....	7
<b>VI. Asset Management.....</b>	<b>7</b>
A. Cash Management and Investments.....	7
B. Capital Equipment .....	8

## I. Accounting Procedures

This section covers basic accounting procedures for the Foundation. The accounting procedures used by the Foundation shall conform to Generally Accepted Accounting Principles (GAAP) to ensure accuracy of information and compliance with external standards. Per the Bylaws, the Foundation's fiscal year begins on July 1 and ends on June 30.

### A. Basis of Accounting

**Policy:** The Foundation uses the accrual basis of accounting. The accrual basis identifies (records) revenue and expenses with specific periods of time, such as a month or year, which are recorded as incurred. This method of recording revenue and expenses is without regard to date of receipt or payment of cash (also known as the cash basis of accounting).

**Procedures:**

- Throughout the fiscal year, expenses are accrued in the month in which they are incurred. The books are closed no later than the 15<sup>th</sup> day after the close of each month. Invoices received after closing the books will be counted as a current-month expense.
- At the close of the fiscal year, this rule is not enforced. All expenses that should be accrued in the prior fiscal year are so accrued, in order to ensure year-end financial statements reflect all expenses incurred during the fiscal year. Year-end books are closed no later than 45 days after the end of the fiscal year.
- Revenue is always recorded in the month in which it is first earned (received or invoiced) or committed (pledged, ordered, or contracted for).

### B. Journal Entries

**Policy:** Journal entries to record payroll expenses, cash receipts, interest earned, investment gains or losses, prepaid expenses, depreciation, other accruals and adjustments will be posted to the General Ledger on a monthly basis. Vacation liability is recorded and adjusted annually at the end of the fiscal year.

**Procedure:**

- Journal entries for each month will be posted prior to monthly closing, by the 15<sup>th</sup> day after the end of the month.

### C. Bank Reconciliations

**Policy:** All bank statements will be opened and reviewed in a timely manner. Bank reconciliations will be completed by the 15<sup>th</sup> day after the close of each month, and approval will be documented within 30 days of the close of the month.

**Procedures:**

- All bank and investment statements will be opened, reviewed, and initialed by the Executive Director upon receipt. Review will include inspection of checks paid during the month.
- To expedite reconciliation, the Accounting Consultant will obtain monthly bank statements from the bank's website. Bank reconciliations will be completed prior to monthly closing and completing monthly financial statements.
- The Executive Director and Treasurer will review and approve reconciliation reports by signing and dating.

### D. Monthly Close

**Policy:** Books will be closed monthly by the 15<sup>th</sup> day following the end of each month. At fiscal year-end the books will be closed by the 45<sup>th</sup> day (August 15) after June 30.

**Procedures:**

- The Accounting Consultant will record cash receipts, payroll expenses, prepaid insurance, depreciation, interest earned, and on a monthly basis.
- The Accounting Consultant will reconcile bank and investment accounts to General Ledger prior to monthly closing.

**E. Recordkeeping**

**Policy:** Financial documents and records will be retained in accordance with the Foundation's document retention policy.

**Procedures:**

- The Foundation will maintain copies of all financial records including accounts payable, cash receipts, payroll documents, and bank statements.
- The Accounting Consultant will maintain a copy of invoices paid for each fiscal year.
- After monthly closing, the Accounting Consultant will send a copy of the fiscal year-to-date General Ledger to the Executive Director and Treasurer along with monthly financial statements as specified by the Executive Director and Treasurer.
- Documents in electronic form including payroll reports, General Ledger, audit schedules, audited and monthly financial statements, and federal and state tax returns will be stored electronically in a form that will allow for remote access by the Accounting Consultant, Executive Director, and Treasurer. For records stored in this manner, back-ups to a device such as a USB drive, DVD or other external drive will be kept and updated at least monthly.
- Upon the Foundation's dissolution, the Foundation's financial records and documents will be maintained by the City of San Bruno and in accordance with the City's document retention policy

**II. Internal Controls**

The Foundation employs several safeguards to ensure financial transactions are properly authorized, appropriated, executed, and recorded.

**A. Lines of Authority**

**Policy:** The Board of Directors will create, maintain, and update fiscal policies and will approve a budget before the start of each fiscal year. The Board of Directors will also approve significant budget variances.

**Procedures:**

- The Executive Director will prepare the annual budget for each fiscal year and present it to the Board of Directors for approval. After Board approval, the budget will be submitted to the San Bruno City Council for approval.
- The Audit Committee will review internal controls with the Executive Director, Accounting Consultant, and CPA Auditor as necessary.
- The Accounting Consultant will directly contact the Treasurer in the event of any concerns regarding the Executive Director's financial management decisions or actions.
- The Treasurer may independently contact the Accounting Consultant directly for information.

**B. Conflict of Interest**

**Policy:** In accordance with the Conflict of Interest Policy, all employees and members of the Board of Directors 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.

**Procedures:**

- The Foundation will monitor compliance with the Conflict of Interest Policy through the use of the annual conflicts questionnaire completed by all Board of Directors members.

- Foundation Board members and the Executive Director annually complete and submit California Fair Political Practices Commission Form 700, Statement of Economic Interests, to the San Bruno City Clerk's Office.

### **C. Segregation of Duties**

**Policy:** The Foundation's financial duties are distributed, to the extent possible, among multiple people to help ensure protection from fraud and error. The distribution of duties aims for maximum protection of the Foundation's assets while also considering efficiency of operations. When, due to the small size of the Foundation staff, the Foundation is unable to achieve sufficient segregation of duties, additional oversight from the Board and/or the City of San Bruno staff may be implemented.

**Procedures:**

- The Accounting Consultant will not be an authorized agent or signer on any SBCF accounts.
- Only invoices and other payment vouchers approved by the Executive Director will be processed for payment.

### **D. Physical Security**

**Policy:** The Foundation maintains physical security of its assets to ensure only people who are authorized have physical or indirect access to money, securities, real estate, and other valuable property.

**Procedures:**

- The Accounting Consultant will secure blank checks.
- The Executive Director will secure the credit card.

### **E. Insurance**

**Policy:** The Foundation will maintain an insurance policy protecting against loss by theft, embezzlement, or other crimes committed by employees and the Accounting Consultant.

**Procedures:** The Executive Director will purchase, keep in force, and maintain a crime insurance policy for the Foundation to cover losses up to at least \$1,000,000,

## **III. Financial Planning & Reporting**

The Foundation's financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP). Presentation of the Financial Statements shall follow the recommendation of the Financial Accounting Standards Board (FASB) No. 117, "Financial Statements of Not-For-Profit Foundations." Under GAAP, revenues are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation are classified as unrestricted, temporarily restricted, and permanently restricted.

### **A. Budgeting Process**

**Policy:** The Foundation's annual budget is prepared and approved before the start of each fiscal year. The Executive Director prepares the budget with input from the Board of Directors. The budget must be approved by the Board of Directors prior to the start of each fiscal year. The budget must be transmitted to the San Bruno City Council prior to the beginning of the new fiscal year for approval as required by Foundation's Bylaws. The budget is revised during the year only as approved by the Board of Directors.

**Procedures:**

- The Executive Director will work with the Accounting Consultant to ensure the annual budget is a reasonably accurate estimate of programmatic and infrastructure goals for the coming fiscal year.
- The Executive Director will ensure the budget is developed using the Foundation's standard revenue recognition and cost allocation procedures.

- The Executive Director will present a draft budget to the Board by its May meeting.
- The Board may approve the budget as presented in May or table final approval until the June meeting.
- A Board approved budget must be submitted to the San Bruno City Council so that it can be approved no later than June 30 of each year.

### **B. Internal Financial Reports**

**Policy:** The Foundation prepares regular financial reports on a monthly basis. All reports are finalized no later than 30 days after the close of the prior month. The Executive Director and Treasurer will request and approve changes to financial report detail and format as necessary.

**Procedures:**

- The Accounting Consultant is responsible for producing the following year-to-date reports within 30 days of the end of each month: Statement of Financial Position (also known as Balance Sheet) and Budget vs Actual Statement of Activities (also known as Income Statement or Profit & Loss Statement).
- The Executive Director and Treasurer review financial reports each month, and the Treasurer reports to the full Board of Directors at the regular monthly meeting.
- On a monthly basis the Accounting Consultant prepares a narrative report that summarizes the Foundation's current financial position (as of the last closed month) and includes explanations for budget variance.
- As changes in operations warrant or as otherwise deemed appropriate, the Executive Director or Treasurer will request changes to financial statement detail and/or format from the Accounting Consultant. The Accounting Consultant will prepare a pro forma (draft) version for review by the Executive Director and Treasurer. The Executive Director will approve any changes prior to implementation.

### **C. Audit**

**Policy:** The Foundation will have its financial statements audited on an annual basis by an independent CPA. A Request for Proposals (RFP) for audit services will be issued at least every five years.

**Procedures:**

- The Board's Audit Committee, working with the Executive Director, will be responsible for creating the RFP, reviewing audit proposals, and recommending the CPA to the full Board for approval; meeting with the CPA; and ensuring any audit issues identified are reported to the full Board.
- The Executive Director will oversee the audit process and ensure that audited financial statements are published not later than 120 days (October 31) after the end of each fiscal year.

### **D. Tax Compliance (Exempt Organization Returns)**

**Policy:** IRS 990, CA 199, and CA Attorney General RRF-1 forms will be filed by November 15 each year.

**Procedures:**

- The CPA prepares the forms using audited financial information. The Accounting Consultant and Executive Director review the first draft and request edits and corrections by the CPA.
- Prior to the submission deadline, the final draft of the forms is presented to the full Board for review.
- The President signs the forms on behalf of the Foundation.

## **IV. Cash Receipts**

**Policy:** The Executive Director or designee will log in checks received on cash receipts log and secure the checks and log.

**Procedures:**

- Checks will be immediately endorsed "for deposit only."
- Checks will be logged on a daily basis. The log will include date received, payer name, purpose, and amount of check.

**A. Deposits**

**Policy:** The Executive Director or designee will make deposits.

**Procedures:**

- Deposits will be made immediately when \$10,000 or more has been logged. Deposits of any amounts will be made by the last day of each month.
- The deposit slip amount must equal the total on the cash receipts log. Copies of all checks and any other documents that were received with checks will be attached to a copy of the deposit slip and the original log. This deposit package will be given to the Accounting Consultant for recording to the General Ledger and be maintained in the Cash Receipts file.
- Receipt of currency should be discouraged. When currency is received, it should be deposited as soon as reasonably possible.

**V. Expense & Accounts Payable****A. Payroll**

**Policy:** Payroll will be processed on a semi-monthly basis with paydays on the 15<sup>th</sup> and last day of each month.

**Procedures:**

- A separate, dedicated bank account will be maintained for the purpose of processing payroll transactions only.
- The Accounting Consultant will process payroll at least two business days prior to each payday.
- For employees choosing direct deposit payment, the Accounting Consultant will obtain paystubs from the payroll service website and distribute them to employees electronically. For employees requesting checks, paychecks/paystubs will be delivered to the Executive Director, who will distribute paychecks/paystubs to employees.
- The Accounting Consultant, for purposes of recording payroll expenses and liabilities, will obtain the payroll register and other payroll reports from the payroll service website.

**1. Time Sheet Preparation & Approval**

**Policy:** Time Sheets, including time in and time out, documenting daily hours worked must be signed by the employee and the Executive Director and are required for all non-exempt employees. The Executive Director will maintain an Attendance Log to track all employees' paid time off (PTO) accruals, usage, and balance.

**Procedures:**

- The Executive Director will provide the Attendance Log to the Accounting Consultant at least three days prior to each payday when at least one employee has taken PTO during that pay period. Employees will receive monthly reports of their PTO balances.

**2. Payroll Additions, Deletions, Changes, and Voluntary Deductions**

**Policy:** New employee additions, terminations, and pay rate changes will only be made based on authorization of the Executive Director or, for the Executive Director, on authorization of the President.

**Procedures:**

- All new employee additions, terminations, and pay rate changes will be submitted to the Accounting Consultant in writing at least three days prior to payday or last day of work.
- Voluntary payroll deduction requests, such as employee retirement contributions, will be initiated based on signed documentation submitted to the Accounting Consultant at least three days prior to payday.

### 3. Pay Upon Termination

**Policy:** Final payment of wages and vacation balance will be made to the employee on his/her last day of work.

**Procedures:**

- If an employee terminates without giving advance notice, payment will be made within 72 hours of termination.

### B. Purchases & Procurement

**Policy:** The Executive Director is authorized to approve expenditures not in excess of \$25,000 per transaction. The Board of Directors must approve any expenditure in excess of \$25,000 per transaction. Expenditures may not be split into multiple purchases to evade this requirement.

**Procedures:**

- The reasonable person standard will apply in purchase and procurement decisions. Multiple bids should be solicited when practical and when sufficient competition warrants.

### C. Independent Contractors

**Policy:** The Board of Directors must approve any contract with a total value in excess of \$25,000. The President, Treasurer, or Executive Director may enter into contracts not to exceed \$25,000 on behalf of the Foundation.

**Procedures:**

- With Board approval as needed, the Executive Director will execute contracts. The contract will include a Description of Items and/or Services (Exhibit A) and Compensation (Exhibit B).
- Contractors will complete and submit an IRS W-9 and must submit invoices for services, which include a description of services provided.

### D. Invoice Approval & Processing

**Policy:** The Executive Director must approve all invoices. Approved invoices will be paid within 30 days of receipt or according to contract terms when those terms specify a different payment schedule.

**Procedures:**

- Invoices and bills will be opened and reviewed by the Executive Director or designee.
- Invoices are approved by the Executive Director and submitted to the Accounting Consultant for payment.
- The Accounting Consultant will file copies of all invoices paid.

### E. Cash Disbursements

**Policy:** Any single check or other transfer of funds in excess of \$2,500 requires the signature of two of the authorized signatories (Executive Director, Treasurer, and President). Invoices, bills, or expense reimbursement claims may not be split in order to evade the two-signature requirement. No authorized signatory may sign checks payable to him/herself. The President or Treasurer will sign credit card payments.

## 1. Check Payments

### Procedures:

- The Accounting Consultant, will prepare and deliver checks to the Executive Director.
- The Executive Director will sign checks after verifying the payment amount and obtaining a second signature as necessary. One check stub will be retained and attached to the invoice as proof of payment along with a photocopy of the signed check. Checks will be distributed by the Executive Director, and the invoice and check stub will be maintained in the vendor files.

## 2. Electronic or ACH Payments

### Procedures:

- In certain cases, such as an office lease, where payment amounts have been predetermined and agreement to terms is documented and authorized consistent with policies detailed above, the Executive Director may provide the vendor with the checking account number and authorize recurring automatic payments to be taken directly from the checking account.
- The Executive Director will inform the Accounting Consultant immediately upon establishing any recurring electronic and/or ACH payments and provide a schedule of the payments to be made in this manner.

## F. Credit Cards

**Policy:** A business credit card will be obtained for and secured by the Executive Director. Charges not exceeding \$2,500 may be made without secondary approval. For transactions exceeding \$2,500 and within the Executive Director's expenditure and contract authority, written approval (including email) from either the Treasurer or President are required prior to the purchase.

### Procedures:

- The business credit card will be used for SBCF business purposes only.
- Documentation of purchases made will be attached to the monthly statement when submitted to the Accounting Consultant for payment.
- Credit card payments will be submitted, with corresponding statement and supporting documentation, to either the President or Treasurer for signature.

## G. Travel & Expense Reimbursements

**Policy:** The Foundation will reimburse employees for reasonable out-of-pocket business travel- and other business-related expenses. The Foundation may also reimburse Board members and other volunteers for reasonable out-of-pocket travel and Foundation-related expenses. The Foundation will not cover reimbursement for travel to/from meetings and events in San Bruno.

The Foundation's standard travel and expense report will be used for all reimbursements. Mileage will be reimbursed at the business rate published annually by the IRS.

Foundation travelers are urged to minimize travel costs by, for example, booking airline tickets in advance, flying in economy class, and using the most economical mode of transportation (for example, airport bus rather than taxi or car rental). However, in the application of this general rule, extenuating circumstances such as the best economic use of the traveler's time should be taken into consideration.

Reimbursements for alcoholic beverages or any moving vehicle or parking citations are prohibited.

### Procedures:

- Employees, Board members, and other volunteers must obtain Executive Director approval prior to incurring out-of-pocket expenses for which reimbursement will be sought. The Executive Director must obtain prior approval by the President for reimbursable expenses exceeding \$500.

- Travel and expense reports require Executive Director approval and signature. Executive Director travel and expense reports require President approval and signature.
- Original receipts must be attached to travel and expense reports.
- Accounting Consultant will verify expense reimbursements.
- Travel and expense reports must be submitted no later than 60 days after the expense was incurred.

## VI. Asset Management

### A. Cash Management and Investments

**Policy:** Cash balances in operating bank accounts should be maintained within FDIC insurance limits. Bank accounts for payroll, general checking, and savings will be maintained.

Investments will be made consistent with the Investment Policy Statement and the Investment Operating Plan. No payments will be made directly from investment accounts. Invested funds will be accessed only by wire or electronic funds transfers from the Investment Liquidity Pool to the general checking account. The check-writing feature is to be disabled on all investment accounts.

The President, Treasurer, and Executive Director are the authorized signatories on all bank and investment accounts.

**Procedures:**

- Total balance for operating demand accounts at a single bank should not exceed \$250,000, unless otherwise approved by the Board. In unexpected, short-term instances where a balance greater than \$250,000 cannot be avoided, the Executive Director will notify the Treasurer, who will determine whether Board ratification is warranted.
- Payout and withdrawals from the investment accounts will be carried out in accordance with the Investment Operating Plan. In particular, payout from the Quasi-Endowment Pool to the Liquidity Pool will follow a regular schedule set forth in the Investment Operating Plan.
- Non-regular transfers between investment accounts require advance written (including email) approval from one authorized signatory.
- Wire transfers from the Investment Liquidity Pool account to the general checking account in excess of \$2,500 require advance written (including email) approval from two authorized signatories.
- For unplanned withdrawals from any investment account, five (5) business days' notice must be given to allow time for trade execution, trade settlement and fund transfer through the Liquidity Pool (if necessary) and out to the general checking account.

### B. Capital Equipment

**Policy:** Equipment, furnishings, leasehold improvements and real property will be capitalized when the item has a useful life greater than one year and initial cost greater than \$5,000.

**Procedures:**

- Items capitalized will be depreciated on a straight-line basis, unless the IRS requires a different depreciation method, over their useful life. Land is not subject to depreciation.
- Useful life for technology equipment will be three years, furniture and other equipment will be five years, leasehold improvements will match lease term, and buildings will be 30 years.

EXHIBIT A



# **Fiscal Policies & Procedures**

Approved by the Board of Directors, May 4, 2016

**PROPOSED REVISED DRAFT 5/31/19 - REDLINE**

**Table of Contents**

<b>I. Accounting Procedures.....</b>	<b>1</b>
A. Basis of Accounting .....	1
B. Journal Entries.....	1
C. Bank Reconciliations .....	1
D. Monthly Close.....	1
E. Recordkeeping .....	2
<b>II. Internal Controls .....</b>	<b>2</b>
A. Lines of Authority.....	2
B. Conflict of Interest.....	2
C. Segregation of Duties.....	3
D. Physical Security.....	3
E. Insurance .....	3
<b>III. Financial Planning &amp; Reporting.....</b>	<b>3</b>
A. Budgeting Process .....	3
B. Internal Financial Reports .....	4
C. Audit .....	4
D. Tax Compliance (Exempt Organization Returns) .....	4
<b>IV. Cash Receipts .....</b>	<b>4</b>
A. Deposits.....	5
<b>V. Expense &amp; Accounts Payable .....</b>	<b>5</b>
A. Payroll.....	5
1. Time Sheet Preparation & Approval .....	5
2. Payroll Additions, Deletions, and Changes .....	5
3. Pay Upon Termination.....	6
B. Purchases & Procurement .....	6
C. Independent Contractors.....	6
D. Invoice Approval & Processing .....	6
E. Cash Disbursements .....	6
F. Credit Cards.....	7
G. Employee Travel & Expense Reimbursements .....	7
<b>VI. Asset Management.....</b>	<b>7</b>
A. Cash Management and Investments.....	7
B. Capital Equipment .....	8

## I. Accounting Procedures

This section covers basic accounting procedures for the Foundation. The accounting procedures used by the Foundation shall conform to Generally Accepted Accounting Principles (GAAP) to ensure accuracy of information and compliance with external standards. Per the Bylaws, the Foundation's fiscal year begins on July 1 and ends on June 30.

### A. Basis of Accounting

**Policy:** The Foundation uses the accrual basis of accounting. The accrual basis identifies (records) revenue and expenses with specific periods of time, such as a month or year, which are recorded as incurred. This method of recording revenue and expenses is without regard to date of receipt or payment of cash (also known as the cash basis of accounting).

**Procedures:**

- Throughout the fiscal year, expenses are accrued in the month in which they are incurred. The books are closed no later than the 15<sup>th</sup> day after the close of each month. Invoices received after closing the books will be counted as a current-month expense.
- At the close of the fiscal year, this rule is not enforced. All expenses that should be accrued in the prior fiscal year are so accrued, in order to ensure year-end financial statements reflect all expenses incurred during the fiscal year. Year-end books are closed no later than 45 days after the end of the fiscal year.
- Revenue is always recorded in the month in which it is first earned (received or invoiced) or committed (pledged, ordered, or contracted for).

### B. Journal Entries

**Policy:** Journal entries to record payroll expenses, cash receipts, interest earned, investment gains or losses, prepaid expenses, depreciation, other accruals and adjustments will be posted to the General Ledger on a monthly basis. Vacation liability is recorded and adjusted annually at the end of the fiscal year.

**Procedure:**

- Journal entries for each month will be posted prior to monthly closing, by the 15<sup>th</sup> day after the end of the month.

### C. Bank Reconciliations

**Policy:** All bank statements will be opened and reviewed in a timely manner. Bank reconciliations will be completed by the 15<sup>th</sup> day after the close of each month, and approval will be documented within 30 days of the close of the month.

**Procedures:**

- All bank and investment statements will be opened, reviewed, and initialed by the Executive Director upon receipt. Review will include inspection of checks paid during the month.
- To expedite reconciliation, the Accounting Consultant will obtain monthly bank statements from the bank's website. Bank reconciliations will be completed prior to monthly closing and completing monthly financial statements.
- The Executive Director and Treasurer will review and approve reconciliation reports by signing and dating.

### D. Monthly Close

**Policy:** Books will be closed monthly by the 15<sup>th</sup> day following the end of each month. At fiscal year-end the books will be closed by the 45<sup>th</sup> day (August 15) after June 30.

**Procedures:**

- The Accounting Consultant will record cash receipts, payroll expenses, prepaid insurance, depreciation, interest earned, and on a monthly basis.
- The Accounting Consultant will reconcile bank and investment accounts to General Ledger prior to monthly closing.

**E. Recordkeeping**

**Policy:** Financial documents and records will be retained in accordance with the Foundation's document retention policy.

**Procedures:**

- The Foundation will maintain copies of all financial records including accounts payable, cash receipts, payroll documents, and bank statements.
- The Accounting Consultant will maintain a copy of invoices paid for each fiscal year.
- After monthly closing, the Accounting Consultant will send a copy of the fiscal year-to-date General Ledger to the Executive Director and Treasurer along with monthly financial statements as specified by the Executive Director and Treasurer.
- Documents in electronic form including payroll reports, General Ledger, audit schedules, audited and monthly financial statements, and federal and state tax returns will be stored electronically in a form that will allow for remote access by the Accounting Consultant, Executive Director, and Treasurer. For records stored in this manner, back-ups to a device such as a USB drive, DVD or other external drive will be kept and updated at least monthly.
- Upon the Foundation's dissolution, the Foundation's financial records and documents will be maintained by the City of San Bruno and in accordance with the City's document retention policy

**II. Internal Controls**

The Foundation employs several safeguards to ensure financial transactions are properly authorized, appropriated, executed, and recorded.

**A. Lines of Authority**

**Policy:** The Board of Directors will create, maintain, and update fiscal policies and will approve a budget before the start of each fiscal year. The Board of Directors will also approve significant budget variances.

**Procedures:**

- The Executive Director will prepare the annual budget for each fiscal year and present it to the Board of Directors for approval. After Board approval, the budget will be submitted to the San Bruno City Council for approval.
- The Audit Committee will review internal controls with the Executive Director, Accounting Consultant, and CPA Auditor as necessary.
- The Accounting Consultant will directly contact the Treasurer in the event of any concerns regarding the Executive Director's financial management decisions or actions.
- The Treasurer may independently contact the Accounting Consultant directly for information.

**B. Conflict of Interest**

**Policy:** In accordance with the Conflict of Interest Policy, all employees and members of the Board of Directors 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.

**Procedures:**

- The Foundation will monitor compliance with the Conflict of Interest Policy through the use of the annual conflicts questionnaire completed by all Board of Directors members.

- Foundation Board members and the Executive Director annually complete and submit California Fair Political Practices Commission Form 700, Statement of Economic Interests, to the San Bruno City Clerk's Office.

### **C. Segregation of Duties**

**Policy:** The Foundation's financial duties are distributed, to the extent possible, among multiple people to help ensure protection from fraud and error. The distribution of duties aims for maximum protection of the Foundation's assets while also considering efficiency of operations. When, due to the small size of the Foundation staff, the Foundation is unable to achieve sufficient segregation of duties, additional oversight from the Board and/or the City of San Bruno staff may be implemented.

**Procedures:**

- The Accounting Consultant will not be an authorized agent or signer on any SBCF accounts.
- Only invoices and other payment vouchers approved by the Executive Director will be processed for payment.

### **D. Physical Security**

**Policy:** The Foundation maintains physical security of its assets to ensure only people who are authorized have physical or indirect access to money, securities, real estate, and other valuable property.

**Procedures:**

- The Accounting Consultant will secure blank checks.
- The Executive Director will secure the credit card.

### **E. Insurance**

**Policy:** The Foundation will maintain an insurance policy protecting against loss by theft, embezzlement, or other crimes committed by employees and the Accounting Consultant.

**Procedures:** The Executive Director will purchase, keep in force, and maintain a crime insurance policy for the Foundation to cover losses up to at least \$1,000,000,

## **III. Financial Planning & Reporting**

The Foundation's financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP). Presentation of the Financial Statements shall follow the recommendation of the Financial Accounting Standards Board (FASB) No. 117, "Financial Statements of Not-For-Profit Foundations." Under GAAP, revenues are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation are classified as unrestricted, temporarily restricted, and permanently restricted.

### **A. Budgeting Process**

**Policy:** The Foundation's annual budget is prepared and approved before the start of each fiscal year. The Executive Director prepares the budget with input from the Board of Directors. The budget must be approved by the Board of Directors prior to the start of each fiscal year. The budget must be transmitted to the San Bruno City Council prior to the beginning of the new fiscal year for approval as required by Foundation's Bylaws. The budget is revised during the year only as approved by the Board of Directors.

**Procedures:**

- The Executive Director will work with the Accounting Consultant to ensure the annual budget is a reasonably accurate estimate of programmatic and infrastructure goals for the coming fiscal year.
- The Executive Director will ensure the budget is developed using the Foundation's standard revenue recognition and cost allocation procedures.

- The Executive Director will present a draft budget to the Board by its May meeting.
- The Board may approve the budget as presented in May or table final approval until the June meeting.
- A Board approved budget must be submitted to the San Bruno City Council so that it can be approved no later than June 30 of each year.

### **B. Internal Financial Reports**

**Policy:** The Foundation prepares regular financial reports on a monthly basis. All reports are finalized no later than 30 days after the close of the prior month. The Executive Director and Treasurer will request and approve changes to financial report detail and format as necessary.

**Procedures:**

- The Accounting Consultant is responsible for producing the following year-to-date reports within 30 days of the end of each month: Statement of Financial Position (also known as Balance Sheet) and Budget vs Actual Statement of Activities (also known as Income Statement or Profit & Loss Statement).
- The Executive Director and Treasurer review financial reports each month, and the Treasurer reports to the full Board of Directors at the regular monthly meeting.
- On a monthly basis the Accounting Consultant prepares a narrative report that summarizes the Foundation's current financial position (as of the last closed month) and includes explanations for budget variance.
- As changes in operations warrant or as otherwise deemed appropriate, the Executive Director or Treasurer will request changes to financial statement detail and/or format from the Accounting Consultant. The Accounting Consultant will prepare a pro forma (draft) version for review by the Executive Director and Treasurer. The Executive Director will approve any changes prior to implementation.

### **C. Audit**

**Policy:** The Foundation will have its financial statements audited on an annual basis by an independent CPA. A Request for Proposals (RFP) for audit services will be issued at least every five years.

**Procedures:**

- The Board's Audit Committee, working with the Executive Director, will be responsible for creating the RFP, reviewing audit proposals, and recommending the CPA to the full Board for approval; meeting with the CPA; and ensuring any audit issues identified are reported to the full Board.
- The Executive Director will oversee the audit process and ensure that audited financial statements are published not later than 120 days (October 31) after the end of each fiscal year.

### **D. Tax Compliance (Exempt Organization Returns)**

**Policy:** IRS 990, CA 199, and CA Attorney General RRF-1 forms will be filed by November 15 each year.

**Procedures:**

- The CPA prepares the forms using audited financial information. The Accounting Consultant and Executive Director review the first draft and request edits and corrections by the CPA.
- Prior to the submission deadline, the final draft of the forms is presented to the full Board for review.
- The President signs the forms on behalf of the Foundation.

## **IV. Cash Receipts**

**Policy:** The Executive Director or designee will log in checks received on cash receipts log and secure the checks and log.

**Procedures:**

- Checks will be immediately endorsed “for deposit only.”
- Checks will be logged on a daily basis. The log will include date received, payer name, purpose, and amount of check.

**A. Deposits**

**Policy:** The Executive Director or designee will make deposits.

**Procedures:**

- Deposits will be made immediately when \$10,000 or more has been logged. Deposits of any amounts will be made by the last day of each month.
- The deposit slip amount must equal the total on the cash receipts log. Copies of all checks and any other documents that were received with checks will be attached to a copy of the deposit slip and the original log. This deposit package will be given to the Accounting Consultant for recording to the General Ledger and be maintained in the Cash Receipts file.
- Receipt of currency should be discouraged. When currency is received, it should be deposited as soon as reasonably possible.

**V. Expense & Accounts Payable****A. Payroll**

**Policy:** Payroll will be processed on a semi-monthly basis with paydays on the 15<sup>th</sup> and last day of each month.

**Procedures:**

- A separate, dedicated bank account will be maintained for the purpose of processing payroll transactions only.
- The Accounting Consultant will process payroll at least two business days prior to each payday.
- For employees choosing direct deposit payment, the Accounting Consultant will obtain paystubs from the payroll service website and distribute them to employees electronically. For employees requesting checks, paychecks/paystubs will be delivered to the Executive Director, who will distribute paychecks/paystubs to employees.
- The Accounting Consultant, for purposes of recording payroll expenses and liabilities, will obtain the payroll register and other payroll reports from the payroll service website.

**1. Time Sheet Preparation & Approval**

**Policy:** Time Sheets, including time in and time out, documenting daily hours worked must be signed by the employee and the Executive Director and are required for all non-exempt employees. The Executive Director will maintain an Attendance Log to track all employees’ paid time off (PTO) accruals, usage, and balance.

**Procedures:**

- The Executive Director will provide the Attendance Log to the Accounting Consultant at least three days prior to each payday when at least one employee has taken PTO during that pay period. Employees will receive monthly reports of their PTO balances.

**2. Payroll Additions, Deletions, Changes, and Voluntary Deductions**

**Policy:** New employee additions, terminations, and pay rate changes will only be made based on authorization of the Executive Director or, for the Executive Director, on authorization of the President.

**Procedures:**

- All new employee additions, terminations, and pay rate changes will be submitted to the Accounting Consultant in writing at least three days prior to payday or last day of work.
- Voluntary payroll deduction requests, such as employee retirement contributions, will be initiated based on signed documentation submitted to the Accounting Consultant at least three days prior to payday.

### 3. Pay Upon Termination

**Policy:** Final payment of wages and vacation balance will be made to the employee on his/her last day of work.

**Procedures:**

- If an employee terminates without giving advance notice, payment will be made within 72 hours of termination.

### B. Purchases & Procurement

**Policy:** The Executive Director is authorized to approve expenditures not in excess of \$25,000 per transaction. The Board of Directors must approve any expenditure in excess of \$25,000 per transaction. Expenditures may not be split into multiple purchases to evade this requirement.

**Procedures:**

- The reasonable person standard will apply in purchase and procurement decisions. Multiple bids should be solicited when practical and when sufficient competition warrants.

### C. Independent Contractors

**Policy:** The Board of Directors must approve any contract with a total value in excess of \$25,000. The President, Treasurer, or Executive Director may enter into contracts not to exceed \$25,000 on behalf of the Foundation.

**Procedures:**

- With Board approval as needed, the Executive Director will execute contracts. The contract will include a Description of Items and/or Services (Exhibit A) and Compensation (Exhibit B).
- Contractors will complete and submit an IRS W-9 and must submit invoices for services, which include a description of services provided.

### D. Invoice Approval & Processing

**Policy:** The Executive Director must approve all invoices. Approved invoices will be paid within 30 days of receipt or according to contract terms when those terms specify a different payment schedule.

**Procedures:**

- Invoices and bills will be opened and reviewed by the Executive Director or designee.
- Invoices are approved by the Executive Director and submitted to the Accounting Consultant for payment.
- The Accounting Consultant will file copies of all invoices paid.

### E. Cash Disbursements

**Policy:** Any single check or other transfer of funds in excess of \$2,500 requires the signature of two of the authorized signatories (Executive Director, Treasurer, and President). Invoices, bills, or expense reimbursement claims may not be split in order to evade the two-signature requirement. No authorized signatory may sign checks payable to him/herself. The President or Treasurer will sign credit card payments.

### 1. Check Payments

**Procedures:**

- The Accounting Consultant, will prepare and deliver checks to the Executive Director.
- The Executive Director will sign checks after verifying the payment amount and obtaining a second signature as necessary. One check stub will be retained and attached to the invoice as proof of payment along with a photocopy of the signed check. Checks will be distributed by the Executive Director, and the invoice and check stub will be maintained in the vendor files.

### 2. Electronic or ACH Payments

**Procedures:**

- In certain cases, such as an office lease, where payment amounts have been predetermined and agreement to terms is documented and authorized consistent with policies detailed above, the Executive Director may provide the vendor with the checking account number and authorize recurring automatic payments to be taken directly from the checking account.
- The Executive Director will inform the Accounting Consultant immediately upon establishing any recurring electronic and/or ACH payments and provide a schedule of the payments to be made in this manner.

### **F. Credit Cards**

**Policy:** A business credit card will be obtained for and secured by the Executive Director. Charges not exceeding \$2,500 may be made without secondary approval. For transactions exceeding \$2,500 and within the Executive Director's expenditure and contract authority, written approval (including email) from either the Treasurer or President are required prior to the purchase.

**Procedures:**

- The business credit card will be used for SBCF business purposes only.
- Documentation of purchases made will be attached to the monthly statement when submitted to the Accounting Consultant for payment.
- Credit card payments will be submitted, with corresponding statement and supporting documentation, to either the President or Treasurer for signature.

### **G. Travel & Expense Reimbursements**

**Policy:** The Foundation will reimburse employees for reasonable out-of-pocket business travel- and other business-related expenses. The Foundation may also reimburse Board members and other volunteers for reasonable out-of-pocket travel and Foundation-related expenses. The Foundation will not cover reimbursement for travel to/from meetings and events in San Bruno.

The Foundation's standard travel and expense report will be used for all reimbursements. Mileage will be reimbursed at the business rate published annually by the IRS.

Foundation travelers are urged to minimize travel costs by, for example, booking airline tickets in advance, flying in economy class, and using the most economical mode of transportation (for example, airport bus rather than taxi or car rental). However, in the application of this general rule, extenuating circumstances such as the best economic use of the traveler's time should be taken into consideration.

Reimbursements for alcoholic beverages or any moving vehicle or parking citations are prohibited.

**Procedures:**

- Employees, Board members, and other volunteers must obtain Executive Director approval prior to incurring out-of-pocket expenses for which reimbursement will be sought. The Executive Director must obtain prior approval by the President for reimbursable expenses exceeding \$500.

- Travel and expense reports require Executive Director approval and signature. Executive Director travel and expense reports require President approval and signature.
- Original receipts must be attached to travel and expense reports.
- Accounting Consultant will verify expense reimbursements.
- Travel and expense reports must be submitted no later than 60 days after the expense was incurred.

## VI. Asset Management

### A. Cash Management and Investments

**Policy:** Cash balances in operating bank accounts should be maintained within FDIC insurance limits. Bank accounts for payroll, general checking, and savings will be maintained.

Investments will be made consistent with the Investment Policy Statement and the Investment Operating Plan. No payments will be made directly from investment accounts. Invested funds will be accessed only by wire or electronic funds transfers from the Investment Liquidity Pool to the general checking account. The check-writing feature is to be disabled on all investment accounts.

The President, Treasurer, and Executive Director are the authorized signatories on all bank and investment accounts.

**Procedures:**

- Total balance for operating demand accounts at a single bank should not exceed \$250,000, unless otherwise approved by the Board. In unexpected, short-term instances where a balance greater than \$250,000 cannot be avoided, the Executive Director will notify the Treasurer, who will determine whether Board ratification is warranted.
- Payout and withdrawals from the investment accounts will be carried out in accordance with the Investment Operating Plan. In particular, payout from the Quasi-Endowment Pool to the Liquidity Pool will follow a regular schedule set forth in the Investment Operating Plan.
- Non-regular transfers between investment accounts require advance written (including email) approval from one authorized signatory.
- Wire transfers from the Investment Liquidity Pool account to the general checking account in excess of \$2,500 require advance written (including email) approval from two authorized signatories.
- For unplanned withdrawals from any investment account, five (5) business days' notice must be given to allow time for trade execution, trade settlement and fund transfer through the Liquidity Pool (if necessary) and out to the general checking account.

### B. Capital Equipment

**Policy:** Equipment, furnishings, leasehold improvements and real property will be capitalized when the item has a useful life greater than one year and initial cost greater than \$5,000.

**Procedures:**

- Items capitalized will be depreciated on a straight-line basis, unless the IRS requires a different depreciation method, over their useful life. Land is not subject to depreciation.
- Useful life for technology equipment will be three years, furniture and other equipment will be five years, leasehold improvements will match lease term, and buildings will be 30 years.

**RESOLUTION NO. 2019-\_\_**

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION  
REDUCING TRANSFER FROM THE STRATEGIC POOL INVESTMENT ACCOUNT TO THE LIQUIDITY  
POOL ACCOUNT TO COVER OPERATING EXPENSES AND STRATEGIC GRANT OBLIGATIONS FOR  
FISCAL YEAR 2018-2019 TO \$1,043,704**

**WHEREAS**, the Section VII.2 of the Foundation's Investment Policy Statement states:

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.

**WHEREAS**, Section VI.1.d.ii of the Foundation's Investment Operating Plan states:

Withdrawals [from the Strategic Pool] will be determined by the timing of project expenditures, per guidance from the SBCF Board. SBCF will provide a schedule of likely withdrawals to SHGA at the time of the annual budget planning process. Cash proceeds will be deposited in the SBCF Liquidity Pool on an as-needed basis.

**WHEREAS**, on June 6, 2018, the San Bruno Community Foundation Board of Directors approved the Foundation's fiscal year 2018-2019 budget, which was subsequently approved by the San Bruno City Council on June 26, 2018, per the Foundation's Bylaws; approved a transfer from the Strategic Pool account to the Liquidity Pool account of \$4,043,704 to cover operating expenses and strategic grant obligations for the 2018-2019 fiscal year; and granted the Executive Director the discretion to divide the transfer into smaller increments and set the timing of the transfer of those increments based on the Foundation's cash flow needs;

**WHEREAS**, two transfers from the Strategic Pool to the Liquidity Pool totaling \$1,043,704 took place in August 2018 and January 2019;

**WHEREAS**, because progress on the Recreation and Aquatics Center project, which is being funded by a series of strategic grants from the Foundation to the City of San Bruno, slowed down for about six months during the transition to a new City Manager and other top City staff, grant disbursements required for the project have been lower than expected by approximately \$3 million;

**WHEREAS**, based on the Foundation's cash needs through the end of fiscal year 2018-2018, the Foundation is likely to end the fiscal year with a balance of operating cash of approximately \$400,000 without an additional transfer of \$3 million from the Strategic Pool to the Liquidity Pool; and

**WHEREAS**, the Foundation’s Executive Director recommends declining the remaining \$3 million transfer permitted under the Board’s prior approval of \$4,043,704 in transfers from the Strategic Pool account to the Liquidity Pool account to cover operating expenses and strategic grant obligations for the 2018-2019 fiscal year.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors reduces the transfer from the Strategic Pool account to the Liquidity Pool account to cover operating expenses and strategic grant obligations for the 2018-2019 fiscal year, as previously approved on June 6, 2018, from \$4,043,704 to \$1,043,704, and grants the Executive Director the discretion to divide the transfer into smaller increments and set the timing of the transfer of those increments based on the Foundation’s cash flow needs.

Dated: June 5, 2019

ATTEST:

---

John McGlothlin, Secretary

I, John McGlothlin, Secretary, do hereby certify that the foregoing Resolution No. 2019-\_\_ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this 5<sup>th</sup> day of June, 2019, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

# SAN BRUNO

---

## Community Foundation

February 2019

### Budget Narrative

This report primarily describes amounts in column a (Actual Year to Date) of the monthly Budget Report. When projections vary from Budget (column b), the changes will be reflected in columns d (Final Expected Amount) and e (Change in Budget), and also be explained. First eight months equal 66.7% of the fiscal year.

### INCOME

**Line 1 Transfers from Quasi Endowment** – \$200,000, or 62.5% of the total, transferred in December to fund Community Grants.

**Line 2 Transfers from Strategic Pool** – \$1,043,704 transferred is 25.8% of budget.

**Line 3 Restricted Donations** - \$5,492 received is from: Benevity on behalf of Google employees in support of First Responder (\$2,792); Recology in support of Community Day (\$1,500); and El Crystal PTA in support of RAC memorial bench (\$1,200).

**Line 4 Interest Income** – \$12,862 is 160.8% of budget. Liquidity Pool – Operating balance is currently \$968,269.

**Line 5 Miscellaneous Income** – \$174,858 unbudgeted income is the residuals from: the initial RAC planning grant (\$133,891); and the Pedestrian Safety grant (\$40,967). The full awarded grant amounts accrued in prior years was not used or needed and the residual balances in grants payable have been written off.

### EXPENSES

**Line 8 Community Grants** – \$300,000 is 150% of budget. Grants budget increased \$100,000 based on restricted funding received. Current expense is for all grants approved for this fiscal year.

**Line 9 Strategic Grants** – \$5,700,388 is 124.6% of budget. RAC Architectural Design Services (\$5,420,388); School Transformation (\$250,000); and 2019 Community Day (\$30,000) grants make up the total.

**Line 10 Other Grants** - \$5,000 off-cycle grant to San Mateo County Historical Society is unbudgeted expense. This new line item is projected to be \$10,000 for the year.

**Line 12 Salaries & Wages** – Expense is exactly on budget at 66.7%. Final expected amount increased \$2,331 based on Board approved 3% pay adjustment effective February 1.

**Line 13 Payroll Taxes & Benefits** – Expense (\$13,097) is 58.8% of budget. Costs include retirement (\$6,219), Social Security/Medicare (\$5,937), and Workers' Compensation Insurance (\$766). Final expected amount increased \$8,743 based on Board approved one-time retirement plan contribution.

**Line 15 Occupancy** – Only cost is office lease (\$9,676). Amount is 66% of budget.

**Line 16 Insurance** – Total (\$11,662) is exactly on budget and includes Directors & Officers (\$8,990), Crime (\$1,934), and Commercial Liability (\$738) policies.

**Line 17 Telecommunications** – Cost (\$1,161) is 60.5% of budget. Expense includes cell phone (\$457), internet access (\$468), and office land line (\$236).

**Line 18 Postage & Shipping** – Cost (\$1,788) is 89.4% of budget. 76% of the cost (\$1,368) has been for distribution of 2017-18 Annual Reports.

**Line 19 Marketing & Communications** - \$10,446 expense is 66.9% of budget. Costs include design and printing of: 2017-18 Annual Reports (\$7,398); and Scholarships flyers (\$1,060). Also included are domain registration and forwarding for dot org for 10 years (\$802); and on-line grant & scholarship application software (\$914).

**Line 20 Office Supplies & Equipment** – Total (\$1,394) is 26.7% of budget including \$466 for printer toner and \$455 for QuickBooks.

**Line 21 Legal Fees** – \$14,074 expense is 38.3% of budget. Includes City Attorney (\$8,393); Strategic (\$4,176) and Community (\$1,505) Grants support.

**Line 22 Accounting & Payroll Fees** – Total (\$22,350) is 72.1% of budget. Costs include Accounting Consultant (\$12,898), CPA Audit and tax preparation fees (\$9,000), and payroll software fees (\$452). Auditor cost is paid in full for the year.

**Line 23 Other Consultants** - Cost (\$26,675) is 53.3% of budget. Program Support (\$22,050) and Technology (\$4,625) consultants comprise the total.

**Line 24 Travel, Meetings & Conferences** – \$1,371 is 33.2% of budget and 99.6% is from the first three Board meetings of the year.

**Line 25 Miscellaneous** – Cost (\$1,176) equals 58.8% of budget with two organizational memberships (\$950) representing most of the cost.

### **SUMMARY**

Excluding the budget for Scholarships & Grants, total expenses are at 61.4% of budget, which is well below 66.7% benchmark for the firsts eight months of the year. In terms of dollars, the \$239,242 in these non-grant & scholarships expenses is \$20,569 less than the eight-month budget allocation.

Postage & Shipping is the only expense line item significantly over budget compared to the 66.7%, eight-month benchmark. The Postage & Shipping (89.4% of budget used) variance is related to Annual Report distribution and no budget variance is projected for the fiscal year.

Early in July, as prescribed by the Board, \$10 million was transferred from the Strategic Investment Pool to the Liquidity Pool. This amount has been segregated on the Balance Sheet and is described as: Investments, Fidelity Liquidity Pool - RAC. The current balance of the funds is \$10,114,519 including interest and dividends earned. Operating cash is also held in the Liquidity Pool and is described as: Cash, Fidelity Liquidity Pool - Operating.

February investment gains (increase in value) are \$608,322 and came from Strategic Pool (\$271,104), Quasi Endowment (\$309,833), and Liquidity Pool–RAC (\$27,385). Year-to-date Investment gain is \$1,043,926 and is from Strategic Pool (\$782,741), Quasi Endowment (\$119,282), and Liquidity Pool–RAC (\$141,903).

Overall organization year-to-date change in Net Assets is decrease of <\$5,007,493>. Excluding RAC grant, change in Net Assets is an increase of \$412,895.

Total Net Assets, as of February 28, 2019 are \$67,855,628 with \$17,431,257 in Quasi Endowment; \$50,118,126 in general Unrestricted funds; and \$306,245 in Temporarily Restricted Net Assets.

# SAN BRUNO

## Community Foundation

### February 2019 2018-2019 Budget Report

	(a)	(b)	(c)	(d)	(e)
	Actual Year to Date	Budget	Actual as % of Budget (a/b)	Final Expected Amount	Change in Budget (d - b)
<b>INCOME &amp; TRANSFERS</b>					
1 Transfers from Quasi Endowment	\$ 200,000	\$ 319,980	62.5%	\$ 319,980	\$ -
2 Transfers from Strategic Pool	1,043,704	4,043,704	25.8%	4,043,704	-
3 Restricted Donations	5,492	-		5,492	5,492
4 Interest Income	12,862	8,000	160.8%	12,862	4,862
5 Miscellaneous Income	174,858	-		174,858	174,858
<b>6 Total Available for Operations</b>	<b>1,436,916</b>	<b>4,371,684</b>	<b>32.9%</b>	<b>4,556,896</b>	<b>185,212</b>
<b>EXPENSES</b>					
7 Crestmoor Scholarships	-	120,000	0.0%	120,000	-
8 Community Grants	300,000	200,000	150.0%	300,000	100,000
9 Strategic Grants	5,700,388	4,575,000	124.6%	5,700,388	1,125,388
10 Other Grants	5,000	-		10,000	10,000
<b>11 Subtotal Direct Program Expenses</b>	<b>6,005,388</b>	<b>4,895,000</b>	<b>122.7%</b>	<b>6,130,388</b>	<b>1,235,388</b>
12 Salaries & Wages	124,372	186,559	66.7%	188,890	2,331
13 Payroll Taxes & Benefits	13,097	22,284	58.8%	31,027	8,743
<b>14 Subtotal Personnel Expenses</b>	<b>137,469</b>	<b>208,843</b>	<b>65.8%</b>	<b>219,917</b>	<b>11,074</b>
15 Occupancy	9,676	14,657	66.0%	14,657	-
16 Insurance	11,662	17,493	66.7%	17,493	-
17 Telecommunications	1,161	1,920	60.5%	1,920	-
18 Postage & Shipping	1,788	2,000	89.4%	2,000	-
19 Marketing & Communications	10,446	15,618	66.9%	15,618	-
20 Office Supplies & Equipment	1,394	5,219	26.7%	5,219	-
21 Legal Fees	14,074	36,786	38.3%	36,786	-
22 Accounting & Payroll Fees	22,350	31,000	72.1%	31,000	-
23 Other Consultants	26,675	50,050	53.3%	50,050	-
24 Travel, Meetings & Conferences	1,371	4,130	33.2%	4,130	-
25 Miscellaneous	1,176	2,000	58.8%	2,000	-
<b>26 Subtotal Non-Personnel</b>	<b>101,773</b>	<b>180,873</b>	<b>56.3%</b>	<b>180,873</b>	<b>-</b>
<b>27 Total Expenses</b>	<b>6,244,630</b>	<b>5,284,716</b>	<b>118.2%</b>	<b>6,531,178</b>	<b>1,246,462</b>
<b>28 Net Surplus/(Loss)</b>	<b>\$ (4,807,714)</b>	<b>\$ (913,032)</b>		<b>\$ (1,974,282)</b>	<b>\$ (1,061,250)</b>

# SAN BRUNO

## Community Foundation

### Statement of Financial Position as of February 28, 2019

#### ASSETS

Cash, Wells Fargo General	\$	(10,043.49)	
Cash, Wells Fargo Payroll		8,337.32	
Cash, Wells Fargo Savings		84,061.77	
Cash, Fidelity Liquidity Pool - Operating		968,269.07	
<b>Total Cash</b>			1,050,624.67
Investments, Fidelity Liquidity Pool - RAC		10,141,903.38	
Investments, Fidelity Strategic Pool		45,143,299.69	
Investments, Fidelity Quasi-Endowment		17,431,257.18	
Accrued Interest Receivable		2,268.80	
<b>Total Investments</b>			72,718,729.05
Prepaid Rent		1,218.22	
Prepaid Insurance		2,036.25	
<b>Total Other Current Assets</b>			3,254.47
Deposits		1,253.45	
<b>Total Other Assets</b>			1,253.45
<b>TOTAL ASSETS</b>			\$ 73,773,861.64

#### LIABILITIES & NET ASSETS

##### **LIABILITIES**

Accounts Payable		20,027.96	
Accrued Grants Payable		5,744,333.00	
Accrued Scholarships Payable		140,000.00	
Accrued Employee PTO		13,872.32	
<b>Total Liabilities</b>			5,918,233.28

##### **NET ASSETS**

Unrestricted, Non-QE 7/1/2018 Balance		54,950,391.76	
Transfer from Quasi-Endowment		200,000.00	
Year to Date Unrestricted Net Income from Operations		(5,956,909.86)	
Year to Date Non-QE Investment Income		924,643.74	
<b>Total Non-QE Unrestricted Net Assets</b>			50,118,125.64
Quasi-Endowment 7/1/2018 Balance		17,511,975.42	
Transfer to Liquidity for Operations		(200,000.00)	
Year-to-date QE Investment Income		119,281.76	
<b>Total QE Unrestricted Net Assets</b>			17,431,257.18
<b>Total Unrestricted Net Assets</b>			67,549,382.82
Temporarily Restricted Net Assets		400,753.72	
Year to Date Temporarily Restricted Income		(94,508.18)	
<b>Total Temporarily Restricted Net Assets</b>			306,245.54
<b>Total Net Assets</b>			67,855,628.36

<b>TOTAL LIABILITIES &amp; NET ASSETS</b>			\$ 73,773,861.64
---	--	--	------------------

# SAN BRUNO

---

## Community Foundation

March 2019

### Budget Narrative

This report primarily describes amounts in column a (Actual Year to Date) of the monthly Budget Report. When projections vary from Budget (column b), the changes will be reflected in columns d (Final Expected Amount) and e (Change in Budget), and also be explained. First nine months equal 75% of the fiscal year.

#### INCOME

**Line 1 Transfers from Quasi Endowment** – \$200,000, or 62.5% of the total, transferred in December to fund Community Grants.

**Line 2 Transfers from Strategic Pool** – \$1,043,704 transferred is 25.8% of budget.

**Line 3 Restricted Donations** - \$20,492 received is from: Sammut Family Foundation (\$10,000), Google (\$5,000) and Recology (\$1,500) in support of Community Day; Benevity on behalf of Google employees in support of First Responder (\$2,792); and El Crystal PTA in support of RAC memorial bench (\$1,200).

**Line 4 Interest Income** – \$15,175 is 189.7% of budget. Liquidity Pool – Operating balance is currently \$970,582.

**Line 5 Miscellaneous Income** – \$174,858 unbudgeted income is the residuals from: the initial RAC planning grant (\$133,891); and the Pedestrian Safety grant (\$40,967). The full awarded grant amounts accrued in prior years was not used or needed and the residual balances in grants payable have been written off.

#### EXPENSES

**Line 8 Community Grants** – \$300,000 is 150% of budget. Grants budget increased \$100,000 based on restricted funding received. Current expense is for all grants approved for this fiscal year.

**Line 9 Strategic Grants** – \$5,700,388 is 124.6% of budget. RAC Architectural Design Services (\$5,420,388); School Transformation (\$250,000); and 2019 Community Day (\$30,000) grants make up the total.

**Line 10 Other Grants** - \$5,000 off-cycle grant to San Mateo County Historical Society is unbudgeted expense. This new line item is projected to be \$10,000 for the year.

**Line 12 Salaries & Wages** – Expense is just over budget at 75.5%. Final expected amount increased \$2,332 based on Board approved 3% pay adjustment effective February 1.

**Line 13 Payroll Taxes & Benefits** – Expense (\$24,493) is 109.9% of budget. Costs include retirement (\$16,370), Social Security/Medicare (\$7,197), and Workers' Compensation Insurance (\$750). Final expected amount increased \$9,418 based on Board approved one-time retirement plan contribution.

**Line 15 Occupancy** – Only cost is office lease (\$10,894). Amount is 74.3% of budget.

**Line 16 Insurance** – Total (\$13,120) is exactly on budget and includes Directors & Officers (\$10,114), Crime (\$2,176), and Commercial Liability (\$830) policies. Renewal premium costs effective in the 4<sup>th</sup> quarter will increase costs \$208 for the year.

**Line 17 Telecommunications** – Cost (\$1,313) is 68.4% of budget. Expense includes cell phone (\$521), internet access (\$527), and office land line (\$265).

**Line 18 Postage & Shipping** – Cost (\$1,810) is 90.5% of budget. 76% of the cost (\$1,368) has been for distribution of 2017-18 Annual Reports.

**Line 19 Marketing & Communications** - \$10,648 expense is 68.2% of budget. Costs include design and printing of: 2017-18 Annual Reports (\$7,398); and Scholarships flyers (\$1,060). Also included are domain registration and forwarding for dot org for 10 years (\$802); and on-line grant & scholarship application software (\$984).

**Line 20 Office Supplies & Equipment** – Total (\$1,513) is 29% of budget including \$466 for printer toner and \$455 for QuickBooks.

**Line 21 Legal Fees** – \$18,511 expense is 50.3% of budget. Includes City Attorney (\$12,590); Strategic (\$4,176) and Community (\$1,745) Grants support.

**Line 22 Accounting & Payroll Fees** – Total (\$23,765) is 76.7% of budget. Costs include Accounting Consultant (\$14,212), CPA Audit and tax preparation fees (\$9,000), and payroll software fees (\$553). Auditor cost is paid in full for the year. Final costs for the year projected at \$1,235 less than budget.

**Line 23 Other Consultants** - Cost (\$32,437) is 64.8% of budget. Program Support (\$27,812) and Technology (\$4,625) consultants comprise the total. Final costs projected at \$8,815 less than budget.

**Line 24 Travel, Meetings & Conferences** – \$1,746 is 42.3% of budget and 99.7% has been for Board meetings. Projection for year-end is budget savings of \$1,470.

**Line 25 Miscellaneous** – Cost (\$1,178) equals 58.9% of budget with two organizational memberships (\$950) representing most of the cost. Final costs for the year projected at \$816 less than budget.

### **SUMMARY**

Excluding the budget for Scholarships & Grants, total expenses are at 72.4% of budget, which is below 75% benchmark for the first three quarters of the year. In terms of dollars, the \$282,280 in these non-grant & scholarships expenses is \$10,007 less than the first three quarters budget allocation.

Payroll Taxes & Benefits and Postage & Shipping are the only non-grant expense line items significantly over budget compared to the 75% three quarters benchmark. The Postage & Shipping (90.5% of budget used) variance is related to Annual Report distribution and no budget variance is projected for the fiscal year.

Early in July, as prescribed by the Board, \$10 million was transferred from the Strategic Investment Pool to the Liquidity Pool. This amount has been segregated on the Balance Sheet and is described as: Investments, Fidelity Liquidity Pool - RAC. The current balance of the funds is \$10,170,448 including interest and dividends earned. Operating cash is also held in the Liquidity Pool and is described as: Cash, Fidelity Liquidity Pool - Operating.

March investment gains (increase in value) are \$764,307 and came from Strategic Pool (\$543,625), Quasi Endowment (\$192,138), and Liquidity Pool–RAC (\$28,544). Year-to-date Investment gain is \$1,808,233 and is from Strategic Pool (\$1,326,365), Quasi Endowment (\$311,420), and Liquidity Pool–RAC (\$170,448).

Overall organization year-to-date change in Net Assets is decrease of <\$4,268,910>. Excluding RAC grant, change in Net Assets is an increase of \$1,151,478.

Total Net Assets, as of March 31, 2019 are \$68,594,211 with \$17,623,395 in Quasi Endowment; \$50,649,570 in general Unrestricted funds; and \$321,246 in Temporarily Restricted Net Assets.

# SAN BRUNO

## Community Foundation

### March 2019 2018-2019 Budget Report

	(a)	(b)	(c)	(d)	(e)
	Actual Year to Date	Budget	Actual as % of Budget (a/b)	Final Expected Amount	Change in Budget (d - b)
<b>INCOME &amp; TRANSFERS</b>					
1 Transfers from Quasi Endowment	\$ 200,000	\$ 319,980	62.5%	\$ 319,980	\$ -
2 Transfers from Strategic Pool	1,043,704	4,043,704	25.8%	4,043,704	-
3 Restricted Donations	20,492	-		20,492	20,492
4 Interest Income	15,175	8,000	189.7%	15,175	7,175
5 Miscellaneous Income	174,858	-		174,858	174,858
<b>6 Total Available for Operations</b>	<b>1,454,229</b>	<b>4,371,684</b>	<b>33.3%</b>	<b>4,574,209</b>	<b>202,525</b>
<b>EXPENSES</b>					
7 Crestmoor Scholarships	-	120,000	0.0%	120,000	-
8 Community Grants	300,000	200,000	150.0%	300,000	100,000
9 Strategic Grants	5,700,388	4,575,000	124.6%	5,700,388	1,125,388
10 Other Grants	5,000	-		10,000	10,000
<b>11 Subtotal Direct Program Expenses</b>	<b>6,005,388</b>	<b>4,895,000</b>	<b>122.7%</b>	<b>6,130,388</b>	<b>1,235,388</b>
12 Salaries & Wages	140,852	186,559	75.5%	188,891	2,332
13 Payroll Taxes & Benefits	24,493	22,284	109.9%	31,702	9,418
<b>14 Subtotal Personnel Expenses</b>	<b>165,345</b>	<b>208,843</b>	<b>79.2%</b>	<b>220,593</b>	<b>11,750</b>
15 Occupancy	10,894	14,657	74.3%	14,657	-
16 Insurance	13,120	17,493	75.0%	17,701	208
17 Telecommunications	1,313	1,920	68.4%	1,769	(151)
18 Postage & Shipping	1,810	2,000	90.5%	2,000	-
19 Marketing & Communications	10,648	15,618	68.2%	15,618	-
20 Office Supplies & Equipment	1,513	5,219	29.0%	5,219	-
21 Legal Fees	18,511	36,786	50.3%	36,786	-
22 Accounting & Payroll Fees	23,765	31,000	76.7%	29,765	(1,235)
23 Other Consultants	32,437	50,050	64.8%	41,235	(8,815)
24 Travel, Meetings & Conferences	1,746	4,130	42.3%	2,660	(1,470)
25 Miscellaneous	1,178	2,000	58.9%	1,184	(816)
<b>26 Subtotal Non-Personnel</b>	<b>116,935</b>	<b>180,873</b>	<b>64.7%</b>	<b>168,594</b>	<b>(12,279)</b>
<b>27 Total Expenses</b>	<b>6,287,668</b>	<b>5,284,716</b>	<b>119.0%</b>	<b>6,519,575</b>	<b>1,234,859</b>
<b>28 Net Surplus/(Loss)</b>	<b>\$ (4,833,439)</b>	<b>\$ (913,032)</b>		<b>\$ (1,945,366)</b>	<b>\$ (1,032,334)</b>

# SAN BRUNO

## Community Foundation

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

#### ASSETS

Cash, Wells Fargo General	\$	18,212.86	
Cash, Wells Fargo Payroll		19,779.45	
Cash, Wells Fargo Savings		14,062.30	
Cash, Fidelity Liquidity Pool - Operating		970,582.32	
<b>Total Cash</b>		1,022,636.93	1,022,636.93
Investments, Fidelity Liquidity Pool - RAC		10,170,447.54	
Investments, Fidelity Strategic Pool		45,685,940.59	
Investments, Fidelity Quasi-Endowment		17,623,395.13	
Accrued Interest Receivable		3,252.32	
<b>Total Investments</b>		73,483,035.58	73,483,035.58
Prepaid Rent		1,254.22	
Prepaid Insurance		1,640.50	
<b>Total Other Current Assets</b>		2,894.72	2,894.72
Deposits		1,253.45	
<b>Total Other Assets</b>		1,253.45	1,253.45
<b>TOTAL ASSETS</b>			\$ 74,509,820.68

#### LIABILITIES & NET ASSETS

##### **LIABILITIES**

Accounts Payable		17,404.73	
Accrued Grants Payable		5,744,333.00	
Accrued Scholarships Payable		140,000.00	
Accrued Employee PTO		13,872.32	
<b>Total Liabilities</b>		5,915,610.05	5,915,610.05

##### **NET ASSETS**

Unrestricted, Non-QE 7/1/2018 Balance		54,950,391.76	
Transfer from Quasi-Endowment		200,000.00	
Year to Date Unrestricted Net Income from Operations		(5,997,634.65)	
Year to Date Non-QE Investment Income		1,496,812.85	
<b>Total Non-QE Unrestricted Net Assets</b>		50,649,569.96	
Quasi-Endowment 7/1/2018 Balance		17,511,975.42	
Transfer to Liquidity for Operations		(200,000.00)	
Year-to-date QE Investment Income		311,419.71	
<b>Total QE Unrestricted Net Assets</b>		17,623,395.13	
<b>Total Unrestricted Net Assets</b>			68,272,965.09
Temporarily Restricted Net Assets		400,753.72	
Year to Date Temporarily Restricted Income		(79,508.18)	
<b>Total Temporarily Restricted Net Assets</b>		321,245.54	321,245.54
<b>Total Net Assets</b>			68,594,210.63
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>			\$ 74,509,820.68

# SAN BRUNO

---

## Community Foundation

April 2019

### Budget Narrative

This report primarily describes amounts in column a (Actual Year to Date) of the monthly Budget Report. When projections vary from Budget (column b), the changes will be reflected in columns d (Final Expected Amount) and e (Change in Budget), and also be explained. First ten months equal 83.3% of the fiscal year.

#### INCOME

**Line 1 Transfers from Quasi Endowment** – \$200,000, or 62.5% of the total, transferred in December to fund Community Grants.

**Line 2 Transfers from Strategic Pool** – \$1,043,704 transferred is 25.8% of budget. Remaining \$3 million budgeted will not be transferred in the current fiscal year.

**Line 3 Restricted Donations** - \$21,492 received is for: Community Day (\$17,500); First Responder (\$2,792); and RAC memorial bench (\$1,200).

**Line 4 Interest Income** – \$16,956 is 212% of budget. Liquidity Pool – Operating balance is currently \$431,360.

**Line 5 Miscellaneous Income** – \$174,858 unbudgeted income is the residuals from: the initial RAC planning grant (\$133,891); and the Pedestrian Safety grant (\$40,967). The full awarded grant amounts accrued in prior years was not used or needed and the residual balances in grants payable have been written off.

#### EXPENSES

**Line 8 Community Grants** – \$300,000 is 150% of budget. Grants budget increased \$100,000 based on restricted funding received. Current expense is for all grants approved for this fiscal year.

**Line 9 Strategic Grants** – \$5,700,388 is 124.6% of budget. RAC Architectural Design Services (\$5,420,388); School Transformation (\$250,000); and 2019 Community Day (\$30,000) grants make up the total. Additional \$1,079,000 grant for project and construction management services expected in final two months.

**Line 10 Other Grants** - \$5,000 off-cycle grant to San Mateo County Historical Society is unbudgeted expense.

**Line 12 Salaries & Wages** – Expense is just over budget at 84.1%. Final expected amount increased \$2,332 based on Board approved 3% pay adjustment effective February 1.

**Line 13 Payroll Taxes & Benefits** – Expense (\$26,208) is 117.6% of budget. Costs include retirement (\$17,171), Social Security/Medicare (\$8,422), and Workers' Compensation Insurance (\$439). Final expected amount increased \$9,060 based on Board approved one-time retirement plan contribution.

**Line 15 Occupancy** – Only cost is office lease (\$12,149). Amount is 82.9% of budget.

**Line 16 Insurance** – Total (\$14,661) is 83.8% of budget and includes Directors & Officers (\$11,313), Crime (\$2,417), and Commercial Liability (\$931) policies. Renewal premium costs effective in the 4<sup>th</sup> quarter will increase costs \$211 for the year.

**Line 17 Telecommunications** – Cost (\$1,465) is 76.3% of budget. Expense includes cell phone (\$585), internet access (\$585), and office land line (\$295).

**Line 18 Postage & Shipping** – Cost (\$1,887) is 94.4% of budget. 74% of the cost (\$1,391) has been for distribution of 2017-18 Annual Reports.

**Line 19 Marketing & Communications** - \$11,168 expense is 71.5% of budget. Costs include design and printing of: 2017-18 Annual Reports (\$7,398); Scholarships flyers (\$1,060); and Community Grants flyers and posters (\$490). Also included are domain registration and forwarding for dot org for 10 years (\$802); and on-line grant & scholarship application software (\$1,013). Projected year-end budget savings of \$3,660.

**Line 20 Office Supplies & Equipment** – Total (\$1,633) is 31.3% of budget including \$531 for printer toner and \$455 for QuickBooks. Projected year-end budget savings of \$3,436.

**Line 21 Legal Fees** – \$19,171 expense is 52.1% of budget. Includes City Attorney (\$12,590); Strategic (\$4,836) and Community (\$1,745) Grants support. Projected budget savings of \$9,418.

**Line 22 Accounting & Payroll Fees** – Total (\$25,468) is 82.2% of budget. Costs include Accounting Consultant (\$15,814), CPA Audit and tax preparation fees (\$9,000), and payroll software fees (\$654). Projected budget savings of \$2,126.

**Line 23 Other Consultants** - Cost (\$40,497) is 80.9% of budget. Program Support (\$30,997) and Technology (\$9,500) consultants comprise the total. Final costs projected at \$683 less than budget.

**Line 24 Travel, Meetings & Conferences** – \$1,906 is 46.2% of budget and 98% has been for Board meetings. Projection for year-end is budget savings of \$1,519.

**Line 25 Miscellaneous** – Cost (\$1,180) equals 59% of budget with two organizational memberships (\$950) representing most of the cost. Final costs for the year projected at \$670 less than budget.

### **SUMMARY**

Excluding the budget for Scholarships & Grants, total expenses are at 80.6% of budget, which is below 83.3% benchmark for the first ten months of the year. In terms of dollars, the \$314,258 in these non-grant & scholarships expenses is \$10,505 less than the first ten months budget allocation. Total projected year-end budget savings is \$10,032.

Payroll Taxes & Benefits and Postage & Shipping are the only non-grant expense line items significantly over budget compared to the 83.3% ten-month benchmark. The Postage & Shipping (94.4% of budget used) variance is related to Annual Report distribution and no budget variance is projected for the fiscal year.

Early in July, as prescribed by the Board, \$10 million was transferred from the Strategic Investment Pool to the Liquidity Pool. This amount has been segregated on the Balance Sheet and is described as: Investments, Fidelity Liquidity Pool - RAC. The current balance of the funds is \$10,200,927 including interest and dividends earned. Operating cash is also held in the Liquidity Pool and is described as: Cash, Fidelity Liquidity Pool - Operating.

April investment gains (increase in value) are \$801,646 and came from Strategic Pool (\$387,549), Quasi Endowment (\$383,618), and Liquidity Pool–RAC (\$30,479). Year-to-date Investment gain is \$2,609,878 and is from Strategic Pool (\$1,713,913), Quasi Endowment (\$695,038), and Liquidity Pool–RAC (\$200,927).

Overall organization year-to-date change in Net Assets is decrease of <\$3,496,462>. Excluding RAC grant, change in Net Assets is an increase of \$1,923,926.

Total Net Assets, as of April 30, 2019 are \$69,366,659 with \$18,007,013 in Quasi Endowment; \$51,037,400 in general Unrestricted funds; and \$322,246 in Temporarily Restricted Net Assets.

# SAN BRUNO

## Community Foundation

### April 2019 2018-2019 Budget Report

	(a)	(b)	(c)	(d)	(e)
	Actual Year to Date	Budget	Actual as % of Budget (a/b)	Final Expected Amount	Change in Budget (d - b)
<b>INCOME &amp; TRANSFERS</b>					
1 Transfers from Quasi Endowment	\$ 200,000	\$ 319,980	62.5%	\$ 319,980	\$ -
2 Transfers from Strategic Pool	1,043,704	4,043,704	25.8%	1,043,704	(3,000,000)
3 Restricted Donations	21,492	-		21,492	21,492
4 Interest Income	16,956	8,000	212.0%	19,329	11,329
5 Miscellaneous Income	174,858	-		174,858	174,858
<b>6 Total Available for Operations</b>	<b>1,457,010</b>	<b>4,371,684</b>	<b>33.3%</b>	<b>1,579,363</b>	<b>(2,792,321)</b>
<b>EXPENSES</b>					
7 Crestmoor Scholarships	-	120,000	0.0%	120,000	-
8 Community Grants	300,000	200,000	150.0%	300,000	100,000
9 Strategic Grants	5,700,388	4,575,000	124.6%	6,796,888	2,221,888
10 Other Grants	5,000	-		5,000	5,000
<b>11 Subtotal Direct Program Expenses</b>	<b>6,005,388</b>	<b>4,895,000</b>	<b>122.7%</b>	<b>7,221,888</b>	<b>2,326,888</b>
12 Salaries & Wages	156,865	186,559	84.1%	188,891	2,332
13 Payroll Taxes & Benefits	26,208	22,284	117.6%	31,344	9,060
<b>14 Subtotal Personnel Expenses</b>	<b>183,073</b>	<b>208,843</b>	<b>87.7%</b>	<b>220,235</b>	<b>11,392</b>
15 Occupancy	12,149	14,657	82.9%	14,657	-
16 Insurance	14,661	17,493	83.8%	17,704	211
17 Telecommunications	1,465	1,920	76.3%	1,839	(81)
18 Postage & Shipping	1,887	2,000	94.4%	1,958	(42)
19 Marketing & Communications	11,168	15,618	71.5%	11,958	(3,660)
20 Office Supplies & Equipment	1,633	5,219	31.3%	1,783	(3,436)
21 Legal Fees	19,171	36,786	52.1%	27,368	(9,418)
22 Accounting & Payroll Fees	25,468	31,000	82.2%	28,874	(2,126)
23 Other Consultants	40,497	50,050	80.9%	49,367	(683)
24 Travel, Meetings & Conferences	1,906	4,130	46.2%	2,611	(1,519)
25 Miscellaneous	1,180	2,000	59.0%	1,330	(670)
<b>26 Subtotal Non-Personnel</b>	<b>131,185</b>	<b>180,873</b>	<b>72.5%</b>	<b>159,449</b>	<b>(21,424)</b>
<b>27 Total Expenses</b>	<b>6,319,646</b>	<b>5,284,716</b>	<b>119.6%</b>	<b>7,601,572</b>	<b>2,316,856</b>
<b>28 Net Surplus/(Loss)</b>	<b>\$ (4,862,636)</b>	<b>\$ (913,032)</b>		<b>\$ (6,022,209)</b>	<b>\$ (5,109,177)</b>

# SAN BRUNO

## Community Foundation

### Statement of Financial Position as of April 30, 2019

#### ASSETS

Cash, Wells Fargo General	\$	48,639.40	
Cash, Wells Fargo Payroll		36,740.88	
Cash, Wells Fargo Savings		154,065.30	
Cash, Fidelity Liquidity Pool - Operating		431,359.79	
<b>Total Cash</b>			670,805.37
Investments, Fidelity Liquidity Pool - RAC		10,200,926.54	
Investments, Fidelity Strategic Pool		46,074,260.19	
Investments, Fidelity Quasi-Endowment		18,007,013.25	
Accrued Interest Receivable		2,481.37	
<b>Total Investments</b>			74,284,681.35
Prepaid Rent		1,254.22	
Prepaid Insurance		17,144.75	
<b>Total Other Current Assets</b>			18,398.97
Deposits		1,253.45	
<b>Total Other Assets</b>			1,253.45
<b>TOTAL ASSETS</b>			\$ 74,975,139.14

#### LIABILITIES & NET ASSETS

##### **LIABILITIES**

Accounts Payable		16,987.27	
Accrued Grants Payable		5,437,620.38	
Accrued Scholarships Payable		140,000.00	
Accrued Employee PTO		13,872.32	
<b>Total Liabilities</b>			5,608,479.97

##### **NET ASSETS**

Unrestricted, Non-QE 7/1/2018 Balance		54,950,391.76	
Transfer from Quasi-Endowment		200,000.00	
Year to Date Unrestricted Net Income from Operations		(6,027,831.88)	
Year to Date Non-QE Investment Income		1,914,840.50	
<b>Total Non-QE Unrestricted Net Assets</b>		51,037,400.38	
Quasi-Endowment 7/1/2018 Balance		17,511,975.42	
Transfer to Liquidity for Operations		(200,000.00)	
Year-to-date QE Investment Income		695,037.83	
<b>Total QE Unrestricted Net Assets</b>		18,007,013.25	
<b>Total Unrestricted Net Assets</b>			69,044,413.63
Temporarily Restricted Net Assets		400,753.72	
Year to Date Temporarily Restricted Income		(78,508.18)	
<b>Total Temporarily Restricted Net Assets</b>			322,245.54
<b>Total Net Assets</b>			69,366,659.17
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>			\$ 74,975,139.14

# SAN BRUNO

## Community Foundation

### Memorandum

---

**DATE:** May 31, 2019

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

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Report on SBPSD Schools Transformation Strategic Grant

At the June 5, 2019, Board meeting, the Board will receive a report from San Bruno Park School District Superintendent Stella Kemp on the SBPSD Schools Transformation Strategic Grant.

One year ago, on June 6, 2018, the Board approved a \$250,000 grant to the San Bruno Education Foundation to support two projects central to the San Bruno Park School District's current efforts to transform its schools into "Schools with Tomorrow Inside" – the Sobrato Early Academic Language (SEAL) Program at Belle Air and Allen Elementary Schools and the Parkside Middle School Accelerating Student Learning Through Systems Transformation. In July, SBEF and I executed a grant agreement for this strategic grant, and the Foundation disbursed payment of the \$250,000 grant to SBEF.

I had originally planned to invite Dr. Kemp to speak to the Board on the results of the grant at the Board's September meeting after the grant period ends on June 30, 2019, but since she is leaving the San Bruno Park School District at the end of June to become Superintendent of the Santa Clara Unified School District, Dr. Kemp agreed to speak to the Board on June 5 prior to her departure. We expect to receive the formal Grant Report on the SBPSD Schools Transformation Strategic Grant over the summer.

As Dr. Kemp will report, implementation of both programs is coming to the end of the first year. Last fall the District began the SEAL program at Belle Air and Allen and began collaborating with Partners in School Innovation at Parkside. The grant supports the first year of both programs.

With regard to the SEAL program, kindergarten and first grade (K-1) teachers participating in the program have finished their first year of training. The district has hired a second coach to begin working at Allen Elementary School next year. K-1 teachers have also finished their planning for the Summer Bridge component of the program. The district is at full capacity for three sections of rising K and rising first grade students for the Summer Bridge program, which will begin on June 18. Second and third grade teachers from Allen and Belle Air will soon attend their SEAL launch training along with their principals and the second coach. An English

# SAN BRUNO

## Community Foundation

### Memorandum

---

Language Acquisition assessment was completed in March, and although it is early in the district's SEAL implementation, it is anticipating considerable growth for K-1 students.

At Parkside, the partnership with Partners in School Innovation is at the completion of its final Results Oriented Cycle of Inquiry (ROCI). PSI will soon complete an assessment of school systems and instruction using the School Transformation Rubric (STR). This assessment involves gathering data from a variety of sources including interviews of teachers, staff, and students. This assessment was also completed at the end of the 2018 school year, and the result of the current year assessment will allow staff to ascertain growth based on the work conducted in 2019.

# SAN BRUNO

## Community Foundation

### Memorandum

---

**DATE:** May 31, 2019

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

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Report on First Responder Effectiveness Strategic Initiative and Resolution Approving First Responder Effectiveness Strategic Grant for a Mobile Command Vehicle to the City of San Bruno in an Amount Not to Exceed \$303,545

At the June 5, 2019, Board meeting, the Board will consider a request from San Bruno Police Chief Ed Barberini and San Bruno Fire Chief Dave Cresta for a second grant under the Foundation's First Responder Effectiveness Strategic Initiative to fund a mobile command vehicle.

#### **1. First Responder Effectiveness Strategic Initiative**

One year ago in March 2018, the Board approved grant of up to \$160,723 to the City to fund three projects that would bolster the effectiveness of the Police and Fire Departments in fundamental and meaningful ways:

- Emergency shelter supplies (led by the Fire Department)
- Critical facilities site assessments, incident action plans, and joint public safety training (collaboration of the Police and Fire Departments)
- Police officer mindfulness, compassion, and resiliency training

The Foundation and the City executed the grant agreement for this grant later in March 2018. At the last Board meeting, in March 2019, the Board received a thorough report from Chief Barberini and Chief Cresta on the significant progress the City has made in implementing the three projects. Soon after, the City completed the emergency shelter supplies project and submitted the corresponding Grant Report. The Foundation disbursed a grant payment of \$36,372 to cover expenses related to the emergency shelter supplies project in April.

#### **2. Google/YouTube Donations**

In April 2018, one month after the Board approved the First Responder Effectiveness Strategic Initiative, a shooting in which three people were injured and the shooter killed herself occurred at YouTube's headquarters in San Bruno. Immediately after the incident, Google/YouTube staff

# SAN BRUNO

## Community Foundation

### Memorandum

---

reached out to the Foundation. In recognition of the brave work of San Bruno's first responders who supported YouTube during the incident, Google.org donated \$100,000 to the Foundation and announced it would match Google and YouTube employee donations. Donations from Google.org and employees of Google and YouTube have totaled \$303,545. The funds have been designated to support first responder effectiveness training and other related programs in partnership with the San Bruno Police and Fire Departments, building upon the First Responder Effectiveness Strategic Initiative.

### **3. Mobile Command Vehicle Proposal**

Upon receipt of the bulk of the donations in the summer of 2018, the Foundation began discussions with the City about a possible fourth project benefiting the City's first responder operations to be funded by these additional funds. In August 2018, Police and Fire Department personnel conducted a needs assessment for the possibility of procurement of a mobile command vehicle. Staff conducted site visits of allied agencies in San Mateo County to view their mobile command vehicles for comparison and operability concerns. The departments considered a self-contained trailer system, towed by a truck, in lieu of a standalone vehicle, but concluded a mobile command vehicle would be more practical for both departments.

Based upon several recent incidents, the departments also researched the appropriate size of the vehicle, determining that a vehicle 8.5 feet wide by 33 feet long would be needed to enable an adequate deployment of resources within the vehicle to handle most emergencies. City staff has identified a potential storage area for the vehicle in the secured SBPD parking garage adjacent to the police facility. Minor modifications of the east entrance to this parking area will be required to accept a vehicle of the proposed size.

Staff is working with an identified vendor (Braun NW) to develop plans and drawings for the mobile command vehicle. An internal working group consisting of Fire, Police, City management, and IT has reviewed preliminary plans, has submitted feedback to the vendor, and expects to have a final proposal from the vendor to present to the City Council for approval over the summer.

In light of these developments, the City submitted to the Foundation the proposal included in Attachment A. The proposal outlines the project and the need for a mobile command vehicle, timeline, preliminary budget, and the City's plans for maintaining the vehicle on an ongoing basis, as the Foundation's funding will cover the construction and acquisition of the vehicle only. Although the budget is still in a preliminary form, the City understands that the Foundation would provide no more than \$303,545 for the project and that any expenses above that amount would be the City's responsibility to fund.

# SAN BRUNO

## Community Foundation

### Memorandum

---

On June 5, the Board will consider the attached resolution approving a First Responder Effectiveness strategic grant for a mobile command vehicle to the City of San Bruno in an amount not to exceed \$303,545. The resolution would also delegate to the Executive Director the authority to finalize, and execute on behalf of the Foundation, a grant agreement setting forth the specific terms and conditions, including the specific grant purposes, for this grant, contingent on City providing written confirmation that it has entered into an agreement with an approved vendor for the construction and acquisition of a mobile command vehicle. Chief Barberini will be at the meeting to present the proposal and answer any questions Board members may have.

Upon Board approval of the grant and completion of final plans for the mobile command vehicle, City staff plans to will bring the contract with the vendor for construction and acquisition of the vehicle to the City Council for approval in July. Once the contract is fully executed, the Foundation and the City would be able to finalize the necessary grant agreement. Prior to executing the grant agreement, Foundation staff would ensure that the project budget does not exceed the approved amount, or that the City has secured other funding sources for any amount in excess of the approved grant.

Construction of the vehicle is anticipated to take 240-270 days, with delivery of the completed vehicle expected in the spring of 2020.

A mobile command vehicle would significantly enhance the effectiveness of San Bruno's first responders and be a worthwhile use of the Google/YouTube donations. I recommend that the Board approve the attached resolution approving a second First Responder Effectiveness Strategic Grant to fund a mobile command vehicle for the City.

#### Attachments:

- Resolution Approving First Responder Effectiveness Strategic Grant for a Mobile Command Vehicle to the City of San Bruno in an Amount Not to Exceed \$303,545
- Attachment A: Proposal for a San Bruno Public Safety Mobile Incident Command Vehicle from the City of San Bruno

**RESOLUTION NO. 2019-\_\_**

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION  
APPROVING FIRST RESPONDER EFFECTIVENESS STRATEGIC GRANT FOR A MOBILE COMMAND  
VEHICLE TO THE CITY OF SAN BRUNO IN AN AMOUNT NOT TO EXCEED \$303,545**

**WHEREAS**, the Foundation recognizes the importance of first responders in the San Bruno community, particularly in light of recent events around the state and country, including fires, hurricanes, and school shootings, and the devastating 2010 gas pipeline explosion in San Bruno's Crestmoor neighborhood, which resulted in a restitution settlement that led to the creation of the Foundation;

**WHEREAS**, in March 2019, the Board of Directors created the First Responder Effectiveness Strategic Initiative and approved a grant of up to \$160,723 to the City of San Bruno to support three projects bolstering the effectiveness of San Bruno's first responders, both in their daily interactions with the community and in the event of a disaster – (a) emergency shelter supplies, (b) critical facilities site assessments, incident action plans, and joint public safety training, and (c) police officer mindfulness, compassion, and resiliency training;

**WHEREAS**, the Foundation has received \$303,545 in donations from Google.org and employees of Google and YouTube in support of the Foundation's First Responder Strategic Initiative and as an expression of gratitude to San Bruno's first responders for their heroic efforts in dealing with the tragic shooting that took place at YouTube's headquarters in April 2018;

**WHEREAS**, the San Bruno Police and Fire chiefs jointly submitted a proposal to the Foundation, set forth in Attachment A, for a grant to support a fourth First Responder Effectiveness project – a mobile command vehicle, which would be deployed by San Bruno's public safety personnel at the scene of a critical incident, natural disaster, or planned large scale event;

**WHEREAS**, neither the San Bruno Police Department nor Fire Department currently possesses a mobile command vehicle, and the City must rely on neighboring jurisdictions to provide this type of asset on a temporary basis when the need arises; and

**WHEREAS**, a mobile command vehicle would serve a multitude of critical purposes benefiting the San Bruno community – including emergency communications support, a secure area for those managing an incident to meet and develop strategy and plans, much needed power while managing an incident in the field, and an extension of a citywide Emergency Operations Center – in a variety of scenarios of varying sizes, including critical incidents like the 2018 shooting at the YouTube headquarters.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors approves a second grant related to the First Responder Effectiveness Strategic Initiative, in an amount not to exceed \$303,545, to the City of San Bruno to cover expenses related to the construction and acquisition of a mobile command vehicle, as outlined in Attachment A, for the benefit of the San Bruno community.

**BE IT RESOLVED FURTHER** that the Board hereby authorizes Executive Director Leslie Hatamiya to finalize, and execute on behalf of this corporation, a Grant Agreement setting forth the specific terms and conditions, including the specific grant purposes, for such a grant to the City of San Bruno in an amount not to exceed \$303,545, contingent on City of San Bruno providing written confirmation that it has entered into an agreement with an approved vendor for the construction and acquisition of a mobile command vehicle.

Dated: June 5, 2019

ATTEST:

---

John McGlothlin, Secretary

I, John McGlothlin, Secretary, do hereby certify that the foregoing Resolution No. 2019-\_\_ was duly and regularly passed and adopted by the Board of Directors of The San Bruno Community Foundation on this 5<sup>th</sup> day of June, 2019, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:



Ed Barberini, Chief of Police  
Dave Cresta, Fire Chief

POLICE DEPARTMENT  
FIRE DEPARTMENT

DATE: June 5, 2019

TO: Leslie Hatamiya, Executive Director  
San Bruno Community Foundation

FROM: Ed Barberini, Chief of Police  
San Bruno Police Department

Dave Cresta, Fire Chief  
San Bruno Fire Department

SUBJECT: Proposal for a San Bruno Public Safety Mobile Incident Command Vehicle

**Background / Project Description**

A Mobile Command Vehicle (MCV) is one of the most important pieces of equipment deployed by public safety at the scene of critical incident, natural disaster, or planned large scale event. Neither the Police Department nor Fire Department have a mobile command vehicle and rely on neighboring jurisdictions to provide this type of asset on a temporary basis. In the event of a large scale regional incident, the availability this asset will not exist.

A MCV serves a number of purpose including emergency communications support, a secure area for those managing an incident to meet and develop strategy and plans, much needed power while managing an incident in the field, and an extension of a citywide Emergency Operations Center (EOC). The communications function of a MCV serves many purposes. For smaller incidents it is used to transfer information from the scene to supervisors. For larger incidents the communication component will be used to communicate to varied allied public safety agencies, the public, and the media. The MCV is designed to augment the (EOC) and or the Regional Operations Center (ROC) as circumstances require. Placing a public safety dispatcher in the field at the scene of an incident alongside those managing the incident is paramount to clear communications.

Having a secure, private meeting area is an essential component of the MCV. Informing City Officials as to the progress of a particular incident, interviewing witnesses on site in a private area are crucial. Access to smart boards and monitors (to view the media, press conference monitoring, over-watch of an in-progress situation provided via real time footage in the field) are required for planning and briefing sessions with public safety officials.

A reliable power supply allows a MCV, and an Incident Command Post (ICP) as a whole, to operate for extended periods of time. Equipped with its own generator for power, the communications component will operate continuously without the need to regular rotate less capable vehicles as is currently the case.

The after-action reports from the 2018 YouTube Shooting Incident, the 2010 Glenview Explosion, as well as the most recently released draft from the North Bay Fires identify

communication between the ICP and the EOC as an area requiring improvement. A MCV outfitted with the proper equipment will be able to communicate directly with the planned technological upgrades to the EOC thus improving communications. For example, during a storm related incident the EOC could send a representative to the ICP to work out of the MCV and provide timely updates to the EOC Director. The EOC Director would be able virtually participate in any meetings or have private conversations with the Incident Commander. In effect, the EOC would be able to view real-time video generated from the vehicle.

An additional benefit of the MCV is community outreach and managing planned events. The MCV can be used at planned community events, including Police Day at the mall, MADD Campaign at Area Schools, San Bruno Posy Parade and Community Day in the Park, San Bruno Clean Sweep, the Fourth of July enforcement efforts, Earthquake/Fire Drills at public and private facilities, and DUI Enforcement Checkpoints.

The following are incidents that have occurred in or adjacent to the City of San Bruno where a command post was established for a sustained period of time:

- The 2010 Glenview Explosion required that a ICP be established for multiple weeks
- An elderly “at risk” adult was reported missing in the watershed area west of the City requiring a mutual aid response for a coordinated search and rescue effort. A command post was required overnight in the area where the person was last seen.
- The recent YouTube shooting required a command post be sustained for in excess of twenty-four hours.
- Structure fires in the southern part of the city (the Heart), and in the Rollingwood neighborhood required that a unified command post be established with both Fire and Police Departments for several hours.
- A homicide in the western portion of the city that required the processing of two crime scenes necessitating a prolonged command post for multiple days in poor weather.
- Several significant traffic collisions necessitating the utilization of the Police Department’s Major Accident Investigation Team for prolonged investigations while collecting evidence.
- Two multiple alarm fires at Shelter Creek Condominium Complex requiring a unified command post for several hours.
- The Mobile Command Vehicle would take the place of a patrol vehicle as a command post for DUI checkpoints that are conducted multiple times a year.
- The Mobile Command Vehicle would be utilized during the San Bruno Fourth of July Zero Tolerance Campaign as the ICP.
- Significant storm seasons has required challenging coordination among Fire, Police and Public Works. A Mobile Command Vehicle that is staffed with a representative of each agency will enhance a coordinated response.
- Specialty Response requiring a Mobile Command Vehicle would include Urban Search and Rescue (USAR) or trench rescue. Accompanying the increase in construction comes the risk of accidents. These require an extended time on scene with multiple agencies participating. The City of Daly City experienced a trench rescue last year that lasted over 10 hours. Additionally, the city’s proximity to the San Francisco International Airport

makes it part of the initial response to any major incident at that location as was the case when Asiana Airlines Flight 214 crashed in 2013.

In August of 2018 Police and Fire Personnel conducted a needs assessment for the possibility of procurement of a mobile command vehicle. From that point staff has conducted site visits of allied agencies to view mobile command vehicles for comparison and operability concerns. This assessment resulted in identifying the need for a vehicle approximately 8 ½ feet wide and 33 feet in length. Staff has identified a potential storage area of the vehicle to be the secured police department parking garage adjacent to the police facility.

Staff has met with one vendor who is willing to supply rough drawings of our needs along with the necessary components and technology to be installed in the vehicle. There is no contract in place nor agreement to provide one for this service. The vehicle platform has been identified and a working group consisting of Fire, Police, City Management and IT Personnel are meeting regularly with other stakeholders (County Comms, TEA, etc.) in order to fully understand the necessary technological hardware installations that will be required to communicate on a local level with the City EOC, San Mateo County OES as well as regional emergency management partners.

### **Timeline for Construction / Purchase**

Staff has determined the most desirable vehicle platform and identified a vendor (Braun NW) who is listed in the “inter-local government purchase program”, Houston-Galveston Area Council (HGAC) of which the City of San Bruno is a listed member. Furthermore, both Fire and Police Staff have identified the basic concepts, priorities and capabilities that the MCV should perform and provided these to the vendor. Preliminary drawings have been provided to staff and Fire, Police, City IT, and Police Public Safety Communications have met with the vendor to provide additional detail/changes to the vehicle. A revision of the preliminary drawings are currently in progress.

- **Early June 2019** – Drawings to be provided to include chassis information, module design with parts and components specifications detailed therein.
  - *Mid June* Working group meets to determine what IT related components are required. Pricing and final proposal to be established following this review.
- **Early July 2019-** Review of final proposal by working group, City Attorney’s Office and the Finance Department. Sign and execute agreement. Build out of vehicle anticipated to take 240-270 days.
- **August/ September 2019** – Working group representatives travel to vendor and have a prebuild meeting to review line items and finalize additions and/or removals.
- **April/May 2020** - Receive vehicle from vendor.

## **Budget**

The budget for the project is \$303,545. Absent external funding for the Google First Responder Fund, this project would not be funded. A preliminary estimated itemized budget is provided below.

<b>Item</b>	<b>Cost</b>
Chassis	\$80,000
Slide Out	\$18,000
Leveling System	\$5,000
Generator	\$12,000
Awning	\$6,000
Liquid Springs	\$11,000
Construction, Electrical, and HVAC	\$171,000
<b>Total</b>	<b>\$303,000</b>

The vehicle is built to accommodate two (2) smart boards at an estimated cost of \$24,000. Staff is exploring potential funding sources for these items.

## **Sustainability**

The Police Department has identified secure storage space for the vehicle and a funding source to make the facility improvements needed to accommodate the vehicle. Ongoing maintenance will be absorbed with Police Department's Vehicle Maintenance and IT Programs.

## **Comparison Photos**





# SAN BRUNO

## Community Foundation

### Memorandum

---

**DATE:** May 31, 2019

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

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Report from Ad Hoc Committee on Recreation and Aquatics Center Project

In March 2018, the Board created the Ad Hoc Committee on Recreation and Aquatics Center Project to serve as the Foundation's liaison to the City of San Bruno in the design and construction of a new recreation and aquatics center in San Bruno City Park, to be funded by up to \$50 million in strategic grants from the Foundation. On behalf of the Committee, President Frank Hedley will provide an update on the Recreation and Aquatics Center (RAC) project at the June 5, 2019, Board meeting. Board Member Nancy Kraus also sits on the Committee.

As you know, the overall project consists of three phases: conceptual design, development of schematic design plans and construction drawings, and construction. The Foundation and the City have agreed to fund the project through a series of separate grant agreements that will cover specific portions of the project costs, rather than a single grant for the full \$50 million. The first grant for the conceptual design phase has been completed and in the end totaled \$416,108.85. The Foundation completed payment on the grant in November 2018. The second grant, for up to \$5,420,388, covers architectural services through the schematic design/construction documents and construction phases and is outlined in more detail below. The third grant, for up to \$1,079,000, covers project and construction management services for the duration of the project.

#### **1. Grant #2: Architectural Services for Project Phases 2 and 3**

In December 2018, the City finalized its contract with Group 4 Architecture, Research + Planning for architectural services for Phase 2 (schematic design and construction documents) and for support services through Phase 3 (construction). Following execution of the contract, in January 2019 the Foundation and the City executed the second grant agreement for the project, to cover the costs associated with architectural design and support costs for the remainder of the project for an amount not to exceed \$5,420,388. The grant period runs through March 2022. Grant payments are being made on a quarterly basis, based on a progress report submitted by the City each quarter outlining expenses incurred. The Foundation paid the first quarterly payment, in the amount of \$270,340.62, in late April.

# SAN BRUNO

## Community Foundation

### Memorandum

---

In mid-May, the Foundation and City executed an amendment to this grant agreement that makes a minor alteration to the reporting and disbursement schedule to better coordinate with the City's internal reporting timeline. In sum, the amendment shifts the quarterly reporting deadlines out one month each quarter. We plan to use this reporting and disbursement schedule for additional RAC grants.

#### **2. Grant #3: Project Management and Construction Services for Project Phases 2 and 3**

On March 6, the Board approved a strategic grant to the City for project and construction management services on the project in an amount not to exceed \$1,079,000 and authorized me as Executive Director to finalize and execute on behalf of the Foundation a grant agreement setting forth the specific terms and conditions, including the specific grant purposes, for such a grant to the City. On March 12, the City Council approved a contract with Griffin Structures, which the City selected after a Request for Proposal process, for an amount not to exceed \$1,079,000. In mid-May, the Foundation and the City executed the third grant agreement for the RAC project, to cover the costs associated with project and construction management services for the duration of the project for an amount not to exceed \$1,079,000. The grant period runs through December 2022, and the reporting and disbursement schedule follows the schedule in the amended grant agreement for RAC Grant #2. The City's initial report under this grant is due in July.

#### **3. Phase 2: Schematic Design**

The project is currently in the schematic design portion of Phase 2, led by Group 4. During schematic design, the architects build upon the conceptual design with more concrete design plans and building specifications with consideration for the building's program elements, project schedule, and project budget. During this phase, the Group 4 team is conducting technical meetings with key City departments, an internal steering committee of key City staff, and an advisory committee on which President Hedley and I serve along with representatives of the City Council, the Parks and Recreation Commission, and the Planning Commission. As part of their public engagement efforts on the project, City staff and Group 4 are in the process of making presentations on the project to various stakeholders, beginning with the presentation to our Board in March, including presentations to the [City Council](#) and the [Parks and Recreation Commission](#) in April, and concluding with a presentation to the Planning Commission in July. The project team will bring the schematic design to the City Council for approval in August.

In this phase, the City and Group 4 continue to refine the schematic design elements presented to the Board in March. The City and Group 4 remain focused on the project budget as well as the business plan for operating the building once it is completed, making sure the design decisions being made are consistent with both. The City also continues to explore options for supplementing the project budget with additional funding sources.

# SAN BRUNO

## Community Foundation

### Memorandum

---

**DATE:** May 31, 2019

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

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Resolution Creating Ad Hoc Committee on Crestmoor Scholarship

Upon recommendation by the Ad Hoc Committee on Program Development, the Foundation's Board of Directors created the Crestmoor Neighborhood Memorial Scholarship as the organization's first program in early 2016.

From the beginning, the primary goal of the Crestmoor Scholarship has been to assist outstanding San Bruno students who have demonstrated a strong commitment to the San Bruno community in obtaining a college degree. In doing so, the program honors the community members who most directly endured the destruction of the devastating 2010 gas pipeline explosion and especially the memory of the eight San Bruno residents who lost their lives in the disaster. The program's dual purposes reflect two themes the Foundation heard in its 2015 community listening campaign – a desire to invest in the education of San Bruno's youth and a desire to ensure that the 2010 explosion and fire, which led to the Foundation's creation, would not be forgotten.

The Crestmoor Scholarship offers three categories of awards:

- For graduating high school seniors who will enroll at a four-year college or university: \$20,000 scholarship (\$5,000 per year for up to four years)
- For graduating high school seniors who will enroll at a community college: \$5,000 scholarship (\$2,500 per year for up to two years)
- For community college students transferring to a four-year degree institution: \$10,000 scholarship (\$5,000 per year for up to two years)

Over the past four years, the Foundation has awarded 33 scholarships totaling \$460,000. The number of applications received has increased from 45 in 2016 to 68 in 2019, with a high of 70 in 2018. The Foundation has developed strong relationships with the local high schools and communities colleges, especially Capuchino High School and Skyline College, as a key component of our outreach efforts to attract a robust and deep applicant pool. Public awareness of the program is relatively high throughout the local community, and the Crestmoor Scholarship has become a highly desired and prestigious recognition to receive.

# SAN BRUNO

## Community Foundation

### Memorandum

---

After four years of operating the Crestmoor Scholarship, with minor tweaks along the way, I believe the time has come for the Foundation to do a thorough evaluation of the program, assessing what aspects of the program have worked well, what aspects have been challenging, what aspects need further tweaking, and relevant external factors such as current demographics of San Bruno's student population and the changing college funding landscape, and to make adjustments to the program in response to those findings. Board members as well as members of the volunteer panel charged with selecting the scholarship recipients have expressed a desire to increase the number of scholarships awarded each year in order to benefit a greater number of students. In addition, Board and community members have suggested that the Foundation reflecting San Bruno's working class roots, expand the program to provide aid to San Bruno residents seeking to enroll in vocational training programs rather than college degree programs. Although I wonder about the logistical challenges of the Foundation operating a scholarship program for vocational training programs, I welcome the opportunity to explore this possibility as well as other ideas for supporting this population of community members with a Board committee.

Thus, I recommend that the Board approve the attached resolution creating an Ad Hoc Committee on Crestmoor Scholarship, to consist of Board Member Patricia Bohm as Committee chair and Secretary John McGlothlin and Board Member Nancy Kraus as Committee members. All three Board members have agreed to serve on this Committee. The Committee will be charged with evaluating the program and making proposals to adjust the program to more effectively achieve the program's goals. Such adjustments may relate to the program's scope, requirements, guidelines, implementation, and/or budget. Ideally, the Committee will complete its work by late October of this year, so that any proposals can be approved by the Board in November and then implemented for the 2020 program cycle, which typically launches in December.

#### Attachments:

1. Resolution Creating Ad Hoc Committee on Crestmoor Scholarship

**RESOLUTION NO. 2019-\_\_**

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION  
CREATING AD HOC COMMITTEE ON CRESTMOOR SCHOLARSHIP**

**WHEREAS**, on November 4, 2015, the Board of Directors of the San Bruno Community Foundation created the Ad Hoc Committee on Foundation Program Development and directed it to research and prepare a proposal for the creation of a memorial scholarship program;

**WHEREAS**, the Committee, with the assistance of staff, consulted with various community education-related resources and developed a proposal for the creation of the Crestmoor Neighborhood Memorial Scholarship;

**WHEREAS**, in February 2016, the Board approved the creation of the Crestmoor Neighborhood Memorial Scholarship, in honor of the community members who most directly endured the destruction of the 2010 gas pipeline explosion in San Bruno's Crestmoor neighborhood and especially in memory of the eight San Bruno residents who lost their lives in the disaster, and as an investment in outstanding San Bruno students who have demonstrated a deep commitment to the San Bruno community and who seek to obtain a college degree;

**WHEREAS**, the Foundation has run the Crestmoor Scholarship program on an annual basis for the past four years, awarding seven multi-year scholarships totaling \$100,000 in 2016, eight scholarships totaling \$120,000 in 2017, and nine scholarships totaling \$120,000 in both 2018 and 2019;

**WHEREAS**, the Foundation awards Crestmoor Scholarships to three categories of students – high school seniors enrolling in four-year colleges, high school seniors enrolling in community college, and community college students transferring to four-year colleges;

**WHEREAS**, the Foundation's Executive Director, in the spirit of enhancing the Foundation's programs, recommends that the Board evaluate the Crestmoor Scholarship after four years in operation and consider adjustments to the program – in scope, requirements, guidelines, implementation, and/or budget – based on its successes, challenges, current demographics of San Bruno's student population, the changing college funding landscape, and other relevant factors.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors authorizes the creation of the Ad Hoc Committee on Crestmoor Scholarship, which is charged with evaluating the Crestmoor Neighborhood Memorial Scholarship program and proposing adjustments to the program in order to better achieve its goals of honoring the Crestmoor neighborhood and assisting outstanding San Bruno students in seeking post-secondary educational opportunities.

**RESOLVED FURTHER** that the Board of Directors appoints Board Member Patricia Bohm as Committee chair and Secretary John McGlothlin and Board Member Nancy Kraus as Committee members.

Dated: June 5, 2019

ATTEST:

---

John McGlothlin, Secretary

I, John McGlothlin, Secretary, do hereby certify that the foregoing Resolution No. 2019-\_\_ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this 5<sup>th</sup> day of June, 2016, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

# SAN BRUNO

## Community Foundation

### Memorandum

---

**DATE:** May 31, 2019

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

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Report on Other Programs (Community Grants Fund and Other Strategic Grants)

At the June 5, 2019, Board meeting, Program Consultant Stephanie Rutgers and I will give an update on the Community Grants Fund and other strategic grants.

#### 1. Community Grants Fund

##### a. 2018-2019 Grant Cycle

In December, the Board approved 25 grants totaling \$300,000 (of which \$100,000 was donated by YouTube/Google.org). We executed grant agreements for all 25 grants and distributed all grant checks by mid-March.

We want to thank Board Member Nancy Kraus, who recently observed Parkside Middle School students receiving CPR training provided by Via Heart Project funded a Community Grant. Nancy also met with the three Parkside 7<sup>th</sup> graders selected by the American Association of University Women North Peninsula Chapter, an SBCF grantee, to participate in the Tech Trek STEM camp to be held this summer at Stanford University.

In addition, we thank Vice President Emily Roberts for attending the County of San Mateo Al Tegliia Jobs for Youth Fundraising breakfast to honor two San Bruno students who each received a \$1,500 scholarship as a result of a Community Grant.

##### b. 2019-2020 Grant Cycle

Following our usual schedule, we plan to launch the 2019-2020 cycle of the Community Grants Fund at the beginning of July. Based on feedback we received in the last grant cycle, we are not making any substantive changes to the program guidelines. We have tweaked the wording of several questions on the application to ensure that we are receiving accurate responses.

# SAN BRUNO

## Community Foundation

### Memorandum

---

We will continue to offer Grant Workshops over the summer to educate potential applicants on the program and the application process, but we have decided to reduce the number of workshops from three to two. The past three years we have offered one workshop in July, one in August, and one in September, but we have found the attendance at the July workshop to be extremely low. Given that the program will be in its fourth year and many potential applicants are familiar with it, we think that two workshops – one in August and one in September, when attendance has historically been more robust – will be sufficient.

We are in the process of updating the marketing materials (flyers (in both English and Spanish), posters, and website), as well as the online application and supporting documentation. We will distribute the materials throughout San Bruno starting in early July; we may seek Board member assistance in our outreach efforts.

Key dates for the 2019-2020 grant cycle include:

- First week of July 2019: Program launches; application available online; begin distribution of marketing materials
- August 20, 2019, 6:00 p.m.: Grant Workshop, City Hall, Room 115
- September 9, 2019, 6:00 p.m.: Grant Workshop, City Hall, Room 115
- September 25, 2019, 5:00 p.m.: Application deadline
- December 4, 2019: Board consideration of grant awards

The fiscal year 2019-2020 budget that the Board will consider at the June 5 meeting includes a \$200,000 program disbursement allocation for the Community Grants Fund.

## **2. Music Education Strategic Initiative**

In May 2017, the Board approved strategic grants to the San Bruno Education Foundation and the Capuchino High School Alumni Association totaling \$495,000 to support implementation of the Music Education Strategic Initiative, with the goal of making music education a hallmark of San Bruno's public schools. In June 2017, per the terms of the two grant agreements, the Foundation made the first year installments of the strategic grants to the San Bruno Education Foundation (SBEF) (\$201,618) and the Capuchino High School Alumni Association (CHSAA) (\$90,820). The Foundation made Year 2 payments of \$97,480 to SBEF and \$16,860 to CHSAA in June 2018. SBEF and CHSAA submitted their first annual reports, per the grant agreements, in March.

For CHSAA, key highlights of the annual report include:

# SAN BRUNO

## Community Foundation

### Memorandum

---

- CHSAA has spent all \$16,860. Key purchases include a trailer to transport uniforms, instruments, and equipment to competitions and performance venues, other transportation expenses, sheet music, competition fees, and instrument repairs.
- With SBCF support, the Capuchino music department has participated numerous off-campus events and competitions during the 2018-19 school year, including the Feste Del Mar Band Review (2<sup>nd</sup> Place Marching Band, 2<sup>nd</sup> Place Symphonic Band), Franklin Band Review (2<sup>nd</sup> Place Marching Band, 3<sup>rd</sup> Place Symphonic Band, and Foothill Band Review (1<sup>st</sup> Place Marching Band, 1<sup>st</sup> Place Mace Drum Major, 2<sup>nd</sup> Place Guard, and 2<sup>nd</sup> Place Percussion). With funds raised by the Capuchino Music Boosters, the Marching Band, Orchestra, and Choir performed at Disneyland during spring break.

For SBEF, key highlights in 2018-2019 include:

- SBEF again contracted with Music for Minors, a nonprofit music education organization to implement the Music for Minors Professional Educator Program in all five elementary schools in the San Bruno Park School District (SBPSD). This school year 1,588 students received music education through this program, including 688 students at the district's Title 1 schools.
- At the middle school level, SBEF has used SBCF funds to purchase needed equipment and supplies. In the 2018-19 school year, 160 Parkside students participated in the orchestra groups, while 163 students participated in the bands.
- In addition to their normal annual concerts for student families and the community, the Parkside orchestra and band participated in the Music in the Parks performance competition at Great America, both taking first place.
- One challenge for the Parkside music programs this year was a new District policy affecting Long-Term English Learner students. Students categorized as Long-Term EL were required to take an extra period of remediation to assist them in achieving proficiency, and this policy change prevented many returning and incoming English Learner students from fitting music into their schedules. The District hopes to address this barrier next year through scheduling changes.
- Leading the Initiative's Steering Committee, SBEF's primary sustainability efforts were focused on developing and executing a community event with which to engage families and community in support of San Bruno's music education programs. The primary goal was to put on an event that was well-received by the community and showcased the talent within the programs. The secondary goal was to leverage the event as a public recognition opportunity with which to encourage sponsorship from business partners.
- In support of this community event, billed as *Music in the Air*, SBEF engaged an event planner to help coordinate the logistical details of the event and a graphic designer to develop branding for the effort.

# SAN BRUNO

## Community Foundation

### Memorandum

---

- The evening's program, which was held on the evening of Saturday, November, 3, 2018, at the Samuel L. Johnson Performing Arts Center at Capuchino High School, included performances from elementary school singers, band and string ensembles from Parkside, and various ensembles from Capuchino. Several community performers were also included in the program, highlighted by internationally acclaimed American opera bass Kevin Thompson, who flew in from New York City specifically for the event.
- As part of the outreach and marketing efforts associated with *Music in the Air*, SBEF worked with a video production company to create a promotional video that emphasized the rich history of music education in San Bruno, outlined the current funding challenges for music education, introduced the Music Education Strategic Initiative, and summarized future goals. Short interviews with key stakeholders in the Strategic Initiative, including SBCF Vice President Emily Roberts, provided the narrative for the video.
- The *Music in the Air* community outreach efforts included a sponsorship drive. With lead sponsorships from YouTube/Google and the Welch Family Partnership, the event committee raised \$76,000 in sponsorship funding.
- After the event, SBEF and CHSAA leadership met to discuss appropriate formulas and mechanisms for distribution of funds received by SBEF on behalf of the Initiative partnership. They first allocated funds to address anticipated revenue shortfalls for 2019-2020 programs. They divided the remaining funds equally between SBEF and CHSAA to support Parkside's and Capuchino's music programs, respectively. Under this approach, SBEF distributed \$31,361 to CHSAA for further distribution to Capuchino music programs. The two groups expect to revisit fundraising distribution annually to re-evaluate equity and equality of their distribution formulas, particularly once SBCF funding sunsets.

Notably, the Music Education Strategic Initiative was recognized with an Association of California School Administrators Region 5 (covering San Mateo and San Francisco counties) "Partnerships in Schools" award. This nomination is now being considered as a finalist at the state level. Thank you to Board Member Pat Bohm for representing the Foundation at the awards dinner in South San Francisco on April 30.

Per the terms of the two grant agreements, the third year installments of the strategic grants are due in mid-June (\$79,792 to SBEF and \$8,430 to CHSAA). We plan to have representatives of SBEF and CHSAA provide an update and oral presentation of the Strategic Initiative at the Foundation's September 4 Board meeting.

# SAN BRUNO

## Community Foundation

### Memorandum

---

#### **3. Community Day 2019**

At the December 5, 2018, Board meeting, the Board approved a resolution committing to a strategic grant of up to \$30,000 to the City to help fund Community Day 2019 and authorizing staff to again receive donations earmarked for Community Day from corporate and other donors. The City Manager and I executed the grant agreement for this strategic grant in mid-December.

The Foundation approached the community partners that supported Community Day 2018. Sponsors have the option of making their contributions to the Foundation as a 501(c)(3); they can also provide financial support directly to the City if that is their preference. The Foundation secured sponsorships totaling \$21,500: Sammut Family Foundation (\$10,000), YouTube (\$5,000), Skyline College (\$5,000), and Recology San Bruno (\$1,500). Staff in the City's Community Services Department has taken a much more active role in fundraising this year, approaching a number of new potential sponsors. City staff secured an additional \$10,000 in sponsorships: San Bruno Police Officers Association (\$2,500), Donor in Memory of Carolyn Livengood (\$1,000), Watson-Marshall Realty (\$1,000), OMARSHALL Realty (\$1,000), San Francisco Police Credit Union (\$1,000), Camp St. Andrews (\$1,000), San Bruno Lions Club (\$1,000), San Bruno Fire (\$500), San Bruno Rotary Club (\$500), and San Bruno Youth Baseball (\$500).

This year's Community Day will be held on Sunday, June 2, 2019, from 12:00 to 5:00 p.m. at San Bruno City Park immediately following the San Bruno Lions Club's Posy Parade, which begins at 11:00 a.m. Community Day will have similar activities (music, rides, games, food booths, and informational tables) and a similar layout to last year's event.

#### **4. Florida Avenue Park**

Construction of the new City-owned park on Florida Avenue, which the Foundation has supported with a \$200,000 grant – continues to be stalled due to the threat of a lawsuit by a group of community members related to the removal of two heritage trees on the site. The City continues to work on resolution of the issue in an effort to avoid litigation. The City held a community discussion and update on the development of the park at the future park site the morning of Saturday, March 30.

# SAN BRUNO

## Community Foundation

### Memorandum

---

**DATE:** May 31 2019

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

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Report from Ad Hoc Committee on Board Development, Including Recommendation of Board Applicants for Appointment to the SBCF Board of Directors to the San Bruno City Council

At the June 5, 2019, Regular Board Meeting, the Ad Hoc Committee on Board Development will report on its activities and present three applicants for appointment to the Foundation Board of Directors for the Board to recommend to the San Bruno City Council. Chair Emily Roberts will give the report on behalf of the Committee, on which Secretary John McGlothlin and Board Member Nancy Kraus also serve.

On December 31, 2019, the second terms of three current Board members – Frank Hedley, Patricia Bohm, and Regina Stanback Stroud – will conclude. The San Bruno City Council first appointed Mr. Hedley, Ms. Bohm, and Dr. Stanback Stroud to the Board in October 2013 for two-year terms. In late 2015, the Council appointed the three Board members to an additional four-year term (January 1, 2016 – December 31, 2019). Under the Foundation’s Bylaws, they are “termed out” after serving two consecutive terms.<sup>1</sup> As a result, three new Board members will need to be appointed for terms beginning January 1, 2020, and terminating on December 31, 2023.

Under Article V, Section 5 of the Bylaws, the City Council designates individuals to serve on the Board of Directors. Through City Manager Jovan Grogan, the City Council asked the Foundation Board to handle the solicitation of applications for service on the Board, evaluate those applications received, and forward to the Council a list of finalists for consideration, along with the list of all applications received.

On February 6, 2019, the Board expanded the charge of the Ad Hoc Committee on Board Development to include development of a proposal for soliciting, receiving, and evaluating

---

<sup>1</sup> Under Article V, Section 6 of the Bylaws, “No Director shall hold office for longer than two consecutive terms; a two-year term followed by a four-year term shall constitute two consecutive terms.... A Director may be reappointed two years after serving two consecutive terms.”

# SAN BRUNO

## Community Foundation

### Memorandum

---

applicants for the Board and recommending finalists to the City Council, and implementation of the process once approved.

On March 6, the Board approved the Committee's proposal for the Board application and review process, which the Committee has diligently implemented over the past three months. The process has included the following:

#### **1. Online Application**

On March 8, 2019, the Foundation launched an online application accessible through the Foundation's website through which individuals could apply for a position on the Foundation Board, with an application deadline of April 3, 2019. The application consisted of a short form seeking the applicant's contact information and several narrative questions. All of the questions and information sought in the application is included in the attached "Sample Application." Applicants were required to upload a current resume in PDF format.

The Committee also prepared the attached "Call for Applications," a four-page document providing background information on the Foundation and outlining the openings on the Board, expectations of the Board as a whole, expectations of individual Board members, Board terms and expected participation, qualifications, and the application process. Along with the link to the online application, the Call for Applications and the Sample Application, which allowed applicants to prepare their responses prior to starting the online form, were posted on the Foundation's website to provide guidance to community members interested in applying for the Board.

#### **2. Outreach/Publicity Plan**

To inform community members about the opportunity to apply for a position on the Foundation Board, outreach activities the Foundation undertook included:

- Posting the Call for Applications, Sample Application, and a link to the Foundation's website on the City of San Bruno's website
- Emailing multiple blasts to the Foundation's email list (>600 email addresses)
- Sharing the opportunity with the Foundation's grantees
- Outreach to personal networks by Board members
- Announcing the opportunity at City Council meetings
- Requesting San Bruno Patch and San Mateo Daily Journal to publicize the opportunity
- Responding to inquiries from community members about the requirements for serving on the Board and the application process

# SAN BRUNO

## Community Foundation

### Memorandum

---

#### 3. Review Process

The Foundation received seven applications by the April 3 deadline. Due to the manageable number of applications, the Committee decided to interview all seven applicants. These 30-minute, in-person interviews took place in late April. After reading the applications and completing the interviews, the Committee evaluated the seven applicants, taking into consideration such factors as each applicant's:

- Civic engagement
- San Bruno engagement
- Commitment to SBCF's mission
- Professional/volunteer/personal experience and expertise
- Interpersonal skills and ability to cultivate relationships and convene, facilitate, and build consensus among diverse individuals
- Ability to meet the time commitment required of Board members

The Committee considered – in the context of the entire Board – the skills, experience, education, qualities, and other qualifications that it identified as needs on the Board, based on the Foundation's current programs, finances, other activities, and stage of organizational development. The Committee hopes that new Board members will bring fresh ideas and perspectives to the Foundation's work but also support the current path the Foundation is on as it aims to serve the San Bruno community.

The Committee considered the assets of continuing Board members as well as needs resulting from the departure of the three retiring Board members. It noted that in Ms. Bohm, Mr. Hedley, and Dr. Stanback Stroud, the Board would be losing an experienced nonprofit executive with strong ties throughout the nonprofit community in San Mateo County, a former City Manager and Police Chief with valuable networks throughout the City and County, and a highly respected educator and executive with a deep commitment to addressing the needs of diverse communities. In addition, the Committee discussed the desire to have a Board that reflects the diversity of the San Bruno community.

The Committee also noted that the current seven-member Board has worked well together and that although Board members may not agree on every single issue, they operate in a collegial manner, make most decisions by consensus, demonstrate mutual respect for one another, and share a deep commitment to the San Bruno community. In evaluating the applicants, the Committee considered each applicant's interpersonal skills and how he/she would fit in such a dynamic.

# SAN BRUNO

## Community Foundation

### Memorandum

---

Based on all these considerations, the Committee selected its top three applicants. Each applicant provided a list of three references, and the Committee called the references for each of its top three applicants. Based on the applicants' applications, interviews, and reference check calls, the Committee confirmed its choice of three applicants to present to the full Board.

#### 4. Recommendation to the Board

As a result of this process, the Committee is enthusiastically presenting to the Board three applicants – Raul Gomez, Malissa Netane, and Jim Ruane – for recommendation to the San Bruno City Council for appointment to the Foundation Board. The Committee felt that while the applicant pool was extremely competitive, these three applicants rose to the top. All three are long-time San Bruno residents who would bring a wealth of community involvement and diverse skill sets and experience to the Foundation. The Committee noted the following strengths and attributes that each of the three recommended finalists would bring to the Board:

- A 50 year-resident of San Bruno, **Raul Gomez** is currently employed as Global Regulatory Transparency Manager at Gilead Sciences, Inc. He would bring a lifetime of volunteerism in San Bruno, including significant involvement in the San Bruno Park School District. A skilled consensus builder, Mr. Gomez is experienced in making tough decisions based on fact and not personal bias, as evidenced by his recent participation on the SBPSD's 7-11 committee that called for consolidation of the district's elementary schools. Mr. Gomez's references describe him as a good listener, insightful, and bright. With more than 30 years of professional experience in the biotechnology industry, he has extensive experience managing multi-million dollar programs.
- **Malissa Netane** is a 43-year resident of San Bruno and is currently employed as Managing Director of Initiatives and Services at Peninsula Conflict Resolution Center. With strong communication skills, she is a consensus builder with a passion for community service. The Committee noted her management experience in nonprofit organizations, including a wide breadth of experience in organizational leadership, as a particular asset. Ms. Netane has a deep record of involvement in the Pacific Islander community and relationships with potential partners for the Foundation, both within San Bruno and countywide.
- The President of Patrick J. Ruane Inc., **Jim Ruane** has lived in San Bruno for the past 43 years. Having served on the San Bruno City Council for 22 years – eight years as its elected mayor, including the time of the gas pipeline tragedy – Mr. Ruane has an unrivaled breadth of knowledge about the San Bruno community, the City of San Bruno, and the Foundation. Described as the consummate team player, Mr. Ruane cares about

# SAN BRUNO

## Community Foundation

### Memorandum

---

due process and order, removing personal bias from any decision making, and focusing on the cause and effect. He has significant nonprofit and trade association board experience as well as significant professional business leadership running his family's construction business.

#### **5. Recommendation to the City Council**

On June 5, the Committee will request that the full Board approve its recommendation to the City Council of Mr. Gomez, Ms. Netane, and Mr. Ruane for appointment to the Foundation Board. Along with the recommendation, the Board will provide information on all seven applicants for the Council's consideration.

It is the Foundation's understanding that upon receipt of the Foundation's recommendation, the Council will utilize its authority under the Foundation's Bylaws to appoint, by the end of July, three individuals to the Board for four-year terms commencing on January 1, 2020.

The Committee looks forward to presenting its recommendation to the Board on June 5 and urges the Board adopt the process as outlined for implementation this spring.

#### Attachments:

- Sample Application
- Call for Applications

# SAN BRUNO

Community Foundation

## SAMPLE BOARD APPLICATION

Submit your application online at [www.sbcf.org/board-applications](http://www.sbcf.org/board-applications)

Application Deadline: Wednesday, April 3, 2019, 5:00 p.m.

*If you lack access to a computer or otherwise seek assistance with completing the application, please contact Executive Director Leslie Hatamiya at [lhatamiya@sbcf.org](mailto:lhatamiya@sbcf.org) or (650) 763-0775.*

### Applicant Information

First Name: \_\_\_\_\_

Last Name: \_\_\_\_\_

Email: \_\_\_\_\_

Preferred Phone: \_\_\_\_\_

- Mobile
- Home
- Work

Street Address: \_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_

Postal Code: \_\_\_\_\_

San Bruno Resident?

- Yes
- No

If a San Bruno Resident,  
how long have you lived in San Bruno? \_\_\_\_\_ years

Current Occupation: \_\_\_\_\_

Employer: \_\_\_\_\_

City of Employment: \_\_\_\_\_

\* \* \* \* \*

### **Narrative Questions**

1. Please share your interest in serving on the Board of Directors of the San Bruno Community Foundation and your commitment to the Foundation's mission. Include highlights of your engagement and involvement in the San Bruno community. (No more than 500 words.)
2. What relevant professional, volunteer, and personal experience, skills, expertise, education, qualities, and other qualifications would you bring to the San Bruno Community Foundation as a Board Member? Please include any past nonprofit Board experience. (No more than 500 words.)
3. Please share at least one example demonstrating your interpersonal skills and/or your ability to cultivate relationships and convene, facilitate, and build consensus among diverse individuals. Examples can come from a professional, volunteer, or personal context. (No more than 250 words.)
4. Are you willing to make the necessary time commitment service on the Foundation Board requires? What other volunteer commitments do you have or plan to make during the period from January 2020 to December 2023? (No more than 250 words.)

\* \* \* \* \*

### **Resume**

Please upload your current resume:

We prefer receiving resumes in PDF format, although a Word document will be accepted.

\* \* \* \* \*

### **Final Step: Submitting Your Application**

Have you completed all sections of the Online Application Form?

To preview your entire completed Online Application Form before submitting it, please click the "Preview" button below. After you preview your Application, you will need to submit it.

At the bottom of the next page, you must hit the "Confirm" button to officially submit your Application Form. Failure to do so will result in an incomplete Application, and you will not be considered for a position on the San Bruno Community Foundation Board of Directors.

Please be advised that submitted applications (with the exception of personal identifying information) may be subject to disclosure under the California Public Records Act.

By clicking on the "Confirm" button, you confirm that your Application Form is complete and ready for submission.

*You will receive a screen message confirming the Application submission. If you have any questions, please visit [www.sbcf.org](http://www.sbcf.org) or email [lhatamiya@sbcf.org](mailto:lhatamiya@sbcf.org).*

# SAN BRUNO

---

## Community Foundation

### **Call for Applications: Service on the San Bruno Community Foundation Board of Directors**

March 6, 2019

#### **About SBCF**

The San Bruno Community Foundation is the nonprofit organization created by the City of San Bruno to administer the \$70 million in restitution funds received from PG&E after the devastating 2010 gas pipeline explosion in San Bruno's Crestmoor neighborhood. The Foundation's mission is to 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.

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. Current Foundation programs include the Crestmoor Neighborhood Memorial Scholarship, the Community Grants Fund, and strategic initiatives with the City of San Bruno, the San Bruno Education Foundation, and the Capuchino High School Alumni Association. The Foundation has earmarked up to \$50 million for the design and construction of a new recreation and aquatics center in San Bruno City Park.

The Foundation maintains a small office in San Bruno and is currently staffed by a full-time executive director, with additional support from accounting, program, and information technology consultants. For more information, visit the Foundation's website at [www.sbcf.org](http://www.sbcf.org).

#### **Openings on the Board of Directors**

The Foundation is governed by a seven-member Board of Directors appointed by the San Bruno City Council. Board terms are four years in length, and Board Members may serve up to two consecutive terms. At the end of 2019, three current Board Members will conclude their second terms on the Board, and the City Council will appoint three individuals to serve four-year terms commencing on January 1, 2020, and concluding on December 31, 2023.

#### **Expectations of the Board as a Whole**

The Board supports the work of the Foundation and provides mission-based leadership and strategic governance. While day-to-day operations are led by the Foundation's executive director, the Board-executive director relationship is a partnership, and the appropriate involvement of the Board is both critical and expected.

As the organization's governing body and to satisfy its fiduciary duties, the Board is responsible for:

- Determining the mission and purposes of the organization
- Selecting and evaluating the performance of the executive director
- Strategic and organizational planning
- Approving the Foundation's annual budget, audit reports, and material business decisions
- Ensuring strong fiduciary oversight and financial management
- Approving and monitoring SBCF's programs and services
- Enhancing SBCF's public image
- Assessing its own performance as the governing body of SBCF
- Fundraising and resource development

### **Expectations of Individual Board Members**

Each individual Board Member is expected to:

- Know the organization's mission, policies, programs, and needs
- Faithfully read and understand the organization's financial statements
- Represent the Foundation to stakeholders and the broader San Bruno community and act as an ambassador and advocate for the organization
- Leverage connections, networks, and resources to develop collective action to fully achieve SBCF's mission
- Prepare for, attend, and conscientiously participate in Board meetings
- Participate fully on committees, as needed
- Follow the Foundation's bylaws, policies, and board resolutions
- Carry out his/her duties as a Board Member consistent with the following obligations: duty of care<sup>1</sup>, duty of loyalty<sup>2</sup>, and duty of obedience<sup>3</sup>
- Follow all applicable conflict of interest, ethics, and confidentiality policies and applicable laws, including submitting an annual conflict-of-interest disclosure statement, filing a Form 700 with the California State Fair Political Practices Commission as an appointed local official, and completing AB 1234 ethics training<sup>4</sup>

### **Board Terms/Participation**

Foundation Board Members serve staggered four-year terms. Board Members may serve two consecutive terms. A Board Member may be reappointed two years after serving consecutive terms.

---

<sup>1</sup> The duty of care describes the level of competence that is expected of a Board Member and is commonly expressed as the duty of "care that an ordinarily prudent person would exercise in a like position and under similar circumstances." This means that a Board Member owes the duty to exercise reasonable care when he or she makes a decision as a steward of the organization.

<sup>2</sup> The duty of loyalty is a standard of faithfulness; a Board Member must give undivided allegiance when making decisions affecting the organization. This means that a Board Member can never use information obtained as a member for personal gain, but must act in the best interests of the organization.

<sup>3</sup> The duty of obedience requires Board Members to be faithful to the organization's mission. They are not permitted to act in a way that is inconsistent with the central goals of the organization. A basis for this rule lies in the public's trust that the organization will manage donated funds to fulfill the organization's mission.

<sup>4</sup> Please note that Members of the Board of Directors and their spouses, domestic partners, and children are not eligible to apply for the Crestmoor Scholarship. Also note that the Foundation is unable to award grants to nonprofit organizations or other entities where a Board Member has a financial interest.

All meetings of the Board of Directors, or any standing committee thereof, is called, noticed, held, and conducted in accordance with the applicable provisions of the Ralph M. Brown Act (commencing with Section 54950 of the California Government Code). The Board of Directors takes no action other than at a meeting called.

Under its regular meeting schedule, the Board meets on the first Wednesday of each month at 7:00 p.m. at the San Bruno Senior Center, although, based on current work flow, the Board may not hold its regular meeting each month or may add special meetings as needed. For example, over the course of 2018, the Board met six times (five regular meetings and one special meeting). Two Board Members serve on the Investment Committee, which meets on the third Wednesday of February, May, August, and November at 4:30 p.m. at San Bruno City Hall. Other standing and ad hoc committees meet on an as-needed basis.

The time commitment required of Board Members varies from month to month and week to week, depending on a particular Board Member's committee assignments, status as an officer, participation on other special projects, as well as whether a Board meeting is scheduled. Officers, especially the president, may spend upwards of 40 hours a month on Foundation business, while other Board Members may dedicate four to ten hours a month to the Foundation.

Board Members serve without compensation.

### **Qualifications**

We seek individuals who are passionate about the Foundation's mission and who have a robust track record of engagement in the San Bruno community to serve on the SBCF Board.

Candidates should have:

- A strong commitment to the Foundation's mission
- Engagement in the San Bruno community
- A sincere desire to serve the San Bruno community and see it thrive
- Strong interpersonal skills and an affinity for cultivating relationships and convening, facilitating, and building consensus among diverse individuals
- A broad, open-minded, big-picture perspective when approaching issues
- Strong analytical skills
- A commitment to transparency and openness
- Personal qualities of integrity, credibility, dependability, and a passion for improving the quality of life in San Bruno

Board Members should include individuals with particular expertise in areas applicable to the operation of a nonprofit organization, such as financial, investment, legal, philanthropic, or community-based programs. Board Members are not required to live in San Bruno, although a majority of Board Members must be residents of the City of San Bruno. Among non-residents, preference may be given to representatives of a business or other entity located in or with a substantial interest in the City. Members of the San Bruno City Council may not concurrently serve on the Foundation Board of Directors.

Individuals of diverse backgrounds are welcome and encouraged to apply.

## Application Process

**To apply, interested individuals must complete and submit an online application at [www.sbcf.org](http://www.sbcf.org) by 5:00 p.m. on Wednesday, April 3, 2019.** The application includes a short form and several narrative questions. Applicants must upload a current resume in PDF format. Individuals lacking access to a computer or otherwise seeking assistance with completing the application may contact Executive Director Leslie Hatamiya at [lhatamiya@sbcf.org](mailto:lhatamiya@sbcf.org) or (650) 763-0775.

Please be advised that submitted applications (with the exception of personal identifying information) may be subject to disclosure under the California Public Records Act.

All completed applications submitted by the deadline will be reviewed by the Foundation's Ad Hoc Committee on Board Development, which will likely interview selected applicants in May. The Foundation Board plans to submit a list of recommended finalists along with all submitted applications to the San Bruno City Council in June. The City Council intends to make appointments to the Foundation, for Board terms beginning on January 1, 2020, during the summer of 2019.

Finalists must undergo and pass a credit and criminal background check before appointment.

Newly appointed Board Members will be expected to attend Board orientation and training sessions, which may take place beginning as early as fall 2019.

# SAN BRUNO

## Community Foundation

### Memorandum

---

**DATE:** May 31, 2019

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

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Report from Investment Committee

The June 5, 2018, Board meeting will include a report from the Investment Committee regarding its recent quarterly meeting, which was held on May 20, 2019. Treasurer Tim Ross chairs the Committee, on which Vice President Frank Hedley and community members Tony Clifford, Mark Hayes, and Georganne Perkins also serve.

On May 20, a team representing Sand Hill Global Advisors LLC (SHGA), the Foundation's investment adviser – including Chief Executive Officer Brian Dombkowski, Chief Investment Officer Brenda Vingiello, and Senior Wealth Manager Kristin Sun – made its quarterly presentation to the Committee. The Committee also received a report from me on the Foundation's activities, adopted a resolution recommending to the Board the Quasi-Endowment payout rate for fiscal year 2019-2020, discussed options for managing funds in the Strategic Pool to meet the Foundation's cash flow needs, and conducted its annual review of the Investment Policy Statement and the Investment Operating Plan. The results of the Committee's deliberations will inform the discussion of one other item on the June 5 agenda – namely, consideration of the resolution approving the fiscal year 2019-2020 budget, setting the fiscal year 2019-2020 Quasi-Endowment payout rate, and approving transfers from the Strategic Pool to the Liquidity Pool for fiscal year 2019-2020.

#### **1. Quarterly Report from Sand Hill Global Advisors**

Mr. Dombkowski gave an overview of the firm's investment outlook, describing the current stage of the economic cycle as late cycle. He gave a summary of the firm's current economic forecast for the second quarter of 2019, commenting on economic growth, interest rates, the employment market, corporate earnings, international developed markets, emerging markets, inflation, commodity markets, valuation, and the housing market.

Ms. Vingiello then reviewed the Foundation's Investment Dashboard for the first quarter of 2019, including March 31, 2019, balances of \$17,632,371 for the Quasi-Endowment, \$45,735,542 for the Strategic Pool, and \$11,151,236 for the Liquidity Pool (total of \$74,519,150

# SAN BRUNO

## Community Foundation

### Memorandum

---

in all three accounts). She reported that in the first quarter, SHGA reduced the Foundation's global equity and insurance-linked securities exposure, in favor of short-duration bonds.

#### **2. Committee's Recommendation to the Board for the Quasi-Endowment Payout Rate for Fiscal Year 2019-2020**

Section VII of the Foundation's Investment Policy Statement sets forth the spending policy. Section VII.1. states:

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.

Section VI.1.d. of the Investment Operating Plan provides pool-specific operating guidelines for payout or other withdrawals. Last June, upon recommendation from the Investment Committee, the Board amended the payout guidelines for the Quasi-Endowment Pool:

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 prior quarter-ending Quasi-Endowment values. From the initial funding of the Quasi-Endowment Pool through the end of fiscal year 2016-2017, the payout rate will be 0%. During fiscal year 2017-2018, the default payout rate will be 2.25%, multiplied by the simple average of all quarter-ending Quasi-Endowment values available at the time of the annual payout decision. Cash proceeds will be deposited in the SBCF Liquidity Pool on an as-needed basis.

The City Attorney has advised that as amended, the Quasi-Endowment payout provision in the Investment Operating Plan does not need to be amended each year, and the Board – with guidance from the Investment Committee – can simply pass a resolution each year setting the next fiscal year's Quasi-Endowment payout rate.

For the past two years, the Committee decided to recommend – and the Board subsequently adopted – a Quasi-Endowment payout rate sufficient to meet the cash flow needs for the

# SAN BRUNO

## Community Foundation

### Memorandum

---

Crestmoor Scholarship and the Community Grants Fund in the upcoming fiscal year. For FY 2017-2018, the approved payout rate was 2.25%, resulting in a payout of \$352,921. For FY 2018-2019, the approved payout rate was 1.95%, resulting in a payout of \$319,980. The Committee is again recommending that the Board continue to follow this practice in setting the Quasi-Endowment payout rate for fiscal year 2019-2020. This practice of setting the payout to meet the cash flow needs for the Crestmoor Scholarship and Community Grants Fund is consistent with the original long-term vision for the Quasi-Endowment – to fund those two programs plus support costs on an ongoing basis – and allows for some continued growth of the Quasi-Endowment, while the Foundation still has the Strategic funds to help support operational expenses. Strategic funds would cover cash needs for all strategic grants plus all support costs. Strategic funds would cover cash needs for all strategic grants plus all support costs. This option seems like a reasonable compromise position – it draws from the Quasi-Endowment but at a low rate, and it taps into the Strategic Pool for all support costs but also leaves some amount for additional strategic grantmaking.

With the assistance of Accounting Consultant Frank Bittner, I have developed the fiscal year 2019-2020 budget. Cash flow needs for the Crestmoor Scholarship and Community Grants Fund are estimated at \$317,500. A total of \$365,000 in Scholarships and Community Grants are expected to be paid out in 2019-2020. However, the 2017-2018 Quasi-Endowment payout included \$45,000 in Community Grants that has been carried forward and will not be paid out until 2019-2020. In addition, one 2018 Crestmoor Scholar declined the second year of his scholarship award, and \$2,500 will be carried forward to 2019-2020.

For Quasi-Endowment payout calculation purposes, we use the quarter-ending balances on the Foundation's Fidelity statements rather than those provided by Sand Hill Global Advisors (the two differ slightly based on different methods for recording transactions near the end of the quarter). The average of the past 12 quarter-ending Quasi-Endowment values (Q2 2016 to Q1 2019) is \$16,711,034. A payout rate of 1.90% would result in a Quasi-Endowment payout of \$317,510. As a result, the Investment Committee is recommending that the Board set the Quasi-Endowment payout rate for fiscal year 2019-2020 at 1.90%. The Board will consider a resolution taking such action as part of its consideration of the fiscal year 2019-2020 budget later in the June 5 Board meeting.

### **3. Management of Strategic Pool Funds**

As you know, in March 2017 the Foundation Board expressed its support for the concept of the Foundation making a strategic grant to the City of San Bruno for the planning, design, and construction of a new recreation and aquatics center (RAC) in an amount not to exceed \$50 million. The Foundation's strategy for funding this project is to execute separate grant

# SAN BRUNO

## Community Foundation

### Memorandum

---

agreements for each stage or component of the project. Thus far, the Foundation has paid out or approved the following RAC-related grants:

- RAC Grant #1 – Conceptual Design: Completed. Total of \$416,108.85 has been paid out to the City.
- RAC Grant #2 – Architectural Services: In Progress. Grant is for an amount not to exceed \$5,420,388.00, to be paid in quarterly disbursements based on the previous quarter's expenses, from May 2019 through August 2022. Thus far, SBCF has disbursed one quarterly payment of \$270,340.62.
- RAC Grant #3 – Project and Construction Management Services: In Progress. Grant is for an amount not to exceed \$1,079,000.00, to be paid in quarterly disbursements based on the previous quarter's expenses, from August 2019 through May 2023. No disbursements have yet been paid for this grant.

Based on the City's current plans, the Foundation will likely consider two additional RAC-related grants in FY 2019-2020, one for approximately \$350,000 for temporary facilities, and one for approximately \$100,000 for business and operating plan consultants. Additional grants will cover the remaining tasks related to the RAC project, including construction.

The City's architectural firm, Group 4 Architecture, Research + Planning, has provided the City and the Foundation with an updated – but still tentative – timeline of the estimated expenditures for the project, which should run through at least FY 2021-2022. Based on this timeline, the Committee discussed, as it has at previous meetings, how best to manage funds in the Strategic Pool to meet the Foundation's cash flow needs with regard to the RAC project, other strategic grants, and its operating expenses. The Committee weighed the desire to keep the funds needed for the RAC in the (conservatively invested) Strategic Pool account so that those funds continue to have the potential to reap positive investment returns against the potential risk of experiencing a significant decline in value of the Strategic Pool due to investment volatility.

In June 2018, at the Committee's recommendation and with the Board's approval, the Foundation transferred, at the beginning of fiscal year 2018-2019, \$10 million from the Strategic Pool to the Liquidity Pool to protect those funds from fluctuations in the market. This \$10 million transfer was in addition to transfer needed to cover cash flow needs in fiscal year 2018-2019 and does not appear in the fiscal year 2018-2019 budget because it is not intended for use in 2018-2019. The \$10 million figure was based, in part, on the architect's projection at that time that cash flow needs for the RAC project would be about \$12.7 million in fiscal year 2019-202. This transfer was consistent with the structure of the Liquidity Pool account, which can include funds to be disbursed over the next 24 months, not just the next fiscal year.

# SAN BRUNO

## Community Foundation

### Memorandum

---

At its recent meeting, the Committee declined to make any recommendation regarding additional transfers from the Strategic Pool to the Liquidity Pool. Treasurer Ross suggested looking at the cash needs for the project for the next 18 months. The proposed FY 2019-2020 budget calls for the transfers needed to cover cash needs in that year, and the \$10 million set aside in FY 2018-2019 year covers the following nine months of projected expenses for the RAC project. Staff is also expecting better budget and timing information from the City and its new project manager, Griffin Structures, over the summer, and the Committee can consider any new information at its next meeting in August.

#### **4. Annual Review of Investment Policy Statement and Investment Operating Plan**

The Committee also conducted its annual review of the Foundation's Investment Policy Statement, which is the high-level policy document governing the Foundation's investment practices, and Investment Operating Plan, which is the more detailed operating agreement between the Foundation and SHGA, annually. Under the Investment Policy Statement, the Committee is tasked with reviewing both documents at least once a year and making any recommendations for amendments to the Board.

After a brief discussion, the Committee did not make any recommendations for amendments to either document.

Finally, the two remaining Committee meetings in 2019 are scheduled for August 21 and November 20, both at 4:30 p.m. at San Bruno City Hall, Room 101.

#### Attachment:

1. Investment Committee Resolution No. IC 2019-9 Recommending to the SBCF Board of Directors the Quasi-Endowment Payout Rate for Fiscal Year 2019-2020

**RESOLUTION NO. 2019-9**

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION INVESTMENT COMMITTEE  
RECOMMENDING TO THE SBCF BOARD OF DIRECTORS THE QUASI-ENDOWMENT PAYOUT  
RATE FOR FISCAL YEAR 2019-2020**

**WHEREAS**, under Section II.2.a. of the Investment Policy Statement of the San Bruno Community Foundation, the Investment Committee is tasked to “review at least annually the Investment Policy Statement and Investment Operating Plan and monitor compliance with both documents”;

**WHEREAS**, Section VII.1 of the Investment Policy Statement sets forth the spending policy for the Quasi-Endowment as follows:

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.

**WHEREAS**, Section VI.1.d.i. of the Investment Operating Plan with its investment adviser, Sand Hill Global Advisors, as amended, states, with regard to the Quasi-Endowment payout:

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 prior quarter-ending Quasi-Endowment values. From the initial funding of the Quasi-Endowment Pool through the end of fiscal year 2016-2017, the payout rate will be 0%. During fiscal year 2017-2018, the default payout rate will be 2.25%, multiplied by the simple average of all quarter-ending Quasi-Endowment values available at the time of the annual payout decision. Cash proceeds will be deposited in the SBCF Liquidity Pool on an as-needed basis.

**WHEREAS**, a Quasi-Endowment payout rate of 1.90%, multiplied by the simple average of all quarter-ending Quasi-Endowment values available at the time of the annual payout decision, would result in a payout of \$317,510 and provide the necessary funds to cover cash flow needs for the Crestmoor Neighborhood Memorial Scholarship and the Community Grants

Fund in fiscal year 2019-2020, consistent with the original long-term vision for the Quasi-Endowment; and

**WHEREAS**, the Foundation's Board of Directors will consider the Foundation's fiscal year 2019-2020 budget, including transfers from the Quasi-Endowment to the operating budget, at its June 5, 2019, meeting.

**NOW, THEREFORE, BE IT RESOLVED** that the Investment Committee recommends that the Board of Directors approve, for fiscal year 2019-2020, a Quasi-Endowment payout rate of 1.90%, multiplied by the simple average of all quarter-ending Quasi-Endowment values available at the time of the annual payout decision, resulting in a payout of \$317,510, to provide the funds to cover cash flow needs for the Crestmoor Neighborhood Memorial Scholarship and the Community Grants Fund in fiscal year 2019-2020, consistent with the original long-term vision for the Quasi-Endowment.

Dated: May 20, 2019

ATTEST:

*Tim Ross*

---

Tim Ross, Investment Committee Chair

I, Tim Ross, Chair, do hereby certify that the foregoing Resolution No. 2019-9 was duly and regularly passed and adopted by the Investment Committee of the San Bruno Community Foundation on this 20<sup>th</sup> day of May, 2019, by the following vote:

AYES: Committee members: Ross, Hayes, Hedley, Perkins

NOES: Committee members: None

ABSENT: Committee members: Clifford

# SAN BRUNO

## Community Foundation

### Memorandum

---

**DATE:** May 31, 2019

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

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** SBCF Budget and Transfers from the Quasi-Endowment and Strategic Pool Accounts to the Liquidity Pool Account for Fiscal Year 2019-2020

Under our Bylaws, the Foundation's fiscal year runs from July 1 to June 30, and its annual budget must be approved by the San Bruno City Council. As we approach the end of the 2018-2019 fiscal year, I will present the 2019-2020 budget to the Board for approval at the June 5 Board meeting. If approved, the budget will be submitted to the City Council for consideration at its June 25 meeting.

In developing this budget, I am guided by the principles of transparency and economy. As prudent stewards of the restitution funds, we want to communicate our decisions and activities with the community and have accordingly provided ample budget to do so. At the same time, we will be cost-conscious in all categories of expenses.

It is important to note that this budget appears to be out of balance, with expenses at \$1,541,185 and Funds Available for Operations at \$5,118,053. This is because we record grant commitments as expenses at the time agreements are executed, but grant payments are often made in a later fiscal year. More than \$4,000,000 of the Foundation's cash needs arise from Recreation and Aquatics Center (RAC) grants that were recorded in previous fiscal years. Thus, they do not appear as expenses in FY 2019-2020, but the disbursements affect overall cash needs. Budgeted "income" almost exclusively comes from transfers from either the Quasi-Endowment or the Strategic Pool, and those transfers are based on projected cash needs during the fiscal year to cover operating expenses plus program obligations.

As I have mentioned before, most nonprofit budgets are income-driven because the nonprofit is able to spend only the funds it expects to bring in that year. In contrast, the Foundation's budget is expense-driven. As a result, I will discuss the expense lines first.

#### 1. Expenses

We have three categories of Expenses: Direct Program Expenses (Crestmoor Scholarships, Community Grants Fund, Strategic Grants, and Other Grants), Personnel Expenses, and Non-Personnel Support Costs. We are currently projecting expenses of \$1,541,185.

# SAN BRUNO

## Community Foundation

### Memorandum

---

#### a. Direct Program Expenses

- Crestmoor Scholarships: This line keeps the budget for the 2020 Crestmoor Neighborhood Memorial Scholarships at the same level as in 2017, 2018, and 2019 (\$120,000). However, on June 5, the Board will consider my recommendation to convene an Ad Hoc Committee on Crestmoor Scholarship to review the program for potential changes. Depending on the Committee's recommendation, the Board may consider adjusting the total amount to be awarded in the 2020 cycle later this year.
- Community Grants Fund: This line keeps the Foundation's contribution to the Community Grants Fund at the same level as in the first two years of the program (\$200,000). This line does not assume that Google.org will contribute funds to support this program again in 2019-2020 (it contributed \$100,000 to this program in 2017-2018 and 2018-2019).
- Strategic Grants: This line accounts for four strategic grants that are currently anticipated for 2019-2020: (a) \$375,000 for temporary RAC facilities, (b) \$100,000 for the City to hire a consultant to help develop a detailed business and operational plan for the RAC facility, (c) \$304,545 for acquisition of an emergency, first responder, mobile command vehicle, funded by donations from Google/YouTube and their employees, and (d) \$30,000 to sponsor the City of San Bruno's 2020 Community Day. This year the City has been actively participating in soliciting additional sponsorships for Community Day, raising \$10,000. After receiving the 2019 Community Day grant report, the Board may consider adjusting the amount of its sponsorship in 2020. All four strategic grants require specific Board approval, and the budget allotment anticipates that all four will be approved.

#### b. Direct Personnel Expenses

- Salaries & Wages: This line reflects the Executive Director's current salary. To the extent that additional staffing is needed, consultants will be utilized rather than employees and therefore this line has not been increased.
- Payroll Taxes & Benefits: This line reflects payroll taxes, workers compensation insurance premiums, and benefits for the Executive Director. Benefits include retirement plan contribution, life insurance, and vacation accruals.

# SAN BRUNO

## Community Foundation

### Memorandum

---

#### c. Non-Personnel Support Costs

- **Occupancy**: This line reflects the total expected rent the Foundation will pay in 2019-2020 under the current office lease, which runs through March 2020. We will pay a monthly rate of \$1,254.22 from July through December 2019, and \$1,265.83 for January through March 2020. In March 2020, a lease extension with the landlord will be required. For April through June 2020, a 15% rent increase has been budgeted. Due to cosmetic upgrades the landlord has made to the building in the past year, a more than nominal rent increase is expected.
- **Insurance**: This line is based on the Foundation's current commercial general liability, property, auto, cyber, and directors and officers liability insurance policies (\$15,534), which have an annual renewal date of March 21. It also includes the Foundation's crime insurance policy (\$2,551), which has a renewal date of May 27.
- **Telecommunications**: This line includes continuation of the Executive Director's cell phone expenses (\$792), broadband Internet access for the office, and the office landline (\$1,056 for Internet and landline through San Bruno Cable combined).
- **Postage & Shipping**: This line includes office postage (\$500) as well as the projected postage required for the fall Annual Report mailing (nonprofit rate) to all San Bruno addresses (\$1,500).
- **Marketing & Communications**: This line covers the projected printing costs associated with the Annual Report (\$10,000). It also includes funds for graphic design services (\$1,500), flyer/poster printing for the Community Grants Fund (\$700), flyer/poster printing for the Crestmoor Scholarships (\$800), other printing (such as holiday cards, business cards, and banners - \$200), website and e-newsletter costs (\$280), and costs associated with online grant and scholarship applications (\$1,158). Typically, actual expenses end up being lower than the budgeted amount (this year we expect to come in about \$2,680 under budget), as I allow a generous cushion for Annual Report and program flyer/poster printing costs.
- **Office Supplies and Equipment**: This line includes \$200 monthly for office supplies, \$425 for computer backup and QuickBooks accounting software fees, and \$500 for miscellaneous office equipment expenses (such as repairing or replacing the printer). It also includes \$2,000 for a new laptop and related software. The current laptop is now over four years old, and while it is working properly now, by the end of the next fiscal year it may be time to invest in a new laptop if the current laptop begins to falter. The projected useful life for business computer equipment is typically three years. (Note that the FY 2018-2019 budget included a new laptop,

# SAN BRUNO

## Community Foundation

### Memorandum

---

but such a purchase was not necessary, resulting in this line coming in \$3,500 under budget.)

- Legal Fees: Based on 2018-2019 expenses for outside nonprofit counsel, \$1,000 per month has been budgeted. This line also includes reimbursement for 5% of the 2019-2020 City Attorney's cost, which is projected at \$18,471 for the year. An additional \$8,000 has also been added for specialized legal advice as may be needed in the development of the next two RAC grant agreements.
- Accounting & Payroll Fees: Payroll fees (\$1,300) are based on the current arrangement with our payroll vendor (Intuit). For audit and tax preparation services, \$9,100 is budgeted, per the Foundation's contract with Novogradac & Company. And \$23,760 is included for the accounting consultant/full charge bookkeeper, per the terms of our professional services agreement with him.
- Other Consultants: This line includes \$36,960 (\$3,080 per month) for the program consultant, \$12,870 for the IT consultant, \$1,000 for administrative assistance, and \$250 for translation services. The program consultant budget is slightly decreased from this past year, based on the addition of an allocation for a contractor to help with the administrative tasks related to processing the grant and scholarship applications. I have increased the budget for the IT consultant due to the first increase in the firm's hourly rate since we began working with it in 2016.
- Travel, Meetings & Conferences: This line includes: \$3,030 for regular Board meeting room rental and audio recording expenses (budgeted for six meetings); \$300 for miscellaneous meeting room rentals; \$500 for meeting related refreshments; and \$500 for miscellaneous conference, training, and meeting expenses.
- Miscellaneous: \$2,300 is budgeted for various expenses that may arise and do not fit in any of the other cost categories. This line typically covers professional organization membership fees (such as the San Bruno Chamber of Commerce, Thrive: Alliance of Nonprofits, and CalNonprofits), bank fees, and government/agency taxes and fees.

This budget presents a realistic view of the Foundation's projected expenses for 2019-2020. For purposes of comparison, the revised budget and year-end projected actuals for the 2018-2019 fiscal year are provided. Support Costs increase 6% from the 2018-2019 year-end projection to the 2019-2020 budgeted amount. Direct Personnel Expenses will decrease slightly from the projected level for 2018-2019 (due to a one-time retirement plan benefit in February 2019). Non-Personnel Support Costs will increase \$28,550, which primarily results from increases for: IT consultant, office rent, a new laptop computer; and cushions for

# SAN BRUNO

## Community Foundation

### Memorandum

marketing costs, meetings, and legal fees. Many of the expense lines are conservative estimates, and actual costs are usually lower than the budget projections. In 2018-2019, projected Non-Personnel Costs are \$21,424 less than the budgeted amount.

#### 2. Funds Available for Operations

As mentioned above, this is not a balanced budget, where income equals expenses. Instead, the Funds Available for Operations are determined by analyzing the Foundation's cash needs for the fiscal year. Our assumption is that all Personnel Expenses and Non-Personnel Support Costs will be paid out during the fiscal year (\$402,640). Projected cash needs for Program Disbursements (total of \$5,015,070) are as follows:

<b>Crestmoor Scholarship</b>	
2017 Scholars	\$20,000
2018 Scholars	\$20,000
2019 Scholars	\$40,000
2020 Scholars	\$40,000
<b>Total Crestmoor Scholarship</b>	<b>\$120,000</b>
<b>Community Grants Fund</b>	
Yet-to-be-paid grants awarded in 2016-17 and 2017-18	\$45,000
Grants to be awarded in December 2019	\$200,000
<b>Total Community Grants Fund</b>	<b>\$245,000</b>
<b>Strategic Grants</b>	
Community Day 2019	\$47,500
First Responder Strategic Initiative – Police Mindfulness Training and Critical Facilities Site Assessments	\$124,351
First Responder Strategic Initiative – Mobile Command Vehicle	\$303,545
Recreation & Aquatics Center – Architectural Services	\$3,914,674
Recreation & Aquatics Center – Project/Construction Mgmt	\$110,000
Recreation & Aquatics Center – Temporary Facilities	\$40,000
Recreation & Aquatics Center – Business/Operational Plan	\$100,000
<b>Total Strategic Grants</b>	<b>\$4,640,070</b>
<b>Other Grants</b>	
Out-of-Cycle Responsive Grants	\$10,000
<b>Total Other Grants</b>	<b>\$10,000</b>

Total cash needs for 2019-2020 are estimated at \$5,417,710. This figure, after adjustment for residual 2018-2019 cash balance, drives the Foundation's Funds Available for Operations in 2019-2020.

# SAN BRUNO

## Community Foundation

### Memorandum

---

We have two categories of Funds Available for Operations: Operating Income and Transfers from Net Assets.

#### **a. Operating Income**

At this time, projected Operating Income is negligible (\$19,329):

- Interest Income: This line includes estimated investment income from the Operations portion of the Fidelity Liquidity Pool account and interest earned on the Wells Fargo bank accounts.
- Restricted Donations: There are no firm commitments for donations earmarked to specific projects (such as Community Day), but we may receive such restricted donations during the year.

#### **b. Transfers from Net Assets**

The Foundation's available funds come almost entirely from transfers from the Quasi-Endowment and the Strategic Pool. (These investment accounts hold most of the organization's Net Assets.) The question in developing this budget is what portion of the needed funds comes from each pool. In answering this question, it is important to think back to the original purpose of each pool of funds. In responding to the results of the Community Listening Campaign, the Board decided to designate about \$54 million of the restitution funds to establish the Strategic Pool to be spent outright on strategic initiatives. The idea was that a pool that size was necessary to enable the funding of at least one major community facility project and other one-time strategic projects. The Board has indicated its support for building a \$50 million community recreation and aquatics center for San Bruno and has already made three grants totaling \$6,915,497 for the project.

The Board also created the Quasi-Endowment with \$15 million of the restitution funds. The idea behind the Quasi-Endowment has been to follow a long-term endowment investment strategy, so that only a portion of the investment income would be used for operations, and that once the Strategic Pool had been depleted, a scaled-back version of the Foundation could continue to operate – possibly in perpetuity – funding the Crestmoor Scholarships, the Community Grants Fund, and potentially some smaller strategic projects on an ongoing basis. In creating the Investment Operating Plan in 2016, the Board decided not to take any Quasi-Endowment payout in the first year of possessing the restitution funds (2016-2017) to enable the Quasi-Endowment to grow. For FY 2017-2018, the Board approved a 2.25% Quasi-Endowment payout rate to cover cash needs for the Crestmoor Scholarships and the Community Grants Fund. Last year, the payout rate was 1.95%. This payout was consistent with the vision behind the Quasi-Endowment and allowed the Quasi-Endowment to continue to

# SAN BRUNO

## Community Foundation

### Memorandum

---

grow (as of April 30, 2019, it is at \$18,007,013) while the Foundation still has funds in the Strategic Pool to cover expenses.

Cash on hand as of June 30, 2019, is projected to be \$399,657. Of that amount, \$47,500 is Quasi-Endowment payout intended for two grants that were expected to be paid out in fiscal year 2017-2018 but will now be paid out in fiscal year 2019-2020 and one Crestmoor Scholarship payment that was declined. As a result, of the projected June 30 cash on hand, \$47,500 will be designated for Community Grants and Crestmoor Scholarship cash needs, and the balance (\$352,157) will be designated for Strategic Grants and operating expenses.

- Quasi-Endowment Payout: The cash flow needs of the Crestmoor Scholarships and Community Grants Fund are expected to be \$365,000 for fiscal year 2019-2020. As mentioned above, \$47,500 of the cash on hand at the end of the 2018-2019 fiscal year will go toward meeting these cash needs, leaving a balance of \$317,500 to be funded by new Quasi-Endowment payout. At the June 5 meeting, the Board will consider a proposal from the Investment Committee to set the fiscal year 2019-2020 payout rate for the Quasi-Endowment at 1.90%, which would cover the balance of the cash flow needs of the Crestmoor Scholarships and Community Grants Fund. The 1.90% payout rate equals \$317,510.
- Strategic Pool: The transfer from the Strategic Pool is budgeted at \$4,718,214. This amount will cover total cash needs minus the Quasi-Endowment payout and minus the \$352,157 in residual cash carried forward at the end of the 2018-2019 fiscal year. The Investment Committee recommends that the Executive Director have the discretion to divide the transfer into smaller increments and set the timing of the incremental transfers based on the Foundation's cash flow needs. This includes the explicit discretion to transfer less than the approved payout amount as circumstances may warrant.

The attached resolution, which I recommend the Board adopt, authorizes three actions. It: (a) approves the fiscal year 2019-2020 budget; (b) sets the Quasi-Endowment payout rate for fiscal year 2019-2020; and (c) approves total transfers from the Strategic Pool to the Liquidity Pool to support the 2019-2020 operating budget.

#### Attachments:

1. Resolution Approving Fiscal Year 2019-2020 Budget, Setting the Quasi-Endowment Payout Rate for Fiscal Year 2019-2020, and Approving Transfer from the Strategic Pool Investment Account to the Liquidity Pool Account for Fiscal Year 2019-2020
2. Exhibit A: 2019-2020 Proposed Budget

**RESOLUTION NO. 2019-\_\_**

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION  
APPROVING FISCAL YEAR 2019-2020 BUDGET, SETTING THE QUASI-ENDOWMENT PAYOUT  
RATE FOR FISCAL YEAR 2018-2019, AND APPROVING TRANSFER FROM THE STRATEGIC POOL  
INVESTMENT ACCOUNT TO THE LIQUIDITY POOL ACCOUNT FOR FISCAL YEAR 2019-2020**

**WHEREAS**, the San Bruno Community Foundation's next fiscal year will begin on July 1, 2019, and prudent financial management of the Foundation's finances requires the creation of an annual budget prior to the start of the fiscal year;

**WHEREAS**, Article XVI(c) of the Foundation's Bylaws require that the Foundation's annual budget be approved by the San Bruno City Council;

**WHEREAS**, the proposed fiscal year 2019-2020 budget as attached in Exhibit A reflects decisions about program initiatives and investment strategy that the Foundation's Board of Directors has made;

**WHEREAS**, the Board of Directors, upon receipt from the City of San Bruno in May 2016 of the restitution funds resulting from the City's settlement with Pacific Gas & Electric Company following the 2010 gas pipeline explosion in San Bruno's Crestmoor neighborhood, established three Fidelity brokerage accounts to hold the Foundation's funds: Quasi-Endowment Pool account, Strategic Pool account, and Liquidity Pool account.

**WHEREAS**, Section VII.1 of the Foundation's Investment Policy Statement states:

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.

**WHEREAS**, Section VI.1.d.i of the Foundation's Investment Operating Plan with investment adviser Sand Hill Global Advisors (SHGA), which provides pool-specific operating guidelines for payout or other withdrawals, states:

Payout amount [for the Quasi-Endowment Pool] 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 prior quarter-ending Quasi-Endowment values. From the initial funding of the Quasi-Endowment Pool through the end of fiscal year 2016-2017,

the payout rate will be 0%. During fiscal year 2017-2018, the default payout rate will be 2.25%, multiplied by the simple average of all quarter-ending Quasi-Endowment values available at the time of the annual payout decision. Cash proceeds will be deposited in the SBCF Liquidity Pool on an as-needed basis.

**WHEREAS**, a Quasi-Endowment payout rate of 1.90% for fiscal year 2019-2020 would provide the funds to cover cash flow needs for the Crestmoor Neighborhood Memorial Scholarship and the Community Grants Fund, consistent with the original long-term vision for the Quasi-Endowment, and allow the Quasi-Endowment the opportunity to continue to grow;

**WHEREAS**, the Investment Committee, on May 20, 2019, passed a resolution recommending that the Board of Directors set the Quasi-Endowment payout rate for fiscal year 2019-2020 at 1.90%, resulting in a payout of \$317,510;

**WHEREAS**, the Section VII.2 of the Foundation's Investment Policy Statement states:

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.

**WHEREAS**, Section VI.1.d.ii of the Foundation's Investment Operating Plan states:

Withdrawals [from the Strategic Pool] will be determined by the timing of project expenditures, per guidance from the SBCF Board. SBCF will provide a schedule of likely withdrawals to SHGA at the time of the annual budget planning process. Cash proceeds will be deposited in the SBCF Liquidity Pool on an as-needed basis.

**WHEREAS**, a transfer of \$4,781,214 from the Strategic Pool is needed to cover the Foundation's operating expenses and strategic grant obligations for the 2019-2020 fiscal year; and

**WHEREAS**, the Investment Committee and Board have expressed a desire to give the Executive Director and Treasurer discretion in the timing of moving the approved transfers from the Quasi-Endowment and Strategic Pool accounts to the Liquidity Pool account, including the discretion to transfer less than the approved payout amount as circumstances may warrant, depending on the timing of cash-flow needs.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors approves the fiscal year 2018-2019 Foundation budget attached as Exhibit A.

**FURTHER BE IT RESOLVED** that the Board of Directors sets the Quasi-Endowment payout rate for fiscal year 2019-2020 at 1.90%, resulting in a transfer from the Quasi-

Endowment account to the Liquidity Pool account of \$317,510, to be used to meet the cash needs of the Crestmoor Neighborhood Memorial Scholarship and the Community Grants Fund in the 2019-2020 fiscal year, and grants the Executive Director the discretion to divide the transfer into smaller increments, set the timing of the transfer of those increments, and to transfer less than the approved amount, based on the Foundation's cash flow needs.

**FURTHER BE IT RESOLVED** that the Board of Directors approves a transfer from the Strategic Pool account to the Liquidity Pool account of \$4,781,214 to cover remaining operating expenses and strategic grant obligations for the 2019-2020 fiscal year, and grants the Executive Director the discretion to divide the transfer into smaller increments, set the timing of the transfer of those increments, and to transfer less than the approved amount, based on the Foundation's cash flow needs.

**FURTHER BE IT RESOLVED** that the Board of Directors directs the Executive Director to submit the fiscal year 2019-2020 budget to the San Bruno City Council for consideration and approval.

Dated: June 5, 2019

ATTEST:

---

John McGlothlin, Secretary

I, John McGlothlin, Secretary, do hereby certify that the foregoing Resolution No. 2019-\_\_ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this 5<sup>th</sup> day of June, 2019, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

EXHIBIT A  
May 31, 2019

**SAN BRUNO**  
Community Foundation

**2019-2020 Proposed Budget**

	<u>2018-19 Budget</u>	<u>April 2019 Actual</u>	<u>May-Jun 19 Projected</u>	<u>Projected 2018-19</u>	<u>Proposed 2019-20 Budget</u>	<u>Change vs. 2018-19 Actual</u>
<b>INCOME</b>						
1 Interest Income	\$ 8,000	\$ 16,956	\$ 2,373	\$ 19,329	\$ 19,329	\$ -
2 Restricted Donations	-	21,492	-	21,492	-	(21,492)
3 Miscellaneous Income	-	174,858	-	174,858	-	(174,858)
<b>4 Subtotal Operating Income</b>	<b>8,000</b>	<b>213,306</b>	<b>2,373</b>	<b>215,679</b>	<b>19,329</b>	<b>(21,492)</b>
5 Transfers from Quasi Endowment	319,980	200,000	119,980	319,980	317,510	(2,470)
3 Transfers from Strategic Pool	4,043,704	1,043,704	-	1,043,704	4,781,214	3,737,510
<b>7 Subtotal Transfers from Net Assets</b>	<b>4,363,684</b>	<b>1,243,704</b>	<b>119,980</b>	<b>1,363,684</b>	<b>5,098,724</b>	<b>3,735,040</b>
<b>8 FUNDS AVAILABLE FOR OPERATIONS</b>	<b>4,371,684</b>	<b>1,457,010</b>	<b>122,353</b>	<b>1,579,363</b>	<b>5,118,053</b>	<b>3,713,548</b>
<b>EXPENSES</b>						
9 Crestmoor Scholarships	120,000	-	120,000	120,000	120,000	-
10 Community Grants Fund	200,000	300,000	-	300,000	200,000	(100,000)
11 Strategic Grants	4,575,000	5,700,388	1,096,500	6,796,888	808,545	(5,988,343)
12 Other Grants	-	5,000	-	5,000	10,000	5,000
<b>13 Subtotal Direct Program Expenses</b>	<b>4,895,000</b>	<b>6,005,388</b>	<b>1,216,500</b>	<b>7,221,888</b>	<b>1,138,545</b>	<b>(6,083,343)</b>
14 Salaries & Wages	186,559	156,865	32,026	188,891	192,156	3,265
15 Payroll Taxes & Benefits	22,284	26,208	5,136	31,344	22,485	(8,859)
<b>16 Subtotal Direct Personnel Expenses</b>	<b>208,843</b>	<b>183,073</b>	<b>37,162</b>	<b>220,235</b>	<b>214,641</b>	<b>(5,594)</b>
17 Occupancy	14,657	12,149	2,508	14,657	15,690	1,033
18 Insurance	17,493	14,661	3,043	17,704	18,085	381
19 Telecommunications	1,920	1,465	374	1,839	1,920	81
20 Postage & Shipping	2,000	1,887	71	1,958	2,000	42
21 Marketing & Communications	15,618	11,168	790	11,958	14,638	2,680
22 Office Supplies and Equipment	5,219	1,633	150	1,783	5,325	3,542
23 Legal Fees	36,786	19,171	8,197	27,368	38,471	11,103
24 Accounting & Payroll Fees	31,000	25,468	3,406	28,874	34,160	5,286
25 Other Consultants	50,050	40,497	8,870	49,367	51,080	1,713
26 Travel, Meetings & Conferences	4,130	1,906	705	2,611	4,330	1,719
27 Miscellaneous	2,000	1,180	150	1,330	2,300	970
<b>28 Subtotal Non-Personnel Support Costs</b>	<b>180,873</b>	<b>131,185</b>	<b>28,264</b>	<b>159,449</b>	<b>187,999</b>	<b>28,550</b>
<b>29 TOTAL EXPENSES</b>	<b>5,284,716</b>	<b>6,319,646</b>	<b>1,281,926</b>	<b>7,601,572</b>	<b>1,541,185</b>	<b>(6,060,387)</b>
<b>30 NET SURPLUS</b>	<b>\$ (913,032)</b>	<b>\$ (4,862,636)</b>	<b>\$ (1,159,573)</b>	<b>\$ (6,022,209)</b>	<b>\$ 3,576,868</b>	<b>\$ 9,773,936</b>