

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

Special Meeting of the Board of Directors

February 6, 2019

6:00 p.m.

Meeting Location:

San Bruno City Hall, 567 El Camino Real, Room 101, 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. Approval of Minutes:** December 5, 2018, Regular Board Meeting
- 4. 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 Designating Signatories on SBCF Wells Fargo Bank Accounts
 - b. Adopt Resolution Designating Signatories on SBCF Fidelity Investments Brokerage Accounts
 - c. Receive and Approve Treasurer's Report (November and December 2018 Financial Statements)
- 5. Conduct of Business**
 - a. Receive Staff Report and Adopt Resolution Expanding the Charge of and Appointing Members to the Ad Hoc Committee on Board Development

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- b. Receive Staff Report and Adopt Resolution Creating Off-Cycle Responsive Grantmaking Process
- 6. **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.
- 7. **Closed Session:** Public Employee Performance Evaluation Pursuant to Government Code section 54957: Executive Director
- 8. **Adjourn**

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MINUTES

SAN BRUNO COMMUNITY FOUNDATION

Regular Meeting of the Board of Directors

December 5, 2018

7:00 p.m.

Meeting Location:

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

1. Call to Order/Welcome: President Nancy Kraus called the meeting to order at 7:03 p.m. She acknowledged several special guests and dignitaries present at the meeting, including the City's new Community Services Director, Joanne Magrini, Drew Sherwood of YouTube, and San Bruno Park School District Trustee Jennifer Blanco.

2. Roll Call: Board Members Kraus, Hedley, McGlothlin, Ross, Bohm, and Roberts, present; Stanback Stroud, excused.

3. Approval of Minutes: November 7, 2018, Regular Board Meeting: Board Member Roberts moved to approve the minutes of the November 7, 2018, Regular Board Meeting, seconded by Treasurer Ross, approved unanimously.

4. Board Member Comments

a. **President:** President Kraus reflected on her five years as Foundation President, thanking her fellow Board members and staff for their contributions to the Foundation's success.

b. **Others:** Vice President Hedley then thanked President Kraus for her exemplary and devoted leadership of the Foundation, helping guide the Foundation from its formation in 2013 following the City's settlement with PG&E after the devastating 2010 gas pipeline explosion in the Crestmoor neighborhood to its current status as a vibrant, forward-looking, and transparent organization committed to enhancing the quality of life for all in San Bruno. Presenting her with flowers, he then read a statement from Board Member Stanback Stroud, who was unable to attend the meeting, and then the other four Board Members also shared their gratitude and accolades for President Kraus. The Board paused the meeting to take a photo with President Kraus.

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5. Executive Director's Report: Executive Director Leslie Hatamiya also thanked President Kraus for her tremendous leadership and reminded the others that President Kraus is just moving down the table and will remain on the Board for the remainder of her term. Ms. Hatamiya then briefly reported that, on November 27, the San Bruno City Council approved the 2019 officers, who were elected on November 7, and that the Foundation's federal and state tax returns were completed by Novogradac & Company and filed by the November 15 deadline. She also reported that website traffic and e-newsletter readership were down, as the Foundation was between application periods.

6. Consent Calendar

- a. Adopt Resolution Ratifying Election of 2019 Officers
- b. Adopt Resolution Canceling January 2 and February 6, 2019, Regular Meetings of the Board of Directors and Scheduling Special Board Meeting on February 6, 2019
- c. Receive and Approve Treasurer's Report (October 2018 Financial Statements)

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

7. Conduct of Business

- a. Receive Recommendation from Community Grants Fund Review Panel and Adopt Resolutions Awarding 2018-2019 Community Grants Totaling \$300,000

Executive Director Hatamiya first gave a brief update on the 2017-2018 Community Grants Fund. She reported that last year the Foundation awarded a grant to the San Bruno Education Foundation to establish a GATE program in the San Bruno Park School District. She reported that implementation of the program has been delayed due to school district restructuring activities and the passage of Measure X, so SBEF informed the Foundation that it would not be able to expend the grant funds by the December 31, 2018, deadline and asked for an extension of the grant period to June 30, 2019, as the program will begin in the second half of the current school year. She said that after concluding that this request was reasonable, she executed an amendment to the grant agreement extending the grant period for six months.

She then reminded the Board that YouTube/Google.org donated \$100,000 to this year's Community Grants Fund, allowing the Foundation to increase the total funds available for disbursement by 50% to \$300,000, and expressed the Foundation's gratitude to YouTube and Google.org for their support of the Foundation and the local organizations that are doing such important work in San Bruno. She acknowledged Drew Sherwood, YouTube's Director of Real Estate and Workplace Services.

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On behalf of YouTube/Google.org, Mr. Sherwood briefly addressed the Board, emphasizing YouTube and Google's commitment to the San Bruno community and how the company's support of the Community Grants Fund is consistent with two of YouTube's guiding principles: freedom of opportunity and freedom to belong.

Executive Director Hatamiya presented to the Board the recommendations of the Community Grants Fund Review Panel. She explained the application and review process and said that the Review Panel evaluated the applications based on five established program criteria: benefits of the proposed project to the San Bruno community; proposal's alignment with one of the Foundation's focus areas; project methodology and budget; requested grant amount in relation to anticipated community benefit; and organization's track record, stability, and financial health. She reported that the Panel recommended that the Board approve grant awards totaling \$300,000 for 25 projects that it concluded sufficiently satisfied the five criteria. She said these projects serve a broad cross-section of the San Bruno community, including students, people with disabilities, low-income and marginalized families, diverse ethnicities, children, and young adults. She said the recommended grant awards range from \$22,000 to \$3,000 and that 14 are for projects that also received funding last year. She noted that four are being recommended to receive funding for the third consecutive year and, under the program guidelines, if approved will not be eligible for funding next year. She reported that the competition was stiff this year due to an increase in the number of applications, and that the Panel wanted to make sure a broad assortment of projects serving different segments of the community would be funded. As a result, she noted that many projects are being funded at a level below the requested amount. She also said that 21 proposals are not being recommended for funding, generally falling in two categories – proposals that did not make a strong enough case for the need in and/or benefit to the San Bruno community, or the proposal was premature, failed to provide sufficient details and supporting documentation, and/or failed to clearly explain how the funds would be used.

Representatives of the organizations being recommended to receive grant funding briefly spoke about their organizations and the projects to be funded and thanked the Board for considering their grant applications. These speakers included Shirley Gibson of the Legal Aid Society of San Mateo County; Diana Conti of PARCA; Mark Fischler of Parents Helping Parents; Gloria Moskowitz-Sweet and Lillian Hom of My Digital TAT2; Sue Vuna of Peninsula Conflict Resolution Center; James Lonergan of the Society of St. Vincent de Paul of San Mateo County; Sue Argeris of the American Association of University Women North Peninsula Chapter; Robert Uy of The Lowen Soccer Club; Rosa Gonzalez of the County of San Mateo's Jobs for Youth Program; Celeste Mercado of CORA; Pat Jarvis of the South San Francisco Library's Project Read; Judy Puccini of the Capuchino High School Alumni Association with Capuchino Principal Jesse Boise; Sharon Harris of the Society of Western Artists; Kristin Wolslegel of the Bay Area Biotechnology Education Community; Dyane Hendricks of Ombudsman Services of San Mateo County; Clark Morey and Jenna Nguyen of the Maritime Science Institute; Jose Ocampo of Edgewood Center for Children and Families; Faga Misa of Samoan Solutions; Mario Castelo of StarVista; Peter Stiehler of Catholic Worker Hospitality House; Joanne Magrini of the City of San Bruno; and Liz Lazar-Johnson and Erica Lyons of Via Heart Project.

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Several Board Members, including Mr. Hedley and Ms. Roberts, thanked the representatives for the work they do and for providing a human element to the grants being funded.

The Board considered the grant awards in six groups, as several Board members recused themselves from one or more of the grant recommendations.

Executive Director Hatamiya presented the first group of grants, which included 20 projects totaling \$251,500:

- \$10,000 to Bay Area Bioscience Education Community to provide San Bruno high school and community college teachers with the technical skills, knowledge, and resources to empower them to teach biotechnology curriculum.
- \$20,000 to Catholic Worker Hospitality House for the continued operation of its emergency homeless shelter located at St. Bruno's Catholic Church in downtown San Bruno.
- \$10,000 to the City of San Bruno to support essential emergency management training for the City of San Bruno's senior leadership team and key public safety representatives.
- \$6,500 to the City of San Bruno to support the Narita, Japan, Sister City Exchange Program, which offers a cultural and educational exchange between San Bruno and Narita middle school students.
- \$15,000 to Community Overcoming Relationship Abuse (CORA) to provide San Bruno families impacted by intimate partner abuse with 24-hour access to crisis intervention services, including crisis counseling, safety planning, and access to emergency shelter.
- \$3,000 to the County of San Mateo to support two San Bruno under-served students pursuing higher education through the Al Tegli Jobs for Youth Scholarship Program.
- \$20,000 to Edgewood Center for Children and Families to provide support services to kinship families (where relatives assume parenting responsibilities when children can no longer remain with parents, thereby preventing the need for those children to be placed in foster care) in San Bruno.
- \$15,000 to the Latino Commission on Alcohol and Drug Abuse Services of San Mateo County to expand mental and behavioral health services for individuals in substance abuse recovery in San Bruno.
- \$10,000 to the Legal Aid Society of San Mateo County to provide legal assistance to San Bruno residents facing eviction or living in substandard conditions with the goal of keeping them in their homes through the HomeSavers Program.
- \$10,000 to the Lowen Soccer Club For maintenance of and improvements to San Bruno's widely used soccer fields.
- \$5,000 to the Marine Science Institute to provide students from low-income San Bruno schools with engaging and interactive marine science instruction through the Discover Our Bay program.
- \$20,000 to My Digital TAT2 to educate San Bruno Park School District 4th and 5th graders, parents, and teachers on building healthy online habits, behavior, and critical thinking skills.
- \$10,000 to Ombudsman Services of San Mateo County, Inc., to protect the rights of San Bruno residents of long-term care facilities through education, advocacy, and support services.

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- \$20,000 to Parents Helping Parents, Inc. to empower San Bruno parents to effectively advocate for their special needs children and navigate the educational, legal, and social service systems of care.
- \$12,000 to Partners and Advocates for Remarkable Children and Adults (PARCA) to support program operating costs and enhance summer camp programming for REACH, an inclusive, licensed day- and after-school program for children with and without developmental disabilities.
- \$10,000 to Peninsula Conflict Resolution Center to educate San Bruno's Pacific Islander community on diabetes prevention and treatment through the Pacific Islander Health Ambassador Program.
- \$20,000 to Project Read/City of South San Francisco to continue expansion of literacy services to low-income San Bruno parents and children through Learning Wheels, Project Read's literacy van.
- \$15,000 to Samoan Solutions, Inc., for a Samoan cultural educational workshop series, culminating in a stage performance of Samoan legends open to all San Bruno residents.
- \$15,000 to the Society of St. Vincent de Paul, Particular Council of San Mateo County, Inc., to provide services to San Bruno families and individuals at risk of homelessness through the Peninsula Family Resource Center.
- \$5,000 to Via Heart Project to provide CPR and AED training to students at San Bruno's Parkside Intermediate School, preparing them for emergency situations and creating a community of first responders.

Vice President Hedley moved to approve the resolution awarding 2018-2019 Community Grants totaling \$251,500, seconded by Secretary McGlothlin, approved unanimously.

In light of his spouse's volunteer involvement on the Board of the organization under consideration, Secretary McGlothlin recused himself from consideration of the next grant and departed from the room.

Executive Director Hatamiya presented the second Community Grants resolution, covering one grant of \$4,000 to the American Association of University Women (AAUW) North Peninsula Chapter to enable three San Bruno middle school students to attend the Tech Trek science and math summer camp for girls held at Stanford University.

Board Member Bohm moved to approve the resolution awarding a 2018-2019 Community Grant of \$4,000 to the American Association of University Women (AAUW) North Peninsula Chapter, seconded by Board Member Roberts, approved unanimously (Secretary McGlothlin recused).

In light of her past volunteer involvement with the Capuchino High School Alumni Association, President Kraus recused herself from consideration of the third Community Grants resolution and departed from the room, turning over presiding officer duties to Vice President Hedley.

Executive Director Hatamiya presented the third resolution, covering one grant of \$22,000 to the Capuchino High School Alumni Association to help Capuchino High School reach its goal of providing digital devices for all students through the purchase of 70 Chromebooks and two Chromebook carts.

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Board Member Roberts moved to approve the resolution awarding a 2018-2019 Community Grant of \$22,000 to the Capuchino High School Alumni Association, seconded by Treasurer Ross, approved unanimously (President Kraus recused).

Board Members Bohm and Roberts recused themselves from consideration of the fourth Community Grants resolution and departed from the room. Ms. Roberts recused herself because the grant funds are for the Healthy Homes program, which her employer, First 5 San Mateo County, also funds, while Ms. Bohm recused herself because the organization of which she is the Executive Director (Daly City Partnership) is a partner with StarVista on two collaborations and StarVista provides free services at the Daly City Partnership's facilities.

Executive Director Hatamiya presented the fourth Community Grants resolution, covering one grant of \$10,000 to StarVista to provide at-risk San Bruno parents and caregivers of children ages 0-5 with support and education to build parent/caregiver capacity and reduce the causes and effects of toxic stress through the Healthy Homes program.

Treasurer Ross moved to approve the resolution awarding a 2018-2019 Community Grant of \$10,000 to StarVista, seconded by Secretary McGlothlin, approved unanimously (Board Members Bohm and Roberts recused).

Because the grantee under consideration supplies the Daly City Partnership's food pantries, Board Member Bohm recused herself from consideration of the fifth Community Grants resolution and departed from the room.

Executive Director Hatamiya presented the fifth resolution, covering one grant of \$9,500 to Second Harvest Food Bank of Santa Clara and San Mateo Counties to serve San Bruno families and individuals at risk for hunger through the distribution of 478,000 pounds of healthy food.

Board Member Roberts moved to approve the resolution awarding a 2018-2019 Community Grant of \$9,500 to Second Harvest Food Bank of Santa Clara and San Mateo Counties, seconded by Treasurer Ross, approved unanimously (Board Member Bohm recused).

Executive Director Hatamiya presented the final grant of \$3,000 to the Society of Western Artists to host a month-long exhibition of visual artwork (drawing, painting, photography, ceramics, and sculpture) by Skyline College art students at its gallery in downtown San Bruno.

Vice President Hedley moved to approve the resolution awarding a 2018-2019 Community Grant to the Society of Western Artists in the amount of \$3,000, seconded by Secretary McGlothlin, approved unanimously.

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President Kraus and Ms. Hatamiya thanked the members of the Review Panel, who spent countless hours reading and evaluating the applications, and Program Consultant Stephanie Rutgers for managing the program.

The Board then took a brief break to allow representatives of the organizations receiving Community Grants to depart from the meeting.

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

As chair of the Ad Hoc Committee on Recreation and Aquatics Center Project, President Kraus gave a brief report on the project. First, she reported that the City completed the conceptual design phase and submitted its grant report, and the Foundation has now disbursed to the City the final payment of \$34,608.85 on that grant. She then explained that Phase 2 is the schematic design and construction documents phase. She reported that the City is finalizing its contract with Group 4 Architecture for services related to this phase and for support services through what will become Phase 3, the construction phase and that once the contract with Group 4 is executed, the Foundation and City will finalize the second grant agreement for this project. The board previously approved a strategic grant to cover these associated costs which also included retaining project management services. She noted that because the City will not have a project management firm in place until after the first of the year, the Foundation has agreed to exclude project management fees from the second grant agreement and will initiate a third grant agreement to cover that cost. She said the Committee anticipates bringing that grant to the Board in the first quarter of 2019. She also noted that all of these grants come under the umbrella of the \$50 million the Board has committed to the City for design and construction of a new recreation and aquatics center for San Bruno.

c. Receive Report on Other Programs (Crestmoor Neighborhood Memorial Scholarship and Other Strategic Grants) and Adopt Resolution Approving Strategic Grant to the City of San Bruno to Support Community Day 2019 and Authorizing Receipt of Donations in Support of Community Day

Program Consultant Stephanie Rutgers reported that the 2019 Crestmoor Neighborhood Memorial Scholarship will launch next week, when the online application will be accessible and updated marketing materials will be distributed to local schools and throughout the community. She noted that no significant changes are being made to the program this cycle and that staff will continue to improve outreach efforts to attract more applicants, particularly high school seniors planning to attend community college. She reported that she would be holding workshops on the application process at Capuchino High School and Skyline College in January and February. With an application deadline of March 6, 2019, she said the program disbursement budget for the scholarships, as approved by the Board in the budget last June, is \$120,000.

Ms. Hatamiya then reported on the Community Day partnership with the City of San Bruno. She reported that in each of the past two years, the Board approved a strategic grant of up to \$30,000 to the City of San Bruno to sponsor Community Day and authorized staff to receive restricted donations

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earmarked for Community Day and to grant those restricted donations to the City in support of Community Day. In both years, the Foundation's eventual contributed ended up being slightly less than \$30,000 due to funding from other sources.

Ms. Hatamiya reported that for Community Day 2018, the Foundation disbursed a grant of \$49,225 to the City – \$28,225 of the Foundation's funds and \$21,000 from community partners (Sammut Family Foundation, YouTube, PG&E, and Recology San Bruno). In addition, the City directly received Foundation-solicited sponsorships totaling \$5,250 (Skyline College and Jack's Restaurant and Bar) and had ride wristband revenues of \$9,330. Total expenses for the event were \$63,805.

She said that the City provided a request, supported by a detailed budget, for a \$30,000 grant from the Foundation and its assistance in securing additional sponsorships from community partners to support Community Day 2019. She reported that after five years of holding Community Day, the City has mastered the logistics of putting on the event and does not anticipate more than minor adjustments in its plans for 2019. As a result, City staff is fairly confident in its budget estimates of \$66,185 in expenses for the 2019 event. The slight increase in expenses (3.7%) reflects reasonable escalation in required health inspection fees, supplies, and staff time. She said ride wristband sales saw a decrease in 2018 (from about \$12,000 in previous years to \$9,330 in 2018), so staff is being conservative in its wristband revenue estimate for 2019 (again \$9,330). As a result, she noted that an additional \$26,855 in additional sponsorships and donations will be needed to meet the event budget.

In discussions with City staff, Ms. Hatamiya noted that she, President Kraus, and Vice President Hedley have stressed the need for the City to take on more of the responsibility of funding the event, through a contribution from the City and/or handling fundraising for the event. These conversations have referenced the Board's decision to fund the event for the first time in 2016 with a \$30,000 grant (no additional fundraising involved), with the intention of scaling back its support over time as the City ramped up its ability to secure sponsorships from other partners. With a new City Manager and a new Director of Community Services who have yet to experience Community Day, the City has requested that the Foundation maintain its \$30,000 level of funding and fundraising assistance for the 2019 event and understands that the Foundation will be looking to decrease its level of support in the coming years.

Secretary McGlothlin, as a resident of the Crestmoor neighborhood, expressed a deep concern about soliciting funds from PG&E. After discussion, other Board members concurred with Mr. McGlothlin's concern, and the Board provided direction to staff to not solicit or receive donations from PG&E going forward.

Secretary McGlothlin moved to approve the resolution approving a strategic grant to the City of San Bruno to support Community Day 2019 and authorizing receipt of donations in support of Community Day, seconded by Board Member Bohm, approved unanimously.

Ms. Hatamiya stated that the Board received extensive reports on the Foundation's other strategic grants at the November meeting, and there were no significant updates to report this month.

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Board Member Roberts asked for an update on the Florida Avenue Park project that the Foundation has supported with a \$200,000 grant. City Attorney Marc Zafferano replied that construction of the park has stalled due to the threat of a lawsuit by a group of community members related to the removal of two trees on the site and that it is unlikely that the issue would be resolved until early 2019.

- d. Receive Report from Investment Committee and Adopt Resolution Authorizing Executive Director to Execute a Professional Services Agreement with Sand Hill Global Advisors, LLC, for Investment Management Services Commencing March 11, 2019

Treasurer Ross, who serves as Chair of the Investment Committee, reported on the Committee's recent quarterly meeting, which was held on November 27. He reported that at the Committee meeting, the Sand Hill Global Advisors (SHGA) team provided an overview of the market. He reviewed the Foundation's investment portfolio balance (\$74.2 million at the end of the third quarter of 2018) and noted the high volatility in the market since then. He noted that the next Investment Committee meeting will be held on February 13, 2019.

He then brought to the Board for consideration a recommendation from the Investment Committee to authorize the Executive Director to execute a new professional services agreement with SHGA for investment management services, to commence on March 11, 2019. He reviewed the Foundation's history with SHGA: In March 2016, after a thorough vetting process, the Board selected SHGA as the Foundation's investment adviser. On March 11, 2016, SHGA and the Foundation executed a three-year professional services agreement for investment management services, beginning on March 11, 2016, and ending on March 10, 2019. Under the agreement, SHGA has provided a variety of services to the Foundation, including overall portfolio management and execution of the Foundation's investment strategy, timely execution of all cash transfer requests, customized reporting as requested by the Investment Committee, delivery of monthly custodian statements, quarterly presentations to the Investment Committee, annual presentation to the Board, cash flow modeling requests, governance checklist oversight, and direct access to SHGA's entire professional team.

Given that the Investment Committee and Foundation Board have been very pleased with SHGA's management of the Foundation's investment portfolio and its responsive service to the Foundation, the Committee passed a resolution recommending execution of a new agreement with SHGA to begin when the current agreement expires. SHGA has agreed to all the terms in the original agreement. The one change supported by both parties is to not include a termination date, which is typical of investment management services agreements and how SHGA's usual agreements are structured. All other terms in the agreement, including fees, are to remain the same.

Vice President Hedley moved to approve the resolution authorizing the Executive Director to execute a professional services agreement with SHGA for investment management services commencing March 11, 2019, seconded by Treasurer Ross, approved unanimously.

8. Public Comment: San Bruno resident Mary Lou Johnson noted that there are community members who are interested in supporting organizations benefiting the community and may be willing to contribute to the Foundation. She suggested that the Board consider soliciting donations from

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community members as an opportunity for additional revenue. Several Board Members expressed an interest in the Board considering this issue in the future.

9. Adjourn: Board Member Roberts moved to adjourn the meeting at 9:14 p.m., seconded by Board Member Bohm, approved unanimously.

Respectfully submitted for approval at the Regular Board Meeting of December 5, 2018, by Secretary John McGlothlin and President Nancy Kraus.

John McGlothlin, Secretary

Frank Hedley, President

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Memorandum

DATE: February 1, 2019

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Consent Calendar for the February 6, 2019, Special Board Meeting

For the February 6, 2019, Special Meeting of the Board of Directors of the San Bruno Community Foundation, the Consent Calendar includes three items related to administrative and operational functions of the Foundation:

1. Approve Resolution Designating Signatories on SBCF Wells Fargo Bank Accounts

Article XIII, Section 3 of the SBCF Bylaws requires and authorizes the Board to designate individuals to execute (sign and/or initiate) checks, including electronic funds transactions used in lieu of checks. On February 19, 2015, the Board adopted a resolution authorizing the establishment of checking and savings accounts at Wells Fargo Bank. On November 2, 2016, the Board designated then-President Nancy Kraus, Treasurer Tim Ross (who had recently joined the Board and been elected Treasurer), and Executive Director Leslie Hatamiya as the signatories on the Foundation's Wells Fargo accounts.

On November 7, 2018, the Board elected Frank Hedley as President and re-elected Tim Ross as Treasurer for the 2019 term. This resolution designates President Hedley, Treasurer Ross, and Executive Director Leslie Hatamiya as the authorized signatories on SBCF's three Wells Fargo accounts. As part of the Foundation's internal financial controls, this resolution also sets forth the requirements for signing checks or authorizing other transfers of funds (*e.g.*, a wire transfer). In particular, it continues the \$2,500 threshold above which all checks and other transfers of funds requires two signatures and prohibits a signatory from signing a check made out to that signatory.

2. Approve Resolution Designating Signatories on SBCF Fidelity Investments Brokerage Accounts

The Foundation's Investment Policy Statement establishes three pools of investment funds – (1) a quasi-endowment pool to support the annual operating and program expenses of the Foundation over the long term, (2) a strategic pool earmarked to cover the costs of major strategic grant making projects, including capital improvements of community facilities, and (3) a liquidity pool to act as a holding account for expenditures planned in the subsequent 0-24

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Memorandum

months from deposit. In April 2016, the Board approved the opening of brokerage accounts with Fidelity Investments for those pools of funds.

Section VI.A. of the Foundation's Fiscal Policies and Procedures, most recently amended on May 4, 2016, states that the "President, Treasurer, and Executive Director are the authorized signatories on all bank and investment accounts.

Consistent with last November's election, this resolution designates President Hedley, Treasurer Ross, and Executive Director Leslie Hatamiya as the authorized signatories on SBCF's three Fidelity brokerage accounts. As part of the Foundation's internal financial controls, this resolution also sets forth the requirements for authorizing transfers of funds. In particular, it continues the requirement that transfers from the brokerage accounts to non-brokerage accounts must be made from SBCF's liquidity pool brokerage account to SBCF's operating checking account, the \$2,500 threshold above which transfers of funds from the liquidity pool account requires two signatures, and the directive that check-writing capabilities will be disabled for all brokerage accounts.

3. Receive and Approve Treasurer's Report (November and December 2018 Financial Statements)

The November and December 2018 financial statements each consist of a Budget Report and Balance Sheet. The attached Budget Narrative provides a thorough explanation of the financial statements. The Budget Report includes the budget figures approved at the June 6, 2018, Board meeting.

I recommend that the Board approve the resolution designating signatories on SBCF Wells Fargo bank accounts, the resolution designating signatories on SBCF Fidelity Investments brokerage accounts, and the Treasurer's Report as part of the Consent Calendar.

Attachments:

1. Resolution Designating Signatories on SBCF Wells Fargo Bank Accounts
2. Resolution Designating Signatories on SBCF Fidelity Investments Brokerage Accounts
3. November 2018 Financial Statements
4. December 2018 Financial Statements

RESOLUTION NO. 2019-__

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION
DESIGNATING SIGNATORIES ON SBCF WELLS FARGO BANK ACCOUNTS**

WHEREAS, Article XIII, Section 3 of the SBCF Bylaws requires and authorizes the Board to designate individuals to execute (sign and/or initiate) checks, including electronic funds transactions used in lieu of checks;

WHEREAS, on February 19, 2015, the San Bruno Community Foundation Board of Directors authorized the establishment of checking and savings accounts at Wells Fargo Bank;

WHEREAS, the Foundation maintains three accounts – business checking, payroll checking, and savings – at Wells Fargo Bank;

WHEREAS, Section VI.A. of the Foundation’s Fiscal Policies and Procedures, most recently amended on May 4, 2016, state that the “President, Treasurer, and Executive Director are the authorized signatories on all bank and investment accounts”;

WHEREAS, on November 2, 2016, the Board passed a resolution designating then-President Nancy Kraus, Treasurer Tim Ross, and Executive Director Leslie Hatamiya to serve as authorized signatories on the Foundation’s Wells Fargo Bank accounts;

WHEREAS, on November 7, 2018, the Board elected its 2019 officers, including Frank Hedley as President and Tim Ross as Treasurer, as ratified by resolution on December 5, 2018, and approved by the San Bruno City Council on November 27, 2018; and

WHEREAS, Leslie Hatamiya continues to serve as the Foundation’s Executive Director.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors designates President Frank Hedley, Treasurer Tim Ross, and Executive Director Leslie Hatamiya to serve as SBCF’s authorized signatories on its Wells Fargo bank accounts, with the following requirements for the signing of checks and other transfer of funds:

- (a) Any single check or other transfer of funds in excess of \$2,500.00 requires the signature of two of the authorized signatories;
- (b) Any single check or other transfer of funds not exceeding \$2,500.00 requires the signature of any one of the authorized signatories;

(c) Payment for a particular invoice, bill, expense report, or similar obligation in excess of \$2,500.00 may not be split into multiple checks or other transfers of funds to evade the two-signature requirement of (a) above; and

(d) No authorized signatory may sign any check that names that person as the payee.

Dated: February 6, 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 6th day of February, 2019, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

RESOLUTION NO. 2019-__

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION
DESIGNATING SIGNATORIES ON SBCF FIDELITY INVESTMENTS BROKERAGE ACCOUNTS**

WHEREAS, the Foundation’s Investment Policy Statement establishes three pools of investment funds – (1) a quasi-endowment pool to support the annual operating and program expenses of the Foundation over the long term, (2) a strategic pool earmarked to cover the costs of major strategic grant making projects, including capital improvements of community facilities, and (3) a liquidity pool to act as a holding account for expenditures planned in the subsequent 0-24 months from deposit;

WHEREAS, on April 6, 2016, the San Bruno Community Foundation Board of Directors authorized the establishment of three brokerage accounts with Fidelity Investments to hold the Foundation’s investment funds;

WHEREAS, Section VI.A. of the Foundation’s Fiscal Policies and Procedures, most recently amended on May 4, 2016, state that the “President, Treasurer, and Executive Director are the authorized signatories on all bank and investment accounts”;

WHEREAS, on November 7, 2018, the Board elected its 2019 officers, including Frank Hedley as President and Tim Ross as Treasurer, as ratified by resolution on December 5, 2018; and

WHEREAS, Leslie Hatamiya serves as the Foundation’s Executive Director.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors designates President Frank Hedley, Treasurer Tim Ross, and Executive Director Leslie Hatamiya to serve as SBCF’s authorized signatories on its Fidelity brokerage accounts, with the following requirements for the signing of checks and other transfer of funds, with the following requirements for the transfer of funds from the Fidelity accounts to SBCF’s operating bank accounts:

- (a) Transfers from the brokerage accounts to non-brokerage accounts are to be made exclusively from SBCF’s liquidity pool brokerage account to SBCF’s operating checking account;
- (b) Any single transfer of funds from the liquidity pool brokerage account in excess of \$2,500 requires the written approval of two of the authorized signatories;
- (c) Any single transfer of funds from the liquidity pool brokerage account not exceeding \$2,500 requires the written approval of any one of the authorized signatories;

(d) Payment for an obligation in excess of \$2,500 may not be split into multiple transfers of funds to evade the dual-approval requirement of (b) above; and

(e) Check-writing capabilities will be disabled for all brokerage accounts.

Dated: February 6, 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 6th day of February, 2019, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

SAN BRUNO

Community Foundation

November 2018

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 five months equal 41.7% of the fiscal year.

INCOME

Line 1 Transfers from Quasi Endowment – Transfers planned for later in the year.

Line 2 Transfers from Strategic Pool – \$700,000 transfer in August is 17.3% of budget.

Line 3 Restricted Donations - \$3,592 received is from: Benevity on behalf of Google employees in support of First Responder (\$2,392); and El Crystal PTA in support of RAC memorial bench (\$1,200).

Line 4 Interest Income – \$8,655 is 108.2% of budget. Liquidity Pool – Operating balance is currently \$1,064,376.

Line 5 Miscellaneous Income – \$133,891 unbudgeted income is the residual from the initial RAC planning grant. The full awarded grant amount accrued in the prior year was not used or needed and the residual balance in grants payable was written off.

EXPENSES

Line 9 Strategic Grants – \$250,000 is 5.5% of budget. School Transformation grant distributed in July.

Line 11 Salaries & Wages – Expense is exactly on budget at 41.7%.

Line 12 Payroll Taxes & Benefits – Expense (\$7,815) is 35.1% of budget. Costs include retirement (\$3,887), Social Security/Medicare (\$3,333), and Workers' Compensation Insurance (\$479).

Line 14 Occupancy – Only cost is office lease (\$6,033). Amount is 41.2% of budget.

Line 15 Insurance – Total (\$7,289) is exactly on budget and includes Directors & Officers (\$5,619), Crime (\$1,209), and Commercial Liability (\$461) policies.

Line 16 Telecommunications – Cost (\$769) is 40.1% of budget. Expense includes cell phone (\$329) and internet access (\$293).

Line 17 Postage & Shipping – Cost (\$1,583) is 79.2% of budget. 86% of the cost (\$1,368) has been for distribution of 2017-18 Annual Reports.

Line 18 Marketing & Communications - \$9,508 expense is 60.9% of budget. Costs include design and printing of: 2017-18 Annual Reports (\$7,398); and Scholarships flyers (\$1,060); and domain registration and forwarding for dot org for 10 years (\$802).

Line 19 Office Supplies & Equipment – Total (\$289) is 5.5% of budget.

Line 20 Legal Fees – \$4,767 expense is 13% of budget. The majority (\$4,197) has been for first quarter City Attorney cost. \$330 for Strategic Grant issues and \$240 related to Community Grants.

Line 21 Accounting & Payroll Fees – Total (\$17,669) is 57% of budget. Costs include Accounting Consultant (\$8,461), CPA Audit and tax preparation fees (\$9,000), and payroll software fees (\$208). Auditor cost is paid in full for the year.

Line 22 Other Consultants - Cost (\$13,900) is 27.8% of budget and 99.5% is for Program Support Consultant (\$13,825).

Line 23 Travel, Meetings & Conferences – \$736 is 17.8% of budget and is entirely from the first two Board meetings of the year.

Line 24 Miscellaneous – Cost (\$660) equals 33% of budget with an organizational membership (\$500) representing most of the cost.

SUMMARY

Excluding the budget for Scholarships & Grants, total expenses are at 38.2% of budget, which is well below 41.7% benchmark for the first five months of the year. In terms of dollars, the \$148,751 in these non-grant & scholarships expense is \$13,631 less than the five-month budget allocation.

Three expense line items are over budget compared to the 41.7%, five-month benchmark. For both Postage & Shipping (79.2% of budget used) and Marketing & Communications (60.9%), the variances are related to the Annual Report (distribution and production). For Accounting & Payroll Fees (57%), the variance is due to completion of and full payment for the 2017-2018 financial statement audit and tax preparation. In all cases, the issue is related to timing of expenses and no budget variances are 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 \$10,064,901 including interest and dividends earned. Operating cash is also held in the Liquidity Pool and is described as: Cash, Fidelity Liquidity Pool - Operating.

November investment net gain (increase in value) is \$585,331 and came from Strategic Pool (\$309,052) and Quasi Endowment (\$276,364) gains and Liquidity Pool – RAC loss of <\$85>. Year-to-date Investment loss is <\$276,563> and is from the Strategic Pool <\$120,499> and Quasi Endowment <\$220,965> losses, less Liquidity Pool – RAC gain of \$64,901.

Overall organization year-to-date net loss is <\$594,078>.

Total Net Assets, as of November 30, 2018 are \$72,269,043 with \$17,291,010 in Quasi Endowment; \$54,573,687 in general Unrestricted funds; and \$404,346 in Temporarily Restricted Net Assets.

SAN BRUNO

Community Foundation

November 2018 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)
INCOME & TRANSFERS					
1 Transfers from Quasi Endowment	\$ -	\$ 319,980	0.0%	\$ 319,980	\$ -
2 Transfers from Strategic Pool	700,000	4,043,704	17.3%	4,043,704	-
3 Restricted Donations	3,592	-		3,592	3,592
4 Interest Income	8,655	8,000	108.2%	8,655	655
5 Miscellaneous Income	133,891	-		133,891	133,891
6 Total Available for Operations	846,138	4,371,684	19.4%	4,509,822	138,138
EXPENSES					
7 Crestmoor Scholarships	-	120,000	0.0%	120,000	-
8 Community Grants	-	200,000	0.0%	300,000	100,000
9 Strategic Grants	250,000	4,570,000	5.5%	4,570,000	-
10 Subtotal Direct Program Expenses	250,000	4,890,000	5.1%	4,990,000	100,000
11 Salaries & Wages	77,733	186,559	41.7%	186,559	-
12 Payroll Taxes & Benefits	7,815	22,284	35.1%	22,284	-
13 Subtotal Personnel Expenses	85,548	208,843	41.0%	208,843	-
14 Occupancy	6,033	14,657	41.2%	14,657	-
15 Insurance	7,289	17,493	41.7%	17,493	-
16 Telecommunications	769	1,920	40.1%	1,920	-
17 Postage & Shipping	1,583	2,000	79.2%	2,000	-
18 Marketing & Communications	9,405	15,618	60.2%	15,618	-
19 Office Supplies & Equipment	289	5,219	5.5%	5,219	-
20 Legal Fees	4,767	36,786	13.0%	36,786	-
21 Accounting & Payroll Fees	17,669	31,000	57.0%	31,000	-
22 Other Consultants	13,900	50,050	27.8%	50,050	-
23 Travel, Meetings & Conferences	736	4,130	17.8%	4,130	-
24 Miscellaneous	763	2,000	38.2%	2,000	-
25 Subtotal Non-Personnel	63,203	180,873	34.9%	180,873	-
26 Total Expenses	398,751	5,279,716	7.6%	5,379,716	100,000
27 Net Surplus/(Loss)	\$ 447,387	\$ (908,032)		\$ (869,894)	\$ 38,138

SAN BRUNO

Community Foundation

Statement of Financial Position as of November 30, 2018

ASSETS

Cash, Wells Fargo General	\$ 20,315.23	
Cash, Wells Fargo Payroll	8,109.12	
Cash, Wells Fargo Savings	14,055.09	
Cash, Fidelity Liquidity Pool - Operating	1,064,375.68	
Total Cash		1,106,855.12
Investments, Fidelity Liquidity Pool - RAC	10,064,901.17	
Investments, Fidelity Strategic Pool	44,511,157.57	
Investments, Fidelity Quasi-Endowment	17,291,010.38	
Accrued Interest Receivable	9,944.26	
Total Investments		71,877,013.38
Prepaid Rent	1,206.61	
Prepaid Insurance	6,409.50	
Total Other Current Assets		7,616.11
Deposits	1,253.45	
Total Other Assets		1,253.45
TOTAL ASSETS		<u><u>\$ 72,992,738.06</u></u>

LIABILITIES & NET ASSETS

LIABILITIES

Accounts Payable	11,925.48	
Accrued Grants Payable	557,897.00	
Accrued Scholarships Payable	140,000.00	
Accrued Employee PTO	13,872.32	
Total Liabilities		723,694.80

NET ASSETS

Unrestricted, Non-QE 7/1/2018 Balance	54,950,391.76	
Year to Date Unrestricted Net Income from Operations	(256,205.24)	
Year to Date Non-QE Investment Income	(120,499.18)	
Total Non-QE Unrestricted Net Assets	54,573,687.34	
Quasi-Endowment 7/1/2018 Balance	17,511,975.42	
Year-to-date QE Investment Income	(220,965.04)	
Total QE Unrestricted Net Assets	17,291,010.38	
Total Unrestricted Net Assets		71,864,697.72
Temporarily Restricted Net Assets	400,753.72	
Year to Date Temporarily Restricted Income	3,591.82	
Total Temporarily Restricted Net Assets		404,345.54
Total Net Assets		<u><u>72,269,043.26</u></u>
TOTAL LIABILITIES & NET ASSETS		<u><u>\$ 72,992,738.06</u></u>

SAN BRUNO

Community Foundation

December 2018

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 six months equal 50% 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 – \$700,000 transfer in August is 17.3% of budget.

Line 3 Restricted Donations - \$3,992 received is from: 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 – \$8,860 is 110.8% of budget. Liquidity Pool – Operating balance is currently \$1,053,067.

Line 5 Miscellaneous Income – \$133,891 unbudgeted income is the residual from the initial RAC planning grant. The full awarded grant amount accrued in the prior year was not used or needed and the residual balance in grants payable was written off.

EXPENSES

Line 8 Community Grants – \$156,500 is 78.3% of budget. Grants budget increased \$100,000 based on restricted funding received. December expense is for 14 grants for which fully executed agreements have been received.

Line 9 Strategic Grants – \$280,000 is 6.1% of budget. School Transformation (\$250,000) and 2019 Community Day (\$30,000) grants make up the total.

Line 11 Salaries & Wages – Expense is exactly on budget at 50%.

Line 12 Payroll Taxes & Benefits – Expense (\$8,913) is 40% of budget. Costs include retirement (\$4,664), Social Security/Medicare (\$3,558), and Workers' Compensation Insurance (\$574).

Line 14 Occupancy – Only cost is office lease (\$7,240). Amount is 49.4% of budget.

Line 15 Insurance – Total (\$8,746) is exactly on budget and includes Directors & Officers (\$6,743), Crime (\$1,450), and Commercial Liability (\$553) policies.

Line 16 Telecommunications – Cost (\$921) is 48% of budget. Expense includes cell phone (\$393) and internet access (\$351).

Line 17 Postage & Shipping – Cost (\$1,682) is 84.1% of budget. 81% of the cost (\$1,368) has been for distribution of 2017-18 Annual Reports.

Line 18 Marketing & Communications - \$9,538 expense is 61.3% of budget. Costs include design and printing of: 2017-18 Annual Reports (\$7,398); and Scholarships flyers (\$1,060); and domain registration and forwarding for dot org for 10 years (\$802).

Line 19 Office Supplies & Equipment – Total (\$704) is 13.5% of budget and includes \$466 for printer toner.

Line 20 Legal Fees – \$11,633 expense is 31.6% of budget. The majority (\$8,393) has been for City Attorney cost. Additional \$1,855 for Strategic Grant issues and \$1,385 related to Community Grants.

Line 21 Accounting & Payroll Fees – Total (\$18,989) is 61.3% of budget. Costs include Accounting Consultant (\$9,739), CPA Audit and tax preparation fees (\$9,000), and payroll software fees (\$250). Auditor cost is paid in full for the year.

Line 22 Other Consultants - Cost (\$17,015) is 34% of budget and 99.6% is for Program Support Consultant (\$16,940).

Line 23 Travel, Meetings & Conferences – \$1,371 is 33.2% of budget and 99.6% is from the first three Board meetings of the year.

Line 24 Miscellaneous – Cost (\$722) equals 36.1% of budget with an organizational membership (\$500) representing most of the cost.

SUMMARY

Excluding the budget for Scholarships & Grants, total expenses are at 46.4% of budget, which is well below 50% benchmark for the first half of the year. In terms of dollars, the \$180,753 in these non-grant & scholarships expense is \$14,105 less than the half-year budget allocation.

Three expense line items are over budget compared to the 50%, first-half benchmark. For both Postage & Shipping (84.1% of budget used) and Marketing & Communications (61.3%), the variances are related to the Annual Report (distribution and production). For Accounting & Payroll Fees (61.3%), the variance is due to completion of and full payment for the 2017-2018 financial statement audit and tax preparation. In all cases, the issue is related to timing of expenses and no budget variances are 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 \$10,066,321 including interest and dividends earned. Operating cash is also held in the Liquidity Pool and is described as: Cash, Fidelity Liquidity Pool - Operating.

December investment losses (decrease in value) are <\$1,275,868> and came from Strategic Pool <\$402,619> and Quasi Endowment <\$874,669> losses and Liquidity Pool – RAC gain of \$1,420. Year-to-date Investment loss is <\$1,618,752> and is from the Strategic Pool <\$589,440> and Quasi Endowment <\$1,095,634> losses, less Liquidity Pool – RAC gain of \$66,321.

Overall organization year-to-date net loss is <\$2,089,262>.

Total Net Assets, as of December 31, 2018 are \$70,773,859 with \$16,216,342 in Quasi Endowment; \$54,152,772 in general Unrestricted funds; and \$404,745 in Temporarily Restricted Net Assets.

SAN BRUNO

Community Foundation

December 2018 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)
INCOME & TRANSFERS					
1 Transfers from Quasi Endowment	\$ 200,000	\$ 319,980	62.5%	\$ 319,980	\$ -
2 Transfers from Strategic Pool	700,000	4,043,704	17.3%	4,043,704	-
3 Restricted Donations	3,992	-		3,992	3,992
4 Interest Income	8,860	8,000	110.8%	8,860	860
5 Miscellaneous Income	133,891	-		133,891	133,891
6 Total Available for Operations	1,046,743	4,371,684	23.9%	4,510,427	138,743
EXPENSES					
7 Crestmoor Scholarships	-	120,000	0.0%	120,000	-
8 Community Grants	156,500	200,000	78.3%	300,000	100,000
9 Strategic Grants	280,000	4,570,000	6.1%	4,570,000	-
10 Subtotal Direct Program Expenses	436,500	4,890,000	8.9%	4,990,000	100,000
11 Salaries & Wages	93,279	186,559	50.0%	186,559	-
12 Payroll Taxes & Benefits	8,913	22,284	40.0%	22,284	-
13 Subtotal Personnel Expenses	102,192	208,843	48.9%	208,843	-
14 Occupancy	7,240	14,657	49.4%	14,657	-
15 Insurance	8,746	17,493	50.0%	17,493	-
16 Telecommunications	921	1,920	48.0%	1,920	-
17 Postage & Shipping	1,682	2,000	84.1%	2,000	-
18 Marketing & Communications	9,538	15,618	61.1%	15,618	-
19 Office Supplies & Equipment	704	5,219	13.5%	5,219	-
20 Legal Fees	11,633	36,786	31.6%	36,786	-
21 Accounting & Payroll Fees	18,989	31,000	61.3%	31,000	-
22 Other Consultants	17,015	50,050	34.0%	50,050	-
23 Travel, Meetings & Conferences	1,371	4,130	33.2%	4,130	-
24 Miscellaneous	722	2,000	36.1%	2,000	-
25 Subtotal Non-Personnel	78,561	180,873	43.4%	180,873	-
26 Total Expenses	617,253	5,279,716	11.7%	5,379,716	100,000
27 Net Surplus/(Loss)	\$ 429,490	\$ (908,032)		\$ (869,289)	\$ 38,743

SAN BRUNO

Community Foundation

Statement of Financial Position as of December 31, 2018

ASSETS

Cash, Wells Fargo General	\$ 18,048.61	
Cash, Wells Fargo Payroll	41,559.83	
Cash, Wells Fargo Savings	84,057.70	
Cash, Fidelity Liquidity Pool - Operating	1,053,067.01	
Total Cash		1,196,733.15
Investments, Fidelity Liquidity Pool - RAC	10,066,321.42	
Investments, Fidelity Strategic Pool	44,111,362.65	
Investments, Fidelity Quasi-Endowment	16,216,341.56	
Accrued Interest Receivable	5,729.51	
Total Investments		70,399,755.14
Prepaid Rent	1,218.22	
Prepaid Insurance	5,143.75	
Total Other Current Assets		6,361.97
Deposits	1,253.45	
Total Other Assets		1,253.45
TOTAL ASSETS		<u><u>\$ 71,604,103.71</u></u>

LIABILITIES & NET ASSETS

LIABILITIES

Accounts Payable	16,975.46	
Accrued Grants Payable	659,397.00	
Accrued Scholarships Payable	140,000.00	
Accrued Employee PTO	13,872.32	
Total Liabilities		830,244.78

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	(474,501.38)	
Year to Date Non-QE Investment Income	(523,118.55)	
Total Non-QE Unrestricted Net Assets	54,152,771.83	
Quasi-Endowment 7/1/2018 Balance	17,511,975.42	
Transfer to Liquidity for Operations	(200,000.00)	
Year-to-date QE Investment Income	(1,095,633.86)	
Total QE Unrestricted Net Assets	16,216,341.56	
Total Unrestricted Net Assets		70,369,113.39
Temporarily Restricted Net Assets	400,753.72	
Year to Date Temporarily Restricted Income	3,991.82	
Total Temporarily Restricted Net Assets		404,745.54
Total Net Assets		<u>70,773,858.93</u>

TOTAL LIABILITIES & NET ASSETS		<u><u>\$ 71,604,103.71</u></u>
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SAN BRUNO

Community Foundation

Memorandum

DATE: February 1, 2019

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Report Regarding Updates on Board Appointments Process and Resolution Expanding the Charge of and Appointing Members to the Ad Hoc Committee on Board Development

At the February 6, 2019, Special Board Meeting, I will report on developments in the appointments process for members of the Foundation Board of Directors.

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.¹ 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 has 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.

In March 2018, in response to an expressed desire by various Board members to discuss ideas for maintaining and enhancing the effectiveness of the Board, such as Board training, evaluation, and development, the Board created the Ad Hoc Committee on Board Development, charged with exploring various ideas to improve the Board's effectiveness and bringing proposals to the full Board for consideration. The Board appointed Dr. Regina Stanback Stroud as chair and John McGlothlin as committee member.

¹ 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

Since then, the Committee further defined its charge and goals, as follows:

The purpose of the Ad Hoc Committee on Board Development is to make recommendations and propose strategies for improving the effectiveness of the Foundation's Board of Directors, including training for Board members, development of an orientation plan for new Board members, identification of experience and expertise needed on the Board, and enhancement of processes to bolster the Board's effectiveness.

To achieve this end, the Committee aims to achieve the following goals:

- Identifying experience, expertise, and other qualities from which the Board would benefit, to be sought in new Board members
- Developing substantive orientation for new Board members, including the Foundation's history, structure, programs, and finances
- Developing Board development training for new Board members, including the role of the Board and individual Board members, Board operational norms, the Brown Act, and ethics

The Committee expressed particular interest in pursuing these goals in preparation for the Board transition that will take place at the end of 2019 and discussed the need to prepare for an orientation for new Board members to take place at the end of 2019 or in early 2020, which could take the form of a full Board retreat in order to ensure that continuing as well as new Board members share a common understanding of the Foundation (mission, goals, operations, programs, and finances) and the role of the Board. The Committee also discussed the desire of the Board to provide guidance to the City Council in terms of Board member experience/expertise/skills/perspectives needs and surveyed the Board to assemble a compilation of the experience/expertise/skills/perspectives that current Board members bring to the Board, what the Board will lose when the three members retire from the Board, and what experience/expertise/skills/perspectives of new Board members would benefit the Board moving forward ("gap analysis").

President Hedley and I recommend that the Board expand the charge of the Ad Hoc Committee on Board Development to include the new tasks related to the Board appointments process being asked of the Foundation by the City Council – that is, (a) develop a proposal – to be considered by the Board – for soliciting, receiving, and evaluating applicants for the Board and recommending finalists to the City Council, and (b) implementing the process once approved. We also recommend that new Vice President Emily Roberts chair the committee and that

SAN BRUNO

Community Foundation

Memorandum

Secretary John McGlothlin and Board Member Nancy Kraus serve as committee members. The attached resolution would accomplish both of these actions.

Attachments:

- Resolution Expanding the Charge of and Appointing Members to the Ad Hoc Committee on Board Development

RESOLUTION NO. 2019-__

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION
EXPANDING THE CHARGE OF AND APPOINTING MEMBERS TO THE AD HOC COMMITTEE ON
BOARD DEVELOPMENT**

WHEREAS, on March 7, 2018, the Board of Directors of The San Bruno Community Foundation created the Ad Hoc Committee on Board Development charged with researching and making proposals to improve the Board's effectiveness and appointed Board Member Regina Stanback Stroud as committee chair and Secretary John McGlothlin as committee member;

WHEREAS, the second terms of three current members of the Board will conclude on December 31, 2019, and under the term-limit provision of Article V, Section 6 of the Foundation's Bylaws, those Board members will be precluded from being appointed to another consecutive Board term;

WHEREAS, under Article V, Section 5 of the Bylaws, the San Bruno City Council shall designate all Foundation Board members;

WHEREAS, through the City Manager the City Council has proposed that the Foundation Board solicit, receive, and review applications from individuals interested in serving on the Board and forward to the City Council those applications along with a short list of finalists the Board recommends for appointment.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors expands the charge of the Ad Hoc Committee on Board Development to include developing a proposal, subject to Board approval, of a process for soliciting, receiving and evaluating applications from individuals seeking appointment to the Board and implementing that process once approved.

RESOLVED FURTHER that the Board of Directors appoints Vice President Emily Roberts as committee chair and Secretary John McGlothlin and Board Member Nancy Kraus as committee members.

Dated: February 6, 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 6th day of February, 2019, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

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DATE: February 1, 2019

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Report Regarding Off-Cycle Grant Requests and Resolution Creating Off-Cycle Responsive Grantmaking Process

At the February 6, 2019, Special Board Meeting, I will bring to the Board for consideration a proposal to create a process for considering requests for relatively small grants outside the regular Community Grants Fund timeline.

1. Background

On occasion, I receive requests for grant funding from local organizations. Typically, these requests are for small amounts (under \$10,000). (I view larger requests through the lens of strategic grants and evaluate whether they are consistent with the strategic grantmaking priorities the Board has identified; a recent example is the Schools Transformation Grant the Foundation awarded to the San Bruno Education Foundation.) In most cases, I am able to direct the organizations to the Community Grants Fund and suggest that they consider applying for funding through that established process. Occasionally, they are seeking funding on a tight timeline and I am unable to assist them.

Recently, we received such a request from the San Mateo County Historical Association with a strong benefit to the San Bruno community, but the group needs to secure funding prior to the next Community Grants cycle (by the end of first quarter of 2019). I consulted then-President Nancy Kraus and then-Vice President/current President Frank Hedley, and we agreed that in the interest of fulfilling its mission, the Foundation should have the flexibility to consider those proposals that would have significant benefit to the San Bruno community and cannot reasonably wait for the next Community Grants cycle. We also agreed that a well-defined and clearly articulated process for considering these requests would best serve the Foundation and support its tradition of transparency and responsiveness to the community. I then agreed to propose a process for such consideration to bring before the Board.

2. Development of the Off-Cycle Responsive Grantmaking Process Proposal

In developing this proposal, I sought to address several considerations:

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- To the extent possible, keep the organization and program eligibility requirements and the evaluation criteria consistent with the those of the Community Grants Fund
- Limit the process to relatively small grants (requests of no more than \$10,000)
- Limit the process to one-time requests for funds (not for programs that are run on an annual basis and therefore the organization could apply for a Community Grant in the next cycle), unless there is a particularly compelling reason that off-cycle funding is needed
- Focus on requests for funding that would benefit the San Bruno community in a particularly meaningful and significant way
- Balance efficiency to meet the requesting organization's timeline with the need to conduct a thoughtful evaluation of the proposed project or program
- Ensure that this process is used to consider requests that truly cannot be considered through the regular Community Grants Fund timeline and is not sought to be used by organizations seeking to increase their chances of being funding by avoiding the regular Community Grants Fund application and evaluation process

The process I am proposing is outlined in detail in Exhibit A of the attached resolution. In a nutshell, it is a fairly straightforward process that would allow me, as the Executive Director, to review funding requests for small grants that would normally qualify for the Community Grants Fund but for some compelling reason cannot wait for the next cycle. Requests would be evaluated with a similar lens as the Community Grants Fund due diligence and review process, although recommendations for funding would be for projects that have particularly significant and meaningful benefit to the San Bruno community. Grant awards would be limited to no more than \$10,000 each and would be made upon recommendation by the Executive Director and the agreement of the President and Vice President. Requests could be escalated to the full Board for consideration. And the Board would approve the total amount that could be collectively awarded in a particular year as part of the fiscal year budget. The recommendation for this cap would likely be low – such as \$10,000 – to ensure that the process is not overused, although additional grants once the cap has been reached could be approved by the Board.

President Hedley, Vice President Roberts, and former President Kraus have reviewed the proposed process and are in support of the process. City Attorney Marc Zafferano has also reviewed the proposed process and has not identified any legal concerns related to it.

3. Board Action

On the agenda is the attached resolution creating an off-cycle responsive grantmaking process. The resolution would also authorize grants totaling up to \$10,000 for the current fiscal year

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made through this process, since no funds were allocated for this process when the budget was approved last June.

Following discussion, the Board would have the option of considering approval of the resolution on February 6. If the Board decides that substantive changes to the proposal or additional discussion is warranted, the Board could provide direction to staff for revising the proposal and bringing this item back before the Board at its March 6 meeting.

Attachments:

- Resolution Creating Off-Cycle Responsive Grantmaking Process
- Exhibit A: Off-Cycle Responsive Grantmaking Process

RESOLUTION NO. 2019-__

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION
CREATING OFF-CYCLE RESPONSIVE GRANTMAKING PROCESS**

WHEREAS, the San Bruno Community Foundation occasionally receives requests for funding for programs or projects that would meet the eligibility requirements for the Community Grants Fund but require a funding decision prior to the next Community Grants Fund cycle;

WHEREAS, the Foundation has an interest in considering such requests that have a particularly significant or meaningful benefit to the San Bruno community;

WHEREAS, a well-defined and clearly articulated process for considering such requests would best serve the Foundation and support its tradition of transparency and responsiveness to the community;

WHEREAS, the Foundation's Program Strategy Framework, as adopted by the Board on October 7, 2015, and approved by the San Bruno City Council on November 10, 2015, identifies responsive grantmaking as one of the Foundation's three primary program activities and states that "the Foundation may distribute grants in response to requests from community groups for programs and projects that fall within the Foundation's mission and the guidelines it establishes for the funding"; and

WHEREAS, the Executive Director has proposed a process for considering such requests mirrors the Community Grants Fund eligibility requirements and evaluation criteria, balances efficiency to meet the requesting organization's timeline with the need to conduct a thoughtful evaluation of the funding request, and limits the process to relatively small funding requests that have a particularly significant or meaningful benefit to the San Bruno community as well as a compelling reason for being considered outside the regular Community Grants Fund timeline.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors creates an off-cycle responsive grantmaking review process, as set forth in Exhibit A, for the consideration of small grant requests outside the Community Grants Fund process.

RESOLVED FURTHER that the Board of Directors sets the budget for fiscal year 2018-2019 for grants approved through this process at \$10,000 and authorizes the Executive Director to award such grants in fiscal year 2018-2019 that collectively do not exceed that amount.

Dated: February 6, 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 6th day of February, 2019, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

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Community Foundation

Off-Cycle Responsive Grantmaking Process

1. Requests to Be Considered through This Process

This process will be used to consider funding requests from organizations that meet the following criteria:

- Seek funding for programs or projects that (a) benefit the San Bruno community in a particularly meaningful and significant way and (b) fall within one of the Foundation's focus areas
- Do not exceed \$10,000
- Cannot be reasonably considered during the next Community Grants Fund application schedule due to timing requirements; for example, a one-time request for funds with a deadline before the next Community Grants Fund cycle, or a request to fund a recurring program where there is a particularly compelling reason for off-cycle funding
- Meet the organization and activity eligibility requirements of the Community Grants Fund

2. Process for Evaluating Requests and Making Funding Decisions

These steps will be followed to evaluate requests through this process:

- The Foundation receives a funding request of no more than \$10,000 from community organization that meets the eligibility requirements of the Community Grants Fund.
- If the request can be handled through the regular Community Grants Fund process, staff will direct organization to apply through the Community Grants Fund process.
- If staff determines that circumstances require a response outside the regular Community Grants Fund timeline and process, the request will be considered through this process.
- Staff will instruct the organization to submit the request in writing and include the following information (a shortened form of the narrative questions from the Community Grants Fund application):
 - Brief description of the organization's history, mission, goals, current activities, recent accomplishments, and future plans
 - Description of the proposed project or program to be funded
 - The needs, problems, and opportunities to be addressed and the target population to be served (geographically, number of people served, how they will benefit)

- Explanation of how the project/program contributes to and/or impacts the San Bruno community specifically
 - Description of how the project/program will be implemented
 - If the program/project is a collaboration, identification of other partners and their roles
 - Other sources of funding for the project/program
 - Explanation of why the request requires immediate consideration and cannot be reasonably considered through the regular Community Grants Fund process
 - Project/program budget (using Community Grants Fund template)
- The Executive Director will review request, conduct due diligence on the organization (*e.g.*, confirm that it is a 501(c)(3) and is properly registered with appropriate state agencies) and evaluate (a) whether the request sufficiently meets the criteria used for evaluating Community Grants Fund applications, particularly the significance of the benefit to the San Bruno community, and (b) the seriousness of the timing considerations for the request to be evaluated outside the regular Community Grants Fund schedule.
 - If the Executive Director determines that the request sufficiently meets the Community Grants Fund criteria, has significant and meaningful benefit to the San Bruno community, and timing issues merit consideration outside the regular community Grants Fund process, she will recommend funding of the request to the President and Vice President.
 - If the President and Vice President concur with the recommendation, the Executive Director will have the authority to award the grant and will notify the entire Board of the decision to make the grant award.
 - The President and Vice President may elect to bring the request to the Board for consideration at its next Board meeting.
 - Grant agreements for grants awarded under this process will be similar to grant agreements used for grants awarded through the Community Grants Fund.

3. Budget Approval

The Foundation Board will approve a cap on the total amount to be distributed through this process during a particular fiscal year as part of that fiscal year's budget (*e.g.*, \$10,000 for FY2019-2020). Board approval is required to fund any grants considered through this process that exceed the total budgeted amount.