

# SAN BRUNO

## Community Foundation

### *Board of Directors*

Emily Roberts, *President* • Jim Ruane, *Vice President* • John P. McGlothlin, *Secretary* • Tim Ross, *Treasurer*  
Raul Gomez • Nancy A. Kraus • Malissa Netane-Jones  
Leslie Hatamiya, *Executive Director*

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## MINUTES

### SAN BRUNO COMMUNITY FOUNDATION

#### Special Meeting of the Board of Directors

June 23, 2021

7:00 p.m.

#### Meeting Conducted via Zoom

- 1. Call to Order/Welcome:** President Roberts called the meeting to order at 7:00 p.m.
- 2. Roll Call:** Board Members Roberts, Ruane, McGlothlin, Gomez, Kraus, and Netane-Jones, present; Board Member Ross, excused.
- 3. Public Comment:** None.
- 4. Study Session:** Strategic Planning Discussion on the Role of the Foundation, Community Needs, and Investment Strategy

Public Dialogue Consortium (PDC) President and Senior Consultant Shawn Spano, Ph.D., led the study session. Upon review with Dr. Spano, the Board affirmed the Foundation's purpose statement, vision statement, mission statement, guiding principles, funding criteria, including focus areas, and "three bucket" program strategy.

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

The Board discussed and considered one of the process recommendations from Listening Campaign 2.0 to "Actively Attract Additional Funds" through fundraising, grants, and corporate donations. Dr. Spano noted the Foundation's current program-focused business model and the projected costs of transitioning to a model that is focused on both program and fund development, which would likely require the hiring of a development director. In agreeing to stay with the current program-focused model, Board members noted the Board's original decision not to fundraise to avoid competing with other local nonprofits, the costs of building up a fundraising operation, and the belief that the City might be better positioned to fundraise than the Foundation.

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The Board then reviewed the results from Listening Campaign 2.0 on the community's views of the investment strategy, the 2021-22 budget breakdown, and strategic grants that have been awarded by year for background and context. Kristin Sun, Senior Wealth Manager at Sand Hill Global Advisors, LLC, the Foundation's investment management firm, presented sample spending scenarios for a quasi-endowment that continues on in perpetuity and one that is spent down over 25 years.

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

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

The Board engaged in an extensive discussion of the possible investment strategies, including the time horizon and starting investment principal. No Board member favored the endowment-in-perpetuity strategy, as several Board members noted the modest annual budgets allowed by that model. A majority of the Board preferred a 25-year time horizon as a flexible approach, with the qualification that it will be assessed regularly and changed depending on emerging circumstances. Board members expressed interest in exploring a shorter time horizon, such as 15 or 20 years, and Ms. Sun agreed to run those scenarios for the Board to consider. One Board member proposed no longer than a five-year horizon, with the Foundation investing significantly in the community in the short term. Some Board members noted the importance of the Community Grants Fund and Crestmoor Scholarship program, while others emphasized the impact of strategic grants in addressing community needs. The Board agreed to revisit the investment strategy question on July 7.

Dr. Spano previewed the topics for the July 7 strategic planning session, including making a formal decision on the investment strategy, if possible; reviewing and deciding the process recommendations from Listening Campaign 2.0; establishing the process for annual budget allocations for the three main program areas (Community Grants Fund, Crestmoor Scholarships, and Strategic Grants); and establishing the process to select and evaluate priorities to fund through strategic grants.

**5. Board Member Comments:** None.

**6. Adjourn:** Vice President Ruane moved to adjourn the meeting at 8:33 p.m., seconded by Board Member Netane-Jones, approved unanimously.

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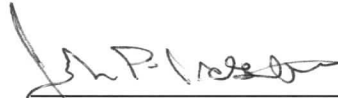
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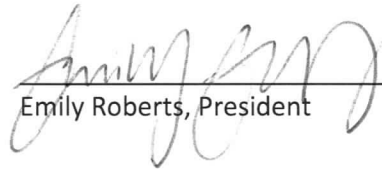
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Respectfully submitted for approval at the Regular Board Meeting of July 7, 2021, by Secretary John McGlothlin and President Emily Roberts.



John McGlothlin, Secretary



Emily Roberts, President