

SAN BRUNO

Community Foundation

Investment Committee

Tim Ross, *Chair* • Anthony Clifford, Mark Hayes, Frank Hedley, and John McGlothlin, *Members*
Leslie Hatamiya, *Executive Director*

MINUTES

SAN BRUNO COMMUNITY FOUNDATION

Special Meeting of the Investment Committee

February 26, 2020

4:30 p.m.

Meeting Location:

San Bruno City Hall, 567 El Camino Real, Room 101, San Bruno

- 1. Call to Order:** Committee Chair Tim Ross called the meeting to order at 4:33 p.m.
- 2. Roll Call:** Committee Members Ross, Clifford, Hayes, Hedley, and McGlothlin, present.
- 3. Public Comment:** None.
- 4. Approval of Minutes:** November 20, 2019, Regular Investment Committee Meeting: Committee Member Hedley moved to approve the minutes of the November 20, 2019, Regular Meeting, seconded by Committee Member Clifford, passed unanimously (McGlothlin abstained).

5. Executive Director's Report

Chair Ross welcomed new Committee Member McGlothlin as a representative of the SBCF Board of Directors and Committee Member Hedley in his new role as a public member. He thanked Georganne Perkins for her service to the Committee.

Executive Director Hatamiya gave an update on the Foundation. She first focused on the Foundation's recent program highlights:

- **Community Grants Fund:** SBCF awarded 29 grants totaling \$300,000 in December, with YouTube/Google again donating \$100,000 of that amount. The grants were approved at the December Board meeting, where nearly all grantees sent a representative and talked about the work they are doing in the community. Board members have been out delivering grant checks to new grantees.

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- Crestmoor Scholarship: The 2020 program launched the week of December 9. The application deadline is March 3, 2020. A robust applicant pool is again anticipated. SBCF will award \$190,000 in scholarships in the spring as a result of a \$70,000 donation to the program from the Joseph W Welch Jr Foundation.

- Strategic Grants
 - Recreation and Aquatics Center: A team from the City and its consultants is scheduled to give a presentation on the project's progress at the March 4 Board meeting. The project is in its second phase – schematic design and construction documents – led by Group 4 Architecture, Research + Planning. Group 4 is currently in the design development stage and is proceeding with developing further detailed renderings and designs for City Council approval and subsequent construction.

The project is proceeding through the California Environmental Quality Act (CEQA) process, which requires the City to identify the significant environmental impacts of the project and to avoid or mitigate those impacts, if feasible. The City released a Draft Environmental Impact Report (EIR) for the proposed project on Monday, January 27, 2020, starting a required 45-day public comment period that will conclude on Wednesday, March 11, 2020. As documented in the Draft EIR, the proposed project has been analyzed and would result in potentially significant impacts related to: Biological Resources; Cultural Resources; Transportation; Air Quality; Noise; Geology and Soils; Hazards and Hazardous Materials; and Hydrology and Water Quality. The report states that all impacts, with the exception of Cultural Resources, would be reduced to less-than-significant levels through implementation of identified mitigation measures; a significant unavoidable impact related to the demolition of the existing Veterans Memorial building, which is considered to be a historic resource, is identified in the Draft EIR. According to the City, the EIR, along with the planning entitlements for the Architectural Review Permit and Conditional Use Permit will be reviewed by the Planning Commission in Spring 2020. The City's Planning Commission has final approval authority on this project, unless appealed to the City Council.

The bidding phase is expected to be between August and October 2020, with construction beginning in January 2021 and extending through July 2022. The project/construction manager is supposed to prepare a detailed, monthly report in the coming months as design and environmental review wrap up and well before the bid phase begins.

- Community Day: SBCF is again supporting Community Day with a \$20,000 grant and helping the City secure additional sponsorships. Community Day is scheduled for Sunday, June 7, 2020.

Ms. Hatamiya explained the schedule of transfers from the Quasi-Endowment and Strategic Pool accounts to the Liquidity Pool, but noted that the schedule is being modified based on actual cash needs and updates on the Recreation and Aquatics Center project. Transfers that have already taken place this

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fiscal year include: a \$200,000 transfer from the Quasi-Endowment to the Liquidity Pool on December 1, 2019, and transfers from the Strategic Pool to the Liquidity Pool of \$700,000 in late July 2019, \$1 million in early October 2019, and \$1 million (reduced from \$2 million) in January 2020. A final transfer from Quasi-Endowment to Liquidity Pool of \$119,980 will be made in May 2020, and additional transfers from the Strategic Pool to the Liquidity Pool will be based on the cash flow needs, including those related to the Recreation and Aquatics Center project, for the remainder of the fiscal year.

Finally, Ms. Hatamiya reminded the Committee of its 2020 meeting dates and that the current terms of Investment Committee members end in June 2020.

6. Conduct of Business

- a. Receive Report from Sand Hill Global Advisors, LLC (SHGA) regarding SHGA's Investment Outlook and SBCF's Investment Portfolio Performance

SHGA Chief Executive Officer Brian Dombkowski and Senior Wealth Manager Kristin Sun represented SHGA at the meeting.

Mr. Dombkowski gave an overview of the firm's investment outlook, focusing on slowing global economic growth and concerns about trade tensions and the spread of the coronavirus. He gave a summary of the firm's current economic forecast for the first quarter of 2020, 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. Sun then reviewed the Foundation's Investment Dashboard for the fourth quarter of 2019, including December 31, 2019, balances of \$18,728,167 for the Quasi-Endowment, \$46,467,541 for the Strategic Pool, and \$11,790,625 for the Liquidity Pool (total of \$76,986,333 in all three accounts). Ms. Sun and Mr. Dombkowski discussed the firm's conservative posture in managing the Foundation's investment portfolio.

7. Committee Member Comments: None.

8. Adjourn: Committee Member Hayes moved to adjourn the meeting at 5:52 p.m., seconded by Committee Member Hedley, approved unanimously.

Respectfully submitted for approval at the Special Investment Committee Meeting of May 20, 2020, by Investment Committee Chair Tim Ross.



Tim Ross, Investment Committee Chair