

# 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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**GOVERNOR'S EXECUTIVE ORDER N-25-20\*\*\*\*  
CORONAVIRUS COVID-19  
AND SAN MATEO COUNTY HEALTH DIRECTIVE  
FROM MARCH 14, 2020**

*On March 17, 2020, the Governor of California issued Executive Order N-29-20 suspending certain provisions of the Ralph M. Brown Act in order to allow for local legislative bodies to conduct their meetings telephonically or by other electronic means. Pursuant to the CDC's social distancing guidelines which discourage large public gatherings, the Board of Directors of the San Bruno Community Foundation is now holding meetings via Zoom.*

*If you would like to make a Public Comment on an item not on the agenda, or comment on a particular agenda item, you may address the Council orally during the meeting, or you may email us at [info@sbcf.org](mailto:info@sbcf.org). The length of all emailed comments should be commensurate with the three minutes customarily allowed per speaker, which is approximately 300 words total. Emails received before the special or regular meeting start time will be forwarded to the Foundation Board of Directors, posted on the Foundation's website and will become part of the public record for that meeting. If emailed comments are received after the meeting start time, or after the meeting ends, they will be forwarded to the Foundation Board of Directors and filed with the agenda packet becoming part of the public record for that meeting.*

*Individuals who require special assistance of a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the agenda, agenda packet or other writings that may be distributed at the meeting, should contact Melissa Thurman, City Clerk 48 hours prior to the meeting at (650) 619-7070 or by email at [mthurman@sanbruno.ca.gov](mailto:mthurman@sanbruno.ca.gov). Notification in advance of the meeting will enable the San Bruno Community Foundation to make reasonable arrangements to ensure accessibility to this meeting, the materials related to it, and your ability to comment.*

## AGENDA

### SAN BRUNO COMMUNITY FOUNDATION

#### Regular Meeting of the Board of Directors

**July 7, 2021**

**7:00 p.m.**

#### **Zoom Meeting Details:**

<https://us02web.zoom.us/j/84653078755?pwd=am5EUeFoazE2N21FaVMamxWUDgrdz09>

Webinar ID: 846 5307 8755

Passcode: 646301

Dial-in: (669) 900-6833

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### 1. Call to Order/Welcome

### 2. Roll Call

3. **Public Comment:** Individuals are allowed three minutes. It is the Board's policy to refer matters raised in this forum to staff for research and/or action where appropriate. The Brown Act prohibits the Board from discussing or acting upon any matter not agendaized pursuant to State Law.

4. **Approval of Minutes:** June 2, 2021, Regular Board Meeting, June 15, 2021, Special Board Meeting, and June 23, 2021, Special Board Meeting

5. **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 August 4, 2021, Regular Meeting of the Board of Directors

b. Receive and Approve Treasurer's Report (May 2021 Financial Statements)

### 6. Conduct of Business

a. Conduct Strategic Planning Discussion on Investment Strategy, Process Recommendations from Community Listening Campaign 2.0, Process for Annual Program Budget Allocations, and Process to Evaluate and Select Priorities to Fund through Strategic Grants, and Provide Direction to Staff

### 7. Board Member Comments

8. **Adjourn:** The next regular meeting of the Board of Directors is scheduled for Wednesday, September 1, 2021, at 7:00 p.m.

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## MINUTES

### SAN BRUNO COMMUNITY FOUNDATION

#### Regular Meeting of the Board of Directors

**June 2, 2021**

**7:00 p.m.**

**Meeting Conducted via Zoom**

- 1. Call to Order/Welcome:** President Roberts called the meeting to order at 7:02 p.m.
- 2. Roll Call:** Board Members Roberts, Ruane, McGlothlin, Ross, Gomez, Kraus (arrived at 7:13 p.m.), and Netane-Jones, present.
- 3. Public Comment:** None.
- 4. Presentation:** Recognition of the 2021 Crestmoor Neighborhood Memorial Scholarship Recipients

President Roberts acknowledged the leadership of the Foundation's Executive Director, Leslie Hatamiya, and Program Consultant, Stephanie Rutgers, in administering the Crestmoor Neighborhood Memorial Scholarship program and thanked the volunteers who served on the selection panel. She acknowledged dignitaries present, including San Bruno Mayor Rico Medina, City Attorney Marc Zafferano, Randy Torrijos of Supervisor Dave Pine's office, program sponsor Mary Lou Johnson, and Alane Gilbrech of the San Mateo County Association of REALTORS® (SAMCAR) Foundation.

She then gave a brief summary of the creation of the Crestmoor Scholarship, which honors the community members who most directly endured the destruction of the 2010 gas pipeline explosion and resulting fire in San Bruno's Crestmoor neighborhood, and thanked the Joseph W Welch Jr Foundation, the SAMCAR Foundation, and Allan and Mary Lou Johnson for financially supporting the program this year. She addressed the 13 scholarship recipients and expressed admiration for their accomplishments in school as well as their success as young adults in recognizing the importance of being positive contributors to society.

President Roberts then introduced the 13 Crestmoor Scholars – Capuchino High School graduating seniors Michael Eiserle, Jocelynn Franco, Carlos Gonzalez, Mia Ledesma, Rania Mili, Cassidy Anne Patron,

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Isabella Ramirez, and Estefany Vega and Skyline College transfer students Alejandra Aguirre, Khaoula Aissaoui, Alyssa Gacos, Christopher Wardell, and Anthony Yu— and read short biographies about each.

On behalf of the high school and community college recipients, respectively, Ms. Ramirez and Mr. Wardell expressed thanks to the Foundation for the scholarship recognition. Harmonie Ahuna, a 2017 Crestmoor Scholar who is graduating from UCLA this spring, reflected on what the Crestmoor Scholarship has meant to her and the importance of giving back to one's community.

Mayor Medina then congratulated the Crestmoor Scholars and reminded them of the circumstances behind the creation of the scholarship program. Mr. Torrijos spoke on behalf of Supervisor Pine and presented the Crestmoor Scholars with commendations from the San Mateo County Board of Supervisors.

Program sponsors Ms. Johnson and Ms. Gilbrech congratulated the Crestmoor Scholars. Patricia Flores of Skyline College and Kelly McLoughlin of Capuchino High School recognized the scholarship recipients and thanked the Foundation for offering the scholarships.

Several Board Members commended the Crestmoor Scholars and their commitment to the San Bruno community. Crestmoor Scholars Eiserle, Franco, Mili, and Patron expressed their gratitude to the Foundation and discussed how the scholarship would make a difference for them.

Board member Kraus arrived at the meeting in the middle of this agenda item.

At the conclusion of the presentation, the Board took a brief pause to allow those attending the Scholarship Presentation only to depart from Zoom and then resumed the meeting.

**5. Approval of Minutes:** May 12, 2021, Special Board Meeting: Vice President Ruane moved to approve the minutes of the May 12, 2021, Special Board Meeting, seconded by Board Member Netane-Jones, approved unanimously by roll call vote.

### **6. Executive Director's Report**

Executive Director Leslie Hatamiya gave a brief update on her activities over the past month and referenced her written report in the Board meeting packet.

### **7. Consent Calendar**

- a. Adopt Resolution Scheduling a Special Meeting of the Board of Directors on June 15, 2021
- b. Adopt Resolution Adopting Revised Fiscal Policies and Procedures
- c. Adopt Resolution Authorizing Closure of Wells Fargo Savings Account

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- d. Receive and Approve Treasurer's Report (April 2021 Financial Statements)

Secretary McGlothlin moved to accept the Consent Calendar as presented, seconded by Board Member Kraus, approved unanimously by roll call vote.

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

- a. Receive Report from Ad Hoc Committee on Tanforan Memorial and Adopt Resolution Approving Strategic Grant Totaling \$150,000 to the Tanforan Assembly Center Memorial Committee Supporting the Construction of the Tanforan Memorial at the San Bruno BART Station

On behalf of the Ad Hoc Committee on Tanforan Memorial, Board Member Netane-Jones gave a brief introduction of the Tanforan Memorial project to install a permanent memorial outside the San Bruno BART station to honor the nearly 8,000 Japanese Americans who were interned at the Tanforan Assembly Center during World War II. She also presented the Committee's recommendation that the Board approve a \$150,000 strategic grant in support of the project. She stated that the Committee feels strongly that this is an important part of San Bruno and American history that should not be forgotten and that a significant grant is appropriate. She also said the Committee believes this grant is particularly important in light of the recent violence against Asian and Pacific Islander Americans in the Bay Area and other parts of the country and that it would be consistent with the diversity, equity, and inclusion principles the Board discussed earlier this year. Drawing a parallel between the tragedy of the 2010 gas pipeline explosion and the Japanese American internment, Ms. Netane-Jones said the Committee wanted to make a statement with its recommendation.

Board Member Netane-Jones then introduced three representatives from the Tanforan Assembly Center Memorial Committee – Chair Doug Yamamoto, Vice Chair Steve Okamoto, and Project Manager David Fielder. Mr. Yamamoto explained that during World War II, the U.S. Army converted what was then the Tanforan Racetrack – which sat on the site of what is now The Shops at Tanforan – into one of 17 assembly centers at which Americans of Japanese ancestry were interned while more permanent internment camps in the inland United States were being built. From April 28 to October 13, 1942, the Tanforan Assembly Center held nearly 8,000 Bay Area Japanese Americans, most of whom were U.S. citizens, without a trial or due process of law, until they were shipped to the more permanent internment camps, the majority being sent to Topaz in Utah. The internees were housed in barracks, many of which were converted horse stalls that still smelled of manure. Mr. Okamoto presented the project's \$1,100,000 budget and its plans to raise \$325,000, in addition to the \$775,000 (including a grant from the National Park Service) already raised. They also discussed some of the challenges the project has faced, including those resulting from the COVID-19 pandemic.

Several Board members expressed their strong support for the project as well as the importance of remembering this chapter of American history.

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Vice President Jim Ruane moved to adopt the resolution approving a strategic grant totaling \$150,000 to the Tanforan Assembly Center Memorial Committee supporting the construction of the Tanforan Memorial at the San Bruno BART station, seconded by Board Member Kraus, approved unanimously by roll call vote.

- b. Receive Report on the Small Business Recovery and Assistance Program (COVID-19 Relief Grant) from Bay Area Entrepreneur Center Director Pcyeta Stroud

Pcyeta Stroud, Director of the Bay Area Entrepreneur Center (BAEC) of Skyline College, updated the Board on implementation of the Foundation's second strategic grant of \$157,000 to the San Mateo County Community College District for the continuation of the San Bruno Small Business Recovery and Assistance Program (SBRAP). She noted that the grant is allowing the BAEC to provide micro grant funding to a second cohort of 15 San Bruno small businesses and reported that the BAEC received 31 applications by the May 31, 2021, deadline. She said the BAEC successfully partnered with the City of San Bruno to reach out to local small businesses about the grant opportunity. She said that a review panel would evaluate the applications in June, grant recipients would be notified in July, and the BAEC will recognize the grant recipients at a virtual awards ceremony on August 5.

Ms. Stroud also informed the Board that she is leaving Skyline College for a new job in August. Several Board members congratulated her and wished her well in her new position.

- c. Receive Report on Other Programs (Community Grants Fund and Other Strategic Grants)

Executive Director Hatamiya gave a brief report on the Foundation's other programs. She reported that the sixth annual cycle of the Community Grants Fund will launch at the beginning of July, when the online application will be available and staff will begin distributing marketing materials. She also reported that a community partner has committed to contributing \$100,000 to the program this year.

With regard to the Music Education Strategic Initiative, she reported that the Foundation received the final grant report from the Capuchino High School Alumni Association detailing use of the last year of funding of \$8,000 (total of \$124,110 over four years) supporting the high school music program. She noted that the San Bruno Education Foundation requested a one-year extension of its final year of funding, as Music for Minors was unable to successfully deliver the elementary school music program in the distance learning format.

- d. Receive Report from Investment Committee

As Investment Committee Chair, Treasurer Ross reported on the Committee's latest quarterly meeting in May. He gave highlights of the report from Sand Hill Global Advisors (SHGA), the Foundation's investment adviser, which included the firm's investment outlook and a review of the performance of the Foundation's three investment accounts (Quasi-Endowment, Strategic Pool, and Liquidity Pool), which totaled more than \$78 million at the end of May. He reported that the Committee decided to

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follow last year's practice of recommending to the Board a Quasi-Endowment payout rate that would result in an amount sufficient to meet the cash flow needs for the Crestmoor Scholarship and the Community Grants Fund for the upcoming fiscal year and recommended that the fiscal year 2021-2022 Quasi-Endowment payout rate be set at 1.7%. He also reported the Committee's recommendation that the budget include all remaining grant payments on the Recreation and Aquatic Center grants, as long as the Executive Director has the discretion to set the size and timing of those transfers, or transfer less than the budgeted amount, based on the actual cash flow needs for the RAC project in fiscal year 2021-2022.

Treasurer Ross also reported that the Committee conducted its annual review of the Foundation's Investment Policy Statement and its Investment Operating Plan with Sand Hill, declining to recommend any amendments to either document.

- e. Adopt Resolution Approving Fiscal Year 2021-2022 Budget, Setting the Quasi-Endowment Payout Rate for Fiscal Year 2021-2022, Approving Transfer from the Strategic Pool Investment Account to the Liquidity-Operating Subaccount for Fiscal Year 2021-2022, and Approving Transfer from the Liquidity-RAC Investment Subaccount to the Liquidity-Operating Subaccount for Fiscal Year 2021-2022

Executive Director Hatamiya presented the fiscal year 2021-2022 budget to the Board. She first reviewed the strong overall financial health of the organization, noting nearly \$71 million in initial assets, \$18 million in gains on the investment portfolio managed by Sand Hill Global Advisors, \$1 million in donations and other income, and total funds disbursed of \$12 million, resulting in a total portfolio value, as of March 31, 2021, of \$78 million. She said the Foundation has benefited from a robust stock market (even despite the turbulence created by the COVID-19 pandemic), prudent investment management by and guidance from the team at Sand Hill, and solid fiscal management practices and policies by the Board and staff.

She explained that, unlike most nonprofit budgets, the Foundation's budget is expense-driven rather than income-driven, and that the Foundation does not seek to achieve a balanced budget, as the Foundation's cash needs, which drive the income portion of the budget (primarily transfers from investments) do not necessarily match recorded expenses in a given year.

She then went through the three categories of expenses (direct program expenses - \$46,434,454, direct personnel expenses - \$248,236, and non-personnel support costs - \$174,698), for a total of \$46,857,388.

She noted that the Foundation's cash-flow requirements drive the transfers from investments, the Foundation's primary source of "income." She explained the Foundation's cash-flow needs, with the Quasi-Endowment payout based on cash needs for the Crestmoor Scholarship and the Community Grants Fund and transfers from the Strategic Pool and the Liquidity-RAC Pool to cover Strategic Grants and operating expenses. Based on the Foundation's cash-flow needs, the Quasi-Endowment payout of 1.7%, as recommended by the Investment Committee, will be \$312,932.

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Ms. Hatamiya explained that the main driver behind the transfers from the Strategic Pool and the Liquidity-RAC subaccount is the remaining set of Recreation and Aquatic Center (RAC) grant payments. Although the Board has made an overall \$50 million commitment to the City for the RAC, the Foundation is funding the project through a series of eight grants supporting different components of the project. Thus far, the Foundation has awarded seven grants totaling \$9,535,545.85 and made grant payments totaling \$5,839,582.05, and staff anticipates that the City will ask the Board to approve the final RAC grant for construction of the facility in June for the remaining balance of the \$50 million commitment (just under \$40.5 million). She noted that given the expected construction timeline (20-24 months), all remaining RAC grant payments, which total \$44,160,418, will likely fall within the 0-24 month window for the Liquidity Pool and, based on the estimated cash flow timeline the City provided a year ago, as much as \$41 million might be needed in fiscal year 2021-2022. As a result, she noted that the Investment Committee recommends that the fiscal year 2021-2022 budget include transfers covering the full amount of the remaining funds needed to meet all potential remaining RAC grant payment obligations. These budget transfer amounts are ceilings, and once the Foundation receives an updated RAC cash flow timeline based on the City's contract with the general contractor, the Foundation can adjust the transfers and may not need to transfer the full amount in fiscal year 2021-2022. She explained that RAC cash needs will be covered through three sources: (a) Strategic Carry Forward from fiscal year 2020-2021, (b) closing out the Liquidity-RAC subaccount, and (c) Strategic Payout for fiscal year 2021-2022.

Ms. Hatamiya noted that in addition to the RAC grants, other grants and operating expenses will also be covered by the Strategic Payout. With total strategic cash needs of over \$50 million, \$13.36M will be covered by the Strategic Carry Forward from fiscal year 2020-2021, the Liquidity-RAC subaccount will be closed out, which should cover at least \$10.6 million, and operating income will cover about \$39,000, resulting in a Strategic Payout of nearly \$26.5 million.

She asked the Board to approve a multi-part resolution: (1) approving the fiscal year 2021-2022 budget and directing the Executive Director to submit the budget to the City Council for consideration, (2) approving the 2021-2022 Quasi-Endowment payout rate of 1.7%, resulting in a transfer of \$312,932, (3) approving a transfer of \$26,456,233 from the Strategic Pool to the Liquidity-Operating Pool, and (4) approving a transfer of approximately \$10,631,501 from the Liquidity-RAC Pool to the Liquidity-Operating Pool and closure of the Liquidity-RAC subaccount. She further noted that the transfer amounts are all ceilings and that the resolution gives the Executive Director the discretion to divide the transfers 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. She also reported that the Investment Committee recommended that the Strategic Carry Forward and Liquidity-RAC funds be used before transferring any additional Strategic funds based on the RAC cash flow needs.

Board Member Kraus moved to adopt the resolution approving the fiscal year 2021-2022 budget, setting the Quasi-Endowment payout rate for fiscal year 2021-2022, approving a transfer from the Strategic Pool investment account to the Liquidity-Operating subaccount for fiscal year 2021-2022, and approving

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a transfer from the Liquidity-RAC investment subaccount to the Liquidity-Operating subaccount for fiscal year 2021-2022, seconded by Vice President Ruane, passed unanimously by roll call vote.

**9. Board Member Comments:** None.

**10. Adjourn:** Secretary McGlothlin moved to adjourn the meeting at 9:15 p.m., seconded by Board Member Gomez, approved unanimously.

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

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John McGlothlin, Secretary

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Emily Roberts, President

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## MINUTES

### SAN BRUNO COMMUNITY FOUNDATION

#### Special Meeting of the Board of Directors

**June 15, 2021**

**6:00 p.m.**

**Meeting Conducted via Zoom**

- 1. Call to Order/Welcome:** President Roberts called the meeting to order at 6:00 p.m.
- 2. Roll Call:** Board Members Roberts, Ruane, McGlothlin, Ross, Gomez, and Netane-Jones, present; Board Member Kraus, excused.
- 3. Public Comment:** None.
- 4. Conduct of Business**
  - a. Receive Report on the San Bruno Recreation and Aquatic Center Project from the City of San Bruno and Adopt Resolution Approving Strategic Grant to the City of San Bruno for Construction of the San Bruno Recreation and Aquatic Center Project in an Amount Not to Exceed \$40,464,454.15

San Bruno City Manager Jovan Grogan, Community Services Director Ann Mottola, and Dawn Merkes of Group 4 Architecture, Research + Planning gave the Board a thorough update on the overall Recreation and Aquatic Center project. They provided an overview of the project, including key project milestones and a visual review of the facility and site improvements. They also updated the Board on the permitting process, explaining that the City is awaiting the final environmental approvals in July from the U.S. Army Corps of Engineers, Regional Water Quality Control Board, and the California Department of Fish and Wildlife.

Mr. Grogan then provided an extensive explanation of the City's bidding process for the general contractor to build the facility. He reported that the City received six bids, and after the City's due diligence process was completed, City staff recommended – and the City Council approved on June 8, 2021 – the selection of Lathrop Construction as the general contractor. Lathrop's bid, including all add alternate features, totaled \$43,031,000.

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Mr. Grogan then reported that the City's total estimated budget for the Recreation and Aquatic Center project, including the construction contract but not including a proposed solar energy system, is \$59,980,228. He explained that in addition to the SBCF's eight grants totaling \$50 million, the City is contributing nearly \$10 million through a variety of sources to fully fund the project. The City's \$10 million contribution is funded without the use general tax revenue and is largely comprised of required payments and negotiated community benefits from development projects, as well as PG&E settlement funds. This includes \$1.7 million in developer contributions that have been made to its Park In-Lieu Fund, a \$4.5 million community benefit payment from YouTube connected to its 1400/1450 Bayhill development project, and \$1.9 million in additional PG&E settlement funds related to the 2010 pipeline explosion and fire in the Crestmoor neighborhood. He also noted that on June 8, the City Council approved the design of the Recreation and Aquatic Center, authorized the City Manager to execute a construction contract with Lathrop Construction, approved a construction contingency of nearly \$5 million, and approved a total project budget of \$59,980,228. He also reported on the project schedule, including a projected groundbreaking ceremony by the end of the summer and completion of the construction in 2023.

Several Board members commended the City staff for their hard work dedicated to the project and expressed their excitement that the project has finally reached the construction phase. President Roberts read a prepared statement from Board Member Kraus expressing her strong support for the approval of the construction grant.

Vice President Ruane moved to adopt the resolution approving a strategic grant to the City of San Bruno for construction of the San Bruno Recreation and Aquatic Center Project in an amount not to exceed \$40,464,454.15, seconded by Board Member Netane-Jones, approved unanimously by roll call vote.

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

**6. Adjourn:** Secretary McGlothlin moved to adjourn the meeting at 6:58 p.m., seconded by Vice President Ruane, approved unanimously.

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

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John McGlothlin, Secretary

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Emily Roberts, President

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

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John McGlothlin, Secretary

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Emily Roberts, President

# SAN BRUNO

## Community Foundation

### Memorandum

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**DATE:** July 2, 2021

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

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Consent Calendar for the July 7, 2021, Regular Board Meeting

For the July 7, 2021, Regular Meeting of the Board of Directors of The San Bruno Community Foundation, the Consent Calendar includes two items related to administrative and operational functions of the Foundation:

**1. Approve Resolution Canceling the August 4, 2021 Regular Meeting of the Board of Directors**

The Board is scheduled to have a regular monthly meeting on August 4, 2021 (the first Wednesday of the month). At this time, we do not anticipate the Foundation facing any pressing matters that would require Board attention or action. In consultation with the Board President, I recommend that the Board approve the resolution canceling the Board's regular July meeting as part of the Consent Calendar.

**2. Receive and Approve Treasurer's Report (May 2021 Financial Statements)**

The May 2021 financial statements 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 3, 2020, Board meeting.

I recommend that the Board approve the Treasurer's Report as part of the Consent Calendar.

**Attachments:**

1. Resolution Canceling the August 4, 2021, Regular Meeting of the Board of Directors
2. May 2021 Financial Statements

**RESOLUTION NO. 2021-\_\_**

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION  
CANCELING THE AUGUST 4, 2021, REGULAR MEETING OF THE BOARD OF DIRECTORS**

**WHEREAS**, the August Regular Meeting of the San Bruno Community Foundation's Board of Directors is scheduled for August 4, 2021; and

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

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors cancels its Regular Board Meeting of August 4, 2021.

Dated: July 7, 2021

ATTEST:

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John McGlothlin, Secretary

I, John McGlothlin, Secretary, do hereby certify that the foregoing Resolution No. 2021-\_\_ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this 7<sup>th</sup> day of July, 2021, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

# SAN BRUNO

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## Community Foundation

May 2021

### Budget Narrative

This report primarily describes amounts in column a (Actual Year to Date) of the monthly Budget Report. When projections vary from Budget (column b), the changes will be reflected in columns d (Final Projected Amount) and e (Change in Budget) and be explained. First eleven months equal 91.7% of the fiscal year.

### INCOME

**Line 1 Transfers from Quasi Endowment** – \$295,681 is 100% of budget.

**Line 2 Transfers from Strategic Pool** – First transfer of the year, \$15,250,000, is 96.1% of budget. There are no additional transfers expected this year. Year-end projection reduced by \$611,933.

**Line 3 Transfers from Liquidity RAC** – This budgeted transfer amount is no longer expected this year. Year-end projection reduced by \$340,000.

**Line 4 Donations** – Unbudgeted \$79,336 received includes: \$70,000 from Joseph W Welch Jr Foundation, \$7,349 from San Mateo County Realtors Foundation, and \$1,000 from Allan & Mary Johnson designated for scholarships; and \$987 in unrestricted gifts.

**Line 5 Interest Income** – \$71,753 is 274.8% of budget. Liquidity Pool – Operating balance is currently \$13,716,111. Final Projected Amount is triple the original budget – from \$26,115 to \$78,345.

### EXPENSES

**Line 8 Crestmoor Scholarships** –\$195,000 is 121.9% of budget, which was increased \$35,000 as approved by Board.

**Line 9 Community Grants** – \$300,000 is 100% of budget.

**Line 10 Strategic Grants** – \$1,915,438 used for: \$1,123,438 RAC 7 – Parking Lot Renovation; \$375,000 RAC 5 – Temporary Facilities grant; Covid-19 relief grants of \$357,000 (small business recovery - \$257,000; and childcare - \$100,000); and \$60,000 RAC 6 – Business Plan grant. The total represents 4.5% of the budget. No additional 2020-2021 grants expected. Final projected amount reduced \$40,377,454 compared to budget.

**Line 11 Other Grants** – \$10,000 is 100% of budget and was used for 10<sup>th</sup> Anniversary Public Engagement Kiosk.

**Line 13 Salaries & Wages** – Expense is 93.6% of budget. Second employee came on payroll in October and corresponding hours worked are variable and depend on program demands. Final projected amount increased \$5,318 based on projected June expenses.

**Line 14 Payroll Taxes & Benefits** – Expense (\$22,337) is 88.4% of budget. Social Security/Medicare (\$12,083) and retirement (\$9,071) are the largest costs. Other costs include workers' compensation (\$969) and life (\$214) insurance.

**Line 16 Occupancy** – Only cost is office lease (\$13,771). Amount is 91.4% of budget.

**Line 17 Insurance** – Total (\$20,647) is 90% of budget and includes Directors & Officers (\$16,674), crime (\$2,882), and commercial liability (\$1,091) policies.

**Line 18 Telecommunications** – Cost (\$2,304) is 92.2% of budget and includes cell phone (\$1,026), internet (\$954), and land line (\$324) services.

**Line 19 Postage & Shipping** – Cost (\$4,177) is 208.9% of budget. 89% of the total (\$3,709) has been for Community Listening Campaign postcards (\$2,257) and Annual Report (\$1,452) postage. Final projected amount increased \$2,341 as Listening Campaign expense was not anticipated in the budget.

**Line 20 Marketing & Communications** - \$10,884 expense is 79.4% of budget. 66% of the total (\$7,208) is for Annual Report design & printing. Amounts also incurred for: communications software/applications (\$1,346); Community Listening postcard design and printing (\$1,141); and 2021 scholarships flyers and posters (\$905).

**Line 21 Office Supplies & Equipment** – Total of \$2,883 is 55% of budget. 65% of the total (\$1,873) has been used for new employee computer. Final projected amount decreased \$2,192 based on projected June expenses.

**Line 22 Legal Fees** – \$32,742 expense is 78.5% of budget. \$14,019 incurred for three quarters City Attorney cost; \$11,025 for review of employee handbook and employment issues; \$5,838 related to Strategic Grants; \$1,350 for Community Grants; and \$510 related to Scholarships.

**Line 23 Accounting & Payroll Fees** – Total (\$29,856) is 86.4% of budget with \$18,882 for Accounting Consultant, \$9,500 for auditor, \$1,044 for payroll service fees, and \$430 for accounting software. Final projected costs reduced \$3,500 based on projected June expenses.

**Line 24 Other Consultants** - Cost (\$58,836) is 118.6% of budget and is for Community Listening consultant (\$29,702), DEI training (\$15,000), Program Support (\$7,123), Technology consultant (\$3,896) and retirement plan modifications (\$3,115). Final projected amount increased \$16,421 because of unbudgeted Community Listening costs.

**Line 25 Travel, Meetings & Conferences** – \$369 expense is 8.8% of budget and includes \$325 for Zoom online meeting application. Final projected amount decreased \$3,152 based on projected June expenses.

**Line 26 Miscellaneous** – Cost (\$1,381) equals 52.4% of budget. 75% of the total (\$1,040) is for organizational memberships.

## **SUMMARY**

Excluding Scholarships & Grants, total expenses are at 92.4% of budget, which is slightly more than the 91.7% benchmark for the first eleven months of the year. In terms of dollars, the \$406,642 in year-to-date expense is \$3,391 more than the first eleven months budget allocation. This is explained by \$33,100 in unbudgeted Community Listening expenses.

The Fidelity Liquidity Pool – RAC, was created with a \$10 million July 2018 transfer. The balance as of May 31, 2021, is \$10,635,580, including market value increase of \$4,079 in May.

Total May Investment net gain or increase in value is \$306,095. This came from Strategic Pool (\$147,119), Liquidity Pool – RAC (\$4,079), and Quasi Endowment (\$154,897). Year-to-date net investment gain is \$7,206,915.

Overall organization year-to-date net income or increase in net assets is \$4,531,129.

Total Net Assets, as of May 31, 2021, are \$74,414,801 with \$22,624,161 in Quasi Endowment; \$51,789,440 in general Unrestricted funds; and \$1,200 in Donor Restricted Net Assets.

# SAN BRUNO

## Community Foundation

### May 2021 2020-2021 Budget Report

	(a)	(b)	(c)	(d)	(e)
	Actual Year to Date	Budget	Actual as % of Budget (a/b)	Final Projected Amount	Change in Budget (d - b)
<b>INCOME &amp; TRANSFERS</b>					
1 Transfers from Quasi Endowment	\$ 295,681	\$ 295,681	100.0%	\$ 295,681	\$ -
2 Transfers from Strategic Pool	15,250,000	15,861,933	96.1%	15,250,000	(611,933)
3 Transfers from Liquidity RAC	-	340,000	0.0%	-	(340,000)
4 Donations	79,336	-	-	79,336	79,336
5 Interest Income	71,753	26,115	274.8%	78,345	52,230
6 Miscellaneous Income	106	-	-	106	106
<b>7 Total Available for Operations</b>	<b>15,696,876</b>	<b>16,523,729</b>	<b>95.0%</b>	<b>15,703,468</b>	<b>(820,261)</b>
<b>EXPENSES</b>					
8 Crestmoor Scholarships	195,000	160,000	121.9%	195,000	35,000
9 Community Grants	300,000	300,000	100.0%	300,000	-
10 Strategic Grants	1,915,438	42,292,892	4.5%	1,915,438	(40,377,454)
11 Other Grants	10,000	10,000	100.0%	10,000	-
<b>12 Subtotal Direct Program Expenses</b>	<b>2,420,438</b>	<b>42,762,892</b>	<b>5.7%</b>	<b>2,420,438</b>	<b>(40,342,454)</b>
13 Salaries & Wages	206,355	220,420	93.6%	225,738	5,318
14 Payroll Taxes & Benefits	22,337	25,257	88.4%	24,744	(513)
<b>15 Subtotal Personnel Expenses</b>	<b>228,692</b>	<b>245,677</b>	<b>93.1%</b>	<b>250,482</b>	<b>4,805</b>
16 Occupancy	13,771	15,063	91.4%	14,987	(76)
17 Insurance	20,647	22,930	90.0%	22,613	(317)
18 Telecommunications	2,304	2,500	92.2%	2,538	38
19 Postage & Shipping	4,177	2,000	208.9%	4,341	2,341
20 Marketing & Communications	10,884	13,700	79.4%	13,700	-
21 Office Supplies & Equipment	2,883	5,240	55.0%	3,048	(2,192)
22 Legal Fees	32,742	41,693	78.5%	40,855	(838)
23 Accounting & Payroll Fees	29,856	34,560	86.4%	31,060	(3,500)
24 Other Consultants	58,836	49,595	118.6%	66,016	16,421
25 Travel, Meetings & Conferences	369	4,210	8.8%	1,058	(3,152)
26 Miscellaneous	1,381	2,633	52.4%	1,383	(1,250)
<b>27 Subtotal Non-Personnel</b>	<b>177,850</b>	<b>194,124</b>	<b>91.6%</b>	<b>201,599</b>	<b>7,475</b>
<b>28 Total Expenses</b>	<b>2,826,980</b>	<b>43,202,693</b>	<b>6.5%</b>	<b>2,872,519</b>	<b>(40,330,174)</b>
<b>29 Net Surplus/(Loss)</b>	<b>\$ 12,869,896</b>	<b>\$ (26,678,964)</b>		<b>\$ 12,830,949</b>	<b>\$ 39,509,913</b>

# SAN BRUNO

## Community Foundation

### Statement of Financial Position as of May 31, 2021

#### ASSETS

Cash, Wells Fargo General	\$ 137,502.11	
Cash, Wells Fargo Payroll	17,594.40	
Cash, Wells Fargo Savings	40,100.70	
Cash, Fidelity Liquidity Pool - Operating	13,716,111.13	
<b>Total Cash</b>		13,911,308.34
Investments, Fidelity Liquidity Pool - RAC	10,635,579.87	
Investments, Fidelity Strategic Pool	31,650,282.37	
Investments, Fidelity Quasi-Endowment	22,624,160.72	
<b>Total Investments</b>		64,910,022.96
Prepaid Rent	1,291.48	
Prepaid Insurance	20,795.50	
<b>Total Other Current Assets</b>		22,086.98
Deposits	909.45	
<b>Total Other Assets</b>		909.45
<b>TOTAL ASSETS</b>		<u>\$ 78,844,327.73</u>

#### LIABILITIES & NET ASSETS

##### LIABILITIES

Accounts Payable	8,660.25	
Accrued Grants Payable	4,007,799.43	
Accrued Scholarships Payable	400,000.00	
Accrued Employee PTO	13,067.27	
<b>Total Liabilities</b>		4,429,526.95

##### NET ASSETS

Unrestricted, Non-QE 7/1/2020 Balance	51,436,041.24	
Transfer from Quasi-Endowment	295,681.00	
Year to Date Net Income from Operations	(2,575,785.16)	
Year to Date Strategic Investment Income	2,633,502.98	
<b>Total Non-QE Unrestricted Net Assets</b>	51,789,440.06	
Quasi-Endowment 7/1/2020 Balance	18,346,430.11	
Transfer to Liquidity for Operations	(295,681.00)	
Year-to-date QE Investment Income	4,573,411.61	
<b>Total QE Unrestricted Net Assets</b>	22,624,160.72	
<b>Total Unrestricted Net Assets</b>		74,413,600.78
Donor Restricted Net Assets 7/1/2020 Balance	101,200.00	
Year to Date Donor Restricted Net Income	(100,000.00)	
<b>Total Donor Restricted Net Assets</b>		1,200.00
<b>Total Net Assets</b>		<u>74,414,800.78</u>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>		<u>\$ 78,844,327.73</u>

# SAN BRUNO

## Community Foundation

### Memorandum

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**DATE:** July 2, 2021

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

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Strategic Planning Study Session

The main item at the July 7, 2021, special Board meeting will be the third study session of the Board's strategic planning deliberations. This study session follows the first two sessions, which were held on May 12 and June 23.

#### **1. Three-Part Strategic Planning Process**

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

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

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

# SAN BRUNO

## Community Foundation

### Memorandum

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The DEI component included an exploration of DEI concepts and what it means for a community foundation to be DEI-focused at two Board study sessions in January and February, individual self-inventory assessments, and individual meetings with the Foundations' DEI consultant, Dr. Rona Halualani of Halualani & Associates. The ideas that emerged from these discussions will be revisited during the strategic planning deliberations that are about to begin.

With the Board's approval, in December the Foundation contracted with the Public Dialogue Consortium (PDC) to manage the community listening campaign and strategic planning components. PDC is the firm that conducted the Foundation's original community listening campaign in 2015 and is very familiar with the Foundation and the San Bruno community. Community Listening Campaign 2.0, with three main components – an online survey open to the entire community, seven focus groups by invitation, and two virtual town hall meetings – launched on February 22 and concluded in late April.

#### **2. First Strategic Planning Session Recap (May 12)**

On May 12, the Board began the third phase of the process: strategic planning deliberations informed by the information gathered through the DEI training and Community Listening Campaign 2.0. To open this discussion, I provided the Board with a recap of the Foundation's origins, the original 2015 Listening Campaign, and the program strategy and investment policies that resulted from the Listening Campaign.

The Board then received substantive presentations from two guest presenters: (a) a presentation by PDC Consultant Shawn Spano on the findings of the just completed Community Listening Campaign 2.0, and (b) a presentation by Kristin Sun of Sand Hill Global Advisors, LLC, SBCF's investment management firm, on quasi-endowment scenarios. Dr. Spano presented PDC's report documenting the community input received throughout Community Listening Campaign 2.0, including appreciations, process recommendations, and input on current community needs, investment strategies, and program strategies.

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

# SAN BRUNO

## Community Foundation

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#### **3. Second Strategic Planning Session Recap (June 23)**

The Board's second strategic planning session on June 23 was led by Dr. Spano and focused on the Foundation's investment strategy going forward. First, the Board reviewed and affirmed the Foundation's purpose statement, vision statement, mission statement, guiding principles, funding criteria, including focus areas, and "three bucket" program strategy.

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

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

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

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

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

The Board engaged in an extensive discussion of the possible investment strategies, including the time horizon and starting investment principal. No Board member favored the endowment-in-perpetuity strategy, as several Board members noted the modest annual

# SAN BRUNO

## Community Foundation

### Memorandum

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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.

#### **4. Third Strategic Planning Session (July 7)**

Dr. Spano will also lead the July 7 session, which will begin with a brief review of the first two strategic planning sessions and how they have established the framework for the July 7 discussion. The Board will then delve into three substantive areas, with the goal of coming to consensus on next steps in each area:

a. Review and Assess Listening Campaign 2.0 Process Recommendations

The Listening Campaign 2.0 Report documented five primary process recommendations for the Foundation. We plan to review these recommendations and discuss potential actions the Board may want to take with regard to each one. The process recommendations, in order of frequency mentioned, are:

- Continue to invest wisely to ensure broad community benefits
- Broaden outreach and engagement to increase visibility and awareness of the work of SBCF
- Increase education and transparency on spending decisions and program results
- Continue to actively attract additional funds
- Ensure diversity of the Board as well as decision makers for grants and scholarships

The first process recommendation is important but may not need further action, as the Foundation continues its engagement with Sand Hill Global Advisors, with guidance from the Investment Committee – a structure that has worked well and has resulted in \$18 million in investment gains over the past five years.

The second and third process recommendations are related and speak to the Foundation's community outreach and communications efforts. The Board may want to consider forming an

# SAN BRUNO

## Community Foundation

### Memorandum

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ad hoc committee to help me brainstorm and develop ways to bolster the Foundation's communications with the community.

With regard to the fund development recommendation, which the Board already discussed on June 23, the Board may want to recommend revisiting this issue periodically. Although the Board appears to be leaning against actively engaging in fund development activities, it may make sense for staff to further explore the potential costs, strategies, and returns related to fundraising and for the Board to regularly reconsider this issue, possibly in tandem with its desire to regularly reassess the investment strategy.

With regard to efforts to ensure diversity on the Board, please note that several Board members term out at the end of 2021 and the Foundation will be going through a Board appointments process later this year. As that process is developed, led by the City Council, the Board should have opportunities to formally express a desire to make diversity a priority in the appointments process.

We encourage Board members to think about other ways in which the Foundation might be able to address and implement these process recommendations from Listening Campaign 2.0 and come to the July 7 meeting with suggestions.

#### b. Review and Decide the Post-RAC Investment Strategy

Dr. Spano will review the Board's initial thoughts from the June 23 session on the time horizon and the initial quasi-endowment principal once the RAC payments have been paid out. As requested by the Board, Ms. Sun will present spend-down scenarios for 15- and 20-year time horizons, allowing a comparison to the 25-year time horizon that was reviewed at the June 23 meeting. Our goal is for the Board to decide on the post-RAC investment strategy, including the time horizon and the initial investment principal. Given that a majority of the Board seemed to be leaning toward starting with a minimum \$25 million principal balance and spending down the funds over 25 years, with the Board reassessing the strategy in light of current community needs and organizational circumstances on a regular basis (we propose at least every five years), we will use that option as the starting point for discussion. Assuming the Board is able to reach agreement on the investment strategy, a possible next step would be for the Board to formally adopt the strategy by resolution at a later meeting. The Board may also want to task the Investment Committee with reviewing the Investment Policy Statement and Investment Operating Plan to see if any adjustments need to be made to those documents in light of the new strategy.

# SAN BRUNO

## Community Foundation

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#### c. Establish Processes for Annual Program Budget Allocations and Strategic Grant Priorities

We would like to check in with the Board on the processes for determining annual budget allocations for the three main program areas (Community Grants Fund, Crestmoor Scholarships, and Strategic Grants) and for selecting and evaluating priorities to fund through strategic grants.

Currently, in creating the annual budget, I assume that the program disbursement budget lines for the Community Grants Fund and the Crestmoor Scholarship will remain at the same level as the previous year, factoring in whether the Foundation has received any restricted donations earmarked for either program. I also estimate necessary operating costs assuming current activity levels. Once the Foundation is limited by an annual payout amount (under any of the long-term scenarios), the remaining funds (payout minus Community Grants and Crestmoor Scholarship allocations and minus operating costs) would be designated for strategic grants. We would like to gauge the Board's comfort level with this outgrowth of the current budgeting process or, as an alternative, consider other options for the budgeting process.

In terms of evaluating priorities to fund through strategic grants, we find ourselves in a situation similar to where we were after the first Listening Campaign, with a plethora of community needs and program ideas before us and limits on what can be funded. At that time, the Board created an ad hoc committee charged with developing what became the Program Strategy Framework and with identifying and researching the first set of program ideas and strategic grants. Out of that committee's efforts, a separate committee was formed to develop the Community Grants Fund and Crestmoor Scholarship, and strategic initiatives to support the City's community facilities visioning process (which led to the Recreation and Aquatic Center project), pedestrian safety, Florida Avenue Park development, and Community Day were launched. The Board may want to follow that same process and create a new ad hoc committee to review the community needs and program ideas identified in Listening Campaign 2.0 and recommend to the Board priority areas for both larger (at least \$1 million) and smaller (under \$1 million) strategic initiatives.

In sum, subject to adjustments that might result from the Board's discussion on July 7, we hope that the Board will review and make a formal decision on the investment strategy, review and decide on the other process recommendations arising from Listening Campaign 2.0, and develop processes for determining annual program budget allocations for the three main program areas and for selecting and evaluating priorities to fund through strategic grants – and then provide direction to staff on next steps, including formally memorializing such decisions.

# SAN BRUNO

## Community Foundation

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#### 5. Background Information for the July 7 Meeting

I have included a number of attachments to this memo to provide valuable background information and context for the Board's strategic planning discussion, many of them repeats from our previous sessions, including the Program Strategy Framework, the Investment Policy Statement, and the Community Listening Campaign 2.0 Final Report. We will be covering parts of the Listening Campaign Final Report, particularly the process recommendations, during the next strategic planning session. We do not plan to discuss the Program Strategy Framework and Investment Policy Statement specifically on July 7, but the two documents provide helpful context.

I am also again providing the expense breakdown of the Foundation's fiscal year 2021-2022 budget and the historical summary of all strategic grants the Foundation has awarded since inception. The expense breakdown slide shows total expenses to maintain operations, the Crestmoor Scholarship, and the Community Grants Fund at their current level, which allows one to evaluate the opportunity for additional strategic grants under the various spending scenarios. The strategic grant slide organizes the grants by the fiscal year when the grants were recorded in our financial statements.

Finally, I have added one new attachment – a recent article on spend-down, or time-limited, philanthropy, by which foundations set a time horizon for their activities after which they close down, in contrast to the in perpetuity foundation model. This article provides useful insights as the Board considers following a spend-down investment strategy.

#### Attachments:

1. SBCF Program Strategy Framework, as adopted by the SBCF Board on October 7, 2015, and approved by the San Bruno City Council on November 10, 2015
2. SBCF Investment Policy Statement, as adopted by the SBCF Board on April 6, 2016, and approved by the San Bruno City Council on April 26, 2016
3. SBCF Listening Campaign 2.0 Final Report, May 2021
4. Expense Breakdown of SBCF FY2021-2022 Budget
5. Historical Summary of All SBCF Strategic Grants, by Fiscal Year Recorded
6. "Charity on a Deadline," by Leslie Albrecht, *MarketWatch*, October 10, 2020

# **SAN BRUNO**

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## **Community Foundation**

### **Program Strategy Framework**

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

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

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

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

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

#### **I. Purpose, Vision, Mission**

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

##### **A. Purpose Statement in SBCF Bylaws**

*Approved by the San Bruno City Council, October 2013:*

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

## **B. Vision Statement**

*Adopted by the SBCF Board of Directors, October 2014:*

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

## **C. Mission Statement**

*Adopted by the SBCF Board of Directors, October 2014:*

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

## **II. Guiding Principles**

The Foundation's Guiding Principles include:

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

### **III. Funding Criteria**

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

#### **A. What the Foundation Funds**

The Foundation provides three main types of support:

##### **1. Programs and Project Support**

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

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

##### **2. Support for Capital Projects for Community Facilities**

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

##### **3. Capacity-Building**

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

#### **B. What the Foundation Does Not Fund**

The Foundation generally does not fund the following items:

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

### **C. Eligible Funding Recipients**

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

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

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

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

### **D. Focus Areas**

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

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

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

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

### **A. Strategic Grantmaking**

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

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

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

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

## **B. Responsive Grantmaking**

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

## **C. Foundation Programs**

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

# **SAN BRUNO**

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Community Foundation

## **INVESTMENT POLICY STATEMENT**

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

## **INVESTMENT POLICY STATEMENT**

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

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

### **I. FOUNDATION’S PURPOSE AND GOALS**

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

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

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

### **II. ROLES AND RESPONSIBILITIES**

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

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

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

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

### **III. POLICY REVIEW**

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

### **IV. INVESTMENT GOALS AND OBJECTIVES**

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

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

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

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

## V. INVESTMENT POLICY AND ASSET ALLOCATION

### 1. Asset Guidelines:

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

### 2. Investment Procedures:

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

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

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

### 3. Asset Allocation:

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

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

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

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

## **VI. INVESTMENT MANAGER REPORTING AND EVALUATION**

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

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

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

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

## **VII. SPENDING POLICY**

### **1. Quasi-Endowment Pool**

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

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

### **2. Strategic Pool**

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

### **3. Liquidity Pool**

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

## **VIII. CONFLICTS OF INTEREST**

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

# San Bruno Community Foundation Listening Campaign 2.0

Final Project Report  
May 2021

Prepared For  
San Bruno Community Foundation  
**SAN BRUNO**  
Community Foundation

Prepared By  
Public Dialogue Consortium  
**PDC**  Public Dialogue  
Consortium

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## I. Background and Overview

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

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

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

### Outreach and Engagement Methods and Questions

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

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

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

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

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

### Focus Groups

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

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

### Community Engagement Survey

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

## City Council Interviews

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

## Town Hall Webinars

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

## Engagement Questions

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

The following questions were asked:

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

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

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

## II. Summary of Results

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

### APPRECIATIONS FOR SBCF

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

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

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

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

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

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

## PROCESS RECOMMENDATIONS FOR SBCF

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

### #1 Continue to Invest Wisely to Ensure Broad Community Benefits

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### #4 Continue to Actively Attract Additional Funds

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

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

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

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

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

#### **CURRENT COMMUNITY NEEDS**

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

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

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

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

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

#### Students, Schools and Education Programs (72)

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

- Computer/coding training
- Better food in schools

### Scholarships (67)

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

*"Top notch schools are foundational for great communities."*

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

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

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

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

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

#### COMMUNITY NEED #5 Library Upgrades and Programming (58)

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

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

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

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

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

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

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

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

#### COMMUNITY NEED #9 - Seniors (34)

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

- Provide additional programming and meals

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

#### COMMUNITY NEED #10 - Small Businesses (32)

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

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

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

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

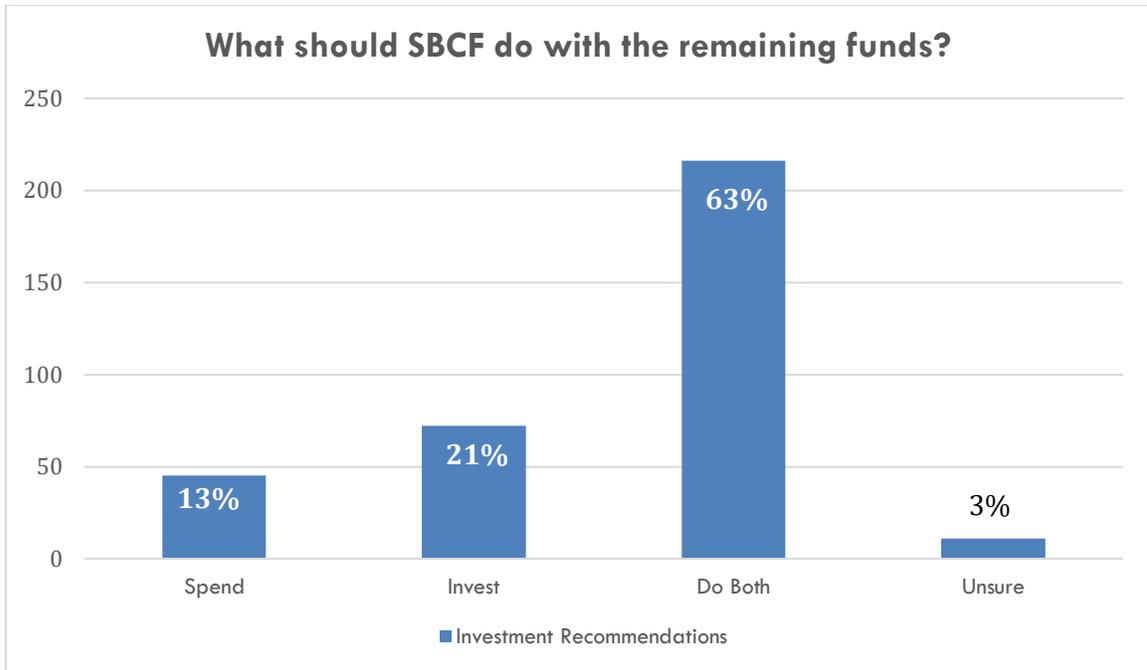
#### COMMUNITY NEED #12 - Municipal Internet, Free Access to San Bruno Residents (14)

#### OTHER COMMUNITY NEEDS

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

#### INVESTMENT STRATEGIES

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



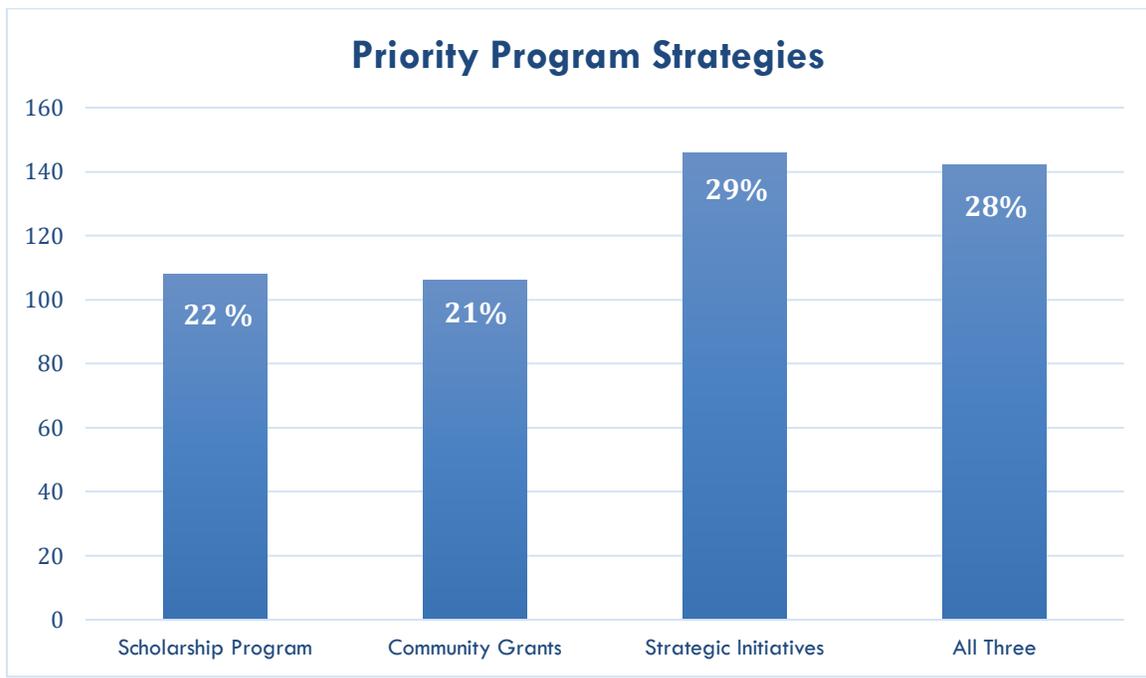
- *"It would be a disservice to the community to dissolve the Foundation, the community is learning how valuable and critical SBCF is, it needs to continue."*
- *"Endow the scholarship fund and attract matching funds from the private sector."*
- *"Invest half of the money for long term, focusing on many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

## PROGRAM STRATEGIES

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

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

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



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

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

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

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

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

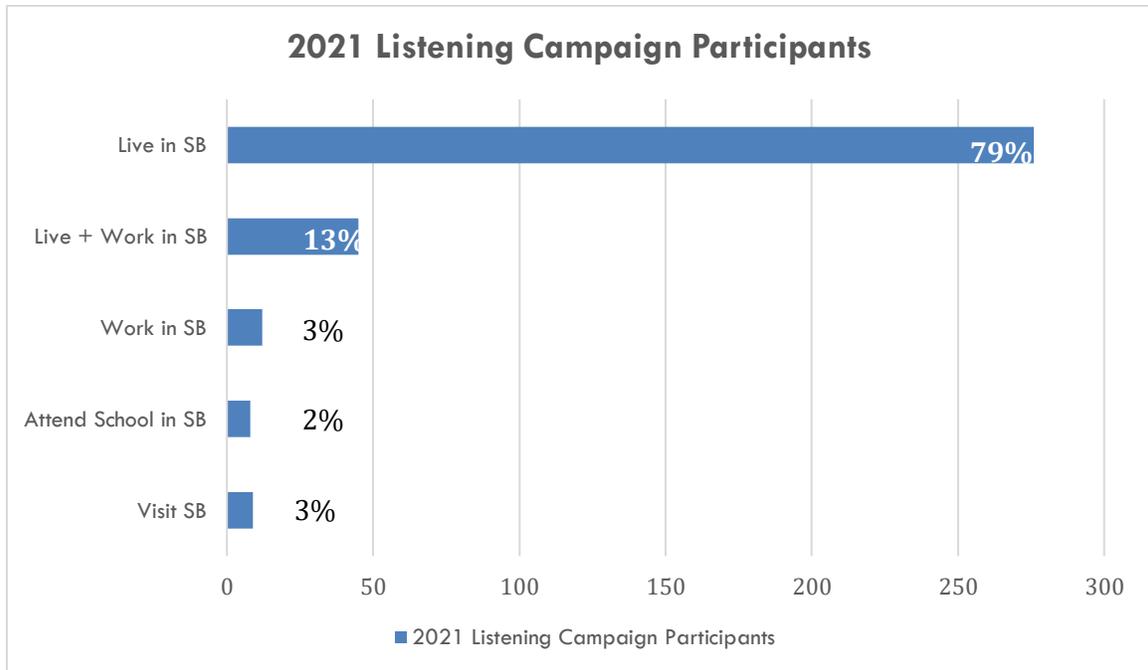
- *"Focus especially those focused on schools and education."*
- *"Build out strategic initiatives to ensure funding over time, do not spend all remaining funds now."*
- *"A strategic initiative approach is the best focus, as it allows the foundation to partner with others in the community better for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

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

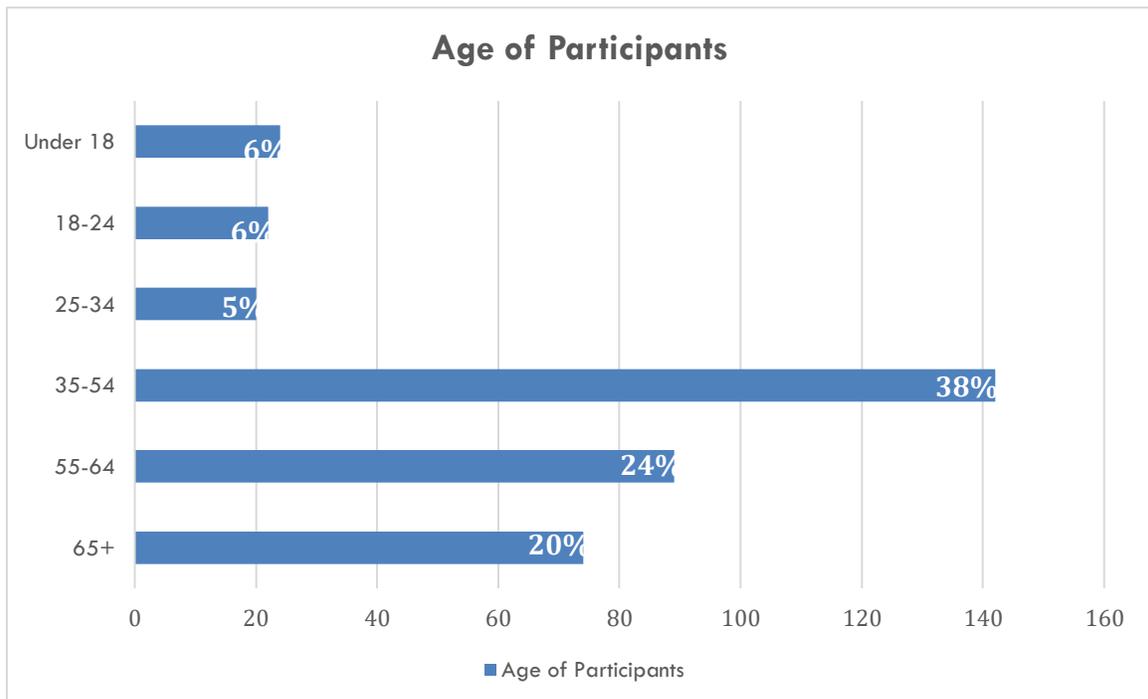
- *"All three benefit different segments of the community. Together they invest across the community."*
- *"All three (investment priorities) are critical, it is like a balanced diet. By spreading money across the city in different areas it keeps interest in the Foundation."*
- *"They are all good, if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

## PARTICIPANT DEMOGRAPHICS (survey participants)

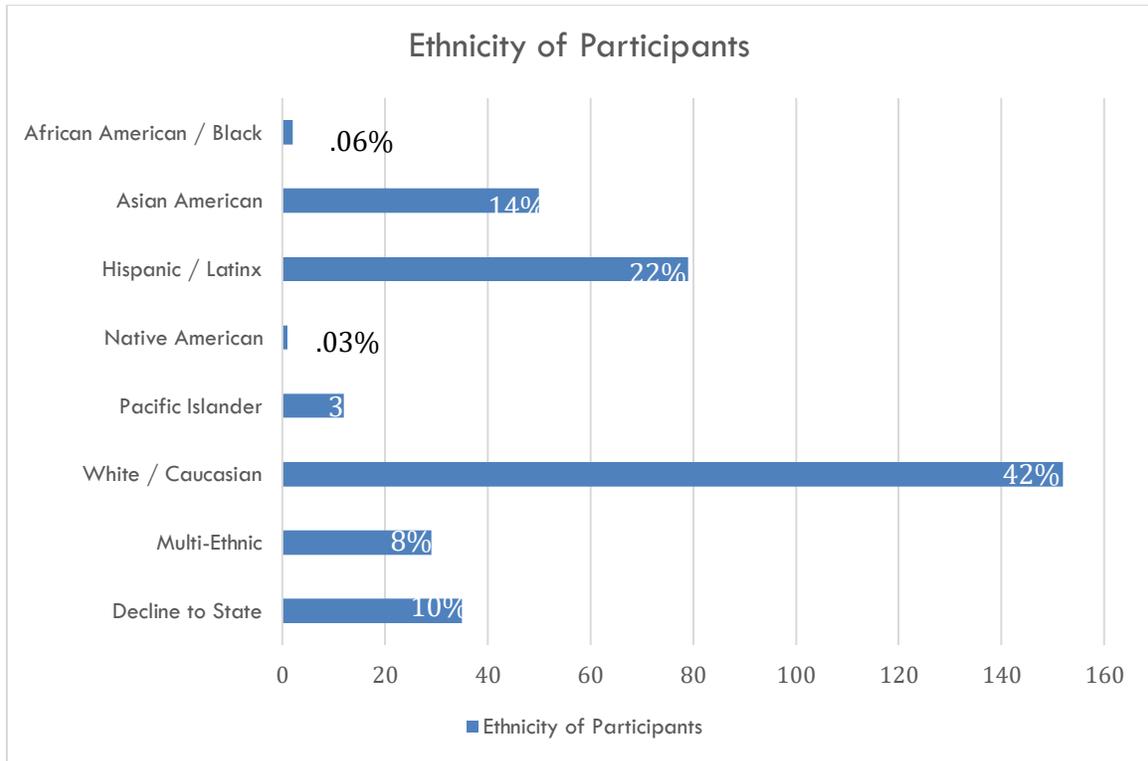
### SAN BRUNO AFFILIATION



### AGE



## ETHNICITY



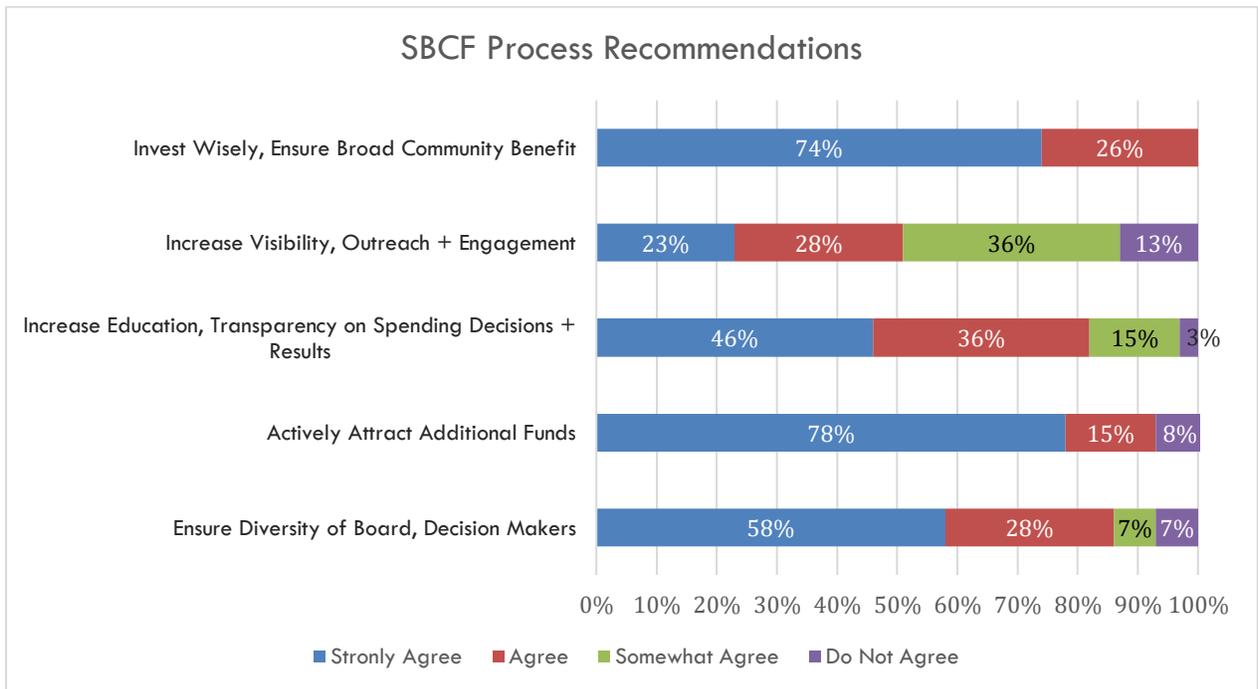
### III. Town Hall Webinars

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

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

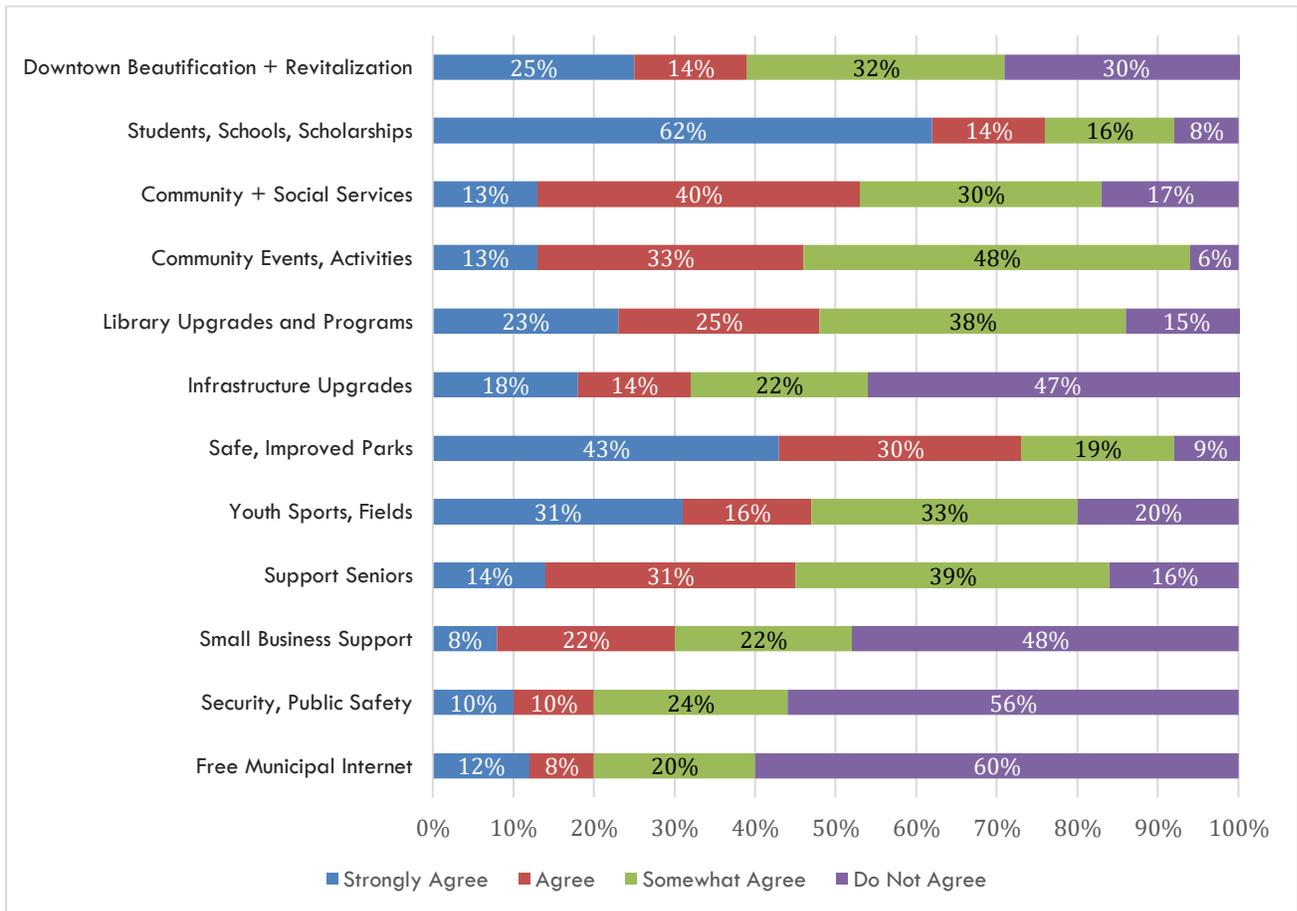
Webinar participants were asked to gauge their **level of agreement** with the process recommendations, current community needs, investment strategy recommendations, and priority program strategy results from community members in the focus groups and community survey. Approximately 2/3 of the webinar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

Chart One: Level of Agreement with SBCF Process Recommendations



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

Chart Two: Level of Agreement with Current Community Needs



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

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

Chart Three: Level of Agreement with SBCF Program Strategies

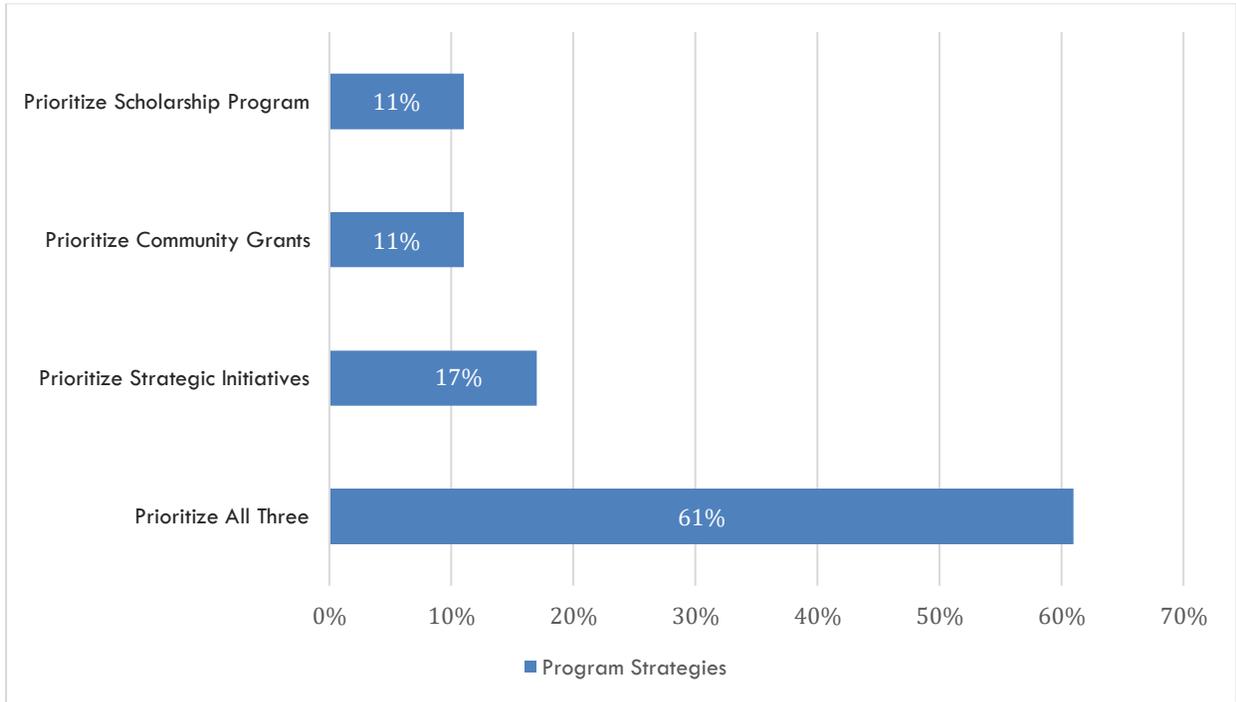
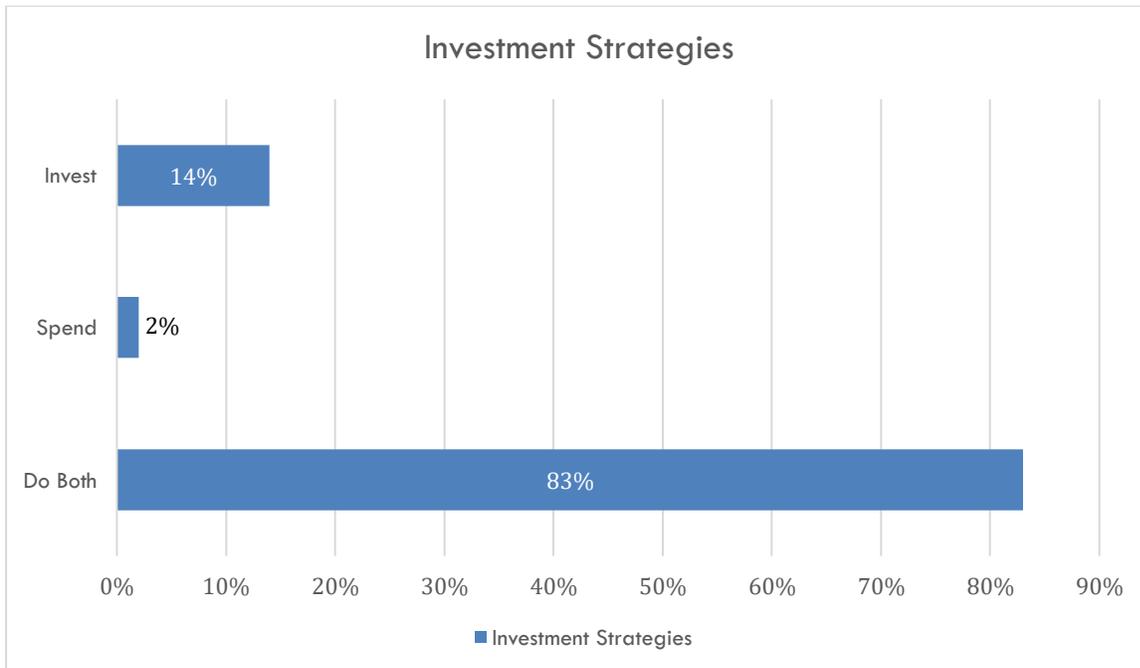


Chart Four: Levels of Agreement with SBCF Investment Strategies



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

#### IV. Next Steps

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

# SBCF FY2021-2022 Budget

Expenses	\$
Strategic Grants	\$45,964,454
Community Grants Fund*	\$300,000
Crestmoor Scholarship	160,000
Other Grants	10,000
Direct Personnel Expenses	248,236
Non-Personnel Support Costs	174,698
<b>Total Expenses not including Strategic Grants</b>	<b>\$892,934</b>

\* \$100,000 contributed by community partner

# Strategic Grants, by FY Recorded

Initiative Funded	FY2016-17	FY2017-18	FY2018-19	FY2019-20	FY2020-21	FY2021-22	Total
Recreation and Aquatic Center		\$416,109	\$6,499,388	\$1,061,611	\$1,558,438	\$40,464,454	\$50,000,000
Community Facilities Vision Plan	\$206,047						\$206,047
Community Day	\$73,000	\$49,225	\$47,500				\$169,725
Pedestrian Safety Strategic Initiative		\$222,985					\$222,985
First Responder Strategic Initiative		\$160,723		\$303,545			\$464,268
Florida Avenue Park	\$200,000						\$200,000
Music Education Strategic Initiative	\$495,000			\$68,000			\$563,000
SBPSD School Transformation Grant			\$250,000				\$250,000
COVID: Teacher Laptop Initiative				\$240,000			\$240,000
COVID: San Mateo County Strong Small Business Grant Program				\$150,000			\$150,000
COVID: San Bruno Small Business Recovery & Assistance Program					\$257,000		\$257,000
COVID: Child Care Relief Fund					\$100,000		\$100,000
Tanforan Memorial					\$150,000		\$150,000
<b>TOTAL</b>	<b>\$974,047</b>	<b>\$849,042</b>	<b>\$6,796,888</b>	<b>\$1,823,156</b>	<b>\$2,065,438</b>	<b>\$40,464,454</b>	<b>\$52,973,025</b>
<b>TOTAL MINUS RAC GRANTS</b>	<b>\$974,047</b>	<b>\$432,933</b>	<b>\$297,500</b>	<b>\$761,545</b>	<b>\$507,000</b>	<b>\$0</b>	<b>\$2,973,025</b>

Note: Grants are recorded as expenses in the financial statements at the time the grant agreement is executed.

Best New Ideas in Money

# Charity on a deadline: Why more philanthropists are spending themselves out of existence

Last Updated: Oct. 10, 2020 at 9:08 a.m. ET

First Published: Oct. 6, 2020 at 11:11 a.m. ET

By [Leslie Albrecht](#)

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ILLUSTRATION BY KEVIN WHIPPLE

Extraordinary times call for extraordinary measures, and philanthropists have put that maxim into action by accelerating their spending.

The Bill & Melinda Gates Foundation has committed more than \$500 million to fight the coronavirus pandemic. Twitter [TWTR, 3.39%](#) CEO Jack Dorsey pledged \$1 billion for coronavirus relief and later added racial justice organizations to his list of beneficiaries. MacKenzie Scott, ex-wife of Amazon [AMZN, -0.25%](#) CEO Jeff Bezos, has handed out \$1.7 billion to address the pandemic, racial justice and other issues.

The moment has also brought new momentum to a less popular style of philanthropy: Spend-down, or time-limited, philanthropy, in which charitable foundations spend their assets by a certain date, then close up shop.

This is in contrast to a traditional foundation, in which a wealthy person puts money aside to address an issue of their choosing, such as cancer research or animal cruelty. These foundations are typically designed to last forever, and they tend to hand out money relatively slowly. In fact, they're required to give out only 5% of their assets each year in grants to nonprofits.

The spend-down approach has its critics, and the debate goes to the heart of some thorny questions: What is the best way to use money to solve society's problems? Who benefits when a foundation exists in perpetuity? Meanwhile, growing wealth inequality and ever-louder critiques of philanthropy have added to a sense that it's time to rethink how to spend money for the greater good.

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Foundations and funders that are tackling "massive, wicked problems" like climate change, social justice and racial inequity have also come to realize that these issues "won't be solved by allocations of 5% every year," said Melissa Stevens, executive director of the Milken Institute Center for Strategic Philanthropy. "There's no longer really this choice of, 'Go big or go home.' It's rather an imperative to go big and be part of a better solution."

### **Why spend-down philanthropy is becoming more popular now**

Spend-down philanthropy is not new, but it is still outside the norm. About 70% of foundations are designed to exist in perpetuity, and about 30% have put deadlines on their spending, according to a [January 2020 report](#) by Rockefeller Philanthropy Advisors and Campden Wealth. The number of foundations pursuing a time-limited strategy has increased by nearly two-thirds since 2000. "The interest in time-limited philanthropy has been growing pretty steadily over the last 20 years, and the current crises seem to be accelerating that," said Melissa A. Berman, president and CEO of Rockefeller Philanthropy Advisors.

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– Melissa Stevens, executive director of the Milken Institute Center for Strategic Philanthropy

The heads of three spend-down foundations recently urged others to follow their lead, writing in July in the Chronicle of Philanthropy: “There is no better time than now for philanthropy to spend itself out of existence.”

Rather than fully embrace a spend-down model, some foundations are increasing their payout rate this year. The Wallace Global Fund, for example, said it would spend 20% of its assets on coronavirus relief.

This year, the Atlantic Philanthropies, probably the best-known spend-down foundation, closed its doors – as it had planned to – after donating \$8 billion over 38 years. Founder Chuck Feeney, who made his fortune as co-founder of Duty Free Shoppers, signed off with a message: “To those wondering about Giving While Living: Try it, you’ll like it.” Others appear to be following his lead.

Every decade or so since the 1990s there have been predictions of a new wave of spend-down foundations on the horizon that have not materialized, said Ben Soskis, a research associate in the Center on Nonprofits and Philanthropy at the Urban Institute who studies the history of philanthropy.

But this moment feels different, Soskis says, in part because today’s billionaire philanthropists are making their money as young people. Gilded Age philanthropists such as Andrew Carnegie and John D. Rockefeller were in their 70s when they started their private foundations, both of which still exist today. Facebook **FB**, **0.52%** CEO Mark Zuckerberg, for example, was 31 when he and his wife, Priscilla Chan, announced both the birth of their first child and their intention to give away 99% of their Facebook shares while they were still alive.

***“When you start to make your wealth earlier in life and you take on a responsibility as a philanthropist as a vocation early in life, the idea of perpetuity itself loses its luster.”***

– Ben Soskis, research associate in the Center on Nonprofits and Philanthropy at the Urban Institute

“When you start to make your wealth earlier in life and you take on a responsibility as a philanthropist as a vocation early in life, the idea of perpetuity itself loses its luster, because you have five decades as a philanthropist in front of you,” Soskis said.

Philanthropists are also becoming more comfortable throwing money at certain problems because it’s now easier to measure the impact they’re having, Berman said. “People are more and more confident that they can have impact by giving at a much faster rate,” she said.

Organizations such as the nonprofit GiveDirectly have shown through randomized controlled trials that giving money directly to poor households with no conditions has immediate and lasting benefits, she said.

## Motivations behind spend-down philanthropy

Motivations behind spend-down philanthropy have varied over the years, and sometimes reflect broader societal trends.

Industrialist John M. Olin, for example, put his foundation's spending on the fast track because he feared future generations wouldn't carry out his conservative vision. He was "troubled by a growing anti-business atmosphere among college students and their professors on many campuses in the late 1960s."

***"The risk you're running is that the timeline of your giving doesn't match the timeline by which change can happen in the issue that you're tackling."***

— Melissa A. Berman, president and CEO of Rockefeller Philanthropy Advisors

He was also influenced by Henry Ford II's 1977 resignation from the board of the Ford Foundation, reportedly over frustration that its grantmaking had strayed to the left politically and "reflected little interest in or understanding of the system of private enterprise that had generated the foundation's wealth." (Ford, for instance, questioned the foundation's funding of the arts.)

Olin's philanthropy went on to help create an influential network of think tanks and academic programs that helped shape the conservative movement.

Today, some spend-down philanthropists are motivated by an urgency around the world's most pressing problems.

"There is a sense around certain issues, particularly climate change, that there is a tipping point and that putting a lot of resources over a short period of time to keep the crisis from becoming uncontrollable is better than releasing money over a long slow period of time," Berman said.

## Pros and cons of spend-down philanthropy

Sometimes making big bets gets big results. Philanthropist Irene Diamond, for example, spent down her and her husband's foundation of more than \$200 million over 10 years in the 1980s and '90s and funded the development of the AIDS "cocktail," a major breakthrough in AIDS treatment. But other problems are more intractable, Berman noted.

"The risk you're running is that the timeline of your giving doesn't match the timeline by which change can happen in the issue that you're tackling," she said.

Funding the creation of a vaccine for COVID-19, for example, could happen on a relatively short timeline. Philanthropists have poured money into that effort, including the Gates Foundation, which is funding research into potential treatments and the manufacture and delivery of vaccine doses in India and other low-income countries.

The Gates Foundation is a spend-down foundation, but its timeline isn't as tight as Irene Diamond's was. The Gates Foundation plans to spend all of its resources within 20 years

after the deaths of Bill and Melinda Gates. Warren Buffett, who pledged most of his fortune to the Gates Foundation, "has stipulated that the proceeds from the Berkshire Hathaway [BRK.A](#), [-0.88%](#) shares he still owns upon his death are to be used for philanthropic purposes within 10 years after his estate has been settled."

Jack Dorsey and MacKenzie Scott haven't publicly announced an intention to be spend-down philanthropists, but Scott has signed the Giving Pledge, a promise to give away at least half of her wealth either during her lifetime or in her will. She and Dorsey, who is one of the [top funders of COVID-19 efforts](#), have won praise for the fast rate of their giving and their transparent approach. Dorsey publicly lists his grants on a [Google \[GOOGL\]\(#\), \[-0.10%\]\(#\) spreadsheet](#), for example.

People who support perpetuity for foundations say it will take a long time to end problems like poverty, racism and bias against girls and women, Berman said, and contend that doing so will require a slow stream of funding over many years. "There is clear value both in acting with urgency and dealing with pain and suffering in the current moment, but there is also benefit in thinking about what is the generational long-term change," she said.



### **An inflation storm is coming for the U.S. housing market**

Some economists suggest the government may be misunderstanding the size of the problem



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