

SAN BRUNO

Community Foundation

Board of Directors

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

AGENDA

SAN BRUNO COMMUNITY FOUNDATION

Regular Meeting of the Board of Directors

September 4, 2019

7:00 p.m.

Meeting Location:

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

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

1. Call to Order/Welcome

2. Roll Call

3. Public Comment: Individuals are allowed three minutes, groups in attendance, five minutes. If you are unable to remain at the meeting, contact the President to request that the Board consider your comments earlier. It is the Board's policy to refer matters raised in this forum to staff for research and/or action where appropriate. The Brown Act prohibits the Board from discussing or acting upon any matter not agendaized pursuant to State Law.

4. Presentation: Recognition of Dr. Regina Stanback Stroud for Service on the San Bruno Community Foundation Board of Directors

5. Approval of Minutes: June 5, 2019, Regular Board Meeting

6. Executive Director's Report

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

a. Adopt Resolution Canceling the October 2, 2019, Regular Board Meeting

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- b. Receive and Approve Treasurer's Report (May, June, and July 2019 Financial Statements)

8. Conduct of Business

- a. Receive Report from Investment Committee and Presentation from Sand Hill Global Advisors, LLC, Regarding SBCF's Investment Portfolio
- b. Receive Report on Music Education Strategic Initiative from San Bruno Education Foundation and Capuchino High School Alumni Association
- c. Receive Report from Ad Hoc Committee on Recreation and Aquatics Center Project
- d. Receive Report from Ad Hoc Committee on Crestmoor Scholarship
- e. Receive Report on Other Programs (Community Grants Fund, Other Strategic Grants)
- f. Receive Report from Ad Hoc Committee on Board Development
- g. Receive Report from Audit Committee Regarding Fiscal Year 2018-2019 Audit
- h. Discuss Upcoming Officer Elections for 2020 Term

9. Board Member Comments

10. Adjourn

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MINUTES

SAN BRUNO COMMUNITY FOUNDATION

Regular Meeting of the Board of Directors

June 5, 2019

7:00 p.m.

Meeting Location:

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

- 1. Call to Order/Welcome:** President Frank Hedley called the meeting to order at 7:01 p.m.
- 2. Roll Call:** Board Members Hedley, Roberts, McGlothlin, Ross, Bohm, and Kraus, present; Stanback Stroud, excused.

President Hedley announced that in light of her retirement as President of Skyline College this month, Dr. Regina Stanback Stroud has submitted her resignation from the Foundation Board effective June 30, 2019. He explained that because she will no longer be working in San Bruno, she feels this is the appropriate time to step down.

- 3. Public Comment:** None.

4. Presentation: 2019 Crestmoor Neighborhood Memorial Scholarship Recipients: President Hedley acknowledged the leadership of the Foundation's Executive Director, Leslie Hatamiya, and Program Consultant, Stephanie Rutgers, in administering the fourth iteration of the Crestmoor Neighborhood Memorial Scholarship. He also thanked two Board members – Secretary John McGlothlin and Board Member Nancy Kraus – who participated in awards ceremonies at Capuchino High School and Skyline College. He welcomed dignitaries present, including San Bruno Mayor Rico Medina, Councilmember Marty Medina, former Mayor Jim Ruane, Police Chief Ed Barberini, San Bruno Park School District Trustee Kevin Martinez, Capuchino High School Principal Jesse Boise, San Bruno Education Foundation Vice President Bryan Vander Lugt, San Bruno Parks and Recreation Commissioner David Nigel, and Randy Torrijos of San Mateo County Supervisor Dave Pine's office, and also welcomed past Crestmoor Scholars in attendance, including Julia Cordero, Kiersten Blair, Muriel Butler, Marjorie Quintanilla, Madeline Villanueva-Tovar, and Alexandra Kennedy.

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He 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 review panel that dedicated many hours to selecting the 2019 Crestmoor Scholars. He addressed the nine scholarship recipients and expressed admiration for their success in school as well as their success as young adults in recognizing the importance of being positive contributors to society. Mayor Media then congratulated the Crestmoor Scholars and reminded them of the circumstances behind the creation of the scholarship program.

President Hedley then introduced the nine Crestmoor Scholars – Shriya Jayanthi, Kathy Lin, Nicole Liu, Zidane Mili, Jasmin Bedolla, Zarian Martin, Valentina Carreno, Michelle Huang, and J. Enrique Martinez – and read short biographies about each. Secretary McGlothlin and Board Member Pat Bohm presented each Crestmoor Scholar with his/her scholarship check, a certificate, and a commendation from the San Mateo County Board of Supervisors provided by Supervisor Dave Pine.

On behalf of the high school and community college recipients, respectively, Ms. Jayanthi and Ms. Carreno expressed thanks to the Board for the scholarship recognition. Ms. Kennedy, a 2017 Crestmoor Scholar, reflected on the challenges she has overcome, what the Crestmoor Scholarship has meant to her, and the importance of giving back to one's community.

Several Board Members, including Vice President Emily Roberts, commended the Crestmoor Scholars and their commitment to the San Bruno community. Community member Maria Barr, a resident of the Crestmoor neighborhood, applauded the Crestmoor Scholars' devotion to San Bruno and deemed them a "living tribute" to the neighbors she lost on September 9, 2010.

At the conclusion of the presentation, the Board took a ten-minute break and then resumed the meeting.

5. Approval of Minutes: March 6, 2019, Regular Board Meeting: Board Member Kraus moved to approve the minutes of the March 6, 2019, Regular Board Meeting, seconded by Treasurer Tim Ross, approved unanimously.

6. Executive Director's Report: In the interest of time, Executive Director Hatamiya referenced the Executive Director's Report in the Board meeting packet, which contains updates on the Foundation's insurance renewals, next engagement with the Foundation's information technology consultants, and website/e-newsletter traffic.

7. Consent Calendar

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

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

Secretary McGlothlin moved to accept the Consent Calendar as presented, seconded by Vice President Roberts, approved unanimously.

8. Conduct of Business

San Bruno Park School District Superintendent Stella Kemp had not yet arrived, so President Hedley proceeded to agenda item 8.b, and then returned to item 8.a.

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

Executive Director Hatamiya referenced the detailed report that the Board received in March from San Bruno Police Chief Ed Barberini and Fire Chief Dave Cresta on three projects supported by the Foundation's original First Responder Effectiveness strategic grant: emergency shelter supplies, critical facilities site assessments and training, and police officer mindfulness training. She reported that soon after that meeting the City submitted the grant report for the emergency shelter supplies project, and the Foundation disbursed a grant payment of \$36,372 to cover expenses related to the project. She said she had recently receive grant reports for the other two projects and would be reviewing them and processing the remaining grant payment.

Ms. Hatamiya also referenced that Chief Barberini in March had previewed the City's plans for a fourth first responder project – a mobile command vehicle – to be funded by more than \$303,000 in donations the Foundation received from Google.org and employees of Google and YouTube following the April 2018 shooting at YouTube's San Bruno headquarters. She reported that the City submitted a formal proposal for the mobile command vehicle project and that the City hopes to bring the contract for the vehicle to the City Council for approval over the summer. Chief Barberini provided additional details about the project and the need for the City to have a mobile command vehicle, a vital public safety asset that can be deployed at the scene of critical incident, natural disaster, or planned large scale event. He said such a mobile command vehicle would serve many purposes for San Bruno first responders, including emergency communications support, a secure area for those managing an incident to meet

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and develop strategy and plans, much needed power while managing an incident in the field, and an extension of a citywide Emergency Operations Center.

Board Member Pat Bohm made a motion to adopt the resolution approving a first responder effectiveness strategic grant for a mobile command vehicle to the City of San Bruno in an amount not to exceed \$303,545, seconded by Vice President Roberts, approved unanimously.

- a. Receive Report from San Bruno Park School District Superintendent Stella Kemp on SBPSD Schools Transformation Strategic Grant

Executive Director Hatamiya reported that last June the Board approved a \$250,000 grant to the San Bruno Education Foundation to support two projects central to the San Bruno Park School District's (SBPSD) current efforts to transform its schools into "Schools with Tomorrow Inside" – the Sobrato Early Academic Language (SEAL) Program at Belle Air and Allen Elementary Schools and the Parkside Intermediate School's Accelerating Student Learning Through Systems Transformation. She explained that with SBPSD Superintendent Stella Kemp's upcoming departure, she asked Dr. Kemp to provide an update on the two programs.

Dr. Kemp, accompanied by Assistant Superintendent for Educational Services Valerie Rogers, explained that transforming schools is very difficult work, requiring adults to change their ideas of how schools should be run. She reported that the work at Parkside has involved changing the culture of the school, focusing on equity and providing an array of both elective and social elements to the middle school curriculum. She said that the district is trying to identify funding to support the partnership with Partners in School Innovation for an additional year and to bring it to other district schools.

She then explained that the SEAL program provides rich professional development training with coaching for teachers. In the first year, teachers in kindergarten and first grade participated in the program; in the second year, second and third grade teachers will also participate. The district will also add a second professional coach to Allen in the second year.

Dr. Kemp also reported on the district's recent efforts to develop a "Portrait of the Graduate" – six qualities for every student who matriculates to high school. She said this work would provide the foundation for future strategic planning for the district.

After she completed her report, the Foundation Board presented Dr. Kemp with a proclamation recognizing the vision and leadership she brought to the district over the past two years and her three decades in public education committed to improving educational opportunities and outcomes for all children.

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

On behalf of the Ad Hoc Committee on the Recreation and Aquatics Center Project, President Hedley reported on two of the Foundation's grants to the City related to this project. He said that Executive

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Director Hatamiya and the City executed an amendment to the architectural services grant agreement to better align the quarterly reporting and payment schedule with the City's internal reporting schedule. In addition, the City hired Griffin Structures as its project and construction management firm for the duration of the project. Based on the Board's approval in March of a grant of up to \$1,079,000 for this part of the project, Ms. Hatamiya and the City executed the grant agreement for this grant in May.

He also reported that the project's schematic design phase continues, as the City's architects, Group 4 Architecture, Research + Planning, Inc., develop more concrete design plans and building specifications with consideration for the building's program elements, project schedule, and project budget.

Finally, President Hedley noted that City staff has informed the Foundation that it may request two additional grants related to this project in the next fiscal year. One would be for the temporary facilities needed to continue the City's recreation programs to the extent possible while the new center is being built, and the other would be to cover consulting expenses related to the development of a thorough operational and business plan for the new center. He reported that these two possible grants are incorporated into the budget to be considered later in the meeting.

- d. Receive Report on Crestmoor Neighborhood Memorial Scholarship Program and Adopt Resolution Creating Ad Hoc Committee on Crestmoor Scholarship

Executive Director Hatamiya provided highlights of the first four years of offering the Crestmoor Scholarship, asserting that the scholarship has become a well-known, prestigious award to receive in San Bruno. She explained her desire to create a committee to evaluate what has been working well, what could be improved or tweaked, and relevant external factors such as current demographics of San Bruno's student population and the changing college funding landscape and make recommendations for any adjustments to the program or additional program ideas to consider. She recommended that the Board create an Ad Hoc Committee on Crestmoor Scholarship, to consist of Board Member Bohm as Committee chair and Secretary McGlothlin and Board Member Kraus as Committee members. She said she hoped the Committee would complete its work by late October of this year, so that any proposals can be approved by the Board in November and then implemented for the 2020 program cycle, which typically launches in December.

Vice President Roberts made a motion to adopt the resolution creating the Ad Hoc Committee on Crestmoor Scholarship, seconded by Secretary McGlothlin, approved unanimously.

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

In a brief summary, Executive Director Hatamiya reported that the 2019-2020 cycle of the Community Grants Fund will launch in early July and follow the same timeline as last year: online application available at the beginning of July, two grant workshops held over the summer (August 20 and September 9), an application deadline of September 25, and Board consideration of a review panel's recommendations in December.

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Reporting on the Music Education Strategic Initiative, she reviewed key highlights of the second annual reports submitted by the San Bruno Education Foundation and the Capuchino High School Alumni Association and noted the initiative's recent recognition as the winner of the "Partnerships in Schools" award from the Association of California School Administrators Region 5 (covering San Mateo and San Francisco counties).

Finally, she reported that San Bruno's Community Day was held on June 2, 2019, with beautiful weather and community spirit in San Bruno City Park. She noted the increased number of event sponsors, as the City's Community Services Department staff began to take over fundraising outreach for the event. Police Chief Barberini commended the San Bruno Police Officers Association, which made a donation of \$2,500 to Community Day without his knowledge.

- f. Receive Report from Ad Hoc Committee on Board Development and Recommend to the San Bruno City Council Board Applicants for Appointment to the San Bruno Community Foundation Board of Directors

On behalf of the Ad Hoc Committee on Board Development, Vice President Roberts reported on the Committee's efforts to solicit and review applications to fill three upcoming openings on the Foundation's Board of Directors. She reported that in early March the Foundation began soliciting applications from interested community members through an online application form, spreading the word about the opportunity through a variety of communication channels. The Committee reviewed the seven applications received by the April 3 deadline and interviewed all seven applicants in late April. In evaluating the applicants, the Committee considered each applicant's civic engagement, engagement in the San Bruno community, commitment to SBCF's mission, professional/volunteer/personal experience and expertise, interpersonal skills and ability to cultivate relationships and convene, facilitate, and build consensus among diverse individuals, and ability to meet the time commitment required of Board members. The Committee also considered – in the context of the entire Board – the skills, experience, education, qualities, and other qualifications that it identified as needs on the Board, based on the Foundation's current programs, finances, other activities, and stage of organizational development. It considered the assets of continuing Board members as well as needs resulting from the departure of three retiring Board members and discussed the desire to have a Board that reflects the diversity of the San Bruno community.

In light of these considerations, the Committee enthusiastically presented to the Board three applicants – Raul Gomez, Malissa Netane, and Jim Ruane – for recommendation to the San Bruno City Council for appointment to the Foundation Board. The Committee felt that while the applicant pool was extremely competitive, these applicants rose to the top as the three who would best serve the interests of the Foundation at this time.

The Board also briefly discussed the vacancy resulting from Dr. Stanback Stroud's resignation and proposed that the City Council designate one of the appointees to fill the remaining months of Dr. Stanback Stroud's unexpired term in addition to a full term commencing on January 1, 2020.

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Board Member Kraus, who served on the Committee, thanked Vice President Roberts for her leadership of the Committee and expressed appreciation that the City Council entrusted the Board to take on the role of soliciting and evaluating applicants for service on the Board. Secretary McGlothlin, another Committee member, commented on the quality of the applicant pool and expressed his hope that the Council will approve the Board's recommendation.

Treasurer Ross made a motion to recommend that the San Bruno City Council (1) appoint Raul Gomez, Malissa Netane, and Jim Ruane to four-year terms on the Foundation's Board of Directors for terms commencing on January 1, 2020, and concluding on December 31, 2023, and (2) appoint one of the three to fill the remaining months of Dr. Stanback Stroud's unfinished term (July 1, 2019-December 31, 2019), seconded by Board Member Bohm, approved unanimously.

Vice President Roberts then departed from the meeting.

g. Receive Report from Investment Committee

As Investment Committee Chair, Treasurer Ross reported on the Committee's latest quarterly meeting on May 20, 2019. 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). He stated that the Foundation's total investment portfolio currently exceeds \$74 million. Mr. Ross reported that the Committee decided to follow last year's practice of recommending to the Board a Quasi-Endowment payout rate of 1.90%, which would result in an amount (\$317,510) sufficient to meet the cash flow needs for the Crestmoor Scholarship and the Community Grants Fund for the upcoming fiscal year.

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

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

Executive Director Hatamiya presented the fiscal year 2019-2020 budget to the Board. She explained that once the Board approves the budget, in accordance with the Bylaws it will then be presented to the City Council on June 25 for approval.

She explained that, unlike most nonprofit budgets, the Foundation's budget is expense-driven rather than income-driven, and then went through the three categories of expenses (direct program expenses - \$1,138,545, direct personnel expenses - \$214,641, and non-personnel support costs - \$187,999), for a total of \$1,541,185. She noted that the Foundation's cash-flow requirements – which drive the transfers

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from net assets, the Foundation's primary source of "income" – will be higher than its recorded expenses, since some expenses are recorded in a particular year and paid out in a following year. 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 the a transfer from the Strategic Pool to cover Strategic Grants and operating expenses. Based on the Foundation's cash-flow needs, the Quasi-Endowment payout of 1.90%, as recommended by the Investment Committee, will be \$317,510 and the transfer from the Strategic Pool will be \$4,781,214. She asked the Board to approve a multi-part resolution: (1) approving the fiscal year 2019-2020 budget and directing the Executive Director to submit the budget to the City Council for consideration, (2) approving the 2019-2020 Quasi-Endowment payout rate of 1.90%, resulting in a transfer of \$317,510, and (3) approving a transfer of \$4,781,214 from the Strategic Pool to the Liquidity Pool to cover 2019-2020 cash needs.

Board Member Kraus moved to adopt the resolution approving the fiscal year 2019-2020 budget, setting the Quasi-Endowment payout rate for fiscal year 2019-2020, and approving a transfer from the Strategic Pool investment account to the Liquidity Pool account for fiscal year 2019-2020, seconded by Secretary McGlothlin, approved unanimously.

i. **Board Member Comments:** President Hedley and Board Member Kraus thanked Program Consultant Stephanie Rutgers and Executive Hatamiya for coordinating the Scholarship Reception preceding the meeting and the Crestmoor Scholarship presentation. They also thanked Treasurer Ross for his leadership of the Investment Committee.

j. **Adjourn:** Secretary McGlothlin moved to adjourn the meeting at 9:16 p.m., seconded by Board Member Kraus, approved unanimously.

Respectfully submitted for approval at the Regular Board Meeting of September 4, 2019, by Secretary John McGlothlin and President Frank Hedley.

John McGlothlin, Secretary

Frank Hedley, President

SAN BRUNO

Community Foundation

Memorandum

DATE: August 30, 2019

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Executive Director's Report

Since the June 5, 2019, Board meeting, I have continued to focus on administering the Community Grants Fund and Crestmoor Scholarship programs, partnering with the City on strategic projects, monitoring the Music Education Strategic Initiative, preparing for the FY2018-2019 audit, and supporting the Investment, Board Development, and Crestmoor Scholarship Committees, all of which will be covered during the business portion of the September 5, 2019, regular Board meeting. In addition, I have handled a variety of other matters, including the following:

1. Annual Report

I am pleased to report that the Foundation's 2019 Annual Report will be mailed to all San Bruno addresses right after Labor Day, and hard copies will be available at the Board meeting. Like the last three years, the Annual Report is an eight-page, full-color, letter-sized brochure that provides an update on the Foundation's strategic initiatives, profiles of the 2019 Crestmoor Scholars, information about the Community Grants Fund (the 2018-2019 grant awards and application information for the current cycle), and financial information. We will post the Annual Report on the Foundation website and make hard copies available at various locations around town, such as City Hall, the Library, the Senior Center, and the Recreation Center. Thank you to Board Member Nancy Kraus and Program Consultant Stephanie Rutgers for their editing and proofreading assistance, Mikko Design for graphic design work, and Inner Workings for printing and mail house services.

2. Fiscal Year 2019-2020 Budget

On June 25, the City Council approved the Foundation's 2019-2020 fiscal year budget, which the Board had previously approved on June 5. The budget includes nearly \$1.14 million in direct program disbursements for the new Recreation and Aquatics Center project, the Crestmoor Neighborhood Memorial Scholarship, the Community Grants Fund, and other strategic grant initiatives. At the Council meeting, I also gave a brief presentation of the Foundation's highlights over the past year.

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Memorandum

3. Email Newsletter and Website Hits

Since the June 5 Board meeting, I have sent out three email blasts to the Foundation's email distribution list. One reported on the June Board meeting, and two announced the launch of the Community Grants Fund application period and invited potential applicants to attend a Grant Workshop. The most recent Community Grants Fund announcement received the most views. Of the approximately 625 emails sent each time, 32%-57% of the recipients opened the email, and the e-newsletter was viewed, either in email or as posted on the web, 523-721 times.

According to Google Analytics, activity on the sbcf.org website has had minor spikes over the past three months, most likely as potential grant applicants have begun working on their Community Grants Fund applications. Between June 7 and August 23, 524 users engaged in 780 sessions on the Foundation website, for a total of 1,925 page views. The most visited pages were the home page and pages related to the Community Grants Fund.

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Community Foundation

Memorandum

DATE: August 30, 2019

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Consent Calendar for the September 4, 2019, Regular Board Meeting

For the September 4, 2019, 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. Adopt Resolution Canceling the October 2, 2019, Regular Board Meeting

The Board is scheduled to have a regular monthly meeting on October 2, 2019 (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 October Board meeting as part of the Consent Calendar.

2. Receive and Approve Treasurer's Report (May, June, and July 2019 Financial Statements)

The May, June, and July 2019 financial statements each consist of a Budget Report and Balance Sheet. The Budget Narratives provide a thorough explanation of the financial statements. The May and June Budget Reports include the budget figures for the 2018-2019 fiscal year, and the Budget Report for July reflects the 2019-2020 fiscal year budget figures approved at the June 5, 2019, Board meeting.

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

Attachments:

1. Resolution Canceling the October 2, 2019, Regular Board Meeting
2. May, June, and July 2019 Financial Statements

RESOLUTION NO. 2019-__

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION
CANCELING THE OCTOBER 2, 2019, REGULAR BOARD MEETING**

WHEREAS, the October Regular Meeting of the San Bruno Community Foundation's Board of Directors is scheduled for October 2, 2019; and

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

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors cancels the Regular Board Meeting of October 2, 2019.

Dated: September 4, 2019

ATTEST:

John McGlothlin, Secretary

I, John McGlothlin, Secretary, do hereby certify that the foregoing Resolution No. 2019-__ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this 4th day of September, 2019, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

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Community Foundation

May 2019

Budget Narrative

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

INCOME

Line 1 Transfers from Quasi Endowment – \$319,980 is 100% of budget. Transfer for Scholarships made in May.

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

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

Line 4 Interest Income – \$18,017 is 225% of budget. Liquidity Pool – Operating balance is currently \$552,397.

Line 5 Miscellaneous Income – \$177,363 unbudgeted income is write-offs of accrued balances from: the initial RAC planning grant (\$133,891); the Pedestrian Safety grant (\$40,967); and a Crestmoor Scholarship (\$2,500).

EXPENSES

Line 7 Crestmoor Scholarships - \$120,000 is 100% of budget. Scholarships awarded in May.

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

Line 9 Strategic Grants – \$6,779,388 is 148.2% of budget. RAC Architectural Design Services (\$5,420,388); RAC Project & Construction management (\$1,079,000); School Transformation (\$250,000); and 2019 Community Day (\$30,000) grants make up the total. Additional \$17,500 Community Day grant expected in final month.

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

Line 12 Salaries & Wages – Expense is just over budget at 92.7%. Final expected amount increased \$2,332 based on Board approved 3% pay adjustment effective February 1.

Line 13 Payroll Taxes & Benefits – Expense (\$28,352) is 127.2% of budget. Costs include retirement (\$17,972), Social Security/Medicare (\$9,647), Workers' Compensation Insurance (\$498), and life insurance (\$234). Final expected amount increased \$9,060 based on Board approved one-time retirement plan contribution.

Line 15 Occupancy – Only cost is office lease (\$13,403). Amount is 91.4% of budget.

Line 16 Insurance – Total (\$16,203) is 92.6% of budget and includes Directors & Officers (\$12,512), Crime (\$2,659), and Commercial Liability (\$1,032) policies. Renewal premium costs effective in the 4th quarter will increase costs \$211 over budget for the year.

Line 17 Telecommunications – Cost (\$1,608) is 83.8% of budget. Expense includes cell phone (\$640), internet access (\$644), and office land line (\$324).

Line 18 Postage & Shipping – Cost (\$1,922) is 96.1% of budget. 72% of the cost (\$1,391) has been for distribution of 2017-18 Annual Reports. \$250 has been for deliveries from Accountant to office.

Line 19 Marketing & Communications - \$11,197 expense is 71.7% of budget. Costs include design and printing of: 2017-18 Annual Reports (\$7,398); Scholarships flyers (\$1,060); and Community Grants flyers and posters (\$490). Also included are domain registration and forwarding for dot org for 10 years (\$802); and on-line grant & scholarship application software (\$1,042). Projected year-end budget savings of \$3,660.

Line 20 Office Supplies & Equipment – Total (\$1,704) is 32.6% of budget including \$531 for printer toner and \$455 for QuickBooks. Projected year-end budget savings of \$3,436.

Line 21 Legal Fees – \$21,454 expense is 58.3% of budget. Includes City Attorney (\$12,590); Strategic (\$6,759) and Community (\$2,105) Grants support. Projected budget savings of \$9,418.

Line 22 Accounting & Payroll Fees – Total (\$27,674) is 89.3% of budget. Costs include Accounting Consultant (\$17,920), CPA Audit and tax preparation fees (\$9,000), and payroll software fees (\$754). Projected budget savings of \$2,126.

Line 23 Other Consultants - Cost (\$42,982) is 85.9% of budget. Program Support (\$33,482) and Technology (\$9,500) consultants comprise the total. Final costs projected at \$683 less than budget.

Line 24 Travel, Meetings & Conferences – \$1,946 is 47.1% of budget and 96% has been for Board meetings. Projection for year-end is budget savings of \$1,519.

Line 25 Miscellaneous – Cost (\$1,182) equals 59.1% of budget with two organizational memberships (\$950) representing most of the cost. Final costs for the year projected at \$670 less than budget.

SUMMARY

Excluding the budget for Scholarships & Grants, total expenses are at 87.9% of budget, which is below 91.7% benchmark for the first eleven months of the year. In terms of dollars, the \$342,505 in these non-grant & scholarships expenses is \$14,735 less than the first eleven months budget allocation. Total projected year-end budget savings is \$10,032.

Payroll Taxes & Benefits is the only non-grant expense line item significantly over budget compared to the 91.7% eleven-month benchmark.

Early in July, as prescribed by the Board, \$10 million was transferred from the Strategic Investment Pool to the Liquidity Pool. This amount has been segregated on the Balance Sheet and is described as: Investments, Fidelity Liquidity Pool - RAC. The current balance of the funds is \$10,224,614 including interest and dividends earned. Operating cash is also held in the Liquidity Pool and is described as: Cash, Fidelity Liquidity Pool - Operating.

May investment losses (decrease in value) are <\$718,836> and came from Strategic Pool (\$147,334) and Quasi Endowment (\$595,189) losses, and Liquidity Pool–RAC (\$23,687) gain. Year-to-date Investment gain is \$1,891,042 and is from Strategic Pool (\$1,566,580), Quasi Endowment (\$99,848), and Liquidity Pool–RAC (\$224,614).

Overall organization year-to-date change in Net Assets is decrease of <\$5,438,979>. Excluding RAC grants, change in Net Assets is an increase of \$1,060,409.

Total Net Assets, as of May 31, 2019 are \$67,424,142 with \$17,291,844 in Quasi Endowment; \$49,810,052 in general Unrestricted funds; and \$322,246 in Temporarily Restricted Net Assets.

SAN BRUNO

Community Foundation

May 2019 2018-2019 Budget Report

	(a)	(b)	(c)	(d)	(e)
	Actual Year to Date	Budget	Actual as % of Budget (a/b)	Final Expected Amount	Change in Budget (d - b)
INCOME & TRANSFERS					
1 Transfers from Quasi Endowment	\$ 319,980	\$ 319,980	100.0%	\$ 319,980	\$ -
2 Transfers from Strategic Pool	1,043,704	4,043,704	25.8%	1,043,704	(3,000,000)
3 Restricted Donations	21,492	-		21,492	21,492
4 Interest Income	18,017	8,000	225.2%	19,329	11,329
5 Miscellaneous Income	177,363	-		177,363	177,363
6 Total Available for Operations	1,580,556	4,371,684	36.2%	1,581,868	(2,789,816)
EXPENSES					
7 Crestmoor Scholarships	120,000	120,000	100.0%	120,000	-
8 Community Grants	300,000	200,000	150.0%	300,000	100,000
9 Strategic Grants	6,779,388	4,575,000	148.2%	6,796,888	2,221,888
10 Other Grants	5,000	-		5,000	5,000
11 Subtotal Direct Program Expenses	7,204,388	4,895,000	147.2%	7,221,888	2,326,888
12 Salaries & Wages	172,878	186,559	92.7%	188,891	2,332
13 Payroll Taxes & Benefits	28,352	22,284	127.2%	31,344	9,060
14 Subtotal Personnel Expenses	201,230	208,843	96.4%	220,235	11,392
15 Occupancy	13,403	14,657	91.4%	14,657	-
16 Insurance	16,203	17,493	92.6%	17,704	211
17 Telecommunications	1,608	1,920	83.8%	1,839	(81)
18 Postage & Shipping	1,922	2,000	96.1%	1,958	(42)
19 Marketing & Communications	11,197	15,618	71.7%	11,958	(3,660)
20 Office Supplies & Equipment	1,704	5,219	32.6%	1,783	(3,436)
21 Legal Fees	21,454	36,786	58.3%	27,368	(9,418)
22 Accounting & Payroll Fees	27,674	31,000	89.3%	28,874	(2,126)
23 Other Consultants	42,982	50,050	85.9%	49,367	(683)
24 Travel, Meetings & Conferences	1,946	4,130	47.1%	2,611	(1,519)
25 Miscellaneous	1,182	2,000	59.1%	1,330	(670)
26 Subtotal Non-Personnel	141,275	180,873	78.1%	159,449	(21,424)
27 Total Expenses	7,546,893	5,284,716	142.8%	7,601,572	2,316,856
28 Net Surplus/(Loss)	\$ (5,966,337)	\$ (913,032)		\$ (6,019,704)	\$ (5,106,672)

SAN BRUNO

Community Foundation

Statement of Financial Position as of May 31, 2019

ASSETS

Cash, Wells Fargo General	\$ 78,002.90	
Cash, Wells Fargo Payroll	18,702.29	
Cash, Wells Fargo Savings	54,068.98	
Cash, Fidelity Liquidity Pool - Operating	552,396.79	
Total Cash		703,170.96
Investments, Fidelity Liquidity Pool - RAC	10,224,613.84	
Investments, Fidelity Strategic Pool	45,926,266.91	
Investments, Fidelity Quasi-Endowment	17,291,843.72	
Accrued Interest Receivable	3,141.10	
Total Investments		73,445,865.57
Prepaid Rent	1,254.22	
Prepaid Insurance	15,544.00	
Total Other Current Assets		16,798.22
Deposits	1,253.45	
Total Other Assets		1,253.45
TOTAL ASSETS		<u><u>\$ 74,167,088.20</u></u>

LIABILITIES & NET ASSETS

LIABILITIES

Accounts Payable	12,453.71	
Accrued Grants Payable	6,516,620.38	
Accrued Scholarships Payable	200,000.00	
Accrued Employee PTO	13,872.32	
Total Liabilities		6,742,946.41

NET ASSETS

Unrestricted, Non-QE 7/1/2018 Balance	54,950,391.76	
Transfer from Quasi-Endowment	319,980.00	
Year to Date Unrestricted Net Income from Operations	(7,251,513.48)	
Year to Date Non-QE Investment Income	1,791,194.25	
Total Non-QE Unrestricted Net Assets	49,810,052.53	
Quasi-Endowment 7/1/2018 Balance	17,511,975.42	
Transfer to Liquidity for Operations	(319,980.00)	
Year-to-date QE Investment Income	99,848.30	
Total QE Unrestricted Net Assets	17,291,843.72	
Total Unrestricted Net Assets		67,101,896.25
Temporarily Restricted Net Assets	400,753.72	
Year to Date Temporarily Restricted Income	(78,508.18)	
Total Temporarily Restricted Net Assets		322,245.54
Total Net Assets		<u><u>67,424,141.79</u></u>
TOTAL LIABILITIES & NET ASSETS		<u><u>\$ 74,167,088.20</u></u>

SAN BRUNO

Community Foundation

June 2019

Budget Narrative

This report primarily describes amounts in column a (Actual Year to Date) in comparison to column b (Budget) of the monthly Budget Report. This is the final report for the 2018-2019 fiscal year.

INCOME

Line 1 Transfers from Quasi Endowment – \$319,980 is 100% of budget.

Line 2 Transfers from Strategic Pool – \$1,043,704 transferred is 25.8% of budget. Remaining \$3 million budgeted was not needed per actual cash flow requirements.

Line 3 Restricted Donations - \$121,492 received is for: 2019-2020 Community Grants (\$100,000); 2019 Community Day (\$17,500); First Responder (\$2,792); and RAC memorial bench (\$1,200).

Line 4 Interest Income – \$18,824 is 235.3% of budget. Increasing the Liquidity Pool by \$10 million RAC fund also created improved investments returns for the Operating funds. Positive budget variance of \$10,824.

Line 5 Miscellaneous Income – \$177,638 unbudgeted income is mostly write-offs of accrued balances from: the initial RAC conceptual design grant (\$133,891); the Pedestrian Safety grant (\$40,967); and a Scholarship payment (\$2,500).

EXPENSES

Line 7 Crestmoor Scholarships - \$120,000 is 100% of budget.

Line 8 Community Grants – \$300,000 is 150% of budget. Grants budget increased \$100,000 based on restricted funding received.

Line 9 Strategic Grants – \$6,796,888 is 148.6% of budget. RAC Architectural Design Services (\$5,420,388); RAC Project & Construction management (\$1,079,000); School Transformation (\$250,000); and 2019 Community Day (\$47,500) grants make up the total.

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

Line 12 Salaries & Wages – Expense is just over budget at 101.3%. \$2,332 budget excess is result of Board approved 3% pay adjustment effective February 1.

Line 13 Payroll Taxes & Benefits – Expense (\$31,345) is 140.7% of budget. Costs include retirement (\$18,772), Social Security/Medicare (\$10,872), Vacation (\$909), Workers' Compensation Insurance (\$558), and life insurance (\$234). Budget excess of \$9,061 is result of Board approved one-time retirement plan contribution.

Line 15 Occupancy – Only cost is office lease (\$14,657) and is exactly on budget.

Line 16 Insurance – Total (\$17,705) is 101.2% of budget and includes Directors & Officers (\$13,709), Crime (\$2,873), and Commercial Liability (\$1,123) policies. Premium increases in the 4th quarter led to \$212 budget excess.

Line 17 Telecommunications – Cost (\$1,820) is 94.8% of budget. Expense includes cell phone (\$764), internet access (\$703), and office land line (\$353).

Line 18 Postage & Shipping – Cost (\$1,944) is 97.2% of budget. 72% of the cost (\$1,391) was for distribution of 2017-18 Annual Reports. \$272 has been for deliveries from Accountant to office.

Line 19 Marketing & Communications - \$11,507 expense is 73.7% of budget. Costs include design and printing of: 2017-18 Annual Reports (\$7,398); Scholarships flyers (\$1,060); and Community Grants flyers and posters (\$771). Also included are domain registration and forwarding for dot org for 10 years (\$802); and on-line grant & scholarship application software (\$1,071). Budget savings were \$4,111.

Line 20 Office Supplies & Equipment – Total (\$1,633) is 31.3% of budget including \$531 for printer toner and \$455 for QuickBooks. Budget savings were \$3,586 (budgeted laptop was not purchased).

Line 21 Legal Fees – \$25,710 expense is 69.9% of budget. Includes City Attorney (\$16,786); Strategic (\$6,759) and Community (\$2,165) Grants support. Budget savings were \$11,076.

Line 22 Accounting & Payroll Fees – Total (\$28,991) is 93.5% of budget. Costs include Accounting Consultant (\$19,135), CPA Audit and tax preparation fees (\$9,000), and payroll software fees (\$856). Budget savings were \$2,009.

Line 23 Other Consultants - Cost (\$47,352) is 94.6% of budget. Program Support (\$35,057) and Technology (\$12,295) consultants comprise the total. Budget savings were \$2,698.

Line 24 Travel, Meetings & Conferences – \$2,168 is 52.5% of budget and 94% has been for Board meetings. Budget savings were \$1,962.

Line 25 Miscellaneous – Cost (\$1,204) equals 60.2% of budget with two organizational memberships (\$950) representing most of the cost. Budget savings were \$796.

SUMMARY

Excluding the budget for Scholarships & Grants, total expenses were 96.2% of budget. In terms of dollars, the \$374,927 in these non-grant & scholarships expenses were \$14,789 less than budget.

Payroll Taxes & Benefits was the only non-grant expense line item significantly over budget.

Early in July, as prescribed by the Board, \$10 million was transferred from the Strategic Investment Pool to the Liquidity Pool. This amount has been segregated on the Balance Sheet and is described as: Investments, Fidelity Liquidity Pool - RAC. The current balance of the funds is \$10,251,063 including interest and dividends earned. Operating cash is also held in the Liquidity Pool and is described as: Cash, Fidelity Liquidity Pool - Operating.

June investment gains (increase in value) were \$1,572,374 and came from Strategic Pool (\$857,079), Quasi Endowment (\$688,846), and Liquidity Pool–RAC (\$26,449). Year-to-date Investment gain was \$3,463,416 and came from Strategic Pool (\$2,423,658), Quasi Endowment (\$788,695), and Liquidity Pool–RAC (\$251,063).

Overall organization year-to-date change in Net Assets was a decrease of <\$3,815,445>. Excluding RAC grants, change in Net Assets would be an increase of \$2,683,943.

Total Net Assets, as of June 30, 2019 were \$69,047,676 with \$17,980,690 in Quasi Endowment; \$50,662,240 in general Unrestricted funds; and \$404,746 in Temporarily Restricted Net Assets.

SAN BRUNO

Community Foundation

June 2019 2018-2019 Budget Report

	(a)	(b)	(c)	(d)
	Actual Year	Budget	Actual as %	Budget
	to Date		of Budget	Variance
			(a/b)	(a - b)
INCOME & TRANSFERS				
1 Transfers from Quasi Endowment	\$ 319,980	\$ 319,980	100.0%	\$ -
2 Transfers from Strategic Pool	1,043,704	4,043,704	25.8%	(3,000,000)
3 Restricted Donations	121,492	-		121,492
4 Interest Income	18,824	8,000	235.3%	10,824
5 Miscellaneous Income	177,638	-		177,638
6 Total Available for Operations	1,681,638	4,371,684	38.5%	(2,690,046)
EXPENSES				
7 Crestmoor Scholarships	120,000	120,000	100.0%	-
8 Community Grants	300,000	200,000	150.0%	100,000
9 Strategic Grants	6,796,888	4,575,000	148.6%	2,221,888
10 Other Grants	5,000	-		5,000
11 Subtotal Direct Program Expenses	7,221,888	4,895,000	147.5%	2,326,888
12 Salaries & Wages	188,891	186,559	101.3%	2,332
13 Payroll Taxes & Benefits	31,345	22,284	140.7%	9,061
14 Subtotal Personnel Expenses	220,236	208,843	105.5%	11,393
15 Occupancy	14,657	14,657	100.0%	-
16 Insurance	17,705	17,493	101.2%	212
17 Telecommunications	1,820	1,920	94.8%	(100)
18 Postage & Shipping	1,944	2,000	97.2%	(56)
19 Marketing & Communications	11,507	15,618	73.7%	(4,111)
20 Office Supplies & Equipment	1,633	5,219	31.3%	(3,586)
21 Legal Fees	25,710	36,786	69.9%	(11,076)
22 Accounting & Payroll Fees	28,991	31,000	93.5%	(2,009)
23 Other Consultants	47,352	50,050	94.6%	(2,698)
24 Travel, Meetings & Conferences	2,168	4,130	52.5%	(1,962)
25 Miscellaneous	1,204	2,000	60.2%	(796)
26 Subtotal Non-Personnel	154,691	180,873	85.5%	(26,182)
27 Total Expenses	7,596,815	5,284,716	143.8%	2,312,099
28 Net Surplus/(Loss)	\$ (5,915,177)	\$ (913,032)		\$ (5,002,145)

SAN BRUNO

Community Foundation

Statement of Financial Position as of June 30, 2019

ASSETS

Cash, Wells Fargo General	\$ 59,597.26	
Cash, Wells Fargo Payroll	42,663.69	
Cash, Wells Fargo Savings	104,071.05	
Cash, Fidelity Liquidity Pool - Operating	340,801.44	
Total Cash		547,133.44
Investments, Fidelity Liquidity Pool - RAC	10,251,062.63	
Investments, Fidelity Strategic Pool	46,782,751.94	
Investments, Fidelity Quasi-Endowment	17,980,690.19	
Accrued Interest Receivable	3,734.79	
Total Investments		75,018,239.55
Prepaid Rent	1,254.22	
Prepaid Insurance	14,160.75	
Total Other Current Assets		15,414.97
Deposits	1,253.45	
Total Other Assets		1,253.45
TOTAL ASSETS		<u><u>\$ 75,582,041.41</u></u>

LIABILITIES & NET ASSETS

LIABILITIES

Accounts Payable	15,537.16	
Accrued Grants Payable	6,321,547.38	
Accrued Scholarships Payable	182,500.00	
Accrued Employee PTO	14,780.80	
Total Liabilities		6,534,365.34

NET ASSETS

Unrestricted, Non-QE 7/1/2018 Balance	54,950,391.76	
Transfer from Quasi-Endowment	319,980.00	
Year to Date Unrestricted Net Income from Operations	(7,282,852.65)	
Year to Date Non-QE Investment Income	2,674,721.23	
Total Non-QE Unrestricted Net Assets	50,662,240.34	
Quasi-Endowment 7/1/2018 Balance	17,511,975.42	
Transfer to Liquidity for Operations	(319,980.00)	3,463,416.00
Year-to-date QE Investment Income	788,694.77	
Total QE Unrestricted Net Assets	17,980,690.19	
Total Unrestricted Net Assets		68,642,930.53
Temporarily Restricted Net Assets	400,753.72	
Year to Date Temporarily Restricted Income	3,991.82	
Total Temporarily Restricted Net Assets		404,745.54
Total Net Assets		69,047,676.07
TOTAL LIABILITIES & NET ASSETS		<u><u>\$ 75,582,041.41</u></u>

SAN BRUNO

Community Foundation

July 2019

Budget Narrative

This report primarily describes amounts in column a (Actual Year to Date) of the monthly Budget Report. When projections vary from Budget (column b), the changes will be reflected in columns d (Final Expected Amount) and e (Change in Budget), and also be explained. First month equals 8.3% of the fiscal year.

INCOME

Line 1 Transfers from Quasi Endowment – Transfers planned for later in the year, coinciding with Community Grants and Scholarships payments.

Line 2 Transfers from Strategic Pool – First transfer of the year, \$700,000, is 14.6% of budget.

Line 4 Interest Income – \$748 is 7.9% of budget. Liquidity Pool – Operating balance is currently \$427,546.

EXPENSES

Line 10 Subtotal Direct Program Expenses – There were no Grants or Scholarships awarded in July.

Line 11 Salaries & Wages – Expense is exactly on budget at 8.3%.

Line 12 Payroll Taxes & Benefits – Expense (\$2,085) is 9.3% of budget. Social Security/Medicare (\$1,225) is the largest cost and will be lower at the end of the calendar year. Other costs include retirement (\$801).

Line 14 Occupancy – Only cost is office lease (\$1,254). Amount is 8% of budget.

Line 15 Insurance – Total (\$1,507) is exactly on budget and includes Directors & Officers (\$1,198) and crime (\$213) policies.

Line 16 Telecommunications – Cost (\$151) is 7.9% of budget.

Line 17 Postage & Shipping – Cost (\$22) is 1.1% of budget.

Line 18 Marketing & Communications - \$29 expense is 0.2% of budget.

Line 19 Office Supplies & Equipment – Total (\$14) is 0.3% of budget.

Line 20 Legal Fees – \$60 expense is 0.2% of budget.

Line 21 Accounting & Payroll Fees – Total (\$1,503) is 4.4% of budget and is entirely for Accounting Consultant.

Line 22 Other Consultants - Cost (\$2,280) is 4.5% of budget and is for Program Support (\$1,890) and Technology (\$390) consultants.

Line 23 Travel, Meetings & Conferences – \$375 expense is 8.7% of budget.

Line 24 Miscellaneous – Cost (\$499) equals 21.7% of budget with an organizational membership (\$400) representing most of the cost.

SUMMARY

Excluding the budget for Scholarships & Grants, total expenses are at 6.4% of budget, which is well below 8.3% benchmark for the first month of the year. In terms of dollars, the \$25,792 in first month expense is \$7,761 less than the one-month budget allocation.

The Fidelity Liquidity Pool – RAC, was created with a \$10 million July 2018 transfer. The balance as of July 31, 2019 is \$10,275,657, including market value gain of \$24,594 in July.

Total July Investment net income or increase in value is \$254,315. This came from the Strategic Pool (\$147,007), Quasi Endowment (\$82,714), and Liquidity Pool – RAC (\$24,594).

Overall organization year to date net income or increase in net assets is \$229,269.

Total Net Assets, as of July 31, 2019 are \$69,276,945 with \$18,063,404 in Quasi Endowment; \$50,808,796 in general Unrestricted funds; and \$404,745 in Temporarily Restricted Net Assets.

SAN BRUNO

Community Foundation

July 2019 2019-2020 Budget Report

	(a)	(b)	(c)	(d)	(e)
	Actual Year to Date	Budget	Actual as % of Budget (a/b)	Final Expected Amount	Change in Budget (d - b)
INCOME & TRANSFERS					
1 Transfers from Quasi Endowment	\$ -	\$ 317,510	0.0%	\$ 317,510	\$ -
2 Transfers from Strategic Pool	700,000	4,781,214	14.6%	4,781,214	-
3 Restricted Donations	-	-	-	-	-
4 Interest Income	748	19,329	3.9%	19,329	-
5 Total Available for Operations	700,748	5,118,053	13.7%	5,118,053	-
EXPENSES					
6 Crestmoor Scholarships	-	120,000	0.0%	120,000	-
7 Community Grants	-	200,000	0.0%	200,000	-
8 Strategic Grants	-	808,545	0.0%	808,545	-
9 Other Grants	-	10,000	0.0%	10,000	-
10 Subtotal Direct Program Expenses	-	1,138,545	0.0%	1,138,545	-
11 Salaries & Wages	16,013	192,156	8.3%	192,156	-
12 Payroll Taxes & Benefits	2,085	22,485	9.3%	22,485	-
13 Subtotal Personnel Expenses	18,098	214,641	8.4%	214,641	-
14 Occupancy	1,254	15,690	8.0%	15,690	-
15 Insurance	1,507	18,085	8.3%	18,085	-
16 Telecommunications	151	1,920	7.9%	1,920	-
17 Postage & Shipping	22	2,000	1.1%	2,000	-
18 Marketing & Communications	29	14,638	0.2%	14,638	-
19 Office Supplies & Equipment	14	5,325	0.3%	5,325	-
20 Legal Fees	60	38,471	0.2%	38,471	-
21 Accounting & Payroll Fees	1,503	34,160	4.4%	34,160	-
22 Other Consultants	2,280	51,080	4.5%	51,080	-
23 Travel, Meetings & Conferences	375	4,330	8.7%	4,330	-
24 Miscellaneous	499	2,300	21.7%	2,300	-
25 Subtotal Non-Personnel	7,694	187,999	4.1%	187,999	-
26 Total Expenses	25,792	1,541,185	1.7%	1,541,185	-
27 Net Surplus/(Loss)	\$ 674,956	\$ 3,576,868		\$ 3,576,868	\$ -

SAN BRUNO

Community Foundation

Statement of Financial Position as of July 31, 2019

ASSETS

Cash, Wells Fargo General	\$ 5,074.42	
Cash, Wells Fargo Payroll	24,625.09	
Cash, Wells Fargo Savings	104,073.70	
Cash, Fidelity Liquidity Pool - Operating	1,041,546.47	
Total Cash		1,175,319.68
Investments, Fidelity Liquidity Pool - RAC	10,275,657.02	24,594.39
Investments, Fidelity Strategic Pool	46,232,818.74	
Investments, Fidelity Quasi-Endowment	18,063,403.58	
Accrued Interest Receivable	675.35	
Total Investments		74,572,554.69
Prepaid Rent	1,254.22	
Prepaid Insurance	12,595.00	
Total Other Current Assets		13,849.22
Deposits	1,253.45	
Total Other Assets		1,253.45
TOTAL ASSETS		<u>\$ 75,762,977.04</u>

LIABILITIES & NET ASSETS

LIABILITIES

Accounts Payable	9,703.70	
Accrued Grants Payable	6,301,547.38	
Accrued Scholarships Payable	160,000.00	
Accrued Employee PTO	14,780.80	
Total Liabilities		6,486,031.88

NET ASSETS

Unrestricted, Non-QE 7/1/2019 Balance	50,662,240.34	
Year to Date Net Income from Operations	(25,046.05)	
Year to Date Strategic Investment Income	171,601.75	
Total Non-QE Unrestricted Net Assets	50,808,796.04	
Quasi-Endowment 7/1/2019 Balance	17,980,690.19	
Year-to-date QE Investment Income	82,713.39	
Total QE Unrestricted Net Assets	18,063,403.58	
Total Unrestricted Net Assets		68,872,199.62
Temporarily Restricted Net Assets	404,745.54	
Total Temporarily Restricted Net Assets		404,745.54
Total Net Assets		<u>69,276,945.16</u>
TOTAL LIABILITIES & NET ASSETS		<u>\$ 75,762,977.04</u>

SAN BRUNO

Community Foundation

Memorandum

DATE: August 30, 2019

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Report from Investment Committee and Presentation from Sand Hill Global Advisors, LLC, Regarding SBCF's Investment Portfolio

The September 4, 2019, Board meeting will include a report from the Investment Committee regarding its recent quarterly meeting and a presentation from the Foundation's investment adviser, Sand Hill Global Advisors, LLC.

1. Investment Committee Report

Investment Committee Chair Tim Ross will give a brief report from the Investment Committee's most recent quarterly meeting, which took place on August 21, 2019.

At the meeting, Sand Hill Global Advisors CEO Brian Dombkowski and Senior Wealth Manager Kristin Sun gave an overview of the firm's investment outlook and economic forecast for the third quarter of 2019 and presented the second-quarter performance of the Foundation's investment portfolio. As of June 30, 2019, the Foundation's three investment accounts had the following balances: \$17,992,176 for the Quasi-Endowment, \$46,833,894 for the Strategic Pool, and \$10,600,536 for the Liquidity Pool. Mr. Dombkowski and Ms. Sun also reviewed performance data of the underlying funds in the Foundation's Quasi-Endowment, Strategic, and Liquidity pools.

2. Presentation from Sand Hill Global Advisors

On September 4, Mr. Dombkowski will give Sand Hill's annual presentation to the Board. Under the Investment Operating Plan, Sand Hill is obligated to present to the Board on an annual basis. This presentation typically takes place at the September Board meeting, following the Investment Committee's meeting in the quarter following the end of the fiscal year. This timing allows Sand Hill to cover the Foundation's investment portfolio performance for the previous fiscal year (which ends on June 30) as well as give its plans for the Foundation's portfolio and its perspective on the economic outlook for the current fiscal year.

The attached set of PowerPoint slides gives a preview of Sand Hill's presentation, which will cover (a) Sand Hill's investment outlook, (b) the structure of the Foundation's investment

SAN BRUNO

Community Foundation

Memorandum

portfolio, (c) the performance of the Foundation's investment portfolio, and (d) an update on Sand Hill.

Attachment:

1. Slides for Sand Hill Global Advisors' 2019 Annual Report to the SBCF Board of Directors

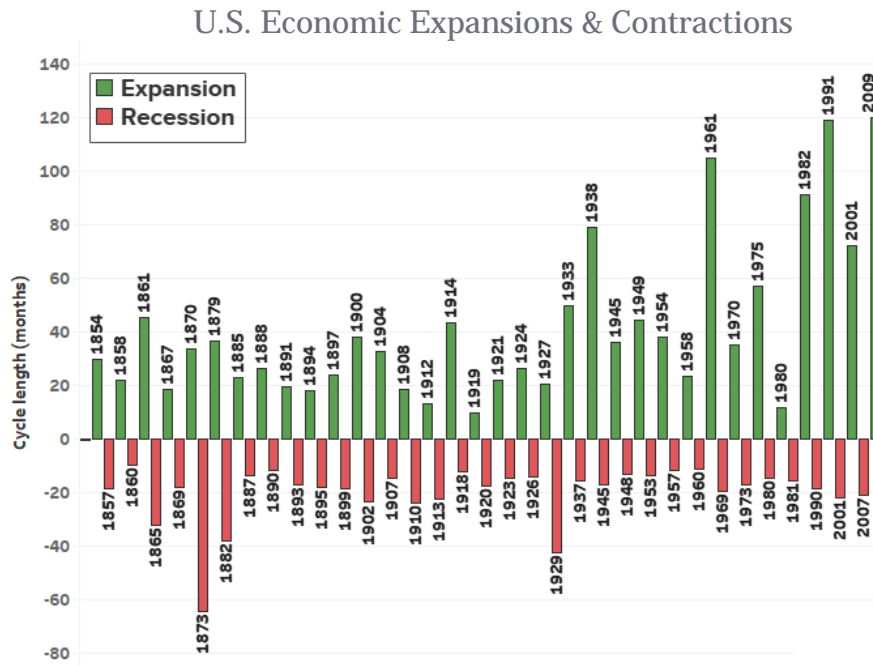


2019 Annual Report to the SBCF Board of Directors

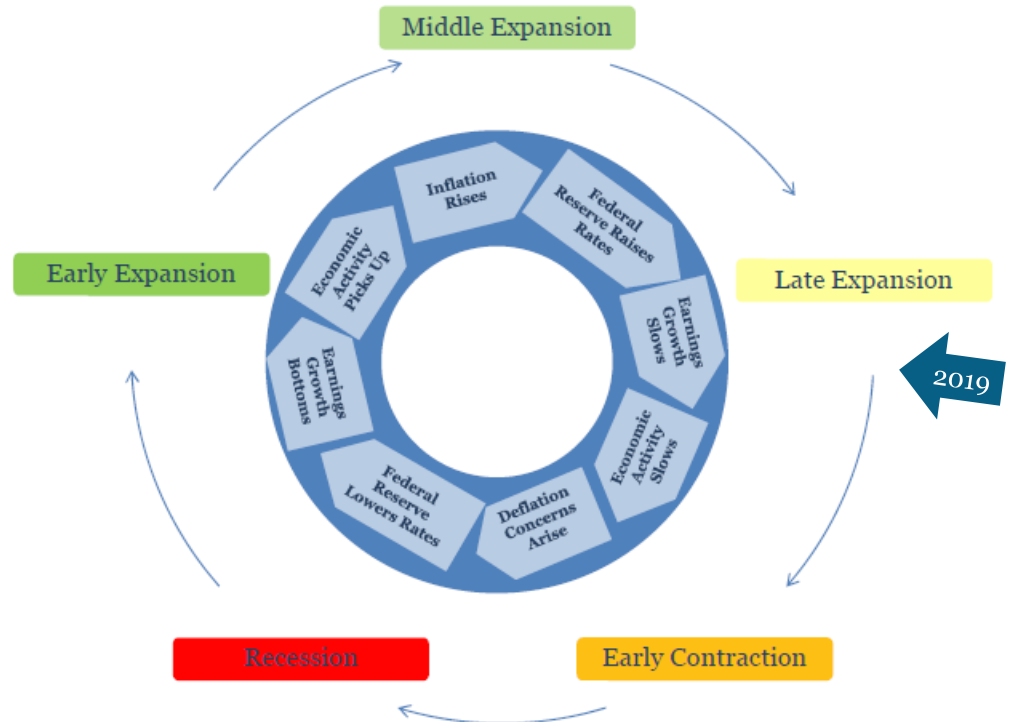
September 4th, 2019

For one-on-one presentations only. Not to be distributed to the general public.

SHGA Economic and Market Overview

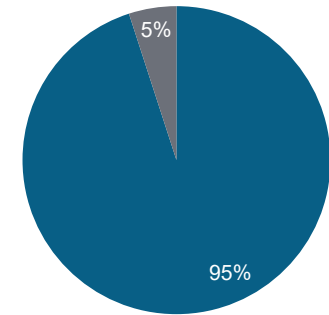
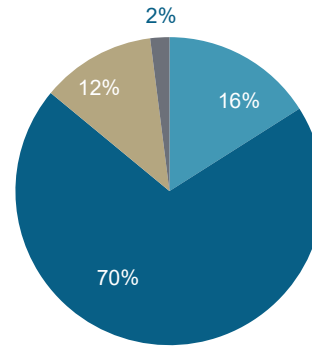
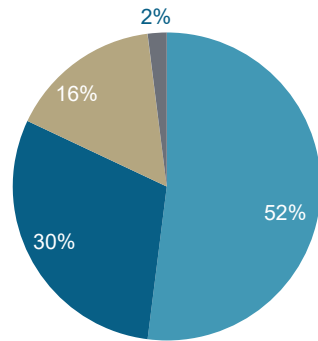
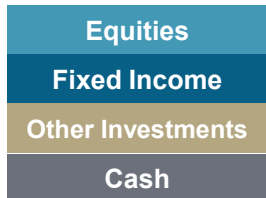


Source: National Bureau of Economic Research (year indicates start of cycle)



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SBCF Asset Allocation



Initial Funding Value:

Quasi-Endowment Custom Balanced

\$15,000,000

Risk Tolerance:

Moderately Conservative

Time Horizon:

Long-Term

Cash Flows

Up to 7% Per Year

Objective(s):

Capital Appreciation
Capital Preservation

Strategic Pool Custom Conservative

\$53,528,384¹

Conservative

Mid-Term

100% within next 4-7 Years

Capital Preservation
Capital Appreciation

Liquidity Pool Short-Term Cash & Fixed Income

\$1,345,290

Conservative

Short-Term

100% within 24 months

Capital Preservation



Note: Pie graphics depict the Strategic Asset Allocation weightings for each strategy.
Sand Hill Global Advisors. All rights reserved.

(1) SBCF's Initial funding took place over multiple dates. The value reflected is the aggregate of the May 31, 2016 statement values plus subsequent transfers into SBCF accounts.

SBCF Portfolio Update

	<u>Quasi-Endowment</u>		<u>Strategic Pool</u>		<u>Liquidity Pool</u>	
<i>6/30/19 Balance ¹</i>	\$17,992,176		\$46,833,894		\$10,600,536	
<i>6/30/19 Allocation:</i>	<u>Current</u>	<u>Target</u>	<u>Current</u>	<u>Target</u>	<u>Current</u>	<u>Target</u>
<i>Stocks</i>	56%	52%	16%	16%	0%	0%
<i>Bonds</i>	31%	30%	70%	70%	99%	95%
<i>Other Assets</i>	11%	16%	12%	12%	0%	0%
<i>Cash</i>	2%	2%	2%	2%	1%	5%
<i>6/30/19 Performance:</i>						
<i>1 Year</i>	4.58%		5.46%		2.61%	
<i>Since Inception ²</i>	7.45%		3.53%		1.89%	
<i>Portfolio Within</i>						
<i>IPS & IOP Guidelines:</i>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	



(1) The ending balances listed include late-posted dividends and trade date values. They may not directly reflect the custodian's statement value.
 (2) Performance shown is net of fees. Annualized performance since inception. Inception date on all portfolios was 5/31/2016.
 Sand Hill Global Advisors. All rights reserved.

SBCF Portfolio Balance Update

Balance History:

Initial Combined Funding Value:	\$69,873,674
Total Withdrawals Since Inception:	(\$3,829,381)
6/30/19 Combined Value:	\$75,426,606
Change in Portfolio Value Since Inception:	\$5,552,932
Total Value Added Since Inception:	\$9,382,313

Community Benefits Supported:

- Crestmoor Memorial Scholarships
- Community Grants Fund
- Recreation and Aquatics Center
- First Responder Effectiveness
- San Bruno Community Day 2016-2019
- Music Education Initiative
- Pedestrian Safety Initiative
- Florida Avenue Park Development
- SBPSD Schools Transformation Grant

Current Balance Information¹:

Quasi-Endowment Pool:	\$17,788,148
Strategic Pool:	\$46,569,822
Liquidity Pool:	\$10,732,824
Total Combined Value:	\$75,090,794

Estimated Performance²:

<u>Quarter To Date</u>	<u>2019 Year to Date</u>
(1.27%)	10.27%
0.83%	7.79%
0.38%	2.16%



(1) Current balance information as of 8/28/19.

(2) Performance shown is net of fees. Estimated Performance as of 8/28/19.
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Note: The ending balances listed include late-posted dividends and trade date values. They may not directly reflect the custodian's statement value

Sand Hill Global Advisors: Firm Update

Firm Updates Since Last Report:

- Over \$2.3 billion in Assets Under Management (AUM) as of June 30, 2019.
- 25 employees, including 11 internal shareholders.
- No turnover of professional staff outside of retirement.
- Sand Hill remains committed to our role as an independent fiduciary.
- We are honored to continue to work on behalf of the Foundation and the San Bruno community.



Thank You

For more information visit:

sandhillglobaladvisors.com

SAN BRUNO

Community Foundation

Memorandum

DATE: August 30, 2019

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Report on Music Education Strategic Initiative

In May 2017, the Board approved strategic grants to the San Bruno Education Foundation (SBEF) and the Capuchino High School Alumni Association (CHSAA) totaling \$495,000 to support implementation of the Music Education Strategic Initiative, with the goal of making music education a hallmark of San Bruno's public schools.

In June 2017, per the terms of the two grant agreements, the Foundation made the first-year installments of the strategic grants to the San Bruno Education Foundation (SBEF) (\$201,618) and the Capuchino High School Alumni Association (CHSAA) (\$90,820). The Foundation made Year 2 payments of \$97,480 to SBEF and \$16,860 to CHSAA in June 2018. This past June the Foundation made its final payments of \$79,792 to SBEF and \$8,430 to CHSAA.

At this juncture – more than two-thirds into the three-year grant period – I have invited representatives of SBEF and CHSAA to report on activities funded by the initiative and plans for sustaining the music programs once SBCF funding sunsets. On September 4, 2019, SBEF Vice President Bryan Vander Lugt and CHSAA Vice President Judy Puccini will share with the Board highlights from the second year of the initiative and preview activities for the third year, including plans for continuing "Music in the Air," which serves as a both a community showcase for music in San Bruno's public schools and a fundraising vehicle for the music programs.

SAN BRUNO

Community Foundation

Memorandum

DATE: August 30, 2019

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

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

In March 2018, the Board created the Ad Hoc Committee on Recreation and Aquatics Center Project to serve as the Foundation's liaison to the City of San Bruno in the design and construction of a new recreation and aquatics center in San Bruno City Park, to be funded by up to \$50 million in strategic grants from the Foundation. On behalf of the Committee, President Frank Hedley will provide an update on the Recreation and Aquatics Center (RAC) project at the September 4, 2019, Board meeting. Board Member Nancy Kraus also sits on the Committee.

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

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

In December 2018, the City finalized its contract with Group 4 Architecture, Research + Planning for architectural services for Phase 2 (schematic design and construction documents) and for support services through Phase 3 (construction). Following execution of the contract, in January 2019 the Foundation and the City executed the second grant agreement for the project, to cover the costs associated with architectural design and support costs for the remainder of the project for an amount not to exceed \$5,420,388. The grant period runs through March 2022. Grant payments are being made on a quarterly basis, based on a progress report submitted by the City each quarter outlining expenses incurred. Thus far the Foundation has paid two quarterly payments totaling \$736,371.19. The second payment, in the amount of \$466,030.57, was disbursed to the City in August.

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

On March 6, the Board approved a strategic grant to the City for project and construction management services on the project in an amount not to exceed \$1,079,000 and authorized me as Executive Director to finalize and execute on behalf of the Foundation a grant agreement setting forth the specific terms and conditions, including the specific grant purposes, for such a grant to the City. On March 12, the City Council approved a contract with Griffin Structures, which the City selected after a Request for Proposal process, for an amount not to exceed \$1,079,000. In mid-May, the Foundation and the City executed the third grant agreement for the RAC project, to cover the costs associated with project and construction management services for the duration of the project for an amount not to exceed \$1,079,000. The grant period runs through December 2022, and the reporting and disbursement schedule follows same schedule as for RAC Grant #2. Upon receipt of the quarterly report, the Foundation disbursed the first payment for this grant, in the amount of \$19,585.56, in August.

3. Schematic Design Update

The project's schematic design phase continues, led by Group 4. During schematic design, the architects build upon the conceptual design with more concrete design plans and building specifications with consideration for the building's program elements, project schedule, and project budget. As part of this phase, the project is proceeding through the California Environmental Quality Act (CEQA) process, which requires the City to identify the significant environmental impacts of the project and to avoid or mitigate those impacts, if feasible. The City is also looking into options for temporary facilities to house the recreation programs during the construction phase and hope to have preliminary plans in place in the coming months. The City and Group 4 remain focused on the project budget as well as the business plan for operating the building once it is completed, making sure the design decisions being made are consistent with both.

SAN BRUNO

Community Foundation

Memorandum

DATE: August 30, 2019

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Report from Ad Hoc Committee on Crestmoor Scholarship

At its June meeting, the Foundation Board created the Ad Hoc Committee on Crestmoor Scholarship, consisting of Board Member Patricia Bohm as Committee chair and Secretary John McGlothlin and Board Member Nancy Kraus as Committee members. The Committee is charged with evaluating the Crestmoor Neighborhood Memorial Scholarship program and proposing adjustments to the program in order to better achieve its goals of honoring the Crestmoor neighborhood and assisting outstanding San Bruno students in seeking post-secondary educational opportunities. Such adjustments may relate to the program's scope, requirements, guidelines, implementation, and/or budget. On September 4, Chair Bohm will update the Board on the Committee's activities this summer and solicit feedback from the Board.

1. Program Review

The Committee initially reviewed the current program – categories of awards, criteria, application process, outreach strategy, applicant pool, review and selection process, and list of scholarship winners. In general, the Committee concluded that the program has been successful in meeting its program goals. At the same time, the Committee identified and considered several items for discussion based on that review:

- High School to Community College Category: How can we increase outreach to obtain a stronger applicant pool?
- Community College to Four-Year College Category: How can we improve outreach to attract more applicants with broader San Bruno community (vs. Skyline only) engagement?
- Size of Individual Scholarship Awards: Should we increase award sizes, taking inflation into consideration? If so, by how much and when?
- Overall Program Budget: Should we increase the total award amount of \$120,000? If so, by how much and how do we divide the increase among the three categories?
- Other Sources of Funding: Can we attract community partners to support the program?

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- Supporting Other Post-Secondary Educational and Vocational Training Programs: Is this an area of interest? If so, what is the best strategy for supporting these efforts? Expand the Crestmoor Scholarship? Provide strategic grant to programs offering such opportunities to San Bruno residents?

The Committee then researched these questions and carefully deliberated over options for enhancing and fine-tuning the program.

2. Proposed Recommendations

On September 4, the Committee will share with the full Board the proposed recommendations related to the Crestmoor Scholarship that it is developing and solicit the Board's feedback. With that input, the Committee will conduct further research and analysis as necessary to refine its recommendations, for presentation to the Board for approval at its November 6 meeting. The current list of proposed recommendations includes:

a. No Significant Changes to the Current Structure of the Program

As mentioned above, the Committee feels that the Crestmoor Scholarship program has been a success and currently runs well under its current guidelines and structure. Over the past four years, the Scholarship has developed a reputation as a prestigious community award that not only recognizes community engagement and supports young leaders in obtaining a college degree, but also deeply honors the Crestmoor Neighborhood and those who most directly suffered from the 2010 gas pipeline explosion. The application process, criteria, and review process have all functioned well. Selection Panelists have been complimentary in how staff manages the review and selection process.

b. Enhance Outreach Efforts, Specifically Regarding the High School to Community College and Community College to Four-Year College Categories

Executive Director Leslie Hatamiya and Program Consultant Stephanie Rutgers have met with Capuchino High School Principal Jesse Boise about new ideas for promoting the Crestmoor Scholarship at Capuchino and are already implementing many of his suggestions. These new steps include:

- Participation in Senior Family Night in October (Scholarship mentioned in slide presentation; SBCF staff to attend and hand out information and answer questions)
- Participation in Lunchtime Tables and Opportunity Fair (February 2020)
- Direct outreach to club advisers, coaches, and humanities and AVID teachers

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- First-person testimonials from past Crestmoor Scholars (particularly those from the High School to Community College category)
- Creation of poster highlighting Crestmoor Scholars who are Capuchino alumni

Staff is also working on additional outreach at the community colleges, including:

- Advertising to Capuchino High School graduates through the Capuchino High School Alumni Association
- Expand outreach network at San Mateo County Community Colleges to include deans of counseling, advising, and matriculation in addition to the financial aid offices
- Outreach to community college coaches

In addition, staff is in contact with the City's Community Services Department staff about placing an advertisement soliciting Crestmoor Scholarship applications in the winter "Activity Guide" that is mailed to all San Bruno residents.

These new outreach ideas are in addition to the marketing staff currently undertakes, including the posting of flyers and posters at community gathering places, municipal buildings, and businesses throughout San Bruno, mailing posters and flyers to an extensive list of area high schools and community colleges attended by San Bruno residents, posting about the scholarship program on social media, promoting the program in Foundation email blasts, and outreach through personal and professional networks.

c. Increase Program Budget

The Committee is proposing a Crestmoor Scholarship program disbursement budget increase from \$120,000 per year to \$160,000 per year. This increase of \$40,000 would enable the Foundation to award two additional scholarships (from four to six) each year in the highly competitive High School to Four-Year College category, which historically has attracted the largest and strongest applicant pool. Every year the Selection Panel has been impressed with these applicants and lamented the fact that it could not give additional awards in this category. Given the success of the program, Board members have also expressed a desire to increase the number of scholarships awarded.

To determine the size of the recommended increase, the Committee – with the assistance of analysis from Treasurer Tim Ross and Kristin Sun, our representative at Sand Hill Global Advisors – looked at various increases to the scholarship budget and its effect over the long-term once the Foundation is funded exclusively from investment income from the Quasi-

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Endowment. The thinking behind this analysis is that it would not be prudent to increase the program budget if such an increase is not sustainable over the long term, when the Foundation's main revenue source for all programs and operations is investment income from the Quasi-Endowment. The attached one-pager highlights the impact of various annual expenditure levels as a percentage of the value of the Quasi-Endowment. This analysis assumes that investment income from the Quasi-Endowment is the Foundation's sole source of revenue and that the Community Grants Fund remains at its current annual level of SBCF funding (\$200,000) and that operating expenses are \$400,000 (FY 2019-2020 budget is at \$402,000). An assumption is that once the Foundation has spent \$50 million on the City's new recreation and aquatics center, it will be able to slightly scale back its operating expenses, but inflation must also be considered, so \$400,000 is a safe placeholder in this simplified model for operating expenses. The model also assumes that the annual payout from the Quasi-Endowment should remain below 5% for the portfolio to support the Foundation in perpetuity.

Given the current size of the Quasi-Endowment (about \$18 million) and the potential for increased volatility in the market in the coming years, Treasurer Ross, Ms. Sun, and I suggested that the Committee consider an increase in the Crestmoor Scholarship annual budget no greater than \$40,000. The Committee agreed with this suggestion and would like to get the full Board's reaction to a proposal to award two additional scholarships in the High School to Four-Year College category each year beginning in 2020.

Please note that the Committee also considered increasing the size of each individual scholarship award, but has elected not to make such a recommendation. In comparison to other scholarships available, the Crestmoor Scholarship is quite substantial in size, especially given the multi-year nature of the award (many scholarships are single-year awards). For those headed to community college, the Skyline Promise Scholars Program at Skyline College and comparable programs at College of San Mateo and Cañada College – which provide fee waivers, textbook vouchers, transportation assistance, and academic and counseling support to full-time students attending community college for the first time and enrolled in degree or certificate programs – provide a significant alternative source of funding.

d. Actively Solicit External Funding Sources to Support Program

The Committee is also investigating additional funding sources for the Crestmoor Scholarship that would supplement the Foundation's funding, much like how grants from Google.org/YouTube grants have increased the grant funds the Foundation is able to disburse through the Community Grants Fund. Committee members are in the process of approaching a small number of local businesses about their interest in supporting the program.

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As part of our recommendation to increase the Crestmoor Scholarship budget by no more than \$40,000, Treasurer Ross, Ms. Sun, and I strongly support the Committee's interest in securing additional funding to at least partially fund any increase. Our analysis assumes that the three primary categories of expenses are the Crestmoor Scholarship, Community Grants Fund, and operating expenses, but we also believe that the Foundation will likely want to consider strategic grantmaking opportunities that may arise. To the extent that some portion of Crestmoor Scholarship disbursements is supported by donations and not just Quasi-Endowment investment income, over the long-term the Foundation will have more budget flexibility to fund additional strategic grants benefiting the community.

The Committee envisions two possible models for sponsorship of the program. The first would enable a donor to underwrite a scholarship award – for example, commit \$20,000 (\$5,000 per year for four years) to support a High School to Four-Year College scholar and have that scholarship named after the funder (*e.g.*, a specific winner would be considered the “Company X Crestmoor Scholar”). All Crestmoor Scholars, even named scholars, would be selected through the usual review process by the Selection Panel, although the Foundation might attempt to match a donor with a winner with qualities of interest to the funder (*e.g.*, a technology company donor might be interested in a Crestmoor Scholar planning to major in a STEM field). Under the second model, a donor would make a donation supporting the entire Crestmoor Scholarship program in a given year, but not specific scholars. This model would mirror Google.org/YouTube's support for the Community Grants Fund, where Google.org and YouTube make a \$100,000 donation to the program overall and specific grant awards are not considered Google.org/YouTube Community Grants. In its preliminary research, the Committee is gauging which model might be more attractive to potential funders. The Committee looks forward to hearing feedback from the Board about these proposed fundraising strategies and any possible limits the Board might want to place on them.

At least in this initial year of fundraising for the Crestmoor Scholarship, the proposed program budget would remain at \$160,000 (from \$120,000), so that the new funding would contribute to the program budget increase. This strategy would prevent the program from growing too quickly or at an unsustainable rate and allow the Foundation to test interest in this funding opportunity with community partners.

e. Propose Creation of Ad Hoc Committee on Vocational Education Strategic Initiative

Since the Crestmoor Scholarship was created in 2016, Board members as well as community members have expressed interest in also supporting individuals who seek job-specific vocational training (rather than the more traditional, academic four-year college route or attending community college with the intent of transferring to a four-year college). Staff has explored ideas for including vocational training programs as part of the Crestmoor Scholarship

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but is concerned about the challenges of administering a scholarship program for vocational training, given the diversity of possible fields (ranging from the various construction trades to auto repair to culinary arts to health services to information technology, to name a few) and the different training programs associated with those fields, with different costs, schedules, and length of training. Outreach to potential applicants – who might include both recent high school graduates as well as adults looking at second or third careers – would also be significantly more challenging than the outreach required for the current Crestmoor Scholarship, which is focused on local high schools and community colleges. When it comes to vocational training, one size does not fit all, and it would likely be difficult to create a small number of categories as we have done with the current Crestmoor Scholarship.

Given San Bruno's working class roots and the need for more trained workers in many trades on the Peninsula today, the Committee acknowledges the interest in expanding the Foundation's support for education and training beyond the traditional college route and recommends investigating other ways to provide this support than adding a vocational training component to the Crestmoor Scholarship. Instead, the Committee would like to propose the creation of an ad hoc committee to research and develop a proposal to partner with experienced organizations that are already working in the field of vocational education and invest in those programs in a way that increases opportunities for participation for San Bruno residents. Such a "Vocational Education Strategic Initiative" could involve significant grant funding to partner organizations that provide and facilitate vocational training with the goal of increasing outreach to San Bruno residents for existing programs and bringing new vocational training opportunities to San Bruno. Much like the ad hoc committee that envisioned the Music Education Strategic Initiative, a new ad hoc committee would convene community stakeholders and potential community partners to devise a plan to boost vocational training opportunities in San Bruno.

On September 4, the Committee will further explain these recommendations and solicit feedback from the Board. The Committee looks forward to hearing the full Board's thoughts on the ideas outlined above.

Attachments:

1. Quasi-Endowment Payout Analysis

August 2019 Scholarship Program Analysis

Current Annual Scholarship Awards: \$120,000
 Current Annual Community Grants: \$200,000
Approximate SBCF Operating Costs: \$400,000
Aggregate Annual Expenditures: \$720,000

Proposed Annual Scholarship Awards: \$160,000
 Current Annual Community Grants: \$200,000
Approximate SBCF Operating Costs: \$400,000
Aggregate Annual Expenditures: \$760,000

- Annual withdrawals from the Quasi-Endowment Pool should remain below the 5% level for the portfolio to support the Foundation into perpetuity.
- The below matrix shows the impact of various annual expenditure levels as a percentage of the value of the Quasi-Endowment.
- As the Quasi-Endowment grows, the ability to withdraw more funds annually increases as well.
- Likewise, if the portfolio value falls, the Foundation's ability to sustain increased spending would be in jeopardy.
- For context, the June 30, 2019 Quasi-Endowment Portfolio Value was \$17,992,176. This is shown in the blue box below.

		Quasi-Endowment Balance						
		\$14,000,000	\$15,000,000	\$16,000,000	\$17,000,000	\$18,000,000	\$19,000,000	\$20,000,000
Annual Expenses	\$700,000	5.0%	4.7%	4.4%	4.1%	3.9%	3.7%	3.5%
	\$720,000	5.1%	4.8%	4.5%	4.2%	4.0%	3.8%	3.6%
	\$740,000	5.3%	4.9%	4.6%	4.4%	4.1%	3.9%	3.7%
	\$760,000	5.4%	5.1%	4.8%	4.5%	4.2%	4.0%	3.8%
	\$780,000	5.6%	5.2%	4.9%	4.6%	4.3%	4.1%	3.9%
	\$800,000	5.7%	5.3%	5.0%	4.7%	4.4%	4.2%	4.0%
	\$820,000	5.9%	5.5%	5.1%	4.8%	4.6%	4.3%	4.1%
	\$840,000	6.0%	5.6%	5.3%	4.9%	4.7%	4.4%	4.2%
Current								

SAN BRUNO

Community Foundation

Memorandum

DATE: August 30, 2019

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

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

At the September 4, 2019, Board meeting, Program Consultant Stephanie Rutgers and I will give an update on the Community Grants Fund and other strategic grants.

1. Community Grants Fund

The 2019-2020 cycle of the Community Grants Fund launched at the beginning of July. This cycle is following the same timeline as the last three years – online application available at the beginning of July, a late September application deadline (Wednesday, September 25), and Board consideration of the review panel’s recommendations at the December Board meeting.

Program posters and flyers (see attached) have been posted around town since early July.

Thus far we have conducted one grant workshop on August 20, which was well attended. A second grant workshop will be held on September 9 in Room 115 at San Bruno City Hall, from 6:00 to 7:00 p.m. As in past years, we have compiled questions asked at the grant workshops and answered them in an “FAQs” document posted on the website.

Ms. Rutgers and I have been assembling the volunteer Community Grant Review Panel, which will evaluate the completed grant applications and make a recommendation on grant awards to the Board for consideration in December. We expect to have a panel of 12-14 people consisting of community members and individuals with nonprofit grantmaking experience.

As you will recall, in June the Board approved a \$200,000 program disbursement budget for this year’s program. In addition, at the end of June, YouTube and Google.org confirmed that they are providing \$100,000 in funding to the Community Grants Fund again this year. As a result, the Foundation plans to distribute a total of \$300,000 in Community Grants in December.

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2. Other Strategic Grants

a. First Responder Effectiveness Strategic Initiative

In June, the Board approved a second grant to the City of San Bruno under the First Responder Strategic Initiative, in an amount not to exceed \$303,545, to cover costs related to the acquisition of a mobile command vehicle that can be deployed at the scene of a critical incident, natural disaster, or planned large-scale event. The San Bruno Police Department is working with the vendor to finalize plans for the mobile command vehicle, and City staff plans to bring the contract with the vendor for construction and acquisition of the vehicle to the City Council for approval in the near future. Once the contract is fully executed, the Foundation and the City will finalize and execute the grant agreement for this project.

b. Community Day 2019

As reported previously, Community Day was held on Sunday, June 2, 2019, at San Bruno City Park in conjunction with the San Bruno Lions Club's annual Posy Parade. In addition to providing grant funding of up to \$30,000, the Foundation assisted the City in soliciting sponsorships from other community partners. The Foundation received sponsorship donations totaling \$17,500 from the Sammut Family Foundation (\$10,000), YouTube (\$5,000), Recology San Bruno (\$1,500), and OMARSHALL Inc. (\$1,000), while the City received sponsorships directly from Skyline College (\$5,000), San Bruno Police Officers Association (\$2,500), Donor in Memory of Carolyn Livengood (\$1,000), The Watson-Marshall Group (\$1,000), San Francisco Police Credit Union (\$1,000), Camp St. Andrews (\$1,000), San Bruno Lions Club (\$1,000), San Bruno Fire (\$500), San Bruno Rotary Club (\$500), and San Bruno Youth Baseball (\$500). We expect to receive the City's grant report for Community Day soon, after which we will disburse the grant payment based on expenses detailed in the grant report.

c. School Transformation Strategic Grant

At the June 5 Board meeting, the Board received an update on the School Transformation Strategic Grant to the San Bruno Education Foundation from then-San Bruno Park School District Superintendent Stella Kemp. Dr. Kemp gave highlights of the two programs funded by the grant, the SEAL literacy program at Belle Air and Allen Elementary Schools and the collaboration between Parkside Intermediate School and Partners in School Innovation. The grant period concluded at the end of June, and we expect to receive the grant report by the end of September.

Attachments:

1. 2019-2020 Community Grants Fund Poster
2. 2019-2020 Community Grants Fund Information Sheet (in English and Spanish)

SAN BRUNO

Community Foundation

If your community organization is enhancing the quality of life in San Bruno, apply for a Community Grant!

Community Grants Fund

Community groups may apply for grants of up to \$25,000 to support programs that benefit the San Bruno community.

To learn about the Community Grants Fund, eligibility requirements, full program guidelines, and the application process, visit www.sbcf.org or

Attend an Optional Grant Workshop

Tuesday, August 20
Monday, September 9

6:00-7:00 p.m.

San Bruno City Hall, Room 115
567 El Camino Real, San Bruno



Parkside Middle School students attend the Tech Trek science and math summer camp for girls held at Stanford University thanks to a Community Grant to the American Association of University Women (AAUW), North Peninsula Chapter

**Grant Application Deadline:
Wednesday, September 25, 2019**

SAN BRUNO



Community Foundation

COMMUNITY GRANTS FUND

APPLICATION DEADLINE: SEPTEMBER 25, 2019

APPLY ONLINE AT www.sbcf.org

The San Bruno Community Foundation has created the Community Grants Fund to support San Bruno community organizations. This responsive grantmaking program allows local community groups to apply for grant funding of up to \$25,000 for new or existing programs that **benefit the San Bruno community**. The Community Grants Fund operates annually.

The Community Grants Fund is funded with support from  **YouTube**  **Google.org**

APPLICATION CHECKLIST

- ✓ **Executive Summary:** Complete form with information about the Applicant Organization and the Community Grant Proposal
- ✓ **Narrative:** Respond to questions regarding:
 - Organizational Information
 - Purpose of Grant
- ✓ **Supporting Documentation:**
 - Marketing Collateral
 - Organization's Financial Statements from most recent fiscal year
 - Organization's Budget
 - Program Budget
 - Signature Page
 - *For 501(c)(3) public charities and 501(c)(4), 501(c)(5), and 501(c)(6) organizations:* Proof of federal tax-exempt status
 - *For 501(c)(4), 501(c)(5), and 501(c)(6) organizations:* Completed IRS Form 990, Schedule A, Part III and related documentation

GRANT WORKSHOPS

To learn about the Community Grants Fund application process, attend an optional workshop to be held at

**San Bruno City Hall, Room 115,
567 El Camino Real
6:00-7:00 p.m.**

**Tuesday, August 20
Monday, September 9**

ELIGIBLE ORGANIZATIONS

The Community Grants Fund is generally open to the following types of organizations that engage in activities that **benefit the San Bruno community**:

- 501(c)(3)* public charities
- 501(c)(4), 501(c)(5), and 501(c)(6) organizations that meet the public support tests described in 509(a)(2)
- Governmental units that are described in 170(b)(1)(A)

*All numerical references are to specific sections of the Internal Revenue Code.

The Foundation recommends that any organization with questions about eligibility for a grant in connection with the Community Grants Fund, particularly 501(c)(4), 501(c)(5), and 501(c)(6) organizations, contact Foundation staff prior to completing an application.

GRANT AWARDS

For the 2019-2020 grant cycle, the Foundation intends to award, in connection with the Community Grants Fund, multiple grants totaling \$300,000 that benefit a diverse cross-section of the San Bruno community. The number of grants provided will depend on a variety of factors, including the number and quality of applications received. Grants to an organization will not exceed \$25,000 in a grant cycle. Grant awards are to be used within a one-year period (the 2020 calendar year for this grant cycle).

ACTIVITIES ELIGIBLE FOR FUNDING

The Foundation offers two types of grant funding:

- Programmatic support
- Capacity-building support

FUNDING PRIORITIES

Applications must be for programs that (1) **benefit the San Bruno community** and (2) fall within one of the Foundation's focus areas:

- 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

CRITERIA

Grant Applications will be evaluated on a variety of factors, including but not limited to:

- Benefits of the proposed program to the San Bruno community
- Proposal's alignment with one of the Foundation's focus areas
- Program methodology and budget
- Requested grant amount in relation to the anticipated community benefit
- Organization's track record, stability, and financial health

Questions? Email grants@sbcf.org or call (650) 763-0775
For full program guidelines, please visit www.sbcf.org

SAN BRUNO

Community Foundation

EL FONDO DE SUBVENCIONES DE LA COMUNIDAD

PLAZO PARA SOLICITAR: 25 DE SEPTIEMBRE DE 2019

SOLICITE EN LÍNEA: www.sbcf.org

La Fundación de la Comunidad de San Bruno ha creado el Fondo de Subvenciones de la Comunidad para apoyar a las organizaciones de la comunidad de San Bruno. Este programa de subvenciones receptivo permite a los grupos de la comunidad local para solicitar fondos de subvenciones de hasta \$25,000 para programas nuevos o existentes que **benefician a la comunidad de San Bruno**. El Fondo de Subvenciones de la Comunidad opera anualmente.

El Fondo de Subvenciones de la Comunidad está financiado con el apoyo de  YouTube  Google.org

LISTA DE REQUISITOS

- ✓ **Sumario Ejecutivo:** Completar el formulario con la información sobre la organización solicitante y de la comunidad propuesta subvención.
- ✓ **Narrativa:** Responder a las preguntas con respecto:
 - Información de la organización
 - Propósito de la subvención
- ✓ **Documentos de soporte:**
 - Materiales de mercadotecnia
 - Los estados financieros de la organización de año fiscal más reciente
 - Presupuesto de la organización
 - Presupuesto del programa
 - Hoja de firma
 - Para 501(c)(3) caridades públicas y 501(c)(4), 501(c)(5), y 501(c)(6) organizaciones: Prueba de exenta de impuestos federales
 - Para 501(c)(4), 501(c)(5), y 501(c)(6) organizaciones: Forma completa IRS 990, Planificar A, Parte III y documentación relacionada

TALLERES DE SUBVENCIÓN

Para obtener información sobre el proceso de solicitud del Fondo de Subvenciones de la Comunidad, asistir a un taller opcional que tendrá lugar en el

Palacio Municipal de San Bruno,
la habitación, 115
567 El Camino Real
6:00-7:00 p.m.

Martes, 20 de agosto
Lunes, 9 de septiembre

ORGANIZACIONES ELEGIBLES

El Fondo de Subvenciones de la Comunidad está generalmente abierto a los siguientes tipos de organizaciones que se dedican a actividades en **beneficio de la comunidad de San Bruno**:

- 501(c)(3)* caridad pública
- 501(c)(4), 501(c)(5), y 501(c)(6) organizaciones que cumplan con las pruebas públicas de apoyo descritas en 509(a)(2)
- Las unidades Gubernamentales que se describen en 170(b)(1)(A)

* Todas las referencias numéricas son para secciones específicas del Código de Impuestos Internos.

La Fundación recomienda que cualquier organización con preguntas de derecho a una beca de conexión con el Fondo de Subvenciones de la Comunidad, en particular 501(c)(4), 501(c)(5), y 501(c)(6) organizaciones, se pongan en contacto con el personal de la Fundación antes de completar una aplicación.

SUBVENCIÓN

Para el 2019-2020 ciclo de subsidios, la Fundación propone adjudicar, en relación con el Fondo de Subvenciones de la Comunidad, múltiples subvenciones por un total \$300,000 que se benefician de un grupo diverso de la comunidad de San Bruno. El número de subvenciones concedidas dependerá de varios factores, incluyendo el número y la calidad de las solicitudes recibidas. Subvenciones a una organización no excederán de \$25,000 en un ciclo de subsidios.

La concesión de subvenciones se van a utilizar dentro de un período de un año (para el año 2020 del calendario para este ciclo de subsidios).

ACTIVIDADES ELEGIBLES

La Fundación ofrece dos tipos de subvenciones:

- Apoyo programático
- Apoyo para la creación de capacidad

LAS PRIORIDADES DE FONDOS

Las solicitudes deben ser para programas que (1) **beneficiará a la comunidad de San Bruno** y (2) dentro de una de las áreas de enfoque de la Fundación:

- Propiedad pública equipamientos comunitarios
- La salud y la seguridad de la comunidad
- Deportes y recreación
- Educación
- Actividades de los jóvenes
- Espacios públicos, parques y espacios abiertos
- Construir una comunidad
- Servicios humanos y sociales para todos
- Vitalidad económica
- Intra-San Bruno tránsito
- Vivienda económica, sana y estable

CRITERIOS

Las solicitudes de subvención se evaluarán a partir en una variedad de factores, incluyendo pero no limitado a:

- Beneficios del programa propuesto para la comunidad de San Bruno
- La alineación de la propuesta con una de las áreas de enfoque de la Fundación
- Metodología del programa
- Importe de la subvención solicitada en relación con el beneficio colectivo previsto
- Historia de la organización, la estabilidad y la salud financiera

¿Preguntas? Email grants@sbcf.org o llame al (650) 763-0775
Para la guía del programa completa, por favor visite www.sbcf.org

SAN BRUNO

Community Foundation

Memorandum

DATE: August 30, 2019

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Report from Ad Hoc Committee on Board Development

At the September 4, 2019, Regular Board Meeting, the Ad Hoc Committee on Board Development will report on the San Bruno City Council's appointment of three community members to the SBCF Board of Directors and its discussions regarding the onboarding of the three new Board members. Committee Chair Emily Roberts will make the report on behalf of the Committee. Secretary John McGlothlin and Board Member Nancy Kraus also serve on the Committee.

1. Board Appointments Process

In June, the Board approved a resolution recommending that the City Council appoint Raul Gomez, Malissa Netane, and Jim Ruane to the Foundation Board. On July 23, 2019, the San Bruno City Council appointed Mr. Ruane to fill the remainder of Dr. Regina Stanback Stroud's term (July 23-December 31, 2019). The Council also appointed Mr. Gomez, Ms. Netane, and Mr. Ruane to four-year Board terms beginning January 1, 2020, and terminating on December 31, 2023. All three were present at the July 23 Council meeting and are very excited to join the Foundation Board. I would like to acknowledge President Frank Hedley, Vice President Emily Roberts, and Board Member Nancy Kraus, who represented the Foundation at the City Council meeting.

2. Onboarding of New Board Members

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

Since the appointment of the new Board members, the Committee has been working on an onboarding plan of concrete steps to provide orientation and training to the new Board members. The goals of this plan are to provide the new members with substantive background

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Community Foundation

Memorandum

on the Foundation – its history, strategy, programs, and finances – as well as the City of San Bruno; to provide board development training to support new members in effectively serving on the Board; and to provide all Board members with the opportunity to get to know each other in order to foster a collegial and collaborative environment.

The Committee has outlined the following onboarding plan and would like to receive feedback from the full Board on September 4:

a. Board Resource Binders

I am in the process of assembling Board Resource Binders for all new and continuing Board members. The binders the original Board members received are somewhat out of date, and it will be helpful for all Board members moving forward to have the same compilation of documents. The binders will include key corporate documents such as the articles of incorporation, bylaws, and conflict of interest, whistleblower, and document destruction and retention policies; finance and investment-related documents such as the Investment Policy Statement, Investment Operating Plan, Fiscal Policies and Procedures, the most recent audited financial statements, and the fiscal year 2019-2020 budget; program-related documents such as the Program Strategy Framework and information on the Crestmoor Neighborhood Memorial Scholarship, Community Grants, and various strategic grants; Foundation Annual Reports; historical documents such as the City's settlement, trust, and indemnity agreements with PG&E; and resources on public service ethics laws and the Brown Act. The binders will serve as a single repository of all key documents related to the Foundation and can be easily brought to meetings as reference guides.

I also plan to create an electronic form of the Board Resource Binders – namely, an online resource folder in Google Drive that will serve as a repository for all Board materials Board members may need. This folder will contain electronic copies of all the materials in the Board Resource Binder, plus other resources that are too lengthy to print (*e.g.*, the Foundation's directors and officers liability insurance policy) or that Board members should be able to access but do not necessarily need in hard copy in a binder (*e.g.*, signed Board meeting minutes).

b. New Board Member Orientation

The second portion of the new Board member onboarding plan involves in-person trainings, to be held by the end of 2019, to educate the new members on the Foundation and expectations of their Board service. As envisioned, this orientation would take on two forms:

- Substantive orientation on key aspects of the Foundation, including its history, mission and vision, structure, programs, strategy, and finances; an overview of the Crestmoor Scholarship and Community Grants Fund review panel processes; and an

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overview of the City of San Bruno, including an understanding of the City Council, City Manager, City departments, and their decision-making processes

- Board development training, including the role of the Board and individual Board members, how the Board can effectively support the Executive Director, and Board operational norms; an overview of key finance and investment concepts, as they pertain to the Foundation's investment strategy; the Brown Act; and ethics and conflicts of interest

I plan to work with key members of the current Board to plan and deliver the orientation training. The City Attorney has agreed to lead the sessions on the Brown Act and ethics.

c. Study Session on the Future of the Foundation

The Board has expressed a desire to begin a new strategic planning process on the future of the Foundation once the \$50 million for the City's new Recreation and Aquatics Center have been fully disbursed. This process would explore the Foundation's strategy once its investment holdings decrease to about \$20 million, its role in the community, and the size and scope of its ongoing operations. The Committee sees value in beginning this process – which would likely take place over several sessions over the next year or so – prior to the departure of the Board members whose terms are ending, in order to include their input and perspectives after six years of Board service. If the Board were to have its first study session prior to the end of 2019, the new members could participate as audience members. In the alternative, if the first study session were held in 2020, the retiring Board members could be invited to attend and participate as audience members.

The Committee has discussed the use of an outside facilitator to lead this strategic planning process, so that all Board members and staff can engage in the discussion.

The Committee has also suggested adding a non-business meal after the study session, to allow Board members to get to know one another in a more informal setting.

3. Next Steps

On September 4, the Committee hopes to receive feedback from the full Board on this onboarding plan for the new Board members – both on the substance of the plan and the logistics of carrying it out. With the Board's input, the Committee will finalize the plan, and staff will begin preparations for implementation.

SAN BRUNO

Community Foundation

Memorandum

DATE: August 30, 2019

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Report from the Audit Committee on FY 2018-2019 Audit

At the September 4, 2019, Board meeting, Audit Committee Chair John McGlothlin will provide an update on this year's audit and tax preparation process. Board Member Pat Bohm also serves on the Audit Committee.

Article XIII, Section 4, of the San Bruno Community Foundation's Bylaws states that the Foundation shall retain an independent auditor and conduct annual independent audits in accordance with the applicable provisions of the Supervision of Trustees and Fundraisers for Charitable Purposes Act. As authorized by the Board on March 6, 2019, the Foundation is again using Novogradac & Company LLP, a national certified public accounting firm, to conduct the audit of the Foundation's financial statements for the year ended June 30, 2019, and to prepare the Foundation's annual federal and state tax returns. As in past years, engagement partner Lance Smith is heading up the Novogradac team assigned to the Foundation.

In July, Accounting Consultant Frank Bittner and I began preparing the financial reports and documentation Novogradac requested to begin work on the audit. We submitted all of the requested materials on August 22, well ahead of the original September 3 deadline. The Novogradac team is in the process of examining the Foundation's financial records, accounts, business transactions, accounting practices, and internal controls. We expect to receive a list of follow-up items from the Novogradac team in September, and Mr. Bittner and I will respond to those requests.

The Novogradac team has agreed to provide a draft of the audited financials by October 11. After Mr. Bittner and I review the draft financials, I will forward them to the Audit Committee. The Audit Committee has scheduled a meeting for 3:00 p.m. October 18, at San Bruno City Hall, Room 101, during which the Novogradac team will review the audited financials with the Committee. The Committee's expectation is that Mr. Smith will present the FY 2018-2019 audited financials to the Board at its November 6 meeting.

The Novogradac team is also preparing the Foundation's federal and state informational tax returns for submission by the November 15 deadline, and we expect to receive a draft of the tax returns by the beginning of November. We will circulate the tax returns to the Board before final submission.

SAN BRUNO

Community Foundation

Memorandum

DATE: August 30, 2018

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Discussion Regarding Upcoming Officer Elections for 2020 Term

The Foundation's Bylaws provide limited guidance related to the election of officers. Article VIII, Section 2, of the Bylaws states:

The officers of the Corporation, except the Executive Director and those appointed under Section 3 of this Article [meaning those other than the President, Vice President, Secretary, and Treasurer], shall be chosen annually by the Board for one-year terms starting on January 1 and shall serve at the pleasure of the Board, subject to the rights, if any, of any officer under any contract of employment, and subject to the approval of the City Council.

At its September 7, 2016, meeting, the Foundation Board adopted two documents – (1) San Bruno Community Foundation General Principles Regarding Election of Officers, and (2) San Bruno Community Foundation Process for Electing Officers – which now govern the Foundation's election of officers. Under the Process for Electing Officers:

Officer elections are held no later than the Board's regular November meeting, so that, per the Bylaws, the San Bruno City Council can consider and approve the officers by December 31. Prior to the making of nominations, the subject of elections will be agendized to give Board members the opportunity to comment.

The Board will elect its 2020 officers, including President, Vice President, Secretary, and Treasurer, at its regular meeting on November 6, 2019. Per the Process for Electing Officers, the subject of these elections has been agendized for the September 4, 2019, Board meeting (as the October 2, 2019, Board meeting is being canceled), giving Board members the opportunity to comment on the elections prior to the November 6 election. Board members will be able to ask questions and make comments on September 4 related to the 2020 officer elections in November.