

SAN BRUNO

Community Foundation

Board of Directors

Nancy A. Kraus, *President* • John P. McGlothlin, *Vice President* • Emily Roberts, *Secretary* • Ben Cohn, *Treasurer*
Patricia Bohm • Frank Hedley • Regina Stanback Stroud
Leslie Hatamiya, *Executive Director*

AGENDA

SAN BRUNO COMMUNITY FOUNDATION

Regular Meeting of the Board of Directors

May 21, 2015
6:30 p.m.

**Meeting Location: San Bruno City Hall, Conference Room 115,
567 El Camino Real, 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 650-616-7058.

1. Call to Order/Welcome

2. Roll Call

3. Approval of Minutes: April 16, 2015, Regular Board Meeting

4. Board Member Comments

- a. President
- b. Others

5. Executive Director's Report

6. 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 Approving Crime Insurance Policy from Travelers Casualty and Surety Company of America for the Total Amount of \$2,725.00
- b. Adopt Resolution Canceling the June 18, 2015, Regular Board Meeting and Scheduling a Special Board Meeting on June 29, 2015

7. Conduct of Business

- a. Receive and Approve Treasurer's Report

SAN BRUNO

Community Foundation

Board of Directors

Nancy A. Kraus, *President* • John P. McGlothlin, *Vice President* • Emily Roberts, *Secretary* • Ben Cohn, *Treasurer*
Patricia Bohm • Frank Hedley • Regina Stanback Stroud
Leslie Hatamiya, *Executive Director*

b. Receive Update on Community Listening Campaign from Leslie Hatamiya, Executive Director

c. Adopt Resolution Approving 2015-2016 Budget

8. 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.

9. Adjourn

SAN BRUNO

Community Foundation

Board of Directors

Nancy A. Kraus, *President* • John P. McGlothlin, *Vice President* • Emily Roberts, *Secretary* • Ben Cohn, *Treasurer*
Patricia Bohm • Frank Hedley • Regina Stanback Stroud
Leslie Hatamiya, *Executive Director*

MINUTES

SAN BRUNO COMMUNITY FOUNDATION

Regular Meeting of the Board of Directors

April 16, 2015
6:30 p.m.

**Meeting Location: San Bruno City Hall, Conference Room 115,
567 El Camino Real, San Bruno**

- 1. Call to Order/Welcome:** President Kraus called the meeting to order at 6:30 p.m.
- 2. Roll Call:** Board Members Kraus, McGlothlin, Roberts, Cohn, Bohm, and Stanback Stroud present. Board Member Hedley was excused.
- 3. Approval of Minutes: March 19, 2015, Regular Board Meeting and March 31, 2015, Special Board Meeting:** Board Member Stanback Stroud moved to approve the minutes of the March 19, 2015, Regular Board Meeting and March 31, 2015, Special Meeting, seconded by Board Member Bohm, approved unanimously.

4. Board Member Comments

- a. President: None.
- b. Others: Treasurer Cohn thanked the Board for the generous gift they gave him and his family for the arrival of their new son.

Secretary Roberts also shared her appreciation for the thoughtful gift the Board sent to her and her family to welcome their new son.

Vice President McGlothlin shared that he attended the recent CPUC hearing where the fine against PG&E for the 2010 San Bruno gas pipeline explosion was announced. He said he spoke with several members of the press and mentioned the Foundation's purpose.

- 5. Executive Director's Report:** Executive Director Hatamiya reported on highlights of what she has been working on over the past month, including setting up the office, investigating crime insurance options, having conversations with investment experts, and meeting with City boards, commissions, and committees.

SAN BRUNO

Community Foundation

Board of Directors

Nancy A. Kraus, *President* • John P. McGlothlin, *Vice President* • Emily Roberts, *Secretary* • Ben Cohn, *Treasurer*
Patricia Bohm • Frank Hedley • Regina Stanback Stroud
Leslie Hatamiya, *Executive Director*

6. Conduct of Business

a. Receive and Approve Treasurer's Report

Treasurer Cohn reviewed the Treasurer's Report. Secretary Roberts expressed her appreciation of the report format and the attached narrative. Board Member Stanback Stroud moved to approve the Treasurer Report, seconded by Vice President McGlothlin, approved unanimously.

b. Receive and Discuss Community Listening Campaign Engagement Plan Presented by Dr. Linda Blong, Public Dialogue Consortium

The Board listened to Dr. Linda Blong's presentation and reviewed the Engagement Plan in detail. Dr. Blong described each component of the Community Listening Campaign as well as the role of Board Members at the events. Executive Director Hatamiya went through the calendar of scheduled events and noted that PDC would do Community Conversation interviews at the American Legion's monthly breakfast on April 25. The Board reviewed the interview questions and protocol and provided feedback.

7. Public Comment

Ray Levinson urged the Board to do something bold with the money. He shared his idea of reinstating a solar rebate program in San Bruno, resulting in the use of less natural gas and energy.

Marty Medina thanked the President and Executive Director for meeting with him and Alessandra Clark of the San Bruno Park School District Parents Group a few weeks ago. He shared his idea of having a list of Board-approved charities where community members could choose where the money would be distributed.

8. Adjourn: Board Member Stanback Stroud moved to adjourn the meeting at 8:07 p.m., seconded by Treasurer Cohn, approved unanimously.

Respectfully submitted for approval at the Regular Board Meeting of May 21, 2015, by Secretary Emily Roberts and President Nancy Kraus.

Emily Roberts, Secretary

Nancy Kraus, President

SAN BRUNO

Community Foundation

Memorandum

DATE: May 18, 2015

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Executive Director's Report

Since the April 16, 2015, Board meeting, my primary focus has been on the launch of our Community Engagement and Listening Campaign, and, as will be covered in the Business portion of the May Board meeting, I have spent a large amount of time working with the Public Dialogue Consortium and the Ad Hoc Committee on Community Engagement to schedule and prepare for the events, develop and distribute our marketing materials, and staff the events.

In addition, I have continued to work on various projects related to the Foundation's administrative and corporate governance needs, which include:

1. Office

After four tries, I finally have an assembled desk in the office. The desk top arrived in damaged condition three times, and on the fourth delivery it finally arrived in acceptable condition. (We may assemble one of the damaged desks (damage is in one corner) and use it as a table in the outer office.) Thank you to Tony and Nancy Kraus for assembling all the furniture.

2. Financial Management

I continue to reach out to investment professionals for ideas and advice that will be helpful as we begin to develop our investment strategy. Recent contacts include Michael Miller of Colonial Consulting, an investment consulting firm that primarily serves foundations and other nonprofits.

3. Outreach to the City of San Bruno

I continue to reach out to all of the various City boards, commissions, and committees. I attend meetings to introduce myself and share information about the Foundation and our community engagement and listening campaign. I appeared before the Planning Commission on April 21, the Traffic, Safety, & Parking Committee on May 6, and the Bicycle & Pedestrian Safety Committee on May 13.

SAN BRUNO

Community Foundation

Memorandum

4. Outreach to Community Groups

a. San Bruno Chamber of Commerce

I was the guest speaker at the Chamber's Networking Breakfast on May 6. I spoke about the Foundation, the community listening campaign, and my background. It was a nice opportunity to meet members of the San Bruno business community and encourage them to participate in the listening campaign. Nancy Kraus and Frank Hedley also attended.

b. San Bruno Park School District

President Nancy Kraus and I met with Superintendent David Hutt and Board President Kevin Martinez on April 22. We told them about the community listening campaign and asked for their assistance in promoting the campaign through the district's schools. We expressed a desire to meet with incoming Superintendent Cheryl Olson when she arrives in San Bruno.

5. Outreach to the Broader Philanthropic and Nonprofit Community

On April 30, I attended the Google for Nonprofits Training at the YouTube offices in San Bruno.

On May 22, I am scheduled to meet with the leadership of The San Francisco Foundation, which includes San Mateo County in its coverage area, to introduce myself and to seek guidance in the areas of community engagement, program strategy and development, and investment strategy.

SAN BRUNO

Community Foundation

Memorandum

DATE: May 18, 2015

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Resolutions in the Consent Calendar for the May 21, 2015, Regular Board Meeting

For the May 21, 2015, Regular Meeting of the Board of Directors of the San Bruno Community Foundation, the Consent Calendar includes two resolutions related to administrative and operational functions of the Foundation. This memo provides background on both resolutions.

DISCUSSION AND RECOMMENDATIONS

- a. Resolution Approving Crime Insurance Policy from Travelers Casualty and Surety Company of America for the Total Amount of \$2,725.00

As part of its risk management strategy, the Foundation seeks a comprehensive set of insurance policies to protect against various liabilities it may face. In March 2015, the Foundation Board approved insurance policies for commercial general liability, non-owned hired auto liability, property, professional liability, and directors and officers liability coverage from Philadelphia Insurance Companies. The policies took effect on March 21, 2015.

In my discussions with our insurance broker, I have also sought crime insurance, which protects against the most common fidelity threats, including losses due to employee dishonesty, credit card forgery, computer fraud and theft, and disappearance and destruction of property. We feel that this coverage is important for the Foundation due to large size of the restitution funds the Foundation will soon manage. Because the applications for crime coverage typically ask about the organization's internal financial controls, the broker and I decided that it would be best to wait until after the Board approved the Fiscal Policies and Procedures document in March to apply for a crime policy, so I did not seek Board approval of a crime policy along with the other insurance policies at the March meeting.

Because the Foundation's accounting consultant/full charge bookkeeper is an independent contractor and not an employee and we want the crime policy to cover him, Philadelphia Insurance Companies was unable to offer us a crime insurance policy proposal. Our broker shopped around for policies, and we ultimately received proposals

SAN BRUNO

Community Foundation

Memorandum

that would cover Foundation staff, Board members, and the accounting consultant/full charge bookkeeper from two insurance companies. We received two proposals from Travelers Casualty and Surety Company of America. Travelers' Option #1 would provide \$1,000,000 single loss limit of insurance with a \$5,000 single loss deductible for the following categories of coverage: fidelity (employee theft and ERISA fidelity); forgery or alteration; on premises; in transit; money orders and counterfeit money; computer crime (only \$100,000 with \$1,000 deductible for computer program and electronic data restoration expense); and funds transfer fraud. It would also include \$10,000 in coverage for personal accounts forgery or alteration (\$1,000 deductible) and \$25,000 in coverage for claims expense (\$0 deductible). Total annual cost for Travelers' Option #1 is \$2,725.00.

Travelers' Option #2 would provide \$500,000 single loss limit of insurance (again, \$5,000 single loss deductible) for fidelity (employee theft and ERISA fidelity); forgery or alteration; on premises; in transit; money orders and counterfeit money; computer crime (only \$50,000 and \$1,000 deductible for computer program and electronic data restoration expense); and funds transfer fraud). The coverage for personal accounts forgery or alteration would remain the same. The total annual cost for Option #2 is \$2,052.00.

We also received a proposal from Hartford Fire Insurance Company. This proposal would cost \$2,414.00 annually. It would provide \$1,000,000 limit of insurance with a \$10,000 deductible for employee theft; employee theft – client premises; computer and funds transfer fraud; inside the premises – money, securities, and other property; outside the premises – money, securities, and other property; and depositors' forgery or alteration. The limit of insurance for money orders and counterfeit currency would be \$50,000, with a \$0 deductible.

I believe Travelers' Option #1 is our best choice. While it is slightly more expensive than Option #2 and the Hartford proposal, it provides double the coverage than Option #2 and a lower deductible than Hartford. The greater coverage seems worth the small difference in cost. I recommend that the Board approve binding Travelers' Option #1, for a total cost of \$2,725.00.

- b. Resolution Canceling the June 18, 2015, Regular Board Meeting and Scheduling a Special Board Meeting on June 29, 2015

The main order of business for our June Board meeting is receiving the report from our community engagement and listening campaign. The campaign will receive input from the community through June 12, and then our team at the Public Dialogue Consortium, which is facilitating the campaign for us, will synthesize the collected data and then prepare a written report. To allow ample time for preparation, the report will not be

SAN BRUNO

Community Foundation

Memorandum

ready until the last week of June – after the Board's regularly scheduled June 18 meeting.

As a result, I recommend that the Board adopt the resolution canceling its June 18, 2015, Regular Meeting and scheduling a Special Meeting on June 29, 2015. On June 29, the Board can receive the report from PDC, which will provide the foundation for the Board's deliberations over the summer on its grant-making and investment strategies, and conduct any other necessary business.

Attachments:

1. Resolution Approving Crime Insurance Policy from Travelers Casualty and Surety Company of America for the Total Amount of \$2,725.00
2. Adopt Resolution Canceling the June 18, 2015, Regular Board Meeting and Scheduling a Special Board Meeting on June 29, 2015

RESOLUTION NO. 2015 - ____

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION
APPROVING CRIME INSURANCE POLICY FROM TRAVELERS CASUALTY AND
SURETY COMPANY OF AMERICA FOR THE TOTAL AMOUNT OF \$2,725.00**

WHEREAS, as part of its risk management strategy, the San Bruno Community Foundation seeks a comprehensive set of insurance policies to protect against various liabilities it may face;

WHEREAS, crime insurance addresses the most common fidelity threats, including losses due to employee dishonesty, credit card forgery, computer fraud and theft, and disappearance and destruction of property; and

WHEREAS, Travelers Casualty and Surety Company of America has offered the Foundation a competitively priced crime insurance policy that provides coverage for Foundation staff, members of the Board of Directors, and accounting consultant/full charge bookkeeper.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors approves a crime insurance policy from Travelers Casualty and Surety Company of America for the total amount of \$2,725.00.

Dated: May 21, 2015

ATTEST:

Emily Roberts, Secretary

I, Emily Roberts, Secretary, do hereby certify that the foregoing Resolution No. 2015-__ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this 21st day of May, 2015, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

RESOLUTION NO. 2015 - ____

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION
CANCELING THE JUNE 18, 2015, REGULAR BOARD MEETING AND SCHEDULING
A SPECIAL BOARD MEETING ON JUNE 29, 2015**

WHEREAS, the main order of business at the Foundation's June Board meeting will be receipt of the Public Dialogue Consortium's report on the Foundation's community listening and engagement campaign, which will not be ready until the last week of June; and

WHEREAS, the Regular Meeting of the Foundation's Board of Directors is scheduled for June 18, 2015.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors cancels the Regular Board Meeting of June 18, 2015, and schedules a Special Board Meeting at 6:30 p.m. on June 29, 2015.

Dated: May 21, 2015

ATTEST:

Emily Roberts, Secretary

I, Emily Roberts, Secretary, do hereby certify that the foregoing Resolution No. 2015-__ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this 21st day of May, 2015, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

SAN BRUNO

Community Foundation

April 2015

Budget Narrative

This report describes the amounts in columns a (Actual Year to Date), d (Final Expected Amount), and e (Change in Budget) of the monthly Budget Report, for those lines having material activity or adjustment.

INCOME

Line 1 Restitution Funds – Actual (\$491,031) is the amount received from the City of San Bruno on February 24, 2015. Additional amounts to be received or accrued this fiscal year are uncertain.

Line 2 Interest & Investment Income – \$200,000 transferred to the Wells Fargo market rate savings account in early April generated only \$4 interest.

EXPENSES

Line 4 Salaries & Wages – Executive Director was hired effective February 2, 2015. There are no additional new employees expected this fiscal year.

Line 5 Payroll Taxes & Benefits - Actual costs include: Social Security/Medicare (\$3,377); Workers' Compensation Insurance (\$429); accrued Paid Time Off (\$3,364); and accrued Retirement (\$2,188). The final expected amount also includes \$50 for two months life insurance benefit.

Line 7 Grants & Assistance – The current expectation is that there will be no Grants or Assistance provided in the current fiscal year.

Line 8 Occupancy – April rent (\$909) is first month of lease.

Line 9 Insurance – Actual (\$21,648) is: a) amount reimbursed to City in April 2014 (\$19,950); b) package non-profit liability coverage for March 21 to June 30, 2015 (\$271); and c) Directors & Officers (D&O) coverage for March 21 to April 30 (\$1,427). Premium cost for Crime policy will be \$2,725. Final expected amount includes D&O for May and June (\$2,141) plus Crime coverage for final 40 days of the fiscal year (\$284).

Line 10 Telecommunications – Actual cost includes SBCF domain name purchase (\$1,154) by the City, cell phone account (\$235), and April internet access (\$42). Final two month projected cost also includes \$250 for a new website.

Line 11 Postage & Shipping – Actual cost includes \$1,295 for community engagement postcard mailing.

Line 12 Printing & Copying – Actual cost (\$569) is entirely for 2,500 flyers. \$3,461 incurred in early May for 17,250 postcards. Final projected amount includes additional \$150 for a banner and \$850 for unknown/other.

Line 14 Office Equipment & Furniture – Actual cost includes a laptop with accessories (\$1,846), cell phone with accessories (\$112), printer (\$505), and furniture (\$994 for desk, bookcase, cabinet, and folding table). Projection for year-end includes additional \$800 for unknown/other.

Line 15 Legal Fees – Actual cost (\$26,275) was incurred by the City for organizational formation and start-up work. An additional \$10,000 has been projected for additional potential needs during final two months of the year.

Line 16 Auditor & Payroll Fees – Actual cost (\$393) is payroll service fees. Total projected for year (\$600) is for payroll fees only. Cost of financial statement audit for year ended June 30, 2015 will be recorded in the following fiscal year.

Line 17 Investment Consultant – The current projection is that an Investment Consultant will not be hired in the current fiscal year.

Line 18 Other Consultants - Actual costs (\$108,078) include \$92,556 by the City for: formation and start-up work by Silicon Valley Community Foundation (\$7,732); Executive Director recruiting by the 360 Group (\$73,924); and Executive Director compensation consulting by Cotter & Associates (\$10,900). The remaining \$15,522 is for the cost of April Listening Campaign consultant (\$11,210) and March-April Accounting services (\$4,312). Additional \$40,478 projected for final two months is for Listening Campaign consultant (\$22,790), additional 360 Group reimbursement to City (\$12,000) and accounting/bookkeeping services (\$4,000).

Line 19 Travel, Meetings & Conferences – Actual costs were incurred by the City for clerical support taking minutes at Board meetings (\$675), meeting refreshments and meals (\$377), Town Hall meeting site rental (\$175), and accounting consultant travel (\$48).

Line 21 Miscellaneous – New line item added and includes \$20 fee paid to CA Attorney General Registry of Charitable Trusts. \$125 Chamber of Commerce membership dues will also be charged here.

SUMMARY

During the current fiscal year, SBCF will be operational for only the final five months. The focus is to establish policies, procedures, financial control systems, a physical office, and launch the community engagement campaign. 64% of expenses (\$141,031 out of \$219,163) shown in the April budget report were incurred by the City between April 2014 and January 2015.

The balance of funding, currently held in trust by the City, will likely be transferred during the next fiscal year, coinciding with the launching of SBCF's program expenditures.

SAN BRUNO

Community Foundation

April 2015 2014-2015 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					
1 Restitution Funds	\$ 491,031	\$ 70,088,703	0.7%	\$ 491,031	\$ (69,597,672)
2 Interest & Investment Income	7	4,906,209	0.0%	19	(4,906,190)
3 Total Income	491,038	74,994,912	0.7%	491,050	(74,503,862)
EXPENSES					
4 Salaries & Wages	43,750	195,000	22.4%	72,917	(122,083)
5 Payroll Taxes & Benefits	9,358	44,850	20.9%	15,739	(29,111)
6 Subtotal Personnel	53,108	239,850	22.1%	88,656	(151,194)
7 Grants & Assistance	-	3,504,435		-	(3,504,435)
8 Occupancy	909	26,000	3.5%	2,728	(23,272)
9 Insurance	21,648	19,950	108.5%	24,073	4,123
10 Telecommunications	1,430	3,000	47.7%	1,914	(1,086)
11 Postage & Shipping	1,349	11,000	12.3%	1,795	(9,205)
12 Printing & Copying	569	35,000	1.6%	5,029	(29,971)
13 Office Supplies	495	1,000	49.5%	1,000	-
14 Office Equipment & Furniture	3,614	15,000	24.1%	4,414	(10,586)
15 Legal Fees	26,275	150,000	17.5%	36,275	(113,725)
16 Auditor & Payroll Fees	393	6,107	6.4%	600	(5,507)
17 Investment Consultant	-	140,000		-	(140,000)
18 Other Consultants	108,078	170,000	63.6%	146,868	(23,132)
19 Travel, Meetings & Conferences	1,275	8,000	15.9%	2,000	(6,000)
20 Board Development	-	7,500		-	(7,500)
21 Miscellaneous	20	-		200	200
22 Subtotal Non-Personnel	166,055	4,096,992	4.1%	226,896	(3,870,096)
23 Total Expenses	219,163	4,336,842	5.1%	315,552	(4,021,290)
24 Net Surplus	\$ 271,875	\$ 70,658,070	0.4%	\$ 175,498	\$ (70,482,572)

SAN BRUNO

Community Foundation

Statement of Financial Position as of April 30, 2015

ASSETS

Cash, Wells Fargo General	\$ 50,384.24	
Cash, Wells Fargo Payroll	\$ 40,013.02	
Cash, Wells Fargo Savings	200,004.10	
Total Cash		290,401.36
Prepaid Expenses	5,538.39	
Total Other Current Assets		5,538.39
Deposits	1,520.45	
Total Other Assets		1,520.45
TOTAL ASSETS		<u>\$ 297,460.20</u>

LIABILITIES & NET ASSETS

LIABILITIES

Accounts Payable	18,708.48	
Accrued Expenses	3,512.41	
Accrued Employee PTO	3,364.35	
Total Liabilities		25,585.24

NET ASSETS

Year to Date Net Income	271,874.96	
Total Net Assets		271,874.96
TOTAL LIABILITIES & NET ASSETS		<u>\$ 297,460.20</u>

SAN BRUNO

Community Foundation

Memorandum

DATE: May 15, 2015

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Community Engagement and Listening Campaign Update

Our community engagement and listening campaign launched in late April, and we are about halfway through the campaign period. As you know, we are working with the Public Dialogue Consortium in conducting the campaign. Here is a summary of our activities thus far:

1. Marketing and Outreach

On April 29, postcards announcing the community listening campaign (town hall dates and locations and the website address for the survey) were mailed to approximately 17,000 residential and commercial addresses in San Bruno. With the assistance of Nancy Kraus and a graphic designer, I designed the postcard, which was printed and mailed by InnerWorkings, a marketing execution firm. I successfully applied for nonprofit status with the U.S. Postal Service, which allowed us to take advantage of InnerWorkings' nonprofit mail permit and lower-cost nonprofit mail rates. The postcards began to arrive in San Bruno mailboxes on May 2.

We also created a flyer version of the postcard (English on one side, Spanish on the other), which InnerWorkings also printed (2,500 copies). I have distributed electronic copies of the flyer to a wide range of community groups and asked them to disseminate the information to their members/constituents. These groups include schools, churches, civic and business groups, youth and sports groups, and City boards, commissions, and committees. I have also distributed printed copies of the flyer to those schools and other groups that have requested paper copies. I'd like to thank Frank Hedley, Nancy Kraus, and John McGlothlin for distributing printed flyers to many local San Bruno businesses and asking them to post them in their windows. We are also distributing the flyers at all of our campaign events.

On April 29, we issued a press release announcing the community listening campaign, which was distributed to local Bay Area media. The release resulted in articles in the *San Mateo Daily Journal* and the *San Mateo Times*. NBC Bay Area News covered our first town hall, running a nice two-minute piece on the 11 o'clock broadcast.

SAN BRUNO

Community Foundation

Memorandum

I have also arranged for San Bruno Cable to announce the town hall meeting dates and the online survey (www.SBCFListens.com) during its public service announcements on Channel 1.

2. Community Conversations

We have held two of our three “community conversations” events. On Saturday, April 26, the American Legion Post #409 welcomed a team of PDC interviewers at its monthly breakfast. Board members Nancy Kraus and John McGlothlin represented the Foundation at the event. PDC interviewers also attended the May 2 Operation Clean Sweep Luncheon in San Bruno Park, interviewing OCS participants and other community members enjoying a beautiful spring day in the park. Board members Pat Bohm and Regina Stanback Stroud attended, with Pat addressing the crowd and Regina actively directing people to the interviewers. Between the two events, the PDC interviewers talked with more than 100 people.

The final community conversations event will be the Posy Parade on June 7.

3. Town Halls

The first town hall was held the evening of May 11 in the cafeteria at Capuchino High School. Approximately 100 people of all ages attended and participated in lively discussions of community needs and how the Foundation might use the funds to address those needs. Mayor Jim Ruane welcomed the attendees, and City Council Members Rico Medina and Michael Salazar attended. Board members Emily Roberts, Ben Cohn, Frank Hedley, and Nancy Kraus joined me in representing the Foundation at the town hall.

The second town hall will be at 6:30 p.m. on Thursday, May 28, at Belle Air Elementary School. The final town hall will be at 6:30 p.m. on Wednesday, June 3, at the San Bruno Senior Center.

4. Focus Groups

We have held two focus groups so far. On May 8, a group of nine Capuchino High School students and two Skyline College students met at Capuchino for a roundtable discussion facilitated by a PDC consultant. Nancy Kraus and I attended. On May 13, we hosted ten members of San Bruno’s Latino community at St. Bruno’s Catholic Church for a focus group conducted predominantly in Spanish. John and Joanne McGlothlin and I represented the Foundation.

We will hold five more focus groups through mid-June.

SAN BRUNO

Community Foundation

Memorandum

5. Online Survey and Discussion Board

PDC has created a webpage for our campaign on the mySidewalk platform. The URL is www.SBCFListens.com. The page includes links to an online survey (English and Spanish versions). It also includes an online discussion board so that people can see other comments and respond. We expect to hear from the greatest number of people through the online survey. As of Friday, May 15, we had received 165 online survey entries.

Unfortunately, the mySidewalk platform crashed on May 8. We became aware of the problem immediately and alerted the PDC team, which worked over the weekend with the mySidewalk folks to restore our page. MySidewalk insists that the site has never crashed in the past and worked quickly to get the site back online. The PDC consultants rebuilt our page to include the links to the survey and reconstructed the discussion board. The site was down for about one full day, from late afternoon on May 8 to late afternoon on May 9. So far we have not been able to recover the discussion board posts that preceded the crash, but mySidewalk continues to work on this issue.

6. Paper Survey

For those less tech-savvy residents, we are also offering a paper copy of the survey (in both English and Spanish). The paper surveys are available at City Hall, the Library, the Recreation Center, and the Senior Center. Those locations also have collection boxes where people can drop off completed surveys.

The last day for submitting completed surveys (either online or in hard copy) is Friday, June 12.

7. Report

Once it has collected all the community input from the town halls, focus groups, surveys, discussion board postings, and community conversation interviews, the PDC team will compile the data and synthesize it in a written report. The PDC team will present the report to the Board at a special meeting on June 29.

SAN BRUNO

Community Foundation

Memorandum

DATE: May 18, 2015

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: 2015-2016 SBCF Budget

Under our Bylaws, the Foundation's fiscal year runs from July 1 to June 30, and its annual budget must be approved by the San Bruno City Council. With the current fiscal year soon coming to a close, at the May 21 Board meeting I will present to the Board for approval the 2015-2016 budget, which will then be submitted to the City Council for consideration at its June 9 meeting.

The Foundation is currently at the beginning of its strategic planning process with the launch of a community engagement and listening campaign that will conclude in late June. The data collected through the engagement and listening campaign will inform the Board's deliberations over the summer regarding its program and investment strategies. Given that no decisions have yet been made regarding how the restitution funds will be used, it is premature to estimate the Foundation's grant-making allocations for 2015-2016 and the costs associated with supporting the Foundation's program and investment strategies. As a result, the budget I outline below does not include a projection for Grants & Assistance, nor does it take into account any additional expenses associated with implementing the grant program (such as additional staff salaries, benefits, and related costs) or hiring an investment management firm. At the conclusion of its program strategy deliberations, the Foundation will present its grant-making policy to the City Council for approval, as required by the Bylaws. At the same time, we plan to submit a revised budget that reflects the new policy and its proposed implementation. If the investment policy is also ready, we will also present that to the City Council for approval at that time. If we need additional time in the fall to develop the investment policy, we will submit it later in the year.

In developing this budget, I am guided by the principles of transparency and economy. As prudent stewards of the restitution funds, we want to communicate our decisions and activities with the community and have accordingly provided ample budget to do so. At the same time, we will be cost-conscious in all categories of expenses and will add staff only once we have determined our programmatic and administrative needs and only to the extent necessary to meet those needs.

Below I briefly explain each line item in the budget. We expect to receive the balance of restitution funds in 2015-2016, resulting in a particularly large income projection (total

SAN BRUNO

Community Foundation

Memorandum

income is projected at nearly \$70 million). In future years (at least under current expectations of not actively fundraising), we expect to have minimal contributions and the vast majority of our income will be in the form of investment and interest income. We are currently projecting expenses of \$335,774, for a net surplus of \$69,291,884.

Income

- Restitution Funds: Once the Foundation Board develops its grant-making and investment policies and receives approval from the City Council, we expect to receive the balance of funds the City is holding on the Foundation's behalf. That amount is currently estimated at \$69,627,458 (\$68,383,896 in the custodial account as of April 30, 2015, and \$1,243,562 in proceeds from the sale of three parcels of land in the Crestmoor neighborhood that were part of the restitution settlement).
- Interest Income: We conservatively estimate \$200 in interest income based on holding a portion of the funds in our Wells Fargo operation accounts. That number will likely be adjusted in the revised budget based on decisions made about the Foundation's investment strategy. At this time, prior to making any decisions about investment strategy, it is difficult to make any projections about investment income.

Expenses

- Salaries & Wages: This line reflects the Executive Director's salary. It may be adjusted in the revised budget to reflect additional staff needed to implement the Foundation's grant-making strategy and support the Foundation's ongoing operations.
- Payroll Taxes & Benefits: This line reflects payroll taxes and benefits for the Executive Director. As with the previous line, it may be adjusted in the revised budget to reflect additional staff needed to implement the Foundation's grant-making strategy and support the Foundation's ongoing operations. Benefits include retirement plan contribution, life insurance, and vacation accruals.
- Grants & Assistance: This line item is left blank and will be adjusted in the revised budget based on the Foundation's grant-making strategy.
- Occupancy: This line reflects our current office lease rate of \$909 per month, with an estimated 5% increase for the final three months of the fiscal year. Our lease terminates on March 31, 2016, and we will need to renew the lease toward the end of the lease term.
- Insurance: This line is based on the Foundation's current commercial general liability, property, auto, and directors and officers liability insurance policies, which

SAN BRUNO

Community Foundation

Memorandum

have an annual renewal date of March 21, with a 5% projected increase for March-June (\$14,051). It also includes the crime insurance policy that the Board will consider at the May 21 meeting, with a 5% projected escalation for May-June (\$2,748). The insurance budget for 2015-2016 is lower than the projected actual for this fiscal year mainly because the current directors and officers policy (Philadelphia Insurance Companies) is less expensive than the previous year's policy (RSUI Indemnity Company).

- Telecommunications: This line includes the Executive Director's cell phone expenses (\$756), broadband Internet access for the office (\$900), and the installation of two landlines in the Foundation office (\$1,200).
- Postage & Shipping: This line includes office postage (\$300) as well as the projected postage required for a newsletter mailing (nonprofit rate) to all San Bruno addresses communicating the Foundation's program and investment strategy (\$3,887).
- Marketing & Communications: This line covers the projected printing costs associated with the above-mentioned newsletter (\$10,500). It also includes funds for other printing (such as business cards, flyers, posters, and banners - \$1,000), translation services (\$1,000), website management (\$500), and graphic design services (\$2,500), including development of a logo.
- Office Supplies: This line estimates \$200 monthly office supply expenses and includes computer backup expenses and QuickBooks accounting software fees.
- Office Equipment & Furniture: Under this line, we will finish furnishing the office and purchase a small-business landline phone system. This line may be adjusted in the revised budget to reflect additional technology and furniture needs to support additional staff needed to implement the Foundation's grant-making strategy and support the Foundation's ongoing operations.
- Legal Fees: We have budgeted \$20,000 as a placeholder in the event that we need to retain outside counsel to address any legal needs that may arise.
- Auditor & Payroll Fees: The payroll fees (\$1,381) are based on our current arrangement with our payroll vendor (Paychex). We have budgeted \$6,000 for a certified public accounting (CPA) firm to audit our financial statements and prepare our federal and state tax returns. This is an estimate, as we have not yet retained a CPA firm.
- Investment Consultant: This line is left blank, as we have not yet determined our investment strategy and have not hired an investment management firm to oversee

SAN BRUNO

Community Foundation

Memorandum

the funds. This line will need to be revised once we develop our investment policy and select an investment management firm.

- Other Consultants: This line includes \$15,000 for the accounting consultant/full charge bookkeeper and \$750 for a retirement plan administrator. It also includes \$30,000 in the event that we need to seek assistance from outside consultants to help with the development or implementation of our grant-making process and/or support additional community engagement efforts.
- Travel, Meetings & Conferences: This line is an estimate and will cover any costs associated with staff travel, board and community meetings (including room rental and refreshments), and professional conferences relevant to the Foundation's work.
- Miscellaneous: We have budgeted \$3,000 for miscellaneous expenses that may arise. This line covers such items as professional organization membership fees (such as the San Bruno Chamber of Commerce) and government/agency taxes and fees.

This budget presents a realistic view of the Foundation's expenses for 2015-2016 as projected at this time. As I stated earlier, once we make decisions about our program and investment strategies, we will be able to revise the budget to reflect those decisions. It is premature, if not impossible, to estimate our grant-making allocation and related program and personnel expenses prior to knowing our strategies.

For purposes of comparison, the attached budget provides the year-end projected actuals for the 2014-2015 fiscal year. Please note that 2014-2015 was not a typical year, with the Foundation fully functioning with staff for only the last five months, and the 2014-2015 figures include reimbursements to the City of San Bruno for costs incurred during the Foundation's formation beginning in January 2014.

I recommend that the Board adopt the attached resolution approving the 2015-2016 Foundation budget, with the intent of revising the budget once the Board makes decisions regarding the Foundation's program and investment strategies.

Attachments:

1. 2015-2016 Budget
2. Resolution Approving 2015-2016 Budget

SAN BRUNO

Community Foundation

2015-2016 Proposed Budget

	2015-16 <u>Budget</u>	2014-15 <u>Projected Actuals</u>	Increase in <u>Budget</u>
INCOME			
1 Restitution Funds	\$ 69,627,458	\$ 491,031	\$ 69,136,427
2 Interest Income	200	19	181
3 Total Income	<u>69,627,658</u>	<u>491,050</u>	<u>69,136,608</u>
 EXPENSES			
4 Salaries & Wages	175,000	72,917	102,083
5 Payroll Taxes & Benefits	25,191	15,739	9,452
6 Subtotal Personnel	<u>200,191</u>	<u>88,656</u>	<u>111,535</u>
 7 Grants & Assistance	-	-	-
8 Occupancy	11,050	2,728	8,322
9 Insurance	16,799	24,073	(7,274)
10 Telecommunications	2,856	1,914	942
11 Postage & Shipping	4,187	1,795	2,392
12 Marketing & Communications	15,500	5,029	10,471
13 Office Supplies	2,760	1,000	1,760
14 Office Equipment & Furniture	3,300	4,414	(1,114)
15 Legal Fees	20,000	36,275	(16,275)
16 Auditor & Payroll Fees	7,381	600	6,781
17 Investment Consultant	-	-	-
18 Other Consultants	45,750	146,868	(101,118)
19 Travel, Meetings & Conferences	3,000	2,000	1,000
20 Miscellaneous	3,000	200	2,800
21 Subtotal Non-Personnel	<u>135,583</u>	<u>226,896</u>	<u>(91,313)</u>
 22 Total Expenses	<u>335,774</u>	<u>315,552</u>	<u>20,222</u>
23 Net Surplus	<u><u>\$ 69,291,884</u></u>	<u><u>\$ 175,498</u></u>	<u><u>\$ 69,116,386</u></u>

RESOLUTION NO. 2015 - ____

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION
APPROVING THE 2015-2016 BUDGET**

WHEREAS, the Foundation's next fiscal year will begin on July 1, 2015;

WHEREAS, prudent financial management of the Foundation's finances require the creation of an annual budget prior to the start of the fiscal year;

WHEREAS, Article XVI (a) of the Foundation's Bylaws require that the Foundation's annual budget be approved by the San Bruno City Council; and

WHEREAS, the Foundation is in the middle of a community engagement and listening campaign and will make decisions about program and investment strategy over the summer and fall.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors approves the 2015-2016 Foundation budget.

FURTHER BE IT RESOLVED that the Board of Directors directs the Executive Director to submit the budget to the San Bruno City Council for consideration and approval and to advise the City Council that the Foundation may submit a revised budget for consideration and approval once the Foundation Board has developed its program and investment strategies.

Dated: May 21, 2015

ATTEST:

Emily Roberts, Secretary

I, Emily Roberts, Secretary, do hereby certify that the foregoing Resolution No. 2015-__ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this 21st day of May, 2015, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members: