

SAN BRUNO

Community Foundation

Board of Directors

Malissa Netane-Jones, *President* • Jim Ruane, *Vice President* • Raul Gomez, *Secretary* • Pak Lin, *Treasurer*
Supriya S. Perry • Irving Torres • Belinda Wong
Leslie Hatamiya, *Executive Director*
www.sbcf.org

This meeting will be held in person at the San Bruno Senior Center, with members of the public able to attend and offer public comment in person at the Senior Center or virtually via Zoom or telephone.*

IN-PERSON MEETING LOCATION

San Bruno Senior Center
1555 Crystal Springs Road
San Bruno, CA 94066

REMOTE VIA ZOOM OR TELEPHONE

Zoom Link:
<https://us02web.zoom.us/j/83803625077?pwd=UVNTcDJoY1ZoTkxvZUFjbFVkbWVhZkQ0OQ>
Webinar ID: 838 0362 5077
Passcode: 531303
Dial-in: (669) 900-6833

* Remote participation is offered in the meeting via Zoom as a courtesy to the public. If a technical error or outage occurs and remote participation is unavailable, the SBCF Board may continue the meeting in the San Bruno Senior Center where the public can attend and offer comments in person.

PUBLIC COMMENT: In person attendees who want to provide public comment will be asked to fill out a speaker card and submit it with the SBCF Executive Director. Virtual attendees can comment by using the “Raise Hand” feature in Zoom to request to speak. For dial-in comments, press *9 to “Raise Hand” and *6 to unmute. Public comments on agenda items are limited to three minutes per speaker. Public comment may also be emailed to info@sbcf.org. Comments received via email will not be read aloud during the meeting. Materials related to the agenda distributed after it is published will be available for public inspection at San Bruno City Hall, 567 El Camino Real, San Bruno, in compliance with the Brown Act.

ACCESSIBILITY: In compliance with the Americans with Disabilities Act, individuals requiring special accommodations or modifications to participate in this meeting should contact the SBCF Office 48 hours prior to the meeting at (650) 763-0775 or info@sbcf.org.

AGENDA

SAN BRUNO COMMUNITY FOUNDATION

Regular Meeting of the Board of Directors

June 5, 2024

7:00 p.m.

- 1. Call to Order/Welcome**
- 2. Roll Call**

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- 3. Public Comment:** Individuals are allowed three minutes at this time to comment on items within the jurisdiction of the Board that are not on this agenda. 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 the 2024 Crestmoor Neighborhood Memorial Scholarship Recipients
- 5. Approval of Minutes:** March 6, 2024, 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 Approving Appointments to the Investment Committee
 - b. Receive and Approve Treasurer's Report (February, March, and April 2024 Financial Statements)
- 8. Conduct of Business**
 - a. Receive Report on the San Bruno Recreation and Aquatic Center from the City of San Bruno and Adopt Resolution Creating and Appointing Members to Ad Hoc Committee on Recreation and Aquatic Center Startup Activities
 - b. Receive Report on Other Programs (Community Grants Fund and Other Strategic Grants)
 - c. Receive Report from Investment Committee on its May 15, 2024, Regular Meeting
 - d. Adopt Resolution (a) Approving Fiscal Year 2024-2025 Budget, (b) Setting the Quasi-Endowment Payout Rate for Fiscal Year 2024-2025, (c) Approving Transfer from the Strategic Pool Investment Account to the Liquidity Account for Fiscal Year 2024-2025, and (d) Directing the Executive Director to Submit the Fiscal Year 2024-2025 Budget to the San Bruno City Council for Consideration and Approval
- 9. Board Member Comments**
- 10. Adjourn:** The next regular meeting of the Board of Directors is scheduled for Wednesday, July 3, 2024, at 7:00 p.m.

The San Bruno Community Foundation honors 10 San Bruno students who have demonstrated a strong commitment to the San Bruno community with multi-year college scholarships totaling \$160,000.



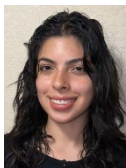
CELINA BUNCAYO: Having grown up in an underserved community in the Philippines, Celina understands the importance of political empowerment. As a political science major at Skyline College, she founded the Politics and Civic Engagement Club, served as a student senator, tutored other students in reading and writing, and has been a leader of the Honors Club. Celina has also worked at an elementary school afterschool program, volunteered on a local county supervisorial campaign, and interned at a voter outreach nonprofit. This fall, Celina will transfer to UC Berkeley, with the goal of becoming an immigration attorney.



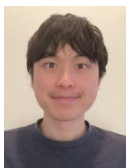
CAMILLE CATOLES: As a woman in STEM, Camille is a trailblazer dedicated to helping women and students of color achieve their potential in the sciences. At Skyline College, Camille has been a leader of the Women in Science Engineering Represent and Computer Science clubs, served as a peer tutor at Skyline's STEM Center, led a Scratch programming workshop at the Expanding Your Horizons conference for teen girls, and volunteered with Girls Who Code. Transferring to UC Santa Cruz, Camille plans to major in computer science and explore uses of artificial intelligence in health care and the environmental sciences.



JUSTIN CHAN: Captivated by technology from a young age, Justin will study computer engineering at UC San Diego. At Capuchino High School, where he is a scholar in the International Baccalaureate diploma program, Justin has served as president of the Coding Club and mentored other students interested in artificial intelligence and programming. Motivated by a desire to minimize school lunch waste, he became president of the Environmental Club, educating classmates on recycling and composting and leading community cleanup efforts. Justin also played on the badminton team and led the Chinese Culture Club.



XENIA GOMEZ IÑIGUEZ: Xenia is a leader committed to a life of service. As student body president and a member of the School Site Council at Capuchino High School, Xenia has spoken out against hate speech, gun violence, and sexual harassment and helped to foster a safe, supportive, and creative place for student learning. To motivate young girls to pursue STEM interests, she founded the SAGEx Club at Parkside Intermediate School and served as a Mathnasium tutor. She was captain of the track and field team, specializing in shotput and discus. This fall, Xenia will begin her undergraduate studies in astrophysics at UC Berkeley.



EDEN HUANG: Eden is passionate about data science and exploring how data-driven technology can provide innovative solutions to benefit local communities. As a math major at Skyline College, Eden founded the Data Science Club and has been active in the Computer Science and Engineering and Robotics clubs. He participated in the 2023 Winter Research Scholars Internship program, returning the following year as a mentor for other participants. Eden has also regularly volunteered at the weekly Second Harvest food distribution on the Skyline campus. Eden will transfer to UC Berkeley as a data science major this fall.



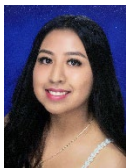
THET MON KYAW: Thet's journey from a childhood spent in refugee camps on the Myanmar-Thailand border to Skyline College, where he studied public health, to UC Berkeley, where he will enroll this fall, fuels his drive for public service. Thet aspires to become a physician serving underrepresented communities in refugee camps and war-torn areas. At Skyline, Thet founded the Myanmar Students Union, served as a peer instruction leader at the STEM Center, tutored ESOL (English for Speakers of Other Languages) students in writing and English courses, and promoted mental health service awareness as a health ambassador.



EMILIO RAMIREZ: Family members' battles with cancers have inspired Emilio's dreams of becoming a neurosurgeon and providing care to families in need. A scholar in the International Baccalaureate diploma program at Capuchino High School, Emilio has served as co-president of the Leos Club, vice president of the Environmental Club, volunteer for the San Bruno Period Drive, and member of the Interact, Samosa, and Women's Advocacy clubs. He also played on the high school baseball team all four years. Emilio plans to study biology at San Francisco State University.



SAREENA ROBINSON: Sareena is a Capuchino High School scholar in the International Baccalaureate diploma program and a dedicated member of the San Bruno community. As president of the Math Club and a peer tutor, Sareena loves helping other students. She co-founded the Samosa Club in an effort to educate others about Desi culture, and as a black belt, Sareena supports other youth as a karate instructor. Sareena is also an entrepreneur, providing administrative support to one Etsy shop and launching her own sticker business. Sareena plans to study electrical engineering and computer science at UC Berkeley.



JESSILYN RODRIGUEZ: Jessilyn is determined to become a doctor and, utilizing her Spanish-speaking skills, provide compassionate medical care to underserved communities. In pursuit of that goal, Jessilyn volunteers in the emergency department at Mills-Peninsula Medical Center, participated in Kaiser Permanente's Summer Careers Pathways program, interned with cardiothoracic surgeons at Stanford, and is in the International Baccalaureate diploma program at Capuchino High School. Jessilyn has also been active in the Latino Unidos, Folklorico, and Interact clubs. Jessilyn will begin her studies at UC Berkeley this fall.



KALEY SHUM: A self-described "people person," Kaley loves giving back to her community. She particularly enjoys nurturing and engaging with children, which she has done as a swim instructor, lifeguard, and Junior Giants coach. An International Baccalaureate diploma student at Capuchino High School, Kaley has served as president of the Environmental Club, vice president of the Leos Club, and as captain of both the tennis and badminton teams. Kaley is passionate about addressing the causes and impacts of climate change, and she plans to major in cognitive science at UCLA.

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MINUTES

SAN BRUNO COMMUNITY FOUNDATION

Regular Meeting of the Board of Directors

March 6, 2024

7:00 p.m.

Meeting Location:

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

- 1. Call to Order/Welcome:** Vice President Ruane called the meeting to order at 7:00 p.m.
- 2. Roll Call:** Board Members Ruane, Gomez, Lin, Perry, Torres, and Wong, present; Board Member Netane-Jones, excused.
- 3. Public Comment:** None.
- 4. Approval of Minutes:** February 7, 2024, Regular Board Meeting: Treasurer Lin moved to approve the minutes of the February 7, 2024, Regular Board Meeting, seconded by Board Member Wong, approved unanimously by roll call vote (Netane-Jones, absent).
- 5. Executive Director's Report**

Executive Director Leslie Hatamiya reported on several items. She reported that, under her contract authority as Executive Director, she renewed the Foundation's commercial general liability, property, non-owned hired auto liability, and cyber liability insurance policies with Philadelphia Insurance Companies (total combined premium of \$1,271). For the workers compensation policy, she reported that the Foundation is switching carriers from AmTrust, which offered a renewal policy that was 45% higher than last year, to The Hartford, which offered a policy with an estimated premium of \$904 (24% lower than the AmTrust policy cost last year). These policies are up for renewal on March 21, 2024. She also reminded Board members to submit their necessary ethics paperwork (Form 700 and Conflict of Interest Policy Annual Affirmation).

Ms. Hatamiya also gave a brief update on the Board's strategic planning process. With regard to the City's plans for pursuing a revenue measure to fund key facilities and infrastructure projects that the Foundation Board may be interested in considering supporting as a legacy project, she noted that on February 27, the

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San Bruno City Council received a recommendation from its Ballot Measure Ad Hoc Committee, which was charged with reviewing types of revenue measures for the November 2024 general election to strengthen the City's fiscal sustainability, that the Council consider a general obligation bond. On the City's list of unfunded capital needs responsive to the Community Perceptions Survey that could be funded by a general obligation bond are stormwater infrastructure, reconstruction of Fire Stations 51 and 52, Crestmoor Canyon fire safety improvements, Crestmoor fields construction and other park enhancements, accelerated pavement management system, Senior Center renovation, and street light replacements. The Council agreed to move forward with the Committee's recommendation and take steps to explore a general obligation bond. The tentative timeline includes stakeholder/community outreach and a poll of residents this spring, with a decision as to whether to place a measure on the ballot to be made by late July. Ms. Hatamiya said she would continue to monitor the City's plans for a ballot measure and that the Board would continue its strategic planning discussions later this year as the Foundation receives further information from the City and the San Bruno Park School District, which is also considering a November ballot measure and several capital project, on their plans.

6. Consent Calendar

- a. Adopt Resolution Authorizing Executive Director to Bind Directors and Officers Liability Insurance Policy from Travelers Casualty and Surety Company of America for an Amount Not to Exceed \$11,585
- b. Adopt Resolution Authorizing President Malissa Netane-Jones to Execute a Contract with Novogradac & Company LLP for Audit and Tax Preparation Services for Fiscal Year 2023-2024 for an Amount Not to Exceed \$11,300
- c. Adopt Resolution Adjusting Executive Director's Compensation
- d. Receive and Approve Treasurer's Report (January 2024 Financial Statements)

Because State law requires an oral report on the Board's action to adjust the Executive Director's compensation, Vice President Ruane reported that the action in Item 6.c. is to provide a 5% cost of living increase to her salary, which will now be \$218,206.80, retroactive to February 1, 2024. He reported there would be no other changes to the Executive Director's compensation.

Board Member Perry moved to accept the Consent Calendar as presented, seconded by Treasurer Lin, approved unanimously by roll call vote (Netane-Jones, absent).

7. Conduct of Business

- a. Receive Report on the San Bruno Recreation and Aquatic Center from the City of San Bruno

On behalf of the Ad Hoc Committee on Recreation and Aquatic Center Project, Vice President Ruane reported that in February, the Foundation made quarterly grant payments related to the Recreation and

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Aquatic Center project totaling approximately \$75,000. He noted that the Foundation has paid out a total of \$49.25 million in RAC grant payments, with a balance of up to \$2.25 million left to disburse.

Community Services Director Travis Karlen updated the Board on progress on the construction of the new Recreation and Aquatic Center in San Bruno City Park, which the Foundation is supporting with grants totaling \$51.5 million. He gave an overview of remaining work to complete in the natatorium, community hall, gymnasium, outdoor site work, power and gas hookups by PG&E, and safety and security measures. He reported on the project budget and timeline. He also highlighted the City's preparations for the opening of the facility in a few months, including plans for programs and rentals, marketing and outreach, and grand opening event planning. Board members asked several questions regarding the timing of the power drop, the configuration of City Park Way, and plans for the Easter egg hunt in City Park.

b. Receive Report on the Centennial Plaza Improvement Project from the City of San Bruno

Director Karlen gave an update on the City's plans to transform Centennial Plaza into a welcoming gathering space on San Mateo Avenue, which the Foundation is helping fund with a \$500,000 grant. He noted that on February 13, the San Bruno City Council unanimously adopted a resolution approving the design of the Centennial Plaza improvements, authorizing the City Manager to execute a construction contract with Suarez and Munoz Construction Inc. for the Centennial Plaza Improvement Project, and approving a budget adjustment of \$576,259 from the Community Facilities Impact Fee Fund for the completion of the project. He went through the project timeline, with construction to begin this spring and to be completed by the end of 2024.

c. Receive Report from the Ad Hoc Committee on Downtown Beautification Initiatives and Adopt Resolution Approving Strategic Grant to the City of San Bruno for the Downtown Beautification Project in an Amount Not to Exceed \$350,000

On behalf of the Ad Hoc Committee on Downtown Beautification Initiatives, Vice President Ruane reported that following its presentation to the Board at the February meeting, the City of San Bruno submitted a written strategic grant proposal for the Downtown Beautification Project, outlining the five main components of the project, the project's value proposition and community impact, the project timeline, the project budget, why Foundation funds are needed, collaborative efforts related to the project, and the sustainability of the project. He noted that the proposal addressed several questions the Committee had raised regarding the project budget, timeline, and recognition of the Foundation's funding. Vice President Ruane stated that the Committee recommends that the Board adopt the resolution awarding a strategic grant to the City of San Bruno for the Downtown Beautification Project in an amount not to exceed \$350,000, but because the City Council has yet to authorize the project, the Committee recommends making payment of the grant contingent on the City Council approving the project and the project budget. He also noted that the grant amount is "not to exceed" \$350,000, and in the event that the actual costs of the project are less than \$350,000, the Foundation would provide grant funding only to the extent necessary to cover those actual costs.

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On behalf of the City, Director Karlen then presented the City's plans for the beautification initiatives and its request for funding. In particular, he reviewed the five project components, including planter revitalization along San Mateo Avenue, the potential planting of trees on Jenevein Avenue, median landscape revitalization, the creation of new street pole banners, and the replacement of the marquee sign on the south end of San Mateo Avenue. He outlined the updated project budget, with a 25% contingency to provide sufficient cushion for unexpected costs that may arise due to the aging infrastructure and unknowns under the sidewalks and a total budget cost and request of \$350,000. Mr. Karlen also provided an updated timeline, with outreach to the downtown businesses in the spring, request for proposals in June, award of contracts in the summer, construction from August to December, and a tentative project completion date in December.

Secretary Gomez moved to adopt the resolution approving a strategic grant to the City of San Bruno for the Downtown Beautification Project in an amount not to exceed \$350,000, seconded by Board Member Wong, approved unanimously by roll call vote (Netane-Jones, absent).

d. Receive Report from Ad Hoc Committee on SBPSD Strategic Initiatives

Committee Chair Irving Torres made a brief report, noting that the Committee met three times since November, including one meeting with San Bruno Park School District Superintendent Matt Duffy and San Bruno Education Foundation President Heather Latta to learn more about the school district's strategic initiatives. Given that the district's three top priority initiatives are all large projects that would require a significant investment from SBCF, he said the Committee decided that it was best to take a pause and that the Board's consideration of funding any of the initiatives should take place as part of the Board's ongoing strategic planning deliberations. He also reported that the Committee has expressed a willingness to consider a high priority, immediate need at a much lower funding level, if the district were to identify one.

e. Receive Report on other Programs (Crestmoor Scholarship, Community Grants Fund, and Strategic Grants)

Executive Director Hatamiya reported on the Foundation's other programs and initiatives. With regard to the Community Grants Fund, she noted that the Foundation is nearly done delivering grant checks to the local organizations that received Community Grants in the 2023-2024 cycle and shared photos of some of the in-person and virtual check presentations. With regard to the Crestmoor Scholarship, she reported that the 2024 Scholarship Program is proceeding on schedule and that the number of applications received by the March 5 deadline is similar to the 2023 application pool. She said that there has been a significant delay in students receiving their federal financial aid (FAFSA) reports, which will make the selection panel's assessment of applicants' financial need more challenging this year. She said the Foundation expects to notify applicants of the results of the selection process before the end of April, and the 2024 Crestmoor Scholars will be recognized at the June 5 Board meeting.

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f. Receive Report from Investment Committee on its February 21, 2024, Regular Meeting

As Committee chair, Treasurer Pak Lin reported on the Investment Committee's recent quarterly meeting on February 21, which included a report from the Foundation's investment management team at Sand Hill Global Advisors and a discussion of cash flow needs related to the Recreation and Aquatic Center project. She noted that the U.S. economy has been on the upswing, to the benefit of the Foundation's investment portfolio.

8. Board Member Comments: None.

9. Adjourn: Board Member Torres moved to adjourn the meeting at 7:45 p.m., seconded by Secretary Gomez, approved unanimously.

Respectfully submitted for approval at the Regular Board Meeting of June 5, 2024, by Secretary Raul Gomez and President Malissa Netane-Jones.

Raul Gomez, Secretary

Malissa Netane-Jones, President

SAN BRUNO

Community Foundation

Memorandum

DATE: May 31, 2023

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Executive Director's Report

Since the March 6, 2024, Board meeting, I have continued to focus on administering the Community Grants Fund and Crestmoor Scholarship programs, monitoring and attending to various strategic grant initiatives, and supporting the Investment Committee, all of which will be covered during the business portions of the June 5, 2024, regular Board meeting. In addition, I have handled a variety of other matters, including the following:

1. Insurance Policy Renewals

Renewals of the Foundation's workers compensation, directors and officers liability, and commercial general liability, cyber liability, property, and non-owned hired auto liability insurance policies became effective on March 21, 2024.

In addition, I secured a two-year renewal of the Foundation's crime insurance policy with Travelers Casualty and Surety Company of America. The new policy year began on May 27, 2024, and the annual cost is \$3,237 (\$2,887 premium and \$350 broker's fee). The premium is slightly lower than last year's premium (\$2,897).

2. Auditor

At the March 6 Board meeting, the Board approved Novogradac & Company LLP to conduct the Foundation's fiscal year 2023-2024 audit and authorized President Malissa Netane-Jones to execute a professional services agreement with the firm for audit and tax preparation services. We executed the professional services agreement with Novogradac on March 6, 2024.

3. Strategic Planning

As I reported at the March meeting, the Board's strategic planning process is on pause, as we wait for further information from the City of San Bruno and the San Bruno Park School District about their plans for revenue measures on the November ballot and as well as their plans regarding various capital projects. The City conducted a poll of San Bruno residents to gauge

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Community Foundation

Memorandum

community support for a bond measure to fund various capital improvements, and the City Council will be considering the results of the poll and making decisions about placing a bond measure on the November ballot this summer. In addition, the San Bruno Park School District is considering placing a parcel tax on the November ballot. In addition, it has hired an architectural firm to create a conceptual design for a new STEAM building at Parkside Intermediate School, which should be completed by the end of 2024. I will continue to monitor progress on these activities by both the City and school district.

4. Email Newsletter and Website Hits

Since the March 6 Board meeting, I have sent out two email blasts to the Foundation's email distribution list, one reporting on the March meeting and the other announcing the 2024 Crestmoor Scholars. Of the approximately 800 emails sent, roughly 60% of the recipients opened each email.

According to Google Analytics, activity on the sbcf.org website has been moderate and, not surprisingly, focused on the Crestmoor Scholarship. Between March 6 and May 30, approximately 1,800 users visited the Foundation website. The most visited pages were home page and the pages related to the Crestmoor Scholarship, the Community Grants Fund, and the Recreation and Aquatic Center project.

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Community Foundation

Memorandum

DATE: May 31, 2024

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Consent Calendar for the June 5, 2024, Regular Board Meeting

For the June 5, 2024, 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 Approving Appointments to the Investment Committee

Article VII, Section 3, of the San Bruno Community Foundation's Bylaws empowers the Foundation's Board of Directors to create advisory committees that may contain any number of Director and non-Director committee members. On June 1, 2016, the Board created the Investment Committee as an advisory body charged with providing guidance to the Board on all aspects of the investment management process, as outlined in the Charter of the Investment Committee. The Committee Charter states that the Committee shall consist of the Board Treasurer, who serves in an ex officio capacity as chair, along with one other Director member and three non-Director members whose experience in finance and investment management may assist the Committee and the Board in the performance of their investment oversight responsibilities. The four Committee members other than the Treasurer are appointed by the Board.

Treasurer Pak Lin serves as Committee chair as a function of her role as Treasurer. In July 2022, the Board appointed Board Member Supriya Perry and community members Anthony Clifford, Mark Hayes, and Tim Ross to two-year terms on the Investment Committee commencing on July 1, 2022, and concluding on June 30, 2024. After Board Member Perry expressed a desire to step down from the Investment Committee due to her work schedule and a family relocation to the South Bay, the Board, in September 2023, appointed Board Member Belinda Wong to serve the remainder of Board Member Perry's term on the Committee.

Board Member Wong, Mr. Clifford, Dr. Hayes, and Mr. Ross have diligently and capably served on the Committee. In the interest of continuity and sustained productivity of the Committee, particularly as the Board considers revising its program and investment strategies after the San Bruno Recreation and Aquatic Center project is completed, the appointment of Ms. Wong, Mr.

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Memorandum

Clifford, Dr. Hayes, and Mr. Ross to new two-year terms on the Committee would be an asset to the Foundation. The attached resolution would appoint the four of them to new two-year terms commencing on July 1, 2024, and concluding on June 30, 2026.

2. Receive and Approve Treasurer's Report (February, March, and April 2024 Financial Statements)

The February, March, and April 2024 financial statements each consist of a Budget Report and Balance Sheet. The attached Budget Narrative provides a thorough explanation of the financial statements. The Budget Report includes the fiscal year 2023-2024 budget figures approved at the June 7, 2023, Board meeting.

I recommend that the Board approve the attached resolution and the Treasurer's Report, as outlined above, as part of the Consent Calendar on June 5, 2024.

Attachments:

1. Resolution Approving Appointments to the Investment Committee
2. February 2024 Financial Statements
3. March 2024 Financial Statements
4. April 2024 Financial Statements

RESOLUTION NO. 2024-__

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION
APPROVING APPOINTMENTS TO THE INVESTMENT COMMITTEE**

WHEREAS, on June 1, 2016, the Foundation’s Board of Directors created the Investment Committee as an advisory body charged with providing guidance to the Board on all aspects of the investment management process, as outlined in the Charter of the Investment Committee;

WHEREAS, the Committee Charter states that the Committee shall consist of the Board Treasurer, who serves in an ex officio capacity, along with one other Director member and three non-Director members whose experience in finance and investment management may assist the Committee and the Board in the performance of their investment oversight responsibilities and who are appointed by the Board;

WHEREAS, the current terms of Board Member Belinda Wong and community members Anthony Clifford, Mark Hayes, and Tim Ross as members of the Committee will conclude on June 30, 2024;

WHEREAS, Ms. Wong, Mr. Clifford, and Dr. Hayes have diligently and capably served on the Committee and have expressed interest in continuing to serve on the Committee; and

WHEREAS, Treasurer Pak Lin continues to serve ex officio as the Committee Chair.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby appoints Board Member Belinda Wong as a Director member of the Investment Committee and Anthony Clifford, Mark Hayes, and Tim Ross as the three non-Director Committee members to two-year terms on the Investment Committee commencing on July 1, 2024, and concluding on June 30, 2026.

Dated: June 5, 2024

ATTEST:

Raul Gomez, Secretary

I, Raul Gomez, Secretary, do hereby certify that the foregoing Resolution No. 2024-__ was duly and regularly passed and adopted by the Board of Directors of

the San Bruno Community Foundation on this 5th day of June, 2024, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

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February 2024

Budget Narrative

This report primarily describes amounts in column a (Actual Year to Date) of the monthly Budget Report. When projections vary from Budget (column b), the changes will be reflected in columns d (Final Projected Amount) and e (Change in Budget) and be explained. First eight months equal 66.7% of the fiscal year.

Please note that for the first seven months of the fiscal year (July 2023 – January 2024), financial statements and these narratives were prepared using incorrect budget amounts on certain lines and these February statements (and those going forward) include the correct budget numbers.

INCOME

Line 1 Transfers from Quasi Endowment – \$200,000 transferred for Community Grants is 53.6% of budget.

Line 2 Transfers from Strategic Pool – \$850,000 transferred equals 59% of budget.

Line 3 Donations - \$1,700 received is unbudgeted. \$1,500 is from Allan & Mary Lou Johnson designated for Scholarships.

Line 4 Interest Income – Total is \$11,451 or 66.7% of budget.

Line 5 Miscellaneous Income - \$30,000 is unbudgeted amount from write-off of 2023 Community Day grant.

EXPENSES

Line 8 Community Grants – \$300,000 is 100% of budget.

Line 12 Salaries & Wages – Expense is a touch over budget at 67.4%.

Line 13 Payroll Taxes & Benefits – Expense (\$17,135) is 64% of budget. Social Security/Medicare tax (\$9,202) and retirement (\$6,927) are the largest costs. Also included are workers' compensation (\$792) and life (\$214) insurance.

Line 15 Occupancy – Only cost is office lease (\$11,227). Amount is 66% of budget.

Line 16 Insurance – Total (\$12,288) is 62.1% of budget and includes Directors & Officers (\$9,520), crime (\$1,928), and commercial liability (\$840) policies.

Line 17 Telecommunications – Cost (\$1,651) is 62.3% of budget. \$769 has been for cell phones, \$646 for internet, and \$236 for land line services.

Line 18 Postage & Shipping – Cost (\$2,355) is 92% of budget. \$2,059 or 87% of the total has been for Annual Report distribution.

Line 19 Marketing & Communications - \$14,518 expense is 81.6% of budget and has been for Annual Report design and printing (\$11,446), scholarship flyers (\$1,249), and grants and scholarship application software (\$1,823).

Line 20 Office Supplies & Equipment – Cost (\$2,791) is 48.1% of budget. \$2,248 or 81% of the total has been for Program Manager equipment.

Line 21 Legal Fees – \$18,469 expense is 37.1% of budget. Cost includes \$10,826 for Administrative, \$1,264 for Strategic Grants, and \$6,379 for Community Grants support.

Line 22 Accounting & Payroll Fees – Total (\$25,980) is 70.7% of budget with \$11,000 for annual audit and tax preparation, \$13,572 for Accounting Consultant and \$1,408 for payroll and accounting software/fees.

Line 23 Other Consultants – \$4,463 is 13.6% of budget and has been for Computer/IT consultant.

Line 24 Travel, Meetings & Conferences – \$3,200 expense is 40.4% of budget. \$2,727 has been for Board member travel to Japan and \$473 has been for Board meeting expenses.

Line 26 Miscellaneous – Cost (\$1,414) equals 52.1% of budget. \$850 has been for organizational memberships.

SUMMARY

Excluding the budget for Scholarships & Grants, total expenses are at 59.9% of budget, which is well below 66.7% benchmark for the first eight months of the year. In terms of dollars, the \$273,695 in year-to-date expense is \$31,011 less than the eight-month budget allocation.

Total February Investment net gain or increase in value is \$569,658. This came from Strategic Pool (\$164) loss and Quasi Endowment (\$560,956) and Liquidity Pool (\$8,866) gains. Year-to-date Investment net gain or increase in value is \$2,013,164.

Overall organization year to date net gain or increase in net assets is \$1,482,621.

Total Net Assets, as of February 29, 2024 are \$28,607,450 with \$22,704,016 in Quasi Endowment; \$5,900,734 in general Unrestricted funds; and \$2,700 in Donor Restricted Net Assets.

SAN BRUNO

Community Foundation

February 2024 2023-2024 Budget Report

	(a)	(b)	(c)	(d)	(e)
	Actual Year to Date	Budget	Actual as % of Budget (a/b)	Final Projected Amount	Change in Budget (d - b)
INCOME & TRANSFERS					
1 Transfers from Quasi Endowment	\$ 200,000	\$ 372,843	53.6%	\$ 372,843	\$ -
2 Transfers from Strategic Pool	850,000	1,441,576	59.0%	1,441,576	-
3 Donations	1,700	-	-	1,700	1,700
4 Interest Income	11,451	17,177	66.7%	17,177	-
5 Miscellaneous Income	30,000	-	-	30,000	30,000
6 Total Available for Operations	1,093,151	1,831,596	59.7%	1,863,296	31,700
EXPENSES					
7 Crestmoor Scholarships	-	160,000	0.0%	160,000	-
8 Community Grants	300,000	300,000	100.0%	300,000	-
9 Strategic Grants	-	500,000	0.0%	500,000	-
10 Other Grants	-	10,000	0.0%	10,000	-
11 Subtotal Direct Program Expenses	300,000	970,000	30.9%	970,000	-
12 Salaries & Wages	158,204	234,706	67.4%	234,706	-
13 Payroll Taxes & Benefits	17,135	26,762	64.0%	26,762	-
14 Subtotal Personnel Expenses	175,339	261,468	67.1%	261,468	-
15 Occupancy	11,227	17,009	66.0%	17,009	-
16 Insurance	12,288	19,787	62.1%	19,787	-
17 Telecommunications	1,651	2,648	62.3%	2,648	-
18 Postage & Shipping	2,355	2,560	92.0%	2,560	-
19 Marketing & Communications	14,518	17,786	81.6%	17,786	-
20 Office Supplies & Equipment	2,791	5,800	48.1%	5,800	-
21 Legal Fees	18,469	49,740	37.1%	49,740	-
22 Accounting & Payroll Fees	25,980	36,742	70.7%	36,742	-
23 Other Consultants	4,463	32,882	13.6%	32,882	-
24 Travel, Meetings & Conferences	3,200	7,924	40.4%	7,924	-
25 Miscellaneous	1,414	2,713	52.1%	2,713	-
26 Subtotal Non-Personnel	98,356	195,591	50.3%	195,591	-
27 Total Expenses	573,695	1,427,059	40.2%	1,427,059	-
28 Net Surplus/(Loss)	\$ 519,456	\$ 404,537		\$ 436,237	\$ 31,700

SAN BRUNO

Community Foundation

Statement of Financial Position as of February 29, 2024

ASSETS

Cash, Wells Fargo General	\$ 156,212.00	
Cash, Wells Fargo Payroll	8,832.38	
Cash, Fidelity Liquidity Pool - Operating	3,005,400.47	
Total Cash		3,170,444.85
Investments, Fidelity Strategic Pool	5,644,222.63	
Investments, Fidelity Quasi-Endowment	22,704,015.95	
Total Investments		28,348,238.58
Prepaid Rent	1,414.92	
Prepaid Insurance	2,126.00	
Total Other Current Assets		3,540.92
Deposits	909.45	
Total Other Assets		909.45
TOTAL ASSETS		\$ 31,523,133.80

LIABILITIES & NET ASSETS

LIABILITIES

Accounts Payable	11,583.94	
Accrued Grants Payable	2,626,546.83	
Accrued Scholarships Payable	262,500.00	
Accrued Employee PTO	15,053.44	
Total Liabilities		2,915,684.21

NET ASSETS

Unrestricted, Non-QE 7/1/2023 Balance	5,810,649.13	
Transfer from Quasi-Endowment	200,000.00	
Year to Date Net Income from Operations	(432,043.40)	
Year to Date Strategic Investment Income	322,127.91	
Total Non-QE Unrestricted Net Assets		5,900,733.64
Quasi-Endowment 7/1/2023 Balance	21,212,979.52	
Transfer to Liquidity for Operations	(200,000.00)	
Year-to-date QE Investment Income	1,691,036.43	
Total QE Unrestricted Net Assets		22,704,015.95
Total Unrestricted Net Assets		28,604,749.59
Donor Restricted Net Assets 7/1/2023 Balance	101,200.00	
Year to Date Donor Restricted Net Income	(98,500.00)	
Total Donor Restricted Net Assets		2,700.00
Total Net Assets		28,607,449.59
TOTAL LIABILITIES & NET ASSETS		\$ 31,523,133.80

SAN BRUNO

Community Foundation

March 2024

Budget Narrative

This report primarily describes amounts in column a (Actual Year to Date) of the monthly Budget Report. When projections vary from Budget (column b), the changes will be reflected in columns d (Final Projected Amount) and e (Change in Budget) and be explained. First nine months equal 75% of the fiscal year.

INCOME

Line 1 Transfers from Quasi Endowment – \$200,000 transferred for Community Grants is 53.6% of budget.

Line 2 Transfers from Strategic Pool – \$850,000 transferred equals 59% of budget.

Line 3 Donations - \$2,700 received is unbudgeted. \$1,500 is from Allan & Mary Lou Johnson designated for Scholarships.

Line 4 Interest Income – Total is \$12,883 or 75% of budget.

Line 5 Miscellaneous Income - \$30,000 is unbudgeted amount from write-off of 2023 Community Day grant.

EXPENSES

Line 8 Community Grants – \$300,000 is 100% of budget.

Line 10 Other Grants - \$2,500 is 25% of budget and has been for Narita Sister City Exchange.

Line 12 Salaries & Wages – Expense is a touch over budget at 77.3%.

Line 13 Payroll Taxes & Benefits – Expense (\$19,964) is 74.6% of budget. Social Security/Medicare tax (\$10,980) and retirement (\$7,879) are the largest costs. Also included are workers' compensation (\$891) and life (\$214) insurance.

Line 15 Occupancy – Only cost is office lease (\$12,641). Amount is 74.3% of budget.

Line 16 Insurance – Total (\$13,824) is 69.9% of budget and includes Directors & Officers (\$10,710), crime (\$2,169), and commercial liability (\$945) policies.

Line 17 Telecommunications – Cost (\$1,848) is 69.8% of budget. \$856 has been for cell phones, \$727 for internet, and \$265 for land line services.

Line 18 Postage & Shipping – Cost (\$2,372) is 92.7% of budget. \$2,059 or 87% of the total has been for Annual Report distribution.

Line 19 Marketing & Communications - \$14,724 expense is 82.8% of budget and has been for Annual Report design and printing (\$11,446), scholarship flyers (\$1,249), and grants and scholarship application software (\$2,029).

Line 20 Office Supplies & Equipment – Cost (\$2,982) is 51.4% of budget. \$2,248 or 75% of the total has been for Program Manager equipment.

Line 21 Legal Fees – \$22,820 expense is 45.9% of budget. Cost includes \$12,318 for Administrative, \$3,959 for Strategic Grants, and \$6,379 for Community Grants support.

Line 22 Accounting & Payroll Fees – Total (\$27,525) is 74.9% of budget with \$11,000 for annual audit and tax preparation, \$15,021 for Accounting Consultant and \$1,504 for payroll and accounting software/fees.

Line 23 Other Consultants – \$4,463 is 13.6% of budget and has been for Computer/IT consultant.

Line 24 Travel, Meetings & Conferences – \$3,308 expense is 41.7% of budget. \$2,727 has been for Board member travel to Japan and \$581 has been for Board meeting expenses.

Line 26 Miscellaneous – Cost (\$1,415) equals 52.2% of budget. \$850 has been for organizational memberships.

SUMMARY

Excluding the budget for Scholarships & Grants, total expenses are at 67.7% of budget, which is well below 75% benchmark for the first three quarters of the year. In terms of dollars, the \$309,337 in year-to-date expense is \$33,457 less than the nine-month budget allocation.

Total March Investment net gain or increase in value is \$640,385. This came from Strategic Pool (\$80,561), Quasi Endowment (\$547,722) and Liquidity Pool (\$12,102) gains. Year-to-date Investment net gain or increase in value is \$2,653,549.

Overall organization year to date net gain or increase in net assets is \$2,087,295.

Total Net Assets, as of March 31, 2024 are \$29,212,124 with \$23,251,738 in Quasi Endowment; \$5,957,686 in general Unrestricted funds; and \$2,700 in Donor Restricted Net Assets.

SAN BRUNO

Community Foundation

March 2024 2023-2024 Budget Report

	(a)	(b)	(c)	(d)	(e)
	Actual Year to Date	Budget	Actual as % of Budget (a/b)	Final Projected Amount	Change in Budget (d - b)
INCOME & TRANSFERS					
1 Transfers from Quasi Endowment	\$ 200,000	\$ 372,843	53.6%	\$ 372,843	\$ -
2 Transfers from Strategic Pool	850,000	1,441,576	59.0%	1,441,576	-
3 Donations	2,700	-	-	2,700	2,700
4 Interest Income	12,883	17,177	75.0%	17,177	-
5 Miscellaneous Income	30,000	-	-	30,000	30,000
6 Total Available for Operations	1,095,583	1,831,596	59.8%	1,864,296	32,700
EXPENSES					
7 Crestmoor Scholarships	-	160,000	0.0%	160,000	-
8 Community Grants	300,000	300,000	100.0%	300,000	-
9 Strategic Grants	-	500,000	0.0%	500,000	-
10 Other Grants	2,500	10,000	25.0%	10,000	-
11 Subtotal Direct Program Expenses	302,500	970,000	31.2%	970,000	-
12 Salaries & Wages	181,451	234,706	77.3%	234,706	-
13 Payroll Taxes & Benefits	19,964	26,762	74.6%	26,762	-
14 Subtotal Personnel Expenses	201,415	261,468	77.0%	261,468	-
15 Occupancy	12,641	17,009	74.3%	17,009	-
16 Insurance	13,824	19,787	69.9%	19,787	-
17 Telecommunications	1,848	2,648	69.8%	2,648	-
18 Postage & Shipping	2,372	2,560	92.7%	2,560	-
19 Marketing & Communications	14,724	17,786	82.8%	17,786	-
20 Office Supplies & Equipment	2,982	5,800	51.4%	5,800	-
21 Legal Fees	22,820	49,740	45.9%	49,740	-
22 Accounting & Payroll Fees	27,525	36,742	74.9%	36,742	-
23 Other Consultants	4,463	32,882	13.6%	32,882	-
24 Travel, Meetings & Conferences	3,308	7,924	41.7%	7,924	-
25 Miscellaneous	1,415	2,713	52.2%	2,713	-
26 Subtotal Non-Personnel	107,922	195,591	55.2%	195,591	-
27 Total Expenses	611,837	1,427,059	42.9%	1,427,059	-
28 Net Surplus/(Loss)	\$ 483,746	\$ 404,537		\$ 437,237	\$ 32,700

SAN BRUNO

Community Foundation

Statement of Financial Position as of March 31, 2024

ASSETS

Cash, Wells Fargo General	\$ 86,072.67	
Cash, Wells Fargo Payroll	44,093.49	
Cash, Fidelity Liquidity Pool - Operating	3,018,934.46	
Total Cash		3,149,100.62
Investments, Fidelity Strategic Pool	5,724,783.26	
Investments, Fidelity Quasi-Endowment	23,251,737.98	
Total Investments		28,976,521.24
Prepaid Rent	1,455.92	
Prepaid Insurance	2,666.00	
Total Other Current Assets		4,121.92
Deposits	909.45	
Total Other Assets		909.45
TOTAL ASSETS		\$ 32,130,653.23

LIABILITIES & NET ASSETS

LIABILITIES

Accounts Payable	14,428.82	
Accrued Grants Payable	2,626,546.83	
Accrued Scholarships Payable	262,500.00	
Accrued Employee PTO	15,053.44	
Total Liabilities		2,918,529.09

NET ASSETS

Unrestricted, Non-QE 7/1/2023 Balance	5,810,649.13	
Transfer from Quasi-Endowment	200,000.00	
Year to Date Net Income from Operations	(467,753.50)	
Year to Date Strategic Investment Income	414,790.53	
Total Non-QE Unrestricted Net Assets		5,957,686.16
Quasi-Endowment 7/1/2023 Balance	21,212,979.52	
Transfer to Liquidity for Operations	(200,000.00)	
Year-to-date QE Investment Income	2,238,758.46	
Total QE Unrestricted Net Assets		23,251,737.98
Total Unrestricted Net Assets		29,209,424.14
Donor Restricted Net Assets 7/1/2023 Balance	101,200.00	
Year to Date Donor Restricted Net Income	(98,500.00)	
Total Donor Restricted Net Assets		2,700.00
Total Net Assets		29,212,124.14
TOTAL LIABILITIES & NET ASSETS		\$ 32,130,653.23

SAN BRUNO

Community Foundation

April 2024

Budget Narrative

This report primarily describes amounts in column a (Actual Year to Date) of the monthly Budget Report. When projections vary from Budget (column b), the changes will be reflected in columns d (Final Projected Amount) and e (Change in Budget) and be explained. First ten months equal 83.3% of the fiscal year.

INCOME

Line 1 Transfers from Quasi Endowment – \$200,000 transferred for Community Grants is 53.6% of budget.

Line 2 Transfers from Strategic Pool – \$850,000 transferred equals 59% of budget.

Line 3 Donations - \$2,700 received is unbudgeted. \$1,500 is from Allan & Mary Lou Johnson designated for Scholarships.

Line 4 Interest Income – Total is \$14,314 or 83.3% of budget.

Line 5 Miscellaneous Income - \$30,000 is unbudgeted amount from write-off of 2023 Community Day grant.

EXPENSES

Line 8 Community Grants – \$300,000 is 100% of budget.

Line 10 Other Grants - \$2,500 is 25% of budget and has been for Narita Sister City Exchange.

Line 12 Salaries & Wages – Expense is 86.3% of budget.

Line 13 Payroll Taxes & Benefits – Expense (\$22,559) is 84.3% of budget. Social Security/Medicare tax (\$12,590) and retirement (\$8,789) are the largest costs. Also included are workers' compensation (\$966) and life (\$214) insurance.

Line 15 Occupancy – Only cost is office lease (\$14,097). Amount is 82.9% of budget.

Line 16 Insurance – Total (\$15,361) is 77.6% of budget and includes Directors & Officers (\$11,190), crime (\$2,410), and commercial liability (\$1,051) policies.

Line 17 Telecommunications – Cost (\$2,044) is 77.2% of budget. \$942 has been for cell phones, \$808 for internet, and \$294 for land line services.

Line 18 Postage & Shipping – Cost (\$2,460) is 96.1% of budget. \$2,059 or 84% of the total has been for Annual Report distribution.

Line 19 Marketing & Communications - \$14,827 expense is 83.4% of budget and has been for Annual Report design and printing (\$11,446), scholarship flyers (\$1,249), and grants and scholarship application software (\$2,132).

Line 20 Office Supplies & Equipment – Cost (\$3,052) is 52.6% of budget. \$2,248 or 74% of the total has been for Program Manager equipment.

Line 21 Legal Fees – \$24,856 expense is 50% of budget. Cost includes \$14,353 for Administrative, \$3,959 for Strategic Grants, and \$6,379 for Community Grants support.

Line 22 Accounting & Payroll Fees – Total (\$28,881) is 78.6% of budget with \$11,000 for annual audit and tax preparation, \$16,281 for Accounting Consultant and \$1,600 for payroll and accounting software/fees.

Line 23 Other Consultants – \$4,463 is 13.6% of budget and has been for Computer/IT consultant.

Line 24 Travel, Meetings & Conferences – \$3,474 expense is 43.8% of budget. \$2,727 has been for Board member travel to Japan and \$581 has been for Board meeting expenses.

Line 26 Miscellaneous – Cost (\$1,414) equals 52.1% of budget. \$850 has been for organizational memberships.

SUMMARY

Excluding the budget for Scholarships & Grants, total expenses are at 74.4% of budget, which is well below 83.3% benchmark for the first ten months of the year. In terms of dollars, the \$339,089 in year-to-date expense is \$40,894 less than the ten-month budget allocation.

Total April Investment net loss or decrease in value is \$910,773. This came from Strategic Pool (\$151,757) and Quasi Endowment (\$769,548) losses and Liquidity Pool (\$10,532) gain. Year-to-date Investment net gain or increase in value is \$1,742,776.

Overall organization year to date net gain or increase in net assets is \$1,147,301.

Total Net Assets, as of April 30, 2024 are \$28,272,129 with \$22,482,165 in Quasi Endowment; \$5,787,264 in general Unrestricted funds; and \$2,700 in Donor Restricted Net Assets.

SAN BRUNO

Community Foundation

April 2024 2023-2024 Budget Report

	(a)	(b)	(c)	(d)	(e)
	Actual Year to Date	Budget	Actual as % of Budget (a/b)	Final Projected Amount	Change in Budget (d - b)
INCOME & TRANSFERS					
1 Transfers from Quasi Endowment	\$ 200,000	\$ 372,843	53.6%	\$ 372,843	\$ -
2 Transfers from Strategic Pool	850,000	1,441,576	59.0%	850,000	(591,576)
3 Donations	2,700	-	-	102,700	102,700
4 Interest Income	14,314	17,177	83.3%	17,177	-
5 Miscellaneous Income	30,000	-	-	30,000	30,000
6 Total Available for Operations	1,097,014	1,831,596	59.9%	1,372,720	(458,876)
EXPENSES					
7 Crestmoor Scholarships	-	160,000	0.0%	160,000	-
8 Community Grants	300,000	300,000	100.0%	300,000	-
9 Strategic Grants	-	500,000	0.0%	350,000	(150,000)
10 Other Grants	2,500	10,000	25.0%	2,500	(7,500)
11 Subtotal Direct Program Expenses	302,500	970,000	31.2%	812,500	(157,500)
12 Salaries & Wages	202,501	234,706	86.3%	243,405	8,699
13 Payroll Taxes & Benefits	22,559	26,762	84.3%	24,296	(2,466)
14 Subtotal Personnel Expenses	225,060	261,468	86.1%	267,701	6,233
15 Occupancy	14,097	17,009	82.9%	17,009	-
16 Insurance	15,361	19,787	77.6%	18,435	(1,352)
17 Telecommunications	2,044	2,648	77.2%	2,438	(210)
18 Postage & Shipping	2,460	2,560	96.1%	2,560	-
19 Marketing & Communications	14,827	17,786	83.4%	15,927	(1,859)
20 Office Supplies & Equipment	3,052	5,800	52.6%	3,782	(2,018)
21 Legal Fees	24,856	49,740	50.0%	33,956	(15,784)
22 Accounting & Payroll Fees	28,881	36,742	78.6%	32,481	(4,261)
23 Other Consultants	4,463	32,882	13.6%	9,463	(23,419)
24 Travel, Meetings & Conferences	3,474	7,924	43.8%	5,714	(2,210)
25 Miscellaneous	1,414	2,713	52.1%	1,814	(899)
26 Subtotal Non-Personnel	114,929	195,591	58.8%	143,579	(52,012)
27 Total Expenses	642,489	1,427,059	45.0%	1,223,780	(203,279)
28 Net Surplus/(Loss)	\$ 454,525	\$ 404,537		\$ 148,940	\$ (255,597)

SAN BRUNO

Community Foundation

Statement of Financial Position as of April 30, 2024

ASSETS

Cash, Wells Fargo General	\$ 65,513.03	
Cash, Wells Fargo Payroll	19,404.60	
Cash, Fidelity Liquidity Pool - Operating	3,030,922.13	
Total Cash		3,115,839.76
Investments, Fidelity Strategic Pool	5,573,026.46	
Investments, Fidelity Quasi-Endowment	22,482,164.78	
Total Investments		28,055,191.24
Prepaid Rent	1,455.92	
Prepaid Insurance	12,639.00	
Total Other Current Assets		14,094.92
Deposits	909.45	
Total Other Assets		909.45
TOTAL ASSETS		\$ 31,186,035.37

LIABILITIES & NET ASSETS

LIABILITIES

Accounts Payable	13,700.30	
Accrued Grants Payable	2,622,652.34	
Accrued Scholarships Payable	262,500.00	
Accrued Employee PTO	15,053.44	
Total Liabilities		2,913,906.08

NET ASSETS

Unrestricted, Non-QE 7/1/2023 Balance	5,810,649.13	
Transfer from Quasi-Endowment	200,000.00	
Year to Date Net Income from Operations	(496,975.02)	
Year to Date Strategic Investment Income	273,590.40	
Total Non-QE Unrestricted Net Assets		5,787,264.51
Quasi-Endowment 7/1/2023 Balance	21,212,979.52	
Transfer to Liquidity for Operations	(200,000.00)	
Year-to-date QE Investment Income	1,469,185.26	
Total QE Unrestricted Net Assets		22,482,164.78
Total Unrestricted Net Assets		28,269,429.29
Donor Restricted Net Assets 7/1/2023 Balance	101,200.00	
Year to Date Donor Restricted Net Income	(98,500.00)	
Total Donor Restricted Net Assets		2,700.00
Total Net Assets		28,272,129.29
TOTAL LIABILITIES & NET ASSETS		\$ 31,186,035.37

SAN BRUNO

Community Foundation

Memorandum

DATE: May 31, 2024

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Report on the San Bruno Recreation and Aquatic Center from the City of San Bruno and Resolution Creating and Appointing Members to Ad Hoc Committee on Recreation and Aquatic Center Startup Activities

At the June 5, 2024, regular meeting, the Board of Directors will receive its quarterly update on the San Bruno Recreation and Aquatic Center (RAC) project, which is nearing completion, from the City of San Bruno. City Manager Alex McIntyre and Community Services Director Travis Karlen will give the presentation on behalf of the City.

In addition, on behalf of the Foundation's Ad Hoc Committee on Recreation and Aquatic Center Project, President Malissa Netane-Jones will give a brief update on the RAC grants that the Foundation has awarded to the City.

1. Committee Report

The Foundation has not made any RAC grant payments since the Committee's last report to the Board in March. As shown in the table below, as of May 31, 2024, the Foundation has paid out a total of \$49,254,840.79 in RAC grant payments and has a balance of up to \$2,245,159.21 left to disburse (up to \$1,500,000.00 for construction contingency, if necessary).

RAC Grant #	For	Total Grant Amount	Total Grant Payments Made as of 5/31/2024	Balance to Pay
1	Conceptual Design	\$416,108.85	\$416,108.85	\$0.00
2	Architectural Services	\$5,420,388.00	\$5,420,388.00	\$0.00
3	Project & Construction Management Services	\$1,079,000.00	\$1,079,000.00	\$0.00
4	City Compliance Review	\$1,061,611.00	\$674,419.78	\$387,191.22
5	Temporary Facilities	\$375,000.00	\$106,752.24	\$268,247.76
6	Business Plan	\$60,000.00	\$60,000.00	\$0.00
7	Tom Lara Field Parking Lot	\$1,123,438.00	\$1,033,717.77	\$89,720.23
8	Construction	\$40,464,454.15	\$40,464,454.15	\$0.00
8A	Construction Contingency	\$1,500,000.00	\$0.00	\$1,500,000.00
	TOTAL	\$51,500,000.00	\$49,254,840.79	\$2,245,159.21

SAN BRUNO

Community Foundation

Memorandum

As the facility was expected to be completed by the end of 2023, the three active RAC grants – for #4 City Compliance Review, #5 Temporary Facilities, and #8 Construction – expired on March 31, 2024. It is highly unlikely that the City will fully use up the remaining balances on RAC Grants #4 and #5, as the quarterly requests for funds have been relatively low. There is also a remaining balance on RAC Grant #7 for the Tom Lara Field parking lot renovations. At some point, we will need to roll the remaining balances to the Construction grant, per our understanding with the City from the beginning of the project that if the City does not use up the full amount of one of the grants, we would add the remaining balance to the Construction grant at the end, so that the City would receive the full amount of SBCF's original \$50 million commitment. Earlier this year, I suggested to the City that we add all remaining balances to Construction Grant #8 at one time rather than piecemeal and proposed that we terminate RAC Grants #4 and #5 and amend Construction Grant #8 in two ways, by extending the end of the grant period to September 30, 2024, and by increasing the base construction grant amount by \$745,159.21 (which is the combined amount of the remaining balances of Grants #4, #5, and #7). Nonprofit counsel drafted documentation to accomplish these actions, which I presented to the City for execution in March.

After discussing this plan, City staff decided that for internal accounting purposes, they would prefer to keep RAC Grants #4 and #5 active and to extend the grant period for all three grants to December 31, 2024. As a result, I worked with nonprofit counsel to draft a third amendment to the grant agreements for each of RAC Grants #4, #5, and #8. All three amendments extend the grant period to December 31, 2024. In addition, the amendment to RAC Grant #8 acknowledges that the grant agreement for RAC Grant #7 has been terminated pursuant to its terms and adds the remaining balance of RAC Grant #7 (\$89,720.23) to the "construction" portion of the grant amount for RAC Grant #8, resulting in an amended total grant amount of \$42,054,174.38 (\$40,554,174.38 for construction and \$1,500,000.00 for additional contingency). Yesterday, the City and the Foundation executed the three amendments.

Once the City provides updated quarterly grant reports, I expect to issue the next set of grant payments on all three grants. Based on the preliminary grant reports submitted in April, the payments will likely be \$53,438.28 for RAC Grant #4, \$12,500.00 for RAC Grant #5, and \$1,589,720.23 for RAC Grant #8 (\$89,720.23 for construction and \$1,500,000.00 for contingency), for a total of \$1,655,658.51. At that point, the remaining balances will be \$333,752.94 for #4, \$255,747.76 for #5, \$0.00 for #7, and \$0.00 for #8.

It remains unlikely that the City will use up the full grant amounts for #4 and #5 and that there will be remaining balances on both grants at the end of the project. In that case, we will need to amend the grant agreement for #8 one more time and add the remaining balances for #4 and #5 to the construction grant amount and pay it out at the end.

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2. Preliminary Request for RAC Startup Activity Funding from the City of San Bruno

In addition to providing its regular quarterly update on the RAC project, the team from the City will preview the rollout of its expected programming at the RAC and review its business plan to help fund the facility's ongoing operations. Based on that business plan, and in light of an increasingly lean budget facing the City in the next fiscal year, the City currently anticipates that it would benefit from some level of seed funding to support its first three years of operations and avoid having to downscale programming to trim costs.

Once the City begins programming at the facility over the summer, it will develop a detailed proposal for startup programming funding to submit to the Foundation for consideration. At this time, the City estimates that the request may total up to \$2.25 million over the first three years of operation. In anticipation of that request, on June 5 the Board will consider a resolution to create a new Ad Hoc Committee on Recreation and Aquatic Center Startup Activities to explore opportunities for the Foundation to support the ramp-up of programming at the new RAC. Following this Board's usual process for evaluating potential strategic grant opportunities, I recommend that the Board adopt the attached resolution appointing an ad hoc, advisory committee to research and consider ways in which the Foundation could support start-up activities at the new RAC and, as appropriate, return to the Board with possible strategic grantmaking proposals to support such efforts through the next three fiscal years. The Committee would meet with representatives from the City to learn more about its startup activities at the RAC and then, as appropriate, request one or more formal grant proposals and consider recommending to the Board, at a future Board meeting, strategic grants to support such proposals. If the Board adopts the resolution creating this Committee, such action would not commit the Foundation to support any projects financially. If the Committee were to eventually propose one or more strategic grants, the Board would need to take separate action to consider such proposals.

Under the resolution, Board President Malissa Netane-Jones would chair the committee, and Vice President Jim Ruane and Board Member Belinda Wong would serve as committee members.

Attachment:

1. Resolution Creating and Appointing Members to Ad Hoc Committee on Recreation and Aquatic Center Startup Activities

RESOLUTION NO. 2024-__

RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION CREATING AND APPOINTING MEMBERS TO THE AD HOC COMMITTEE ON RECREATION AND AQUATIC CENTER STARTUP ACTIVITIES

WHEREAS, the San Bruno Community Foundation’s Program Strategy Framework establishes strategic grantmaking as one of the Foundation’s core program activities;

WHEREAS, the Board identified Publicly owned community facilities, community health and safety, sports and recreation, youth activities, and community-building among its strategic grantmaking priorities;

WHEREAS, the City of San Bruno is nearing completion of construction of a new Recreation and Aquatic Center in San Bruno City Park that is predominantly funded by up to \$51.5 million in grant funding from the Foundation;

WHEREAS, the City of San Bruno expects to open the new Recreation and Aquatic Center and begin its programming in the facility by the end of the summer of 2024;

WHEREAS, the Foundation is interested in supporting a successful startup phase for the new Recreation and Aquatic Center and helping ensure that the facility’s operations get launched on financially sustainable footing;

WHEREAS, at the June 5, 2024, Board meeting, a team from the City of San Bruno previewed the rollout of its expected programming at the Recreation and Aquatic Center, reviewed its business plan to help fund the facility’s ongoing operations, and highlighted potential funding needs in the startup phase, which the Foundation may be interested in supporting;

WHEREAS, the SBCF Board of Directors is interested in learning more about the City of San Bruno’s planned startup programming activities and business plan for the Recreation and Aquatic Center and exploring how the Foundation could support such efforts during the first three fiscal years of the facility’s operations.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby creates an Ad Hoc Committee on Recreation and Aquatic Center Startup Activities to research and consider ways in which the Foundation could support the startup phase of programming and operations at the City of San Bruno’s new Recreation and Aquatic Center and, as appropriate, assist the City in preparing one or more strategic grantmaking proposals for funding through June 2027 for the Board to consider to support such efforts; and

RESOLVED FURTHER, that the Board of Directors hereby appoints President Malissa Netane-Jones as chair and Vice President Jim Ruane and Board Member Belinda Wong as committee members.

Dated: June 5, 2024

ATTEST:

Raul Gomez, Secretary

I, Raul Gomez, Secretary, do hereby certify that the foregoing Resolution No. 2024-__ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this 5th day of June, 2024, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

SAN BRUNO

Community Foundation

Memorandum

DATE: May 31, 2024

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 June 5, 2024, Board meeting, I will give an update on the Community Grants Fund and the Foundation's other strategic grants.

1. Community Grants Fund

a. 2022-2023 Grant Cycle

In December 2022, the Center for Excellence in Nonprofits (CEN) received a \$3,000 grant to support nonprofit organizations located in or serving San Bruno by providing them with professional development and learning opportunities focused on IDEAL principles, nonprofit performance and effectiveness, capacity building, leadership development, and/or sustainability. By the end of the grant period, CEN had expended \$2,310 of the \$3,000 grant funds, citing staff turnover as partially responsible for the organization's inability to expend the full amount. At CEN's request for additional time to enable usage of the remaining \$690, in April the Foundation and CEN executed an amendment to the grant agreement extending the end of the grant period by one year to December 31, 2024.

Also in December 2022, the San Bruno Lions Foundation received a \$5,000 grant to provide a special winter holiday experience for special education students and teachers at El Portal School in San Bruno. The Lions informed SBCF that, due to lower-than-expected program costs, it did not expend all of the grant funds on the winter activity and requested that it be allowed to use the remaining \$1,500 in grant funds on other student enrichment activities at El Portal School, including a sports activity day celebrating the end of the school year. We have agreed to amend the grant purposes to allow for this additional use of the grant funds and to extend the end of the grant period to June 30, 2024. I am currently working with nonprofit counsel to draft the amendment to the grant agreement, after which SBCF and the San Bruno Lions Foundation will execute.

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b. 2023-2024 Grant Cycle

In December 2023, the Board approved 26 grants totaling \$300,000 (of which \$100,000 was donated by YouTube/Google.org). By the end of February 2024, all 26 grant agreements were executed by the Foundation and the corresponding grantee organization. By the end of March, the Foundation had distributed all 26 grant checks, including 20 in-person or virtual check presentations by SBCF Board and staff members. In addition, I did a site visit of one grantee organization (CASA of San Mateo County) in May. Thank you to all Board members who participated in the grant check presentations, which are an important community outreach aspect of the Community Grants Fund.

c. 2024-2025 Grant Cycle

Following our usual schedule, we plan to launch the 2024-2025 cycle of the Community Grants Fund at the beginning of July. We are not making any significant changes to the program in 2024-2025.

We will continue to offer virtual Grant Workshops over the summer to educate potential applicants on the program and the application process. We are in the process of updating the marketing materials, as well as the online application and supporting documentation.

Key dates for the 2024-2025 grant cycle include:

- Monday, July 1, 2024: Program launches; application available online; begin distribution of marketing materials
- Thursday, August 15, 2024, 6:30 p.m., and Tuesday, September 3, 2024, 12:00 p.m.: Grant Workshops via Zoom
- Wednesday, September 18, 2024, 5:00 p.m.: Application deadline
- Wednesday, December 4, 2024: Board consideration of grant awards
- 2025 Calendar Year: Funding Period

The fiscal year 2024-2025 budget that the Board will consider at the June 5 meeting includes a \$300,000 program disbursement allocation for the Community Grants Fund, including a \$100,000 donation from a community partner.

2. Strategic Grants

With regard to the Centennial Plaza Improvement Project, which the Foundation is helping fund with a \$500,000 grant to the City of San Bruno, the project has entered the construction phase.

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The City held a ceremonial groundbreaking ceremony on Friday, April 19, which most current and several former Board members attended. As chair of the Ad Hoc Committee on Centennial Plaza Improvement Project, Board Member Supriya Perry represented SBCF in the ceremony. Since then, construction on the project is proceeding on schedule, and the City expects construction of the new plaza to be completed by October 2024.

The City submitted its latest quarterly grant report for the Centennial Plaza grant at the end of April, and the Foundation made a grant payment of \$3,894.49 in May. Thus far, the Foundation has paid out grant payments totaling \$122,506.87, with a balance of \$377,493.13 of the \$500,000 grant remaining.

With regard to the City's Downtown Beautification Initiative, which the Foundation is funding with a \$350,000 grant to the City, with the assistance of nonprofit counsel, the Foundation and the City recently executed the grant agreement. The City's planned downtown beautification initiatives include planter revitalization along San Mateo Avenue, the potential planting of trees on Jenevein Avenue, median landscape revitalization, the creation of new street pole banners, and the replacement of the marquee sign on the south end of San Mateo Avenue. The project is part of the City's Capital Improvement Plan, so the City Council will formally consider approval in June. In the meantime, the City is working on developing the scope of work for the different project components. Once the City awards the bids, it will take about five months to complete the various improvements. The City's goal is to have the beautification projects completed done by the end of the year, to coincide with the Centennial Plaza and Posy Park improvements that are currently in progress and, ideally, in time for the Christmas tree lighting in early December.

3. Ad Hoc Committee on SBPSD Strategic Initiatives

On November 1, 2023, the Board received a presentation from San Bruno Park School District Superintendent Matt Duffy on the district's top initiatives, including the launch of STEAM labs, staffing, and programming at each elementary school, completion of a new STEAM wing at Parkside Intermediate School, and transformed playing fields for all schools (with initial focus on Parkside and John Muir). The SBCF Board then created the Ad Hoc Committee on SBPSD Strategic Initiatives, which is charged with researching and considering ways in which the Foundation could support the San Bruno Park School District's strategic initiatives and, as appropriate, assisting the District in preparing one or more strategic grantmaking proposals for the Board to consider in 2024 to support such efforts.

The Committee reported at the March meeting that given the large estimated budgets for the district's top priority initiatives, the Committee decided to take a pause and consider those initiatives as part of the Board's ongoing strategic planning deliberations. The Committee also

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reported that it remained open to considering a high priority, immediate need at a much lower funding level, if the district were to identify one. Superintendent Duffy recently notified me about a need to make immediate improvements to the athletic fields at John Muir and Belle Air elementary schools as well as at Parkside Intermediate School. With the impending closure of the soccer fields at the former Crestmoor High School site, the local youth soccer organizations are depending on use of fields at the various school sites starting in the fall. The district's highest priority is field improvements at John Muir Elementary School, where the fields are currently in such disrepair that it is not safe for the school's students, much less community soccer teams, to play on them, followed by the grass field between the two baseball diamonds at Belle Air Elementary School. The projected cost for improvements at each of the two elementary schools is about \$57,000 per school, with field improvements at Parkside estimated at double that amount. The school district is in the process of developing a strategic grant proposal for the field improvements, which the Ad Hoc Committee on SBPSD Strategic Initiatives will review and discuss at a meeting next week.

4. Other Grants

Under the Foundation's Off-Cycle Responsive Grantmaking Process, in March I approved a \$2,500 grant to the City of San Bruno to fund hospitality expenses during the March 2024 visit to San Bruno by a Narita Sister City delegation. San Bruno's sister-city relationship with Narita dates back to 1990, and the program has promoted youth leadership/education and cultural exchange for students in the eighth grade at Parkside Intermediate School.

From March 22 to March 27, a Narita delegation of ten students and four adults visited San Bruno. Organized by the City and the San Bruno Park School District, the goals of the 2024 visit were to relaunch the Sister City exchange program and to provide the same high level of hospitality to the Narita Delegation in San Bruno as the Narita organizers have provided to San Bruno delegations in the past.

In April, following the successful hosting of the Narita delegation, the City submitted the required Grant Report for this grant. According to the report, the City hosted the full delegation on several days during the visit, and the grant funded transportation and other hospitality expenses, including rental of a van to transport the delegation on two excursions showcasing San Bruno and the broader Bay Area and various meals. Several SBCF Board members attended one of the dinners for the delegation, and the Foundation reimbursed the City for the cost of their meals (grant funds were not used for those meals).

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Community Foundation

Memorandum

DATE: May 31, 2024

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Report from Investment Committee on its May 15, 2024, Regular Meeting

The June 5, 2024, Board meeting will include a report from the Investment Committee regarding its recent quarterly meeting, which was held in person at San Bruno City Hall Room 101 on May 15, 2024. Treasurer Pak Lin chairs the Committee, on which Board Member Belinda Wong and community members Tony Clifford, Mark Hayes, and Tim Ross also serve.

On May 15, a team representing Sand Hill Global Advisors LLC (SHGA), the Foundation's investment adviser – including Co-Chief Investment Officer Mark Strahs, Senior Wealth Manager Kristin Sun, and Analyst George Angelopoulos – made its quarterly presentation to the Committee. The Committee also received a report from me on the Foundation's activities, discussed cash flow management in light of the Recreation and Aquatic Center project, adopted a resolution recommending to the Board the Quasi-Endowment payout rate for fiscal year 2024-2025, and conducted its annual review of the Investment Policy Statement and the Investment Operating Plan. The results of the Committee's deliberations will inform the discussion of another item on the June 5 agenda – namely, consideration of the resolution approving the fiscal year 2024-2025 budget, setting the fiscal year 2024-2025 Quasi-Endowment payout rate, and approving transfers from the Strategic Pool to the Liquidity Pool for fiscal year 2024-2025.

1. Quarterly Report from Sand Hill Global Advisors

Mr. Strahs gave an overview of the firm's investment outlook, noting that the economy has continued to exhibit strength as unemployment has remained low, corporate earnings growth is projected to normalize, inflation is approaching the Federal Reserve's target, and the manufacturing industry is returning to normal after several years of pandemic distortions. He noted that the Federal Reserve is expected to cut interest rates several times in 2024 and that the economy appears to be making a "soft landing," where inflation returns to the Federal Reserve's target without triggering a recession.

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Mr. Angelopoulos then reviewed the Foundation's Investment Dashboard for the first quarter of 2024, including March 31, 2024, balances of \$23,259,971 for the Quasi-Endowment, \$5,726,928 for the Strategic Pool, and \$3,018,937 for the Liquidity Pool (total of \$32,005,836 in all three accounts). He reported that both the Quasi-Endowment and the Strategic Pool exceeded their respective performance benchmarks, with the Quasi-Endowment seeing gains of 4.87% and the Strategic Pool seeing gains of 0.94% in the first quarter of 2024. Ms. Sun noted that withdrawals from the portfolio since inception have totaled \$57.9 million to support a wide array of community benefits including the new Recreation and Aquatic Center, and that the total value added to the portfolio since inception totals \$19.8 million.

2. Committee's Discussion Regarding Cash Flow Strategies Related to Funding of the Recreation and Aquatics Center

At the Investment Committee meeting, I reported on payments made on the eight grants related to the San Bruno Recreation and Aquatic Center (RAC) project. Since early 2018, the Foundation has made grant payments totaling \$49,254,841 related to the eight grants supporting the design and construction of the RAC. The remaining balance of RAC grant payments to be paid is \$2,245,159, of which \$1.5 million is the additional amount that the Board approved for construction contingency earlier this year. All funds committed to the RAC grants have already been transferred to the Liquidity Pool.

3. Committee's Recommendation to the Board for the Quasi-Endowment Payout Rate for Fiscal Year 2023-2024

Section VII of the Foundation's Investment Policy Statement sets forth the spending policy. Section VII.1. states:

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

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

Section VI.1.d. of the Investment Operating Plan provides pool-specific operating guidelines for payout or other withdrawals. Last June, upon recommendation from the Investment Committee, the Board amended the payout guidelines for the Quasi-Endowment Pool:

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Payout amount will be determined once annually, prior to the conclusion of the Foundation's fiscal year for the subsequent fiscal year. The payout rate will range up to 7%, as determined by the Board, multiplied by the average of the latest available twelve prior quarter-ending Quasi-Endowment values. From the initial funding of the Quasi-Endowment Pool through the end of fiscal year 2016-2017, the payout rate will be 0%. During fiscal year 2017-2018, the default payout rate will be 2.25%, multiplied by the simple average of all quarter-ending Quasi-Endowment values available at the time of the annual payout decision. Cash proceeds will be deposited in the SBCF Liquidity Pool on an as-needed basis.

For the past seven years, the Committee decided to recommend – and the Board subsequently adopted – a Quasi-Endowment payout rate sufficient to meet the cash flow needs for the Crestmoor Scholarship and the Community Grants Fund in the upcoming fiscal year. The Board has approved the annual payout rate as follows:

Fiscal Year	QE Payout Rate	Average QE Balance of Past 12 Quarters	Approved QE Payout
FY2017-2018	2.25%	\$15,685,369	\$352,921
FY2018-2019	1.95%	\$16,409,212	\$319,980
FY2019-2020	1.90%	\$16,711,034	\$317,510
FY2020-2021	1.70%	\$17,392,997	\$295,681
FY2021-2022	1.70%	\$18,407,790	\$312,932
FY2022-2023	1.41%	\$20,279,185	\$285,937
FY2023-2024	1.78%	\$20,946,234	\$372,843

Upon my recommendation, the Committee is recommending that the Board continue to follow this practice for FY 2024-2025, which is consistent with the original long-term vision for the Quasi-Endowment (to fund those two programs plus support costs on an ongoing basis) and allows for some continued growth of the Quasi-Endowment, especially while the Foundation still has the Strategic funds to help support operational expenses. Strategic funds would cover cash needs for all strategic grants plus all support costs. This option has been a reasonable compromise position – it draws from the Quasi-Endowment but at a low rate, and it taps into the Strategic Pool for all support costs but also leaves some amount for additional strategic grantmaking.

With the assistance of Accounting Consultant Frank Bittner, I am in the process of developing the FY 2024-2025 operating budget. Cash needs for the Crestmoor Scholarship and Community Grants Fund programs are estimated at \$351,947. These cash needs are based on a reconciliation of all restricted donations for the Community Grants Fund and the Crestmoor

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Scholarship, annual Quasi-Endowment payout amounts, and Community Grant and Crestmoor Scholarship payments disbursed since FY 2017-2018 (the first year we began using Quasi-Endowment payout to fund the two programs).

For Quasi-Endowment payout calculation purposes, we use the quarter-ending balances on our Fidelity statements rather than those provided by SHGA (the two differ slightly based on different methods for recording transactions near the end of the quarter). The average of the latest 12 quarter-ending Quasi-Endowment values (Q2 2021 to Q1 2024) is \$21,476,720. A payout rate of 1.64% would result in a Quasi-Endowment payout of \$352,218.

As a result, as documented in the attached resolution that the Investment Committee approved on May 15, the Committee is recommending that the Board set the Quasi-Endowment payout rate for FY2024-2025 at 1.64%. The Board will consider a resolution taking such action as part of its consideration of the FY2024-2025 budget later in the June 5 Board meeting.

4. Annual Review of Investment Policy Statement and Investment Operating Plan

The Committee also conducted its annual review of the Foundation's Investment Policy Statement, which is the high-level policy document governing the Foundation's investment practices, and Investment Operating Plan, which is the more detailed operating agreement between the Foundation and SHGA, annually. Under the Investment Policy Statement and the Investment Committee Charter, the Committee is tasked with reviewing both documents at least once a year and making any recommendations for amendments to the Board.

After a report from me, during which I noted that the most likely time to consider changes to both documents is next year, when all RAC grant payments have been completed and as the Board considers the Foundation's post-RAC strategy through a strategic planning process, the Committee did not make any recommendations for amendments to either document at this time.

5. Community Input

Two community members attended the Investment Committee meeting and requested that the Foundation consider altering its investment policy to follow a "values-based" or "socially responsible" investment strategy and seek community input in the development of such a strategy. The Committee thanked the community members for attending the meeting and sharing their concerns with the Committee.

In light of this request, Treasurer Lin and I have asked the Foundation's team at Sand Hill to give the Board a presentation on socially responsible/values-based investing at its regular

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September meeting. The Sand Hill team makes an annual presentation to the Board on the firm's investment outlook and the performance of the Foundation's investment portfolio, and this year, the presentation will include a primer on socially responsible/values-based investing, including what it is and what it could look like for a community foundation such as SBCF, in addition to the regular report.

Finally, the two remaining Committee meetings in 2024 are scheduled for August 21 and November 20, both at 4:30 p.m. at San Bruno City Hall Room 101, 567 El Camino Real, San Bruno.

Attachment:

1. Investment Committee Resolution No. IC 2024-14 Recommending to the SBCF Board of Directors the Quasi-Endowment Payout Rate for Fiscal Year 2024-2025

RESOLUTION NO. 2024-14

RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION INVESTMENT COMMITTEE RECOMMENDING TO THE SBCF BOARD OF DIRECTORS THE QUASI-ENDOWMENT PAYOUT RATE FOR FISCAL YEAR 2024-2025

WHEREAS, under Section II.2.a. of the Investment Policy Statement of the San Bruno Community Foundation, the Investment Committee is tasked to “review at least annually the Investment Policy Statement and Investment Operating Plan and monitor compliance with both documents”;

WHEREAS, Section VII.1 of the Investment Policy Statement sets forth the spending policy for the Quasi-Endowment as follows:

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

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

WHEREAS, Section VI.1.d.i. of the Investment Operating Plan with its investment adviser, Sand Hill Global Advisors, as amended, states, with regard to the Quasi-Endowment payout:

Payout amount will be determined once annually, prior to the conclusion of the Foundation’s fiscal year for the subsequent fiscal year. The payout rate will range up to 7%, as determined by the Board, multiplied by the average of the latest available twelve prior quarter-ending Quasi-Endowment values. From the initial funding of the Quasi-Endowment Pool through the end of fiscal year 2016-2017, the payout rate will be 0%. During fiscal year 2017-2018, the default payout rate will be 2.25%, multiplied by the simple average of all quarter-ending Quasi-Endowment values available at the time of the annual payout decision. Cash proceeds will be deposited in the SBCF Liquidity Pool on an as-needed basis.

WHEREAS, a Quasi-Endowment payout rate of 1.64%, multiplied by the simple average of the latest twelve quarter-ending Quasi-Endowment values available at the time of the annual payout decision (\$21,476,720), would result in a payout of \$352,218 and provide the necessary funds to cover cash flow needs for the Crestmoor Neighborhood Memorial Scholarship and the


Community Grants Fund in fiscal year 2024-2025, consistent with the original long-term vision for the Quasi-Endowment; and

WHEREAS, the Foundation’s Board of Directors will consider the Foundation’s fiscal year 2024-2025 budget, including transfers from the Quasi-Endowment to the operating budget, at its June 5, 2024, meeting.

NOW, THEREFORE, BE IT RESOLVED that the Investment Committee recommends that the Board of Directors approve, for fiscal year 2024-2025, a Quasi-Endowment payout rate of 1.64%, multiplied by the simple average of the latest twelve quarter-ending Quasi-Endowment values available at the time of the annual payout decision (\$21,476,720), resulting in a payout of \$352,218, to provide the funds to cover cash flow needs for the Crestmoor Neighborhood Memorial Scholarship and the Community Grants Fund in fiscal year 2024-2025, consistent with the original long-term vision for the Quasi-Endowment.

Dated: May 15, 2024

ATTEST:



Pak Lin, Investment Committee Chair

I, Pak Lin, Chair, do hereby certify that the foregoing Resolution No. 2024-14 was duly and regularly passed and adopted by the Investment Committee of the San Bruno Community Foundation on this 15th day of May, 2024, by the following vote:

AYES: Committee members: Lin, Clifford, Ross, Wong

NOES: Committee members: None

ABSENT: Committee members: Hayes

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Community Foundation

Memorandum

DATE: May 31, 2024

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: SBCF Budget and Transfers from the Quasi-Endowment and Strategic Pool to the Liquidity Pool for Fiscal Year 2024-2025

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. As we approach the end of the 2023-2024 fiscal year, I will present the 2024-2025 budget to the Board for approval at the June 5, 2024, Board meeting. If the Board approves the budget, I will present it to the City Council at its regular meeting on June 11, 2024, and the City Council will take formal action of approval at its regular meeting on June 25, 2024.

1. SBCF’s Overall Financial Picture

Before I provide a detailed account of the FY2024-2025 budget, I think it is instructive to review the overall financial health of the organization. The following chart provides a high-level picture of the Foundation’s overall financial history and health and includes both the investment portfolio managed by Sand Hill Global Advisors, LLC, as well as other funds (including initial funds received from the restitution funds to support the Foundation’s operations in 2015-2016 prior to establishing the investment accounts as well as donations received):

SBCF Financial Snapshot (rounded)	
Total Initial Assets	\$70.5 million
Investment Gains Through 4/30/2024	+\$19.1 million
Donations and Other Income Through 4/30/2024	+\$1.9 million
Total Funds Disbursed Through 4/30/2024	-\$60.3 million
Portfolio Value as of 4/30/2024	\$31.2 million

Total initial assets include the \$69.8 million that was transferred to our Fidelity investment accounts in 2016 as well as about \$700,000 in cash that the City had previously transferred to the Foundation to cover our expenses from inception through June 2016. Investment gains are those made by the investment portfolio (the funds managed by Sand Hill). Donations and other income have flowed through our operating accounts but are not reflected in our investment

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portfolio. Total funds disbursed include RAC grant payments (\$49.3 million), Community Grant payments, Crestmoor Scholarship payments, and other strategic grant payments disbursed thus far, as well as operating expenses paid out since the Foundation's creation in late 2013.

Although we remain in a period of some market volatility, the Foundation's overall financial health remains strong. As of April 30, 2024, the Foundation's total assets were \$31,186,035, with total liabilities of \$2,913,906 and net assets of \$28,272,129.

It is also instructive to review this budget in the context of the Board's strategic planning deliberations. At this time last year, we expected construction of the new Recreation and Aquatic Center (RAC) to be completed by now, with all grant payments related to the RAC project to be fully disbursed to the City of San Bruno. We also expected the Board, through a strategic planning process, to be finalizing the Foundation's post-RAC program and investment strategies by now, which potentially would have altered the development of the FY2024-2025 budget. But, as you know, RAC construction has yet to be completed and there remain more than \$2.2 million in RAC grant payments to disburse. In addition, the Board's strategic planning process is currently on pause, as the Board waits for the City of San Bruno and the San Bruno Park School District to make decisions about potential capital projects in which the Foundation might be interested in investing. Those decisions may depend on the results of revenue measures being considered for the November 2024 ballot. As a result, I have constructed the FY2024-2025 budget following the same strategy and process as previous years' budgets. The budget assumes that the Foundation will continue to offer the Crestmoor Scholarship and Community Grants Fund programs, funded by payout from the Quasi-Endowment, as well as continue to consider some small and medium-sized strategic grants, which, along with all operating expenses, will be funded by payout from the Strategic Pool. We are hopeful that the Board will complete its strategic planning process for the post-RAC era by the end of FY2024-2025, and thus, the FY2025-2026 budget would reflect any adjustments to the Foundation's program and investment strategies.

2. Budgeting Principles

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.

As I remind the Board each year, ours is not a typical nonprofit budget, where the goal is for expenses to equal revenues. Most nonprofit budgets are income-driven because the nonprofit is able to spend only the funds it expects to bring in that year. In contrast, as a result of our investment portfolio, the Foundation's budget is expense-driven. Our budgeted "income"

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consists primarily of transfers from our assets (Quasi-Endowment and Strategic Pool) to our operating budget to cover our cash needs during the fiscal year, along with a relatively small cohort of donations and interest income earned on our operating funds. We do not seek – and typically do not achieve – a “balanced budget,” as our cash needs do not necessarily match our recorded expenses in a given year. This is because we record grant and scholarship commitments as expenses at the time agreements are executed and scholarships awarded, but grant and scholarship payments are often made in a later fiscal year. As a result, the fact that in the FY2024-2025 budget expenses (\$3,444,339) slightly exceed funds available for operations (\$3,382,370) should not be a cause for concern. The calculations of our expenses and funds available for operations should be analyzed separately, as they are based on different factors and needs.

3. FY2024-2025 Expenses

We have three main categories of expenses: Direct Program Expenses (Crestmoor Scholarships, Community Grants Fund, Strategic Grants, and Other Grants), Personnel Expenses, and Non-Personnel Support Costs. As previously mentioned, grant and scholarship commitments are recorded as expenses at the time grant agreements are executed and scholarships are awarded (but not necessarily paid out). We are currently projecting expenses of \$3,444,339.

a. Direct Program Expenses

- Crestmoor Scholarships: This line is set at \$165,000, which is a \$45,000 increase from the \$120,000 awarded in 2017, 2018, and 2019. In 2020 and 2022, we awarded \$190,000 in scholarships based on a \$70,000 restricted donation from the Joseph W Welch Jr Foundation (in 2022, we also received a \$1,000 restricted donation from an individual donor). In 2021, we awarded \$195,000 in scholarships based on another \$70,000 donation from the Welch Foundation, a \$7,349 donation from the San Mateo County Association of REALTORS® Foundation, and a \$1,000 donation from an individual donor. In 2023 and 2024, we received only modest donations each year (\$1,500) from an individual donor and therefore awarded the budgeted amount of \$160,000. At this time, we do not anticipate any donations earmarked for the Crestmoor Scholarship in fiscal year 2024-2025.

In November 2019 (prior to the first Welch donation), the Board approved an increase in scholarship awards to \$160,000 based on a recommendation from the Ad Hoc Committee on Crestmoor Scholarship. This year, based on the applicant pool and deliberations by the Crestmoor Scholarship Selection Panel, I am recommending that we increase the total budgeted amount by \$5,000 to \$165,000. At this level, the Foundation will likely award a total of 11 scholarships in 2025: six high school to

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four-year college, one high school to community college, and four community college to four-year college. In 2024, the Panel had the difficult dilemma of whether to award zero high school to community college scholarships in favor of four scholarships in the community college to four-year college category, which had a much more robust applicant pool. The \$5,000 increase would enable the Panel in 2025 to maintain the same number of scholarships in the high school to four-year and community college to four-year categories, both of which receive a large number of applications, while also awarding one scholarship in the high school to community college category, which tends to have a relatively small applicant pool.

- Community Grants Fund: This line is set at \$300,000, reflecting \$200,000 of the Foundation's funds and a \$100,000 donation from a community partner. This level of funding is consistent with the total amount of grants awarded the past seven years of the program, with donations from Google.org/YouTube.
- Strategic Grants: This line is budgeted at \$2,500,000 as a placeholder. These funds could be used to fund one or more strategic grants that the Board chooses to fund in 2024-2025 and gives the Board the flexibility to consider strategic grantmaking opportunities that may arise.

The \$2,500,000 placeholder would enable the Board to consider the City's request for startup funding for RAC programming, which the City will introduce at the June 5 Board meeting. It also allows the Board to consider several other smaller strategic grants, such as for Community Day 2025, the Narita Sister City Exchange Program, school athletic field improvements, and other programs supporting the public schools. With the Foundation set to disburse all remaining RAC grant payments in next fiscal year, the Board will be revisiting its post-RAC strategy. Fiscal year 2024-2025 will likely serve as a "re-set" year, as the Board continues to thoughtfully consider its strategies and priorities once the RAC project – the Foundation's most significant legacy project – is completed. The \$2,500,000 placeholder allows the Foundation to make some meaningful small-to-medium-sized strategic investments, while also identifying potential major initiatives in the coming years.

As a reminder, all strategic grants require specific Board approval, not just inclusion in the budget. Decisions on specific strategic grants will take place as proposals are vetted during the course of the year.

- Other Grants: Each year we budget \$10,000 for our Off-Cycle Small Grants process. This process is used to consider funding requests from organizations that: (a) seek

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funding for programs or projects that benefit the San Bruno community in a particularly meaningful and significant way and fall within one of the Foundation's focus areas; (b) do not exceed \$10,000; (c) cannot be reasonably considered during the next Community Grants Fund application schedule due to timing requirements; and (d) meet the organization and activity eligibility requirements of the Community Grants Fund.

b. Direct Personnel Expenses

- Salaries & Wages: This line reflects the Executive Director's current salary and the Program Manager's anticipated wages for the fiscal year. The Program Manager position (increased from 0.3 FTE, which was based on the previous Program Manager's hours, to 0.375 FTE to more accurately reflect the current Program Manager's present workload as the position has evolved over the past three years, non-exempt) is paid hourly based on actual hours worked, and the budgeted amount is an estimate for the fiscal year. Actual hours worked and therefore actual salary/wages may be slightly different than the budgeted amount.
- Payroll Taxes & Benefits: This line reflects payroll taxes, workers compensation insurance premiums, and employee benefits for the fiscal year. Benefits include retirement plan contributions, life insurance, and personal time off.

Total Personnel Expenses are budgeted to increase 2.58% (\$6,905) from the projected level for 2023-2024, due to a mid-year cost-of-living increase for both staff members in the current fiscal year and an anticipated cost-of-living increase for the Program Manager in 2024-2025.

c. Non-Personnel Support Costs

- Occupancy: This line estimates the total rent for 2024-2025. It reflects actual rent for July 2024 through March 2025 under the current office lease, which concludes on March 31, 2025. Monthly rent will be \$1,456 from July through December 2024, and \$1,471 for January through March 2025. We have not yet begun lease extension discussions with the landlord, and for April through June 2025, I have budgeted a 10% increase to allow for a potential rent increase.
- Insurance: This line is based on the Foundation's current commercial general liability, property, auto, cyber, and directors and officers liability insurance policies (\$12,856), which have an annual renewal date of March 21. It also includes the

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Foundation's crime insurance policy (\$3,237), which has a renewal date of May 27. I have added an extra \$1,000 in case we experience any premium increases upon renewal in 2025.

- Telecommunications: This line includes continuation of cell phone expenses for the Executive Director and Program Manager (\$1,080), broadband Internet access for the office, and the office landline (\$1,060 for Internet and landline through San Bruno CityNet Services combined). This line also includes telecommunications expenses for the Program Manager, who works from home (\$270).
- Postage & Shipping: This line includes office postage (\$1,020) as well as the projected postage required for the fall Annual Report mailing (nonprofit rate) to all San Bruno addresses (\$1,900).
- Marketing & Communications: This line covers the projected printing costs associated with the Annual Report (\$12,000). It also includes funds for graphic design services (\$1,500), flyer/poster printing for the Community Grants Fund (\$800), flyer/poster printing for the Crestmoor Scholarships (\$1,000), website and e-newsletter costs (\$275), holiday cards (\$275), and costs associated with online grant and scholarship applications (\$2,071).
- Office Supplies and Equipment: This line includes \$175 monthly for office supplies and \$1,000 for computer backup and other software fees and miscellaneous office equipment expenses (such as repairing the printer, which has seen considerable wear and tear over the past nine years). It also includes \$3,000 for a new laptop and related software for the Executive Director. The current laptop is nearly five years old, and while it is working properly now, by the end of the next fiscal year it may be time to invest in a new laptop if the current laptop begins to falter. The projected useful life for business computer equipment is typically three years.
- Legal Fees: This line includes \$10,800 for our outside nonprofit counsel, NEO Law Group (budgeted at two hours per month), and \$33,480 for our outside municipal law counsel, Shute, Mihaly & Weinberger, LLP (budgeted at nine hours per month). For both outside firms, I bolstered their budget allotments due to the fact that we may seek guidance from them as the Board considers the Foundation's post-RAC strategy over the next year. In general, we typically come in well under budget on this line, but I like to include a cushion in the event that any unexpected issues requiring legal assistance arise.

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- Accounting & Payroll Fees: Payroll fees (\$1,152) are based on the current arrangement with our payroll vendor (Intuit QuickBooks). For audit and tax preparation services, \$11,300 is budgeted, per the Foundation's contract with Novogradac & Company. In addition to \$645 for QuickBooks accounting software, \$23,760 is included for the accounting consultant/full charge bookkeeper, per the terms of our professional services agreement with him.
- Other Consultants: This line includes \$10,382 for the IT consultant (based on current usage and the terms of our professional services agreement). I have also included a placeholder of \$20,000 for other consultants – for additional diversity, equity, and inclusion (DEI) activities and in the event that the Board seeks consulting assistance for its strategic planning activities as it considers the Foundation's post-RAC strategy.
- Travel, Meetings & Conferences: Now that the Foundation has resumed in-person meetings and gatherings (with a hybrid component for Board meetings), the Foundation is experiencing higher meeting costs compared with the last several fiscal years. This line includes the expenses for 12 Board meetings, although it is possible that several monthly meetings will be canceled due to lack of pressing business. It also assumes that the Board as well as the Investment and Audit committees will move their meetings to the new Recreation and Aquatic Center, where facility use-related fees will be higher than what we are currently incurring to hold meetings at the Senior Center and City Hall, starting no earlier than September. I have generously budgeted for these expenses, as there are some uncertainties regarding exact costs until the new facility opens, and it is very possible that actual expenses will come in under budget for the year. The line includes \$250 for building attendant fees at the Senior Center, \$11,500 for room rentals at the RAC, and \$2,000 for City of San Bruno IT staff to provide technical support for the hybrid Board meetings. This line also includes \$720 for two Zoom Pro subscriptions and one Zoom webinar subscription, \$200 for meeting-related refreshments (including an in-person scholarship reception), and \$500 for miscellaneous conference, training, and meeting expenses. Unlike the FY2023-2024 budget, we have not budgeted for a Board member to travel to Japan as part of San Bruno's sister city relationship with Narita in FY2024-2025.
- Miscellaneous: This line includes various expenses that may arise and do not fit in any of the other cost categories. It typically covers professional organization membership fees (such as Thrive: Alliance of Nonprofits and the California Association of Nonprofits), bank fees, online news subscriptions, Board and partner recognition, and government/agency taxes and fees.

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Total Non-Personnel Support Costs are budgeted to increase \$51,154 from the 2023-2024 year-end projection (but note that they are a \$858 decrease from the 2023-2024 budgeted amounts). This is due to a combination of (a) budgeting based on contract ceilings and providing flexibility for unanticipated expenses, and (b) several new expenses (*e.g.*, increased meeting costs if the Board and Investment and Audit committees move their meetings to the RAC). Budgeted amounts operate as ceilings, and I am very cost-conscious in all purchasing decisions, so that actual costs frequently turn out to be lower than the budget projections. Please note that in the current fiscal year (2023-2024), actual Non-Personnel Support Costs are projected to be 26.6% (\$52,012) lower than the budgeted amount.

The biggest changes in Non-Personnel Support Costs are: (a) a \$2,994 increase for Marketing & Communications, which reflects a healthy cushion in the face of escalating printing costs over the past several years; (b) a \$2,318 increase in Office Supplies & Equipment in case the Executive Director's five-year-old laptop needs replacing; (c) a \$10,324 increase in Legal Fees due to the potential need for additional legal guidance as the Board considers the Foundation's post-RAC strategy; (d) a \$4,776 increase in Accounting & Payroll Fees due to a slight increase in the cost of our contract with the auditing firm and budgeting the accounting consultant based on his contract ceiling; (e) a \$20,919 increase in Other Consultants to provide flexibility if there is a need to engage with DEI and other consultants related to the Board's strategic planning process; and (f) an increase of \$9,456 in Travel, Meetings & Conferences, reflecting the potential change in meeting location to the RAC. Insurance costs are projected to decrease by \$1,342 due to switching carriers for the directors and officers liability insurance policy, which led to a decrease in premium for the current term.

4. FY2024-2025 Funds Available for Operations

As mentioned above, this is not a balanced budget, where income equals expenses. Instead, the Funds Available for Operations are determined by analyzing the Foundation's cash needs for the fiscal year. Our assumption is that all Personnel Expenses and Non-Personnel Support Costs will be paid out during the fiscal year (\$469,339). Projected cash needs for Program Disbursements (total of \$4,299,494) are as follows:

Crestmoor Scholarship	
2021 Scholars	\$5,000
2022 Scholars	\$35,000
2023 Scholars	\$30,000

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2024 Scholars	\$50,000
2025 Scholars	\$52,500
Total Crestmoor Scholarship	\$172,500
Community Grants Fund	
Grants to be awarded in December 2024	\$300,000
Total Community Grants Fund	\$300,000
Strategic Grants	
RAC Grants	\$589,501
Centennial Plaza Improvement Project Grant	\$377,493
Downtown Beautification Project Grant	\$350,000
Centennial Plaza Improvement Project	\$500,000
Other miscellaneous strategic grants – to be determined	\$2,500,000
Total Strategic Grants	\$3,816,994
Other Grants	
Out-of-Cycle Responsive Grants	\$10,000
Total Other Grants	\$10,000

Total cash needs for 2024-2025 are estimated at \$4,768,832. This figure, after adjustment for the residual 2023-2024 cash balance, drives the Foundation's Funds Available for Operations in 2024-2025.

We have two categories of Funds Available for Operations: Operating Income and Transfers from Investments.

a. Operating Income

At this time, projected Operating Income is zero (\$0):

- Interest Income: We have decided to zero out this line this year. In the past, this line included estimated investment income from the Fidelity Liquidity Pool account and interest earned on the Wells Fargo bank accounts. The Foundation closed its Wells Fargo savings account in 2021, and the Foundation's two other Wells Fargo accounts (checking and payroll) are non-interest-bearing. The Liquidity Pool account balance is likely to be substantially lower in FY2024-2025 with all but about \$590,000 in RAC grant payments expected to be paid out by the end of the current fiscal year. Moreover, our auditors treat income from the Liquidity Pool as investment income rather than interest income, so this change is consistent with their treatment of

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income from the Liquidity Pool. It is worth noting that in the context of the full budget, Interest Income has always represented a very miniscule portion of the Funds Available for Operations (for example, for FY2023-2024, it is projected at only 1.25% of the Funds Available for Operations).

- Restricted Donations: There are no firm commitments for donations earmarked to specific programs, but we may receive such restricted donations during the year.

b. Transfers from Investments

The Foundation's available funds come primarily from transfers from the Quasi-Endowment and the Strategic Pool. The question in developing this budget is what portion of the needed funds comes from each pool. In answering this question, it is important to think back to the original purpose of each pool of funds. In responding to the results of the Community Listening Campaign, the Board decided to designate about \$55 million of the restitution funds to establish the Strategic Pool to be spent outright on strategic initiatives, including at least one major community facility project (which ultimately turned out to be the RAC).

The Liquidity Pool was created to serve as a holding account for expenditures planned in the subsequent 0-24 months. Its purpose is to mirror the Foundation's operating accounts, and it may be funded by both the Quasi-Endowment and the Strategic Pool. The investment goal for the Liquidity Pool is to preserve the principal balance of all funds directed into this pool, and as such, capital preservation and liquidity are the primary objectives.

The Board also created the Quasi-Endowment with \$15 million of the restitution funds. The idea behind the Quasi-Endowment has been to follow a long-term endowment investment strategy, so that only a portion of the investment income would be used for operations, and that once the Strategic Pool had been depleted, a scaled-back version of the Foundation could continue to operate – possibly in perpetuity – funding the Crestmoor Scholarships, the Community Grants Fund, and potentially some smaller strategic projects on an ongoing basis. In creating the Investment Operating Plan in 2016, the Board decided not to take any Quasi-Endowment payout in the first year of possessing the restitution funds (2016-2017) to enable the Quasi-Endowment to grow. Since then, the Board has approved the annual payout rate to cover the year's cash needs for the Crestmoor Scholarship and Community Grants Fund, as follows:

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Fiscal Year	QE Payout Rate	Average QE Balance of Past 12 Quarters	Approved QE Payout
FY2017-2018	2.25%	\$15,685,369	\$352,921
FY2018-2019	1.95%	\$16,409,212	\$319,980
FY2019-2020	1.90%	\$16,711,034	\$317,510
FY2020-2021	1.70%	\$17,392,997	\$295,681
FY2021-2022	1.70%	\$18,407,790	\$312,932
FY2022-2023	1.41%	\$20,279,185	\$285,937
FY2023-2024	1.78%	\$20,946,234	\$372,843

Consistent with the vision behind the Quasi-Endowment, the approved payout rates have been well below the maximum of 7% set out in the Investment Operating Plan and have allowed the Quasi-Endowment to continue to grow (Quasi-Endowment balance was \$22,482,164 as of April 30, 2024), while the Foundation still has funds in the Strategic Pool to cover other expenses.

Residual cash on hand as of June 30, 2024, is projected to be \$1,486,734. Of the residual cash on hand, \$120,553 is earmarked for Community Grants and Crestmoor Scholarships (rollover of expected donation for Community Grants, several deferred scholarship payments, and payout overage resulting from the fact that payout rate is expressed as a percentage and not as a precise dollar amount). Of the remaining amount, up to \$589,501 is earmarked for all remaining RAC grant payments, and at this time we expect to complete paying out the full \$51.5 million committed to the project. As a result, of the projected June 30 cash on hand, the remaining \$776,680 is designated for non-RAC Strategic Grants and operating expenses.

- **Quasi-Endowment Payout:** The cash flow needs of the Crestmoor Scholarships and Community Grants Fund are expected to be \$472,500 for fiscal year 2024-2025. As mentioned above, \$120,553 of the cash on hand at the end of fiscal year 2023-2024 will go toward meeting these cash needs, leaving a balance of \$351,947 to be funded by new Quasi-Endowment payout. At the June 5 meeting, the Board will consider a recommendation from the Investment Committee to set the fiscal year 2024-2025 payout rate for the Quasi-Endowment at 1.64%, which would cover the balance of the cash flow needs of the Crestmoor Scholarships and Community Grants Fund. The payout amount is determined by multiplying the average of latest available 12 prior quarter-ending Quasi-Endowment values (\$21,476,720, covering Q2 2021 through Q1 2024). The 1.64% payout rate thus results in a payout of \$352,218.
- **Strategic Pool:** The total transfer from the Strategic Pool is budgeted at \$3,030,152. As we transferred to Liquidity all funds needed to pay out the remaining RAC grant payments in fiscal year 2022-2023, 100% of the \$3,030,152 (along with the

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projected cash remaining from 2023-2024) will cover all operating expenses and non-RAC strategic and other grant payments (not including Community Grants and Crestmoor Scholarship payments).

As in past years, the attached budget resolution would give the Executive Director the discretion to manage all transfers from investment accounts, including the discretion to divide each category of transfers into smaller increments, set the timing of the incremental transfers based on the Foundation's cash flow needs, and transfer less than the approved transfer amounts as circumstances may warrant. Thus, the Executive Director can wait to transfer funds from the Strategic Pool to cover any non-RAC strategic grants until such grants are approved and grant payments are due.

Together, Operating Income and Transfers from Investments result in a total of \$3,382,370 in Funds Available for Operations. With residual cash from FY2023-2024 carried forward into FY2024-2025, this total will cover anticipated FY2024-2025 cash needs.

The attached resolution, which I recommend the Board adopt, authorizes four actions. It: (a) approves the FY2024-2025 budget; (b) sets the Quasi-Endowment payout rate for FY2024-2025; (c) approves a transfer from the Strategic Pool to the Liquidity Pool as part of the FY2024-2025 operating budget; and (d) directs the Executive Director to submit the FY2024-2025 budget to the San Bruno City Council for consideration and approval. It also gives the Executive Director the discretion to manage all transfers from investment accounts, including the discretion to divide each category of transfers into smaller increments, set the timing of the incremental transfers based on the Foundation's cash flow needs, and transfer less than the approved transfer amounts, based on the Foundation's cash flow needs.

Attachments:

1. Resolution Approving Fiscal Year 2024-2025 Budget, Setting the Quasi-Endowment Payout Rate for Fiscal Year 2024-2025, and Approving Transfer from the Strategic Pool Investment Account to the Liquidity Pool for Fiscal Year 2024-2025
2. Exhibit A: 2024-2025 Proposed Budget

RESOLUTION NO. 2024-__

RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION

(A) APPROVING FISCAL YEAR 2024-2025 BUDGET, (B) SETTING THE QUASI-ENDOWMENT PAYOUT RATE FOR FISCAL YEAR 2024-2025, (C) APPROVING TRANSFER FROM THE STRATEGIC POOL INVESTMENT ACCOUNT TO THE LIQUIDITY ACCOUNT FOR FISCAL YEAR 2024-2025, AND (D) DIRECTING THE EXECUTIVE DIRECTOR TO SUBMIT THE FISCAL YEAR 2024-2025 BUDGET TO THE SAN BRUNO CITY COUNCIL FOR CONSIDERATION AND APPROVAL

WHEREAS, the San Bruno Community Foundation's next fiscal year will begin on July 1, 2024, and prudent financial management of the Foundation's finances requires the creation of an annual budget prior to the start of the fiscal year;

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

WHEREAS, the proposed fiscal year 2024-2025 budget as attached in Exhibit A reflects decisions about program initiatives and investment strategy that the Foundation's Board of Directors has made or may make;

WHEREAS, the Board of Directors, upon receipt from the City of San Bruno in May 2016 of the restitution funds resulting from the City's settlement with Pacific Gas & Electric Company following the 2010 gas pipeline explosion in San Bruno's Crestmoor neighborhood, established three Fidelity brokerage accounts to hold the Foundation's funds: Quasi-Endowment Pool account, Strategic Pool account, and Liquidity Pool account;

WHEREAS, Section VII.1 of the Foundation's Investment Policy Statement states:

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

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

WHEREAS, Section VI.1.d.i of the Foundation's Investment Operating Plan with investment adviser Sand Hill Global Advisors (SHGA), which provides pool-specific operating guidelines for payout or other withdrawals, states:

Payout amount [for the Quasi-Endowment Pool] will be determined once annually, prior to the conclusion of the Foundation's fiscal year for the subsequent fiscal year. The payout rate will range up to 7%, as determined by the Board, multiplied by the average of the latest available twelve prior quarter-ending Quasi-Endowment values. From the initial funding of the Quasi-Endowment Pool through the end of fiscal year 2016-2017, the payout rate will be 0%. During fiscal year 2017-2018, the default payout rate will be 2.25%, multiplied by the simple average of all quarter-ending Quasi-Endowment values available at the time of the annual payout decision. Cash proceeds will be deposited in the SBCF Liquidity Pool on an as-needed basis.

WHEREAS, a Quasi-Endowment payout rate of 1.64% for fiscal year 2024-2025 would provide the funds to cover cash flow needs for the Crestmoor Neighborhood Memorial Scholarship and the Community Grants Fund, consistent with the original long-term vision for the Quasi-Endowment, and allow the Quasi-Endowment the opportunity to continue to grow;

WHEREAS, the Investment Committee, on May 15, 2024, passed a resolution recommending that the Board of Directors set the Quasi-Endowment payout rate for fiscal year 2024-2025 at 1.64%, resulting in a payout of \$352,218;

WHEREAS, the Section VII.2 of the Foundation's Investment Policy Statement states:

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

WHEREAS, Section VI.1.d.ii of the Foundation's Investment Operating Plan states:

Withdrawals [from the Strategic Pool] will be determined by the timing of project expenditures, per guidance from the SBCF Board. SBCF will provide a schedule of likely withdrawals to SHGA at the time of the annual budget planning process. Cash proceeds will be deposited in the SBCF Liquidity Pool on an as-needed basis.

WHEREAS, transfers of up to \$3,030,152 from the Strategic Pool to the Liquidity Pool may be needed to cover the Foundation's operating expenses and strategic grant obligations for the 2024-2025 fiscal year; and

WHEREAS, consistent with past practice, the Board recommends that the Executive Director have the discretion to manage the transfers from the Quasi-Endowment and Strategic Pool to the Liquidity Pool, including dividing the transfers into smaller increments, setting the

timing of the incremental transfers, and transferring less than the approved payout amount as circumstances may warrant, based on the Foundation’s cash flow needs.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors approves the fiscal year 2024-2025 Foundation budget attached as Exhibit A.

FURTHER BE IT RESOLVED that the Board of Directors sets the Quasi-Endowment payout rate for fiscal year 2024-2025 at 1.64%, resulting in a transfer from the Quasi-Endowment account to the Liquidity Pool of \$352,218, to be used to meet the cash needs of the Crestmoor Neighborhood Memorial Scholarship and the Community Grants Fund in the 2024-2025 fiscal year, and grants the Executive Director the discretion to divide the transfer into smaller increments, set the timing of the transfer of those increments, and transfer less than the approved amount, based on the Foundation’s cash flow needs.

FURTHER BE IT RESOLVED that the Board of Directors approves a transfer from the Strategic Pool account to the Liquidity Pool account of \$3,030,152 to cover operating expenses and strategic grant obligations for the 2024-2025 fiscal year, and grants the Executive Director the discretion to divide the transfer into smaller increments, set the timing of the transfer of those increments, and transfer less than the approved amount, based on the Foundation’s cash flow needs.

FURTHER BE IT RESOLVED that the Board of Directors directs the Executive Director to submit the fiscal year 2024-2025 budget to the San Bruno City Council for consideration and approval.

Dated: June 5, 2024

ATTEST:

Raul Gomez, Secretary

I, Raul Gomez, Secretary, do hereby certify that the foregoing Resolution No. 2024-__ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this 5th day of June, 2024, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

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Community Foundation

2024-2025 Budget

	<u>2023-24 Budget</u>	<u>Apr 2024 Actual</u>	<u>May-Jun 2024 Projected</u>	<u>Projected 2023-24</u>	<u>Proposed 2024-25 Budget</u>	<u>Change vs. 2023-24 Actual</u>
INCOME						
1 Interest Income	\$ 17,177	\$ 14,314	\$ 2,863	\$ 17,177	\$ -	\$ (17,177)
2 Donations	-	2,700	100,000	102,700	-	(102,700)
3 Miscellaneous Income	-	30,000	-	30,000	-	(30,000)
4 Subtotal Operating Income	17,177	47,014	102,863	149,877	-	(119,877)
5 Transfers from Quasi Endowment	372,843	200,000	172,843	372,843	352,218	(20,625)
6 Transfers from Strategic Pool	1,441,576	850,000	-	850,000	3,030,152	2,180,152
7 Subtotal Transfers from Investments	1,814,419	1,050,000	172,843	1,222,843	3,382,370	2,159,527
8 FUNDS AVAILABLE FOR OPERATIONS	1,831,596	1,097,014	275,706	1,372,720	3,382,370	2,039,650
EXPENSES						
9 Crestmoor Scholarships	160,000	-	160,000	160,000	165,000	5,000
10 Community Grants Fund	300,000	300,000	-	300,000	300,000	-
11 Strategic Grants	500,000	-	350,000	350,000	2,500,000	2,150,000
12 Other Grants	10,000	2,500	-	2,500	10,000	7,500
13 Subtotal Direct Program Expenses	970,000	302,500	510,000	812,500	2,975,000	2,162,500
14 Salaries & Wages	234,706	202,501	40,904	243,405	246,512	3,107
15 Payroll Taxes & Benefits	26,762	22,559	1,737	24,296	28,094	3,798
16 Subtotal Direct Personnel Expenses	261,468	225,060	42,641	267,701	274,606	6,905
17 Occupancy	17,009	14,097	2,912	17,009	18,000	991
18 Insurance	19,787	15,361	3,074	18,435	17,093	(1,342)
19 Telecommunications	2,648	2,044	394	2,438	2,610	172
20 Postage & Shipping	2,560	2,460	100	2,560	2,920	360
21 Marketing & Communications	17,786	14,827	1,100	15,927	18,921	2,994
22 Office Supplies and Equipment	5,800	3,052	730	3,782	6,100	2,318
23 Legal Fees	49,740	24,856	9,100	33,956	44,280	10,324
24 Accounting & Payroll Fees	36,742	28,881	3,600	32,481	37,257	4,776
25 Other Consultants	32,882	4,463	5,000	9,463	30,382	20,919
26 Travel, Meetings & Conferences	7,924	3,474	2,240	5,714	15,170	9,456
27 Miscellaneous	2,713	1,414	400	1,814	2,000	186
28 Subtotal Non-Personnel Support Costs	195,591	114,929	28,650	143,579	194,733	51,154
29 TOTAL EXPENSES	1,427,059	642,489	581,291	1,223,780	3,444,339	2,220,559
30 NET SURPLUS	\$ 404,537	\$ 454,525	\$ (305,585)	\$ 148,940	\$ (61,969)	\$ (180,909)