

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*

MINUTES

SAN BRUNO COMMUNITY FOUNDATION

Regular Meeting of the Board of Directors

June 5, 2024

7:00 p.m.

Meeting Location:

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

- 1. Call to Order/Welcome:** President Netane-Jones called the meeting to order at 7:00 p.m.
- 2. Roll Call:** Board Members Netane-Jones, Ruane, Gomez, Lin, Perry, Torres, and Wong, present.
- 3. Public Comment:** None.
- 4. Presentation:** Recognition of the 2024 Crestmoor Neighborhood Memorial Scholarship Recipients

President Netane-Jones acknowledged the leadership of the Foundation's Executive Director, Leslie Hatamiya, and Program Manager, Jessica Carrillo, in administering the Crestmoor Neighborhood Memorial Scholarship program and thanked the volunteers who served on the selection panel. She acknowledged dignitaries present, including San Bruno Mayor Rico Medina, Capuchino High School Principal Jose Gomez, and Randy Torrijos representing San Mateo County Supervisor Dave Pine.

She then gave a brief summary of the creation of the Crestmoor Scholarship, which honors the community members who most directly endured the destruction of the 2010 gas pipeline explosion and resulting fire in San Bruno's Crestmoor neighborhood, and thanked Allan and Mary Lou Johnson for financially supporting the program this year. She addressed the 10 scholarship recipients and expressed admiration for their accomplishments in school as well as their success as young adults in recognizing the importance of being positive contributors to society. On behalf of Supervisor Pine, Randy Torrijos congratulated the Crestmoor Scholars and said that they represent the best in San Bruno and San Mateo County.

President Netane-Jones then introduced the 10 Crestmoor Scholars – Capuchino High School seniors Justin Chan, Xenia Gomez Iñiguez, Emilio Ramirez, Sareena Robinson, Jessilyn Rodriguez, and Kaley Shum, and Skyline College students Celina Buncayo, Camille Catolos, Eden Huang, and Thet Mon Kyaw –

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and read short biographies about each. Vice President Ruane presented each Crestmoor Scholar with a certificate from the Foundation, a commendation from the San Mateo County Board of Supervisors provided by Supervisor Dave Pine, and a letter from Congressman Kevin Mullin.

On behalf of the high school and community college recipients, respectively, Ms. Gomez Iñiguez and Ms. Catolos expressed thanks to the Foundation for the scholarship recognition. Madeline Villanueva-Tovar, a 2017 Crestmoor Scholar who recently graduated from San Francisco State University and now works as an emergency medical technician, recounted her personal educational path, reflected on what the Crestmoor Scholarship has meant to her, and provided the 2024 Scholars with words of advice as they move forward in their college careers.

Mayor Medina then congratulated the Crestmoor Scholars and told them that these scholarships are what the City Council fought for when securing restitution funds from PG&E after the 2010 gas pipeline explosion.

Several Board Members commended the Crestmoor Scholars and their commitment to the San Bruno community.

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

5. Approval of Minutes: March 6, 2024, Regular Board Meeting: Vice President Ruane moved to approve the minutes of the March 6, 2024, Regular Board Meeting, seconded by Treasurer Lin, approved unanimously by roll call vote.

6. Executive Director's Report

In the interest of time, Executive Director Hatamiya referenced the Executive Director's Report in the Board meeting packet, which contained updates on the Foundation's insurance renewals, next engagement with the Foundation's information auditor, and website/e-newsletter traffic. She also gave a brief update on the Board's strategic planning process, noting that the process is on hold while the Foundation waits 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 their plans regarding various capital projects. She reported that the City conducted a poll to gauge community support for a bond measure to fund various capital improvements and that the City Council will consider the results of the poll and make decisions about placing a bond measure on the November ballot this summer. She also noted that the San Bruno Park School District is considering placing a parcel tax on the November ballot and has hired an architectural firm to create a conceptual design for a new STEAM building at Parkside Intermediate School.

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7. Consent Calendar

- a. Adopt Resolution Approving Appointments to the Investment Committee
- b. Receive and Approve Treasurer's Report (February, March, and April 2024 Financial Statements)

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

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

On behalf of the Ad Hoc Committee on Recreation and Aquatic Center Project, President Netane-Jones reported that as of May 31, the Foundation had paid out a total of \$49.25 million in RAC grant payments, with a balance of up to \$2.25 million left to disburse. She also noted that the Foundation and the City recently executed amendments to the grant agreements for RAC Grant #4 (City Compliance Review), Grant #5 (Temporary Facilities), and #8 (Construction). All three amendments extended the grant period to December 31, 2024, to accommodate the current construction timeline. The amendment for RAC Grant #8 also acknowledged that the grant agreement for Grant #7 (Tom Lara Field Parking Lot Improvements) had been terminated pursuant to its terms and added the remaining balance of that grant (nearly \$90,000) to the construction portion of the grant amount for RAC Grant #8.

On behalf of the City, Community Services Director Travis Karlen reported to the Board on recent progress on the construction of the RAC and plans to open the facility this summer. With construction nearing completion, he noted that the City is expected to receive the Temporary Certificate of Occupancy by the end of June, followed by delivery of furniture and the installation of fitness equipment. The facility will see a "soft opening" in mid-July, with abbreviated hours and a gradual rollout of programs, with a grand opening ceremony planned for late August. At that time, the City will offer a full slate of programming and expand hours of operation at the facility. Director Karlen reviewed the membership plans that will be offered and planned marketing and outreach activities.

Supported by City Manager Alex McIntyre, Chief Financial Officer Nick Pegueros, and Mayor Rico Medina, Director Karlen gave an overview of the operations budget for the RAC, with annual expenditures to run the facility expected to be around \$4.3 million and revenues projected at \$2 million. He emphasized that there would be a ramp-up period, as community members begin to sign up for memberships, other programs, and facility rentals. He previewed ideas the City has for promoting access to the new facility, including subsidized programming, transportation for seniors, fee waiver events, and programs for at-risk youth. To ensure that the RAC has a successful launch in a sound financial position, the City currently anticipates that it would benefit from some level of seed funding to

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support its initial programming and operations, and the City team requested a total of \$2.25 million in grant funding over the first three years of operation to underwrite programs that promote access, marketing and outreach, and the ramp-up of operations.

Following its regular process for evaluating strategic grant opportunities, the Board considered a resolution creating 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, charged with researching and considering ways in which the Foundation could support start-up activities at the new RAC and, as appropriate, returning to the Board with possible strategic grantmaking proposals to support such efforts through the next three fiscal years, and appointing President Netane-Jones as chair and Vice President Ruane and Board Member Wong as committee members.

Treasurer Lin moved to adopt the resolution creating and appointing members to the Ad Hoc Committee on Recreation and Aquatic Center Startup Activities, seconded by Secretary Gomez, passed unanimously by roll call vote.

b. Receive Report on other Programs (Community Grants Fund and Other Strategic Grants)

Executive Director Hatamiya gave a brief update on the Foundation's other programs. She announced that the 2024-2025 cycle of the Community Grants Fund will launch in early July and follow the same timeline as last year: online application available at the beginning of July, grant workshops held over the summer, an application deadline of September 18, and Board consideration of a review panel's recommendations in December.

Regarding the Centennial Plaza Improvement Project, which SBCF is supporting with \$500,000 in grant funding, Ms. Hatamiya noted that most of the Board attended the City's ceremonial groundbreaking ceremony on Friday, April 19, and that since then, construction on the project has proceeded on schedule and the City expects construction of the new plaza to be completed this fall.

With regard to the Downtown Beautification Initiative grant, Ms. Hatamiya reported that the Foundation and the City recently executed the grant agreement. She noted that the project is part of the City's Capital Improvement Plan, so the City Council will formally consider approval in June, and in the meantime, the City is working on developing the scope of work for the different project components. The City's goal is to have the beautification projects completed 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.

Finally, Ms. Hatamiya reported that the Ad Hoc Committee on SBPSD Strategic Initiatives will be reviewing a request from San Bruno Park School District Superintendent Matt Duffy for grant funding to help fund immediate improvements to the athletic fields at John Muir and Belle Air elementary schools and 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

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various SBPSD 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. Under its charge, the Committee will evaluate the district's request and, if appropriate, make a grant funding recommendation to the full Board.

c. Receive Report from Investment Committee on its May 15, 2024, Regular Meeting

As chair, Treasurer Lin reported on the Investment Committee's latest quarterly meeting on May 15, 2024. She gave highlights of the report from Sand Hill Global Advisors, the Foundation's investment adviser, which included the firm's investment outlook and a review of the performance of the Foundation's three investment accounts (Quasi-Endowment, Strategic Pool, and Liquidity Pool). Treasurer Lin reported that the Sand Hill team said 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. She also noted that the Committee discussed the Foundation's cash flow needs related to the Recreation and Aquatic Center project.

Chair Lin reported that the Committee decided to follow the practice of recommending to the Board a Quasi-Endowment payout rate that would result in an amount sufficient to meet the cash flow needs for the Crestmoor Scholarship and the Community Grants Fund for the upcoming fiscal year and recommended that the fiscal year 2024-2025 Quasi-Endowment payout rate be set at 1.64%.

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

Moreover, Chair Lin noted that two community members attended the May 15 Investment Committee meeting and requested that the Foundation consider altering its investment policy to follow a "values-based" or "socially responsible" investment strategy. In light of this request, she reported that she and Executive Director Hatamiya asked the Foundation's team at Sand Hill to give the Board a presentation on values-based investing at its regular 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 values-based investing, including what it is, what are the reasons for and challenges of pursuing such a strategy, and what it might look like for a community foundation like SBCF.

Three community members – Sawsan D., Matt Jones, and Wesam D. – thanked the Investment Committee for being open to considering adopting a values-based investment strategy and encouraged the Board to consider human rights and environmental causes in that review.

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- 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

Executive Director Hatamiya presented the fiscal year 2024-2025 budget to the Board. She noted the overall financial health of the organization, with assets of \$31.5 million as of April 30, 2024. She said the Foundation has benefited from a robust stock market (despite some market volatility and inflation in recent years), prudent investment management by and guidance from the team at Sand Hill, and solid fiscal management practices and policies by the Board and staff.

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

She then went through the three categories of expenses (direct program expenses of \$2,975,000, including \$2.5 million for strategic grants; personnel expenses of \$274,606; and non-personnel support costs of \$194,733), for a total of \$3,444,339.

She noted that the Foundation's cash-flow requirements drive the transfers from investments, the Foundation's primary source of "income." She explained the Foundation's cash-flow needs, with the Quasi-Endowment payout based on cash needs for the Crestmoor Scholarship and the Community Grants Fund and transfers from the Strategic Pool to cover strategic grants and operating expenses. Based on the Foundation's cash-flow needs, the Quasi-Endowment payout of 1.64%, as recommended by the Investment Committee, will be \$352,218.

Noting that all funds needed to pay out the remaining set of Recreation and Aquatic Center grant payments have already been transferred to the Liquidity Pool, Ms. Hatamiya explained that the main drivers behind the transfers from the Strategic Pool are payments for other strategic grants and operating expenses. With total strategic cash needs of \$4,296,332, \$1,366,181 will be covered by the Strategic Carry Forward from fiscal year 2023-2024, resulting in a Strategic Payout of \$3,030,152.

She asked the Board to approve a multi-part resolution: (a) approving the fiscal year 2024-2025 budget, (b) approving the 2024-2025 Quasi-Endowment payout rate of 1.64%, resulting in a transfer of \$352,218, (c) approving a transfer of \$3,030,152 from the Strategic Pool to the Liquidity-Operating Pool, and (d) directing the Executive Director to submit the budget to the San Bruno City Council for consideration and approval. She further noted that the transfer amounts are all ceilings and that the resolution gives the Executive Director the discretion to divide the transfers into smaller increments, set the timing of the transfer of those increments, and transfer less than the approved amount, based on the Foundation's cash flow needs. She explained that following the Board's approval, she was scheduled to present the budget to the City Council on June 11.

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Treasurer Lin moved to adopt the resolution (a) approving fiscal year 2024-2025 budget, (b) setting the Quasi-Endowment payout rate for fiscal year 2024-2025, (c) approving a 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, seconded by Vice President Ruane, passed unanimously by roll call vote.

9. Board Member Comments: President Netane-Jones again acknowledged and thanked the volunteers who served on the Crestmoor Scholarship Selection Panel.

10. Adjourn: Board Member Wong moved to adjourn the meeting at 9:27 p.m., seconded by Secretary Gomez, approved unanimously.

Respectfully submitted for approval at the Regular Board Meeting of September 4, 2024, by Secretary Raul Gomez and President Malissa Netane-Jones.



Raul Gomez, Secretary



Malissa Netane-Jones, President