

# SAN BRUNO

## Community Foundation

*Investment Committee*

Pak Lin, *Chair* • Anthony Clifford, Mark Hayes, Supriya S. Perry, and Tim Ross, *Members*  
Leslie Hatamiya, *Executive Director*

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### MINUTES

#### SAN BRUNO COMMUNITY FOUNDATION

#### Regular Meeting of the Investment Committee

**November 16, 2022**

**4:30 p.m.**

**Meeting Conducted via Zoom**

- 1. Call to Order:** Committee Member Ross called the meeting to order at 4:30 p.m.
- 2. Roll Call:** Committee Members Clifford, Hayes, and Perry, and Ross, present; Committee Member Lin, excused.
- 3. Public Comment:** None.
- 4. Approval of Minutes:** August 17, 2022, Regular Investment Committee Meeting: Committee Member Clifford moved to approve the minutes of the August 17, 2022, Regular Meeting, seconded by Committee Member Perry, passed 3-0 by roll call vote (Hayes abstain, Lin absent).
- 5. Executive Director's Report**

Executive Director Hatamiya gave an update on the Foundation's activities, first summarizing recent program highlights:

- **Community Grants Fund:** The Foundation received 44 applications for Community Grants by the September 21 deadline, providing a robust and competitive applicant pool. The applications have been evaluated by a review panel of community volunteers. The Board will consider the panel's grant recommendations at the December 7 Board meeting; with a \$100,000 donation from Google.org/YouTube, the Foundation will award grants totaling \$300,000 this cycle.
- **Crestmoor Scholarship:** The 2023 Crestmoor Neighborhood Memorial Scholarship will launch in December, when the online application will be accessible and updated marketing materials will be distributed to local schools and throughout the community. The application deadline will be March 7, 2023.

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- Recreation and Aquatics Center (RAC): Ms. Hatamiya shared a recent photograph of construction on the San Bruno Recreation and Aquatic Center and noted that the facility remains on track for a fall 2023 opening.

She reported that the Board received its quarterly report from the City on the RAC in October. The City team reviewed work recently completed and upcoming work scheduled at the construction site. Key highlights include the steel building frame, the roof trusses and decking, the creek realignment, and the underground utilities (sewer and water) under the road. City Park Way remains closed through the end of the year.

The Foundation received the latest set of RAC grant reports in October and made payments totaling \$8.3 million. The Foundation has paid out a total of \$32.4 million in RAC grant payments.

- Tanforan Memorial: Ms. Hatamiya shared photos from the August 27 ribbon-cutting ceremony at the Tanforan Memorial, which the Foundation supported with a \$200,000 grant. SBCF President Malissa Netane-Jones spoke at the ceremony. Ms. Hatamiya encouraged Committee members to visit the memorial.
- Centennial Plaza Improvement Project: In November, the Board approved a \$500,000 strategic grant to the City of San Bruno to support the Centennial Plaza Improvement Project in downtown San Bruno. As part of its efforts to enhance and beautify San Mateo Avenue, the City plans to renovate Centennial Plaza - located at the intersection of San Mateo Avenue and Jenevein Avenue - and create a welcoming gathering space for outdoor dining, entertainment, and community events.
- Community Day: Also in November, the Board approved a \$30,000 strategic grant to the City of San Bruno to support San Bruno's 2023 Community Day celebration. Scheduled for the afternoon of Sunday, June 4, 2023, in conjunction with the San Bruno Lions Club's annual Posy Parade, the event will be held as a street festival on San Mateo Avenue in downtown San Bruno for the second year in a row and will highlight the community's rich cultural diversity and local businesses

Ms. Hatamiya noted that the Foundation's 2022 Annual Report was mailed to all San Bruno addresses the first week of October.

Ms. Hatamiya also reported that Novogradac & Company prepared the FY2021-2022 audited financials, which were accepted by the Board in November, and issued a clean opinion. The Foundation submitted its state and federal tax returns by the November 15 deadline.

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She reported that the Foundation Board reelected its officers for the 2023 term: President Malissa Netane-Jones, Vice President Jim Ruane, Secretary Raul Gomez, and Treasurer Pak Lin.

Ms. Hatamiya reviewed the schedule of transfers from the Quasi-Endowment and Strategic Pool accounts to the Liquidity Pool, but noted that the schedule may be modified based on actual cash needs and updates on the Recreation and Aquatic Center project. Transfers from the Quasi-Endowment to Liquidity-Operating include: (a) \$200,000 scheduled for December 2022, and (b) \$85,937 scheduled for May 2023. Transfers from the Strategic Pool to Liquidity-Operating to cover RAC cash needs are scheduled as follows: Transferred the entire Liquidity-RAC balance to Liquidity-Operating in July to cover the July/August RAC grant payments and closed the Liquidity-RAC Subaccount. Transfers from Strategic to Liquidity-Operating for non-RAC purposes are budgeted at \$4,392,754; \$323,000 was transferred in October to cover most non-RAC cash needs for the year, and additional transfers will take place later on in the year if additional strategic grants are approved.

Finally, Ms. Hatamiya reminded the Committee of its 2023 meetings: February 15, May 17, August 16, and November 15. She also noted that because Governor Newsom has announced his intention to end the pandemic state of emergency at the end of February, the Committee will likely begin meeting in person again starting with the May regular meeting.

## **6. Conduct of Business**

- a. Receive Report from Sand Hill Global Advisors, LLC (SHGA) regarding SHGA's Investment Outlook and SBCF's Investment Portfolio Performance

SHGA Chief Executive Officer Brian Dombkowski, Senior Portfolio Manager Meghan DeGroot Daters, and Senior Wealth Manager Kristin Sun represented SHGA at the meeting.

Mr. Dombkowski gave an overview of the firm's investment outlook, as well as a summary of the firm's current economic forecast, commenting on economic growth, interest rates, inflation, commodity markets, the employment market, corporate earnings, international developed markets, emerging markets, the housing market, and valuation. He highlighted the continuing market volatility but also noted underlying strengths in the economy, which he said do not suggest recessionary conditions.

Ms. Daters then reviewed the Foundation's Investment Dashboard for the third quarter of 2022, including September 30, 2022, balances of \$18,779,127 for the Quasi-Endowment, \$7,621,931 for the Strategic Pool, and \$25,886,954 for the Liquidity Pool, for a total of \$52,288,012 (increased to \$53,187,538 as of October 28, 2022). She also discussed the performance of the underlying funds in the Foundation's Quasi-Endowment, Strategic, and Liquidity pools. She explained the firm's recent portfolio adjustments, including increasing the bond allocation as interest rates continued to rise.

Mr. Dombkowski acknowledged the Committee's guidance at its August meeting to transfer the remaining balance of funds needed to cover future grants payments related to the RAC project – about \$20.7 million – from the Strategic Pool to the Liquidity Pool in September. This transfer took place in

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early September, which protected the funds from additional market volatility since then and ensured that the Foundation would be able to fulfill its grant obligations related to the RAC.

Committee members asked what the Foundation Board's plan is for the remaining balance of the Strategic Pool once the RAC grant payments are fully paid out. Executive Director Hatamiya said the Board will be discussing that topic in the coming year and that it may depend on if the Foundation is asked to provide additional funding for the RAC or provide a significant investment in another strategic initiative. Committee members then noted that if the Foundation Board decides to transfer all or some portion of the remaining funds in the Strategic Pool to the Quasi-Endowment Pool once the RAC grant payments are fully paid out, there would be a natural opportunity to rebalance the portfolio's asset allocation.

- b. Discuss and Provide Direction Regarding Future Cash Flow Strategies Related to Funding of Recreation and Aquatic Center Project

The Committee discussed cash flow strategies related to the RAC grants. Executive Director Hatamiya reported that since early 2018, the Foundation has made grant payments totaling \$32,435,552 related to the eight grants supporting the design and construction of the RAC. She said that the latest set of RAC grant payments totaling \$8,343,196 was made in early November based on the City's latest set of quarterly grant reports. The remaining balance of RAC grant payments to be paid is \$17,564,448, including about \$13,685,117 in the second half of the current fiscal year. The Committee agreed to keep discussion of cash flow strategies related to funding the RAC on the next Committee meeting agenda.

**7. Committee Member Comments:** Committee Members Ross and Hayes commended the Foundation's recent activities and grants.

**8. Adjourn:** Committee Member Hayes moved to adjourn the meeting at 5:33 p.m., seconded by Committee Member Perry, approved unanimously.

Respectfully submitted for approval at the Regular Investment Committee Meeting of February 15, 2023, by Investment Committee Chair Pak Lin.



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Pak Lin, Investment Committee Chair