

# SAN BRUNO

## Community Foundation

### Board of Directors

Malissa Netane-Jones, President • Jim Ruane, Vice President • Raul Gomez, Secretary • Pak Lin, Treasurer  
Supriya S. Perry • Belinda Wong  
Leslie Hatamiya, Executive Director  
[www.sbcf.org](http://www.sbcf.org)

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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/89569678134?pwd=bqJbMG8mJbYlYyXZ4eVJn7CjJDbAD6.1>  
Webinar ID: 895 6967 8134  
Passcode: 699218  
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](mailto: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](mailto:info@sbcf.org).

## AGENDA

### SAN BRUNO COMMUNITY FOUNDATION

#### Regular Meeting of the Board of Directors

September 4, 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. Approval of Minutes:** June 5, 2024, Regular Board Meeting
- 5. Executive Director's Report**
- 6. Consent Calendar:** All items are considered routine or implement an earlier Board action and may be enacted by one motion; there will be no separate discussion unless requested by a Board Member or staff.
  - a. Adopt Resolution Appointing Member to the Audit Committee
  - b. Receive and Approve Treasurer's Report (May, June, and July 2024 Financial Statements)
- 7. Study Session:** Receive Presentation on Socially Responsible Investment Strategies by Sand Hill Global Advisors, LLC, and Provide Direction to Staff on Next Steps
- 8. Conduct of Business**
  - a. Receive Report from Investment Committee on its August 21, 2024, Regular Meeting and Presentation from Sand Hill Global Advisors, LLC, Regarding the Firm's Investment Outlook and SBCF's Investment Portfolio
  - b. Receive Report on the San Bruno Recreation and Aquatic Center from the City of San Bruno
  - c. Receive Report from the Ad Hoc Committee on Recreation and Aquatic Center Startup Activities, Determine Whether Proposed Grant to the City of San Bruno Presents a Conflict of Interest Under Nonprofit and Exempt Entity Laws, and Adopt Resolution Approving Strategic Grant Supporting Startup Programming and Outreach Activities at the New San Bruno Recreation and Aquatic Center to the City of San Bruno in an Amount Not to Exceed \$2,250,000
  - d. Determine Whether Proposal Grant to the City of San Bruno Presents a Conflict of Interest Under Nonprofit and Exempt Entity Laws and Adopt Resolution Approving Grant in the Amount of \$1,200 to the City of San Bruno for a Memorial Bench

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Commemorating the Former El Crystal Elementary School's 70 Years of Service to San Bruno Schoolchildren in Connection with the New San Bruno Recreation and Aquatic Center Project

- e. Receive Report on the Centennial Plaza Improvement Project from the City of San Bruno
- f. Receive Report on the Downtown Beautification Initiative from the City of San Bruno
- g. Report on Music Education Strategic Initiative from San Bruno Education Foundation, San Bruno Park School District, and Capuchino High School
- h. Receive Report on the SBPSD School Field Trip Grant from the San Bruno Park School District
- i. Receive Report from the Ad Hoc Committee on San Bruno Park School District Strategic Initiatives and Adopt Resolution Approving Strategic Grant Supporting Athletic Field Improvements at San Bruno Park School District Schools to the San Bruno Education Foundation in an Amount Not to Exceed \$150,000
- j. Receive Report on Other Programs (Crestmoor Scholarship and Community Grants Fund)

### **9. Board Member Comments**

**10. Adjourn:** The next regular meeting of the Board of Directors is scheduled for Wednesday, October 2, 2024, at 7:00 p.m.

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## 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.

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Raul Gomez, Secretary

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Malissa Netane-Jones, President

# SAN BRUNO

## Community Foundation

### Memorandum

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**DATE:** August 30, 2024

**TO:** Board of Directors, San Bruno Community Foundation

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Executive Director's Report

Since the June 5, 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 September 4, 2024, regular Board meeting. In addition, I have handled a variety of other matters, including the following:

#### **1. Fiscal Year 2023-2024 Audit**

Accounting Consultant Frank Bittner has closed the fiscal year 2023-2024 accounting books, as the year concluded on June 30, 2024, and together, he and I have submitted the requested reports and documents to the Foundation's auditors at Novogradac & Company. Novogradac has committed to preparing draft audited financial statements by October 10, and the Audit Committee will meet on Monday, October 21, at 3:30 p.m. to discuss the audit with the Novogradac team. Novogradac's Lance Smith is scheduled to present the audited financial statements to the Foundation Board at its November 6 meeting.

#### **2. Fiscal Year 2024-2025 Budget**

On June 11, 2024, I presented the Foundation's fiscal year 2024-2025 budget, which the Foundation Board approved on June 5, to the San Bruno City Council. I also gave a brief presentation on the Foundation's highlights over the past year. On June 25, the City Council formally approved the budget as part of its Consent Calendar.

#### **3. SBCF Board Vacancy**

Due to his move out of state to take a new job, Irving Torres resigned from the SBCF Board effective August 22, 2024. I notified the City Manager of the resignation, as the San Bruno City Council is responsible for appointing members to the SBCF Board of Directors. The City Council will follow its process for making appointments on the SBCF Board, recruiting applicants, conducting interviews, and making an appointment later this year.

# SAN BRUNO

## Community Foundation

### Memorandum

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#### **4. Email Newsletter and Website Hits**

Since the June 5 Board meeting, I have sent out two email blasts to the Foundation's email distribution list, reporting on the June meeting and announcing the launch of the 2024-2025 Community Grants Fund cycle. Of the approximately 800 emails sent each time, 51%-60% of the recipients opened each email.

According to Google Analytics, activity on the sbcf.org website has been moderate and focused on the Community Grants Fund. Between June 5 and August 30, approximately 1,400 users visited the Foundation website. The most visited pages were home page and the pages related to the Community Grants Fund and the Recreation and Aquatic Center project.

# SAN BRUNO

## Community Foundation

### Memorandum

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**DATE:** August 30, 2024

**TO:** Board of Directors, San Bruno Community Foundation

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Consent Calendar for the September 4, 2024, Regular Board Meeting

For the September 4, 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 Appointing Member to the Audit Committee**

Article XIII, Section 4, of the San Bruno Community Foundation's Bylaws calls for an independent auditor to conduct annual independent audits of the Foundation's financial statements and records. Article VII, Section 5, establishes an Audit Committee consisting of at least two directors. The Audit Committee's duties include:

- Assisting the Board in choosing an independent auditor and recommending termination of the auditor, if necessary
- Negotiating the auditor's compensation
- Conferring with the auditor regarding the corporation's financial affairs
- Reviewing and accepting or rejecting the audit

The Bylaws stipulate that the President and Treasurer may not serve on the Audit Committee. Directors who are Foundation employees or officers or who receive any consulting, advisory, or other compensatory fees from the Foundation also may not serve on the Committee.

The Board appointed Raul Gomez as chair of the Audit Committee on January 13, 2020, and Irving Torres as Committee member on June 7, 2023. Mr. Torres resigned from the SBCF Board effective August 22, 2024, resulting in a vacancy on the Audit Committee.

The attached resolution would appoint Vice President Jim Ruane to the Audit Committee, filling the seat previously held by Mr. Torres. Mr. Gomez will remain chair of the Audit Committee.

# SAN BRUNO

## Community Foundation

### Memorandum

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#### **2. Receive and Approve Treasurer's Report (May, June, and July 2024 Financial Statements)**

The May, June, and July 2024 financial statements each consist of a Budget Report and Balance Sheet. The Budget Narratives provide a thorough explanation of the financial statements. The May and June Budget Reports include the fiscal year 2023-2024 budget figures approved at the June 7, 2023, Board meeting. The July Budget Report includes the fiscal year 2024-2025 budget figures approved at the June 5, 2024, 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 September 4, 2024.

#### Attachments:

1. Resolution Appointing Member to the Audit Committee
2. May 2024 Financial Statements
3. June 2024 Financial Statements
4. July 2024 Financial Statements

**RESOLUTION NO. 2024-\_\_**

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION  
APPOINTING MEMBER TO THE AUDIT COMMITTEE**

**WHEREAS**, Article XIII, Section 4, of the Bylaws calls for the retention of an independent auditor to conduct an annual audit of the San Bruno Community Foundation's financial statements and records;

**WHEREAS**, Article VII, Section 5, of the Bylaws establishes an Audit Committee consisting of at least two directors to assist the Board in selecting an independent auditor, negotiate the auditor's compensation, confer with the auditor regarding the Foundation's financial affairs, and review and accept or reject the annual audit;

**WHEREAS**, the Board of Directors appointed then-Board Member Irving Torres as a member of the Audit Committee on June 7, 2023; and

**WHEREAS**, Mr. Torres resigned from the Foundation Board of Directors effective August 22, 2024, resulting in a vacancy on the Audit Committee.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors hereby appoints Vice President Jim Ruane as a member of the Audit Committee, filling the seat vacated by former Board Member Irving Torres.

Dated: September 4, 2024

ATTEST:

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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 4<sup>th</sup> day of September, 2024, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:



# SAN BRUNO

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## Community Foundation

May 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 eleven months equal 91.7% of the fiscal year.

### INCOME

**Line 1 Transfers from Quasi Endowment** – \$372,843 transferred for Community Grants & Scholarships is 100% of budget.

**Line 2 Transfers from Strategic Pool** – \$850,000 transferred equals 59% of budget. Remaining budget amount of \$591,576 will not be transferred this fiscal year.

**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 \$15,746 or 91.7% of budget.

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

### EXPENSES

**Line 7 Crestmoor Scholarships** - \$160,000 is 100% of budget.

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

**Line 9 Strategic Grants** - \$350,000 is 70% of budget and is for Downtown Beautification grant. Remaining budget amount of \$150,000 will not be used this fiscal year.

**Line 10 Other Grants** - \$2,500 is 25% of budget and has been for Narita Sister City Exchange. Remaining budget amount of \$7,500 will not be used this fiscal year.

**Line 12 Salaries & Wages** – Expense is 94.7% of budget. Final projected amount is \$8,699 greater than budget.

**Line 13 Payroll Taxes & Benefits** – Expense (\$25,054) is 93.6% of budget. Social Security/Medicare tax (\$14,100) and retirement (\$9,698) are the largest costs. Also included are workers' compensation (\$1,042) and life (\$214) insurance. Final projected amount is \$2,466 less than budget.

**Line 15 Occupancy** – Only cost is office lease (\$15,553). Amount is 91.4% of budget.

**Line 16 Insurance** – Total (\$16,453) is 83.2% of budget and includes Directors & Officers (\$12,645), crime (\$2,651), and commercial liability (\$1,157) policies.

**Line 17 Telecommunications** – Cost (\$2,241) is 84.6% of budget. \$1,028 has been for cell phones, \$889 for internet, and \$324 for land line services.

**Line 18 Postage & Shipping** – Cost (\$2,488) is 97.2% of budget. \$2,059 or 83% of the total has been for Annual Report distribution.

**Line 19 Marketing & Communications** - \$15,621 expense is 87.8% of budget and has been for Annual Report design and printing (\$11,446), scholarship and grants posters/flyers (\$1,940), and grants and scholarship application software (\$2,235).

**Line 20 Office Supplies & Equipment** – Cost (\$3,056) is 52.7% of budget. \$2,248 or 74% of the total has been for Program Manager equipment. Final projected amount is \$2,018 less than budget.

**Line 21 Legal Fees** – \$26,066 expense is 52.4% of budget. Cost includes \$14,353 for Administrative, \$3,959 for Strategic Grants, and \$6,599 for Community Grants support. Final projected amount is \$15,784 less than budget.

**Line 22 Accounting & Payroll Fees** – Total (\$31,344) is 85.3% of budget with \$11,000 for annual audit and tax preparation, \$18,648 for Accounting Consultant and \$1,696 for payroll and accounting software/fees. Final projected amount is \$4,261 less than budget.

**Line 23 Other Consultants** – \$4,463 is 13.6% of budget and has been for Computer/IT consultant. Final projected amount is \$23,419 less than budget.

**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. Final projected amount is \$2,210 less than budget.

**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 80.8% of budget, which is well below 91.7% benchmark for the first eleven months of the year. In terms of dollars, the \$369,461 in year-to-date expense is \$49,510 less than the eleven-month budget allocation. Final projected costs are \$45,779 less than budgeted.

Total May Investment net gain or increase in value is \$880,290. This came from Strategic Pool (\$122,699), Quasi Endowment (\$744,404), and Liquidity Pool (\$13,187) gains. Year-to-date Investment net gain or increase in value is \$2,623,066.

Overall organization year to date net gain or increase in net assets is \$1,489,551.

Total Net Assets, as of May 31, 2024, are \$28,614,380 with \$23,053,726 in Quasi Endowment; \$5,559,454 in general Unrestricted funds; and \$1,200 in Donor Restricted Net Assets.

# SAN BRUNO

## Community Foundation

### May 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)
<b>INCOME &amp; TRANSFERS</b>					
1 Transfers from Quasi Endowment	\$ 372,843	\$ 372,843	100.0%	\$ 372,843	\$ -
2 Transfers from Strategic Pool	850,000	1,441,576	59.0%	850,000	(591,576)
3 Donations	2,700	-	-	2,700	2,700
4 Interest Income	15,746	17,177	91.7%	17,177	-
5 Miscellaneous Income	30,000	-	-	30,000	30,000
<b>6 Total Available for Operations</b>	<b>1,271,289</b>	<b>1,831,596</b>	<b>69.4%</b>	<b>1,272,720</b>	<b>(558,876)</b>
<b>EXPENSES</b>					
7 Crestmoor Scholarships	160,000	160,000	100.0%	160,000	-
8 Community Grants	300,000	300,000	100.0%	300,000	-
9 Strategic Grants	350,000	500,000	70.0%	350,000	(150,000)
10 Other Grants	2,500	10,000	25.0%	2,500	(7,500)
<b>11 Subtotal Direct Program Expenses</b>	<b>812,500</b>	<b>970,000</b>	<b>83.8%</b>	<b>812,500</b>	<b>(157,500)</b>
12 Salaries & Wages	222,234	234,706	94.7%	243,405	8,699
13 Payroll Taxes & Benefits	25,054	26,762	93.6%	24,296	(2,466)
<b>14 Subtotal Personnel Expenses</b>	<b>247,288</b>	<b>261,468</b>	<b>94.6%</b>	<b>267,701</b>	<b>6,233</b>
15 Occupancy	15,553	17,009	91.4%	17,009	-
16 Insurance	16,453	19,787	83.2%	18,435	(1,352)
17 Telecommunications	2,241	2,648	84.6%	2,438	(210)
18 Postage & Shipping	2,488	2,560	97.2%	2,560	-
19 Marketing & Communications	15,621	17,786	87.8%	15,927	(1,859)
20 Office Supplies & Equipment	3,056	5,800	52.7%	3,782	(2,018)
21 Legal Fees	26,066	49,740	52.4%	33,956	(15,784)
22 Accounting & Payroll Fees	31,344	36,742	85.3%	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)
<b>26 Subtotal Non-Personnel</b>	<b>122,173</b>	<b>195,591</b>	<b>62.5%</b>	<b>143,579</b>	<b>(52,012)</b>
<b>27 Total Expenses</b>	<b>1,181,961</b>	<b>1,427,059</b>	<b>82.8%</b>	<b>1,223,780</b>	<b>(203,279)</b>
<b>28 Net Surplus/(Loss)</b>	<b>\$ 89,328</b>	<b>\$ 404,537</b>		<b>\$ 48,940</b>	<b>\$ (355,597)</b>

# SAN BRUNO

## Community Foundation

### Statement of Financial Position as of May 31, 2024

#### ASSETS

Cash, Wells Fargo General	\$ 226,800.01	
Cash, Wells Fargo Payroll	17,205.55	
Cash, Fidelity Liquidity Pool - Operating	2,989,383.53	
<b>Total Cash</b>		3,233,389.09
Investments, Fidelity Strategic Pool	5,695,725.63	
Investments, Fidelity Quasi-Endowment	23,053,726.11	
<b>Total Investments</b>		28,749,451.74
Prepaid Rent	1,455.92	
Prepaid Insurance	14,708.00	
<b>Total Other Current Assets</b>		16,163.92
Deposits	909.45	
<b>Total Other Assets</b>		909.45
<b>TOTAL ASSETS</b>		<b>\$ 31,999,914.20</b>

#### LIABILITIES & NET ASSETS

##### LIABILITIES

Accounts Payable	10,328.74	
Accrued Grants Payable	2,972,652.34	
Accrued Scholarships Payable	387,500.00	
Accrued Employee PTO	15,053.44	
<b>Total Liabilities</b>		3,385,534.52

##### NET ASSETS

Unrestricted, Non-QE 7/1/2023 Balance	5,810,649.13	
Transfer from Quasi-Endowment	372,843.00	
Year to Date Net Income from Operations	(1,033,514.53)	
Year to Date Strategic Investment Income	409,475.97	
<b>Total Non-QE Unrestricted Net Assets</b>		5,559,453.57
Quasi-Endowment 7/1/2023 Balance	21,212,979.52	
Transfer to Liquidity for Operations	(372,843.00)	
Year-to-date QE Investment Income	2,213,589.59	
<b>Total QE Unrestricted Net Assets</b>		23,053,726.11
<b>Total Unrestricted Net Assets</b>		28,613,179.68
Donor Restricted Net Assets 7/1/2023 Balance	101,200.00	
Year to Date Donor Restricted Net Income	(100,000.00)	
<b>Total Donor Restricted Net Assets</b>		1,200.00
<b>Total Net Assets</b>		28,614,379.68
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>		<b>\$ 31,999,914.20</b>

# SAN BRUNO

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## Community Foundation

June 2024

### Budget Narrative

This report primarily describes amounts in column a (Actual Year to Date) of the monthly Budget Report. This is the final report for the 2023-2024 fiscal year.

#### INCOME

**Line 1 Transfers from Quasi Endowment** – \$372,843 in year-to-date transfers are 100% of the budget.

**Line 2 Transfers from Strategic Pool** – \$850,000 transfers are 59% of budget. Total is \$591,576 less than budget.

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

**Line 4 Interest Income** - \$17,177 income is 100% of budget.

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

#### EXPENSES

**Line 7 Crestmoor Scholarships** - \$160,000 is 100% of budget.

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

**Line 9 Strategic Grants** - \$350,000 is 70% of budget and is for Downtown Beautification grant. The year-end actual is \$150,000 less than budget.

**Line 10 Other Grants** - \$2,500 is 25% of budget and has been for Narita Sister City Exchange. Total amount is \$7,500 less than budget.

**Line 12 Salaries & Wages** – Expense is 103.2% of and \$7,613 over budget as approved by Board.

**Line 13 Payroll Taxes & Benefits** – Expense (\$23,798) is 88.9% of and \$2,964 under budget. Social Security/Medicare tax (\$15,636) and retirement (\$10,607) are largest costs with workers' compensation (\$784) and life (\$214) insurances also included. Vacation expense was negative \$3,443 as more vacation was used than earned in the fiscal year.

**Line 15 Occupancy** – Only cost is office lease (\$17,009). Amount is 100% of budget.

**Line 16 Insurance** – Total (\$17,793) is 89.9% of and \$1,994 less than budget. Total includes Directors & Officers (\$13,610), crime (\$2,921), and commercial liability (\$1,262) policies.

**Line 17 Telecommunications** – Cost (\$2,438) is 92.1% of budget and includes cell phones (\$1,114), internet (\$971), and land line (\$353) services.

**Line 18 Postage & Shipping** – Cost (\$2,522) is 98.5% of budget. \$2,059 or 82% of the total has been for distribution of Annual Reports.

**Line 19 Marketing & Communications** - \$15,877 expense is 89.3% of and \$1,909 less than budget. Costs include Annual Report design and printing (\$11,446), Scholarship flyer design and printing (\$1,250), grant/scholarship application software (\$2,337), and Community grant flyers (\$844).

**Line 20 Office Supplies & Equipment** – Cost (\$3,364) is 58% of and \$2,436 less than budget. \$2,248 or 67% of the total has been for Program Manager equipment.

**Line 21 Legal Fees** – \$29,349 expense is 59% of and \$20,391 less than budget. \$17,526 has been for administrative support, \$4,949 for Strategic Grants, and \$6,874 for Community Grants.

**Line 22 Accounting & Payroll Fees** – Total (\$32,970) is 89.7% of and \$3,772 less than budget with \$20,178 for Accounting Consultant, \$11,000 for audit fees, \$1,147 for payroll fees, and \$645 for accounting software.

**Line 23 Other Consultants** – \$10,381 is 31.6% of and \$22,501 less than budget. Total amount has been for IT consultants.

**Line 24 Travel, Meetings & Conferences** – \$5,280 is 66.6% of and \$2,644 less than budget. \$2,727 has been for Board member travel to Japan, \$2,190 has been for Board meeting expenses, and \$362 has been for program meetings.

**Line 25 Miscellaneous** – Cost (\$1,414) is 52.1% of and \$1,299 less than budget. \$850 incurred for organizational memberships.

## **SUMMARY**

Excluding the budget for Scholarships & Grants, total expenses are at 88.5% of budget. In terms of dollars, the \$404,514 in expense is \$52,545 less than budget.

Total June Investment net gain or increase in value is \$333,509. This came from Strategic Pool (\$53,892), Quasi Endowment (\$273,092), and Liquidity Pool (\$6,525) gains. Year-to-date investment gain or increase in value is \$2,956,575.

Overall organization year to date net income or increase in net assets is \$1,789,437.

Total Net Assets, as of June 30, 2024 are \$28,914,266 with \$23,326,819 in Quasi Endowment; \$5,586,247 in general Unrestricted funds; and \$1,200 in Donor Restricted Net Assets.

# SAN BRUNO

## Community Foundation

### June 2024 2023-2024 Budget Report

	(a) Actual Year to Date	(b) Budget	(c) Actual as % of Budget (a/b)	(d) Budget Variance (a - b)
<b>INCOME &amp; TRANSFERS</b>				
1 Transfers from Quasi Endowment	\$ 372,843	\$ 372,843	100.0%	\$ -
2 Transfers from Strategic Pool	850,000	1,441,576	59.0%	(591,576)
3 Donations	2,700	-	-	2,700
4 Interest Income	17,177	17,177	100.0%	-
5 Miscellaneous Income	30,000	-	-	30,000
<b>6 Total Available for Operations</b>	<b>1,272,720</b>	<b>1,831,596</b>	<b>69.5%</b>	<b>(558,876)</b>
<b>EXPENSES</b>				
7 Crestmoor Scholarships	160,000	160,000	100.0%	-
8 Community Grants	300,000	300,000	100.0%	-
9 Strategic Grants	350,000	500,000	70.0%	(150,000)
10 Other Grants	2,500	10,000	25.0%	(7,500)
<b>11 Subtotal Direct Program Expenses</b>	<b>812,500</b>	<b>970,000</b>	<b>83.8%</b>	<b>(157,500)</b>
12 Salaries & Wages	242,319	234,706	103.2%	7,613
13 Payroll Taxes & Benefits	23,798	26,762	88.9%	(2,964)
<b>14 Subtotal Personnel Expenses</b>	<b>266,117</b>	<b>261,468</b>	<b>101.8%</b>	<b>4,649</b>
15 Occupancy	17,009	17,009	100.0%	-
16 Insurance	17,793	19,787	89.9%	(1,994)
17 Telecommunications	2,438	2,648	92.1%	(210)
18 Postage & Shipping	2,522	2,560	98.5%	(38)
19 Marketing & Communications	15,877	17,786	89.3%	(1,909)
20 Office Supplies & Equipment	3,364	5,800	58.0%	(2,436)
21 Legal Fees	29,349	49,740	59.0%	(20,391)
22 Accounting & Payroll Fees	32,970	36,742	89.7%	(3,772)
23 Other Consultants	10,381	32,882	31.6%	(22,501)
24 Travel, Meetings & Conferences	5,280	7,924	66.6%	(2,644)
25 Miscellaneous	1,414	2,713	52.1%	(1,299)
<b>26 Subtotal Non-Personnel</b>	<b>138,397</b>	<b>195,591</b>	<b>70.8%</b>	<b>(57,194)</b>
<b>27 Total Expenses</b>	<b>1,217,014</b>	<b>1,427,059</b>	<b>85.3%</b>	<b>(210,045)</b>
<b>28 Net Surplus/(Loss)</b>	<b>\$ 55,706</b>	<b>\$ 404,537</b>		<b>\$ (348,831)</b>

# SAN BRUNO

## Community Foundation

### Statement of Financial Position as of June 30, 2024

#### ASSETS

Cash, Wells Fargo General	\$ 129,983.21	
Cash, Wells Fargo Payroll	54,627.24	
Cash, Fidelity Liquidity Pool	1,310,338.75	
<b>Total Cash</b>		1,494,949.20
Investments, Fidelity Strategic Pool	5,749,617.95	
Investments, Fidelity Quasi-Endowment	23,326,818.57	
<b>Total Investments</b>		29,076,436.52
Prepaid Rent	1,455.92	
Prepaid Insurance	13,290.00	
<b>Total Other Current Assets</b>		14,745.92
Deposits	909.45	
Right of Use Asset - Lease	13,104.00	
<b>Total Other Assets</b>		14,013.45
<b>TOTAL ASSETS</b>		<u>\$ 30,600,145.09</u>

#### LIABILITIES & NET ASSETS

##### LIABILITIES

Accounts Payable	11,670.78	
Accrued Grants Payable	1,316,993.82	
Accrued Scholarships Payable	332,500.00	
Accrued Employee PTO	11,610.39	
Lease Liabiliy	13,104.00	
<b>Total Liabilities</b>		1,685,878.99

##### NET ASSETS

Unrestricted, Non-QE 7/1/2023 Balance	5,810,649.13	
Transfer from Quasi-Endowment	372,843.00	
Year to Date Net Income from Operations	(1,067,137.11)	
Year to Date Strategic Investment Income	469,892.51	
<b>Total Non-QE Unrestricted Net Assets</b>	5,586,247.53	
Quasi-Endowment 7/1/2023 Balance	21,212,979.52	
Transfer to Liquidity for Operations	(372,843.00)	
Year-to-date QE Investment Income	2,486,682.05	
<b>Total QE Unrestricted Net Assets</b>	23,326,818.57	
<b>Total Unrestricted Net Assets</b>		28,913,066.10
Donor Restricted Net Assets 7/1/2022 Balance	101,200.00	
Year to Date Donor Restricted Net Income	(100,000.00)	
<b>Total Donor Restricted Net Assets</b>		1,200.00
<b>Total Net Assets</b>		<u>28,914,266.10</u>

<b>TOTAL LIABILITIES &amp; NET ASSETS</b>		<u>\$ 30,600,145.09</u>
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# SAN BRUNO

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## Community Foundation

July 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 month equals 8.3% of the fiscal year.

### INCOME

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

**Line 2 Transfers from Strategic Pool** – Transfers planned for later in the year. \$500,000 transfer made in August.

**Line 3 Donations** - \$100,000 unbudgeted contribution received in July and restricted to Community Grants.

### EXPENSES

**Line 9 Subtotal Direct Program Expenses** – There have been no Grant or Scholarship expenses in July.

**Line 10 Salaries & Wages** – Expense is under budget at 7.7%.

**Line 11 Payroll Taxes & Benefits** – Expense (\$2,444) is 8.7% of budget. Social Security/Medicare tax (\$1,460) is the largest cost. Other costs include retirement (\$909).

**Line 13 Occupancy** – Only cost is office lease (\$1,456). Amount is 8.1% of budget.

**Line 17 Insurance** – Total (\$1,338) is 7.8% of budget and includes Directors & Officers (\$965) and crime (\$267) policies.

**Line 15 Telecommunications** – Cost (\$207) is 7.9% of budget.

**Line 16 Postage & Shipping** – Cost (\$34) is 1.2% of budget.

**Line 17 Marketing & Communications** - \$113 expense is 0.6% of budget.

**Line 18 Office Supplies & Equipment** – Cost (\$111) is 1.8% of budget.

**Line 19 Legal Fees** – There were no Legal Fees expenses in July.

**Line 20 Accounting & Payroll Fees** – Total (\$1,311) is 3.5% of budget with \$1,215 for Accounting Consultant.

**Line 21 Other Consultants** – No expense incurred in July.

**Line 22 Travel, Meetings & Conferences** – No expense incurred in July.

**Line 23 Miscellaneous** – Cost (\$99) equals 5% of budget.

**SUMMARY**

Excluding the budget for Scholarships & Grants, total expenses are at 5.6% of budget, which is well below 8.3% benchmark for the first month of the year. In terms of dollars, the \$26,201 in first month expense is \$12,911 less than the one-month budget allocation.

Total July Investment net income or increase in value is \$766,494. This came from the Strategic Pool (\$148,927), Quasi Endowment (\$610,734), and Liquidity Pool (\$7,213).

Overall organization year to date net income or increase in net assets is \$840,292.

Total Net Assets, as of July 31, 2024 are \$29,754,558 with \$23,937,552 in Quasi Endowment; \$5,715,806 in general Unrestricted funds; and \$101,200 in Donor Restricted Net Assets.

# SAN BRUNO

## Community Foundation

### July 2024 2024-2025 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)
<b>INCOME &amp; TRANSFERS</b>					
1 Transfers from Quasi Endowment	\$ -	\$ 352,218	0.0%	\$ 352,218	\$ -
2 Transfers from Strategic Pool	-	3,030,152	0.0%	3,030,152	-
3 Donations	100,000	-	-	100,000	100,000
<b>4 Total Available for Operations</b>	<b>100,000</b>	<b>3,382,370</b>	<b>3.0%</b>	<b>3,482,370</b>	<b>100,000</b>
<b>EXPENSES</b>					
5 Crestmoor Scholarships	-	165,000	0.0%	165,000	-
6 Community Grants	-	300,000	0.0%	300,000	-
7 Strategic Grants	-	2,500,000	0.0%	2,500,000	-
8 Other Grants	-	10,000	0.0%	10,000	-
<b>9 Subtotal Direct Program Expenses</b>	<b>-</b>	<b>2,975,000</b>	<b>0.0%</b>	<b>2,975,000</b>	<b>-</b>
10 Salaries & Wages	19,088	246,512	7.7%	246,512	-
11 Payroll Taxes & Benefits	2,444	28,094	8.7%	28,094	-
<b>12 Subtotal Personnel Expenses</b>	<b>21,532</b>	<b>274,606</b>	<b>7.8%</b>	<b>274,606</b>	<b>-</b>
13 Occupancy	1,456	18,000	8.1%	18,000	-
14 Insurance	1,338	17,093	7.8%	18,435	1,342
15 Telecommunications	207	2,610	7.9%	2,438	(172)
16 Postage & Shipping	34	2,920	1.2%	2,920	-
17 Marketing & Communications	113	18,921	0.6%	15,927	(2,994)
18 Office Supplies & Equipment	111	6,100	1.8%	3,782	(2,318)
19 Legal Fees	-	44,280	0.0%	33,956	(10,324)
20 Accounting & Payroll Fees	1,311	37,257	3.5%	32,481	(4,776)
21 Other Consultants	-	30,382	0.0%	9,463	(20,919)
22 Travel, Meetings & Conferences	-	15,170	0.0%	5,714	(9,456)
23 Miscellaneous	99	2,000	5.0%	1,814	(186)
<b>24 Subtotal Non-Personnel</b>	<b>4,669</b>	<b>194,733</b>	<b>2.4%</b>	<b>144,930</b>	<b>(49,803)</b>
<b>25 Total Expenses</b>	<b>26,201</b>	<b>3,444,339</b>	<b>0.8%</b>	<b>3,394,536</b>	<b>(49,803)</b>
<b>26 Net Surplus/(Loss)</b>	<b>\$ 73,799</b>	<b>\$ (61,969)</b>		<b>\$ 87,834</b>	<b>\$ 149,803</b>

# SAN BRUNO

## Community Foundation

### Statement of Financial Position as of July 31, 2024

#### ASSETS

Cash, Wells Fargo General	\$ 207,822.00	
Cash, Wells Fargo Payroll	33,035.85	
Cash, Fidelity Liquidity Pool - Operating	1,029,552.59	
<b>Total Cash</b>		1,270,410.44
Investments, Fidelity Strategic Pool	5,898,164.03	
Investments, Fidelity Quasi-Endowment	23,937,552.52	
<b>Total Investments</b>		29,835,716.55
Prepaid Rent	1,455.92	
Prepaid Insurance	11,877.00	
<b>Total Other Current Assets</b>		13,332.92
Deposits	909.45	
Right of Use Asset - Lease	11,648.00	
<b>Total Other Assets</b>		12,557.45
<b>TOTAL ASSETS</b>		<u>\$ 31,132,017.36</u>

#### LIABILITIES & NET ASSETS

##### LIABILITIES

Accounts Payable	8,229.23	
Accrued Grants Payable	1,063,471.26	
Accrued Scholarships Payable	282,500.00	
Accrued Employee PTO	11,610.39	
Lease Liability	11,648.00	
<b>Total Liabilities</b>		1,377,458.88

##### NET ASSETS

Unrestricted, Non-QE 7/1/2024 Balance	5,586,247.53	
Transfer from Quasi-Endowment	-	
Year to Date Net Income from Operations	(26,201.49)	
Year to Date Non-QE Investment Income	155,759.92	
<b>Total Non-QE Unrestricted Net Assets</b>	5,715,805.96	
Quasi-Endowment 7/1/2024 Balance	23,326,818.57	
Transfer to Liquidity for Operations	-	
Year-to-date QE Investment Income	610,733.95	
<b>Total QE Unrestricted Net Assets</b>	23,937,552.52	
<b>Total Unrestricted Net Assets</b>		29,653,358.48
Donor Restricted Net Assets 7/1/2024 Balance	1,200.00	
Year to Date Donor Restricted Net Income	100,000.00	
<b>Total Donor Restricted Net Assets</b>		101,200.00
<b>Total Net Assets</b>		<u>29,754,558.48</u>

**TOTAL LIABILITIES & NET ASSETS** \$ 31,132,017.36

# SAN BRUNO

## Community Foundation

### Memorandum

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**DATE:** August 30, 2024

**TO:** Board of Directors, San Bruno Community Foundation

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Socially Responsible Investment Strategies Study Session

At the September 4, 2024, regular Board meeting, the Board will have a study session on socially responsible investment strategies led by the Foundation's investment management team at Sand Hill Global Advisors, LLC.

This study session is being held in response to a request from several community members at the May Investment Committee meeting and the June Board meeting that the Foundation consider altering its investment policy to follow a "values-based" or "socially responsible" investment strategy. Investment Committee Chair Pak Lin and I believe that this study session is an important first step in educating the Board and the community on this topic and in the Board's consideration of the community members' request.

The study session will begin with a presentation by Sand Hill CEO Brian Dombkowski on socially responsible investing, including what socially responsible investing is, how it has grown in recent years, and common approaches to it. The presentation will also cover the governance considerations with which the Board would have to grapple if it were to consider adopting a socially responsible investment strategy. Finally, the presentation will provide a recap of the development of SBCF's Investment Policy Statement and a preview of future investment-related questions the Board will need to consider as it moves forward in its strategic planning process. The slide deck for the presentation is attached to this memorandum.

The study session will conclude with an opportunity for questions and discussion of the topics raised in Sand Hill's presentation. This agenda item is a presentation and discussion item only, and the Board is not being asked to make any decisions at this time on adopting a socially responsible investment strategy, although the Board may provide direction to staff on next steps.

**Attachment:**

1. Slides for Sand Hill Global Advisors' Presentation on Socially Responsible Investing



# Socially Responsible Investing

Presenting to:

The San Bruno Community Foundation Board

September 4, 2024



# Socially Responsible Investing (SRI) Overview

- SRI is an investment approach that considers both financial returns and social impact. It is used by investors who want to align their investments with their personal values.
- The terms SRI, sustainable investing, and values-based investing are often used interchangeably. The emphasis on ESG (environmental, social and governance) factors developed as a way to analyze companies in constructing socially responsible funds and portfolios.



ENVIRONMENTAL

- Climate change
- Circular economy
- Biodiversity
- Deforestation



SOCIAL

- Human rights
- Decent work
- Diversity, equity, and inclusion



GOVERNANCE

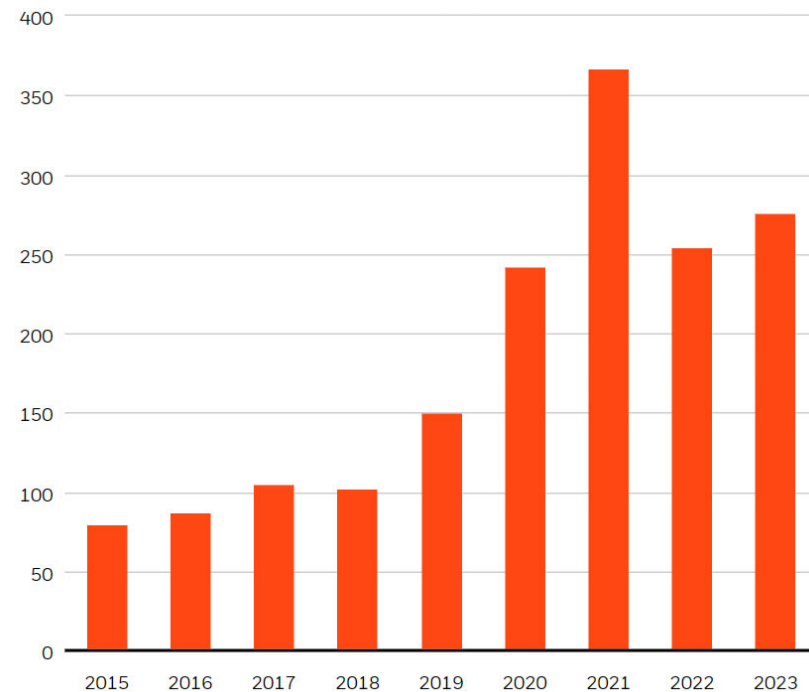
- Board structure
- Executive remuneration
- Tax fairness
- Responsible political engagement



# The Growth of SRI

- SRI has grown considerably over the past decade, and it recognizes that corporate responsibility and societal concerns are valid parts of investment decisions.
- In the NACUBO FY23 Study, 27.7% of respondents reported having implemented SRI.
- SRI is investing with one's values, and thus it can mean different things to different investors. There is no universally accepted approach to SRI.
- There is a call for more transparency and disclosure as there are no national standards or guidelines to ensure that companies who claim to be sustainable are accurately reporting their business practices.

■ Growth of U.S. sustainable assets under management (\$ billions)



Sources: Morningstar as of 12/31/23; 2023 NACUBO Study





# Common Approaches to SRI

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SRI investing begins with an assessment and identification of core values (i.e., climate change, gender equality, board governance, human rights, etc.). Once the desired values are established, implementation can include:

## **Direct Indexing**

Custom separately managed portfolios of individual securities that allow for exact exclusion or inclusion of specific securities.

## **Full SRI Fund Strategy**

A portfolio that is 100% invested in funds that have an SRI mandate. Investments are driven by an SRI scoring mechanism established by the fund portfolio management teams.

## **Fund-based SRI Tilt**

The core indexing approach is maintained but a general SRI tilt is utilized to incorporate some values-based investments.



# Governance Considerations for Socially Responsible Investing

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## **Identifying Values**

Who will determine the organization's core values? How will they be determined?

## **Ongoing Review**

Who will conduct ongoing review of the organization's core values over time? How will it be conducted?

## **Cost**

Underlying expense ratios are likely to be higher.

## **Performance**

SRI strategies may result in investing in securities, industries, or sectors that underperform the market as a whole.

## **Peers**

Best practice comparison to a peer group may no longer be appropriate.

## **Benchmark**

Investors should expect performance drift from traditional benchmarks.

## **Good Faith Effort**

In the absence of uniform disclosure requirements, data voluntarily reported by companies may not be comparable because there is no standard process in place.



# SBCF Investment Policy Background

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- In spring 2016, SBCF's Ad Hoc Committee on Investment Strategy worked with the Sand Hill team to develop SBCF's investment policy and operating plans. Discussions were held regarding asset allocation, liquidity needs, timeline, security types, benchmarks, account structure (3 pools of funds) and investment restrictions.
- The SBCF Investment Policy Statement (IPS) and the Investment Operating Plan (IOP) were approved by the SBCF Board in April 2016; as required by the SBCF bylaws, the San Bruno City Council also approved the IPS.
- The IPS and IOP incorporate core principles to direct the investment of SBCF's assets:
  1. SBCF's mission is to benefit the entire San Bruno community.
  2. Given the tragedy that led to the payment of the restitution funds, there should be no direct investments in any equity or fixed income securities of Pacific Gas & Electric Corporation (PG&E).
- The Ad Hoc Committee discussed additional Socially Responsible Investing (SRI) limits. The Committee did not recommend including additional limits or screens beyond the core principles and mission of SBCF to allow the restitution funds to appreciate over time and provide as much benefit as possible for the entire San Bruno community.
- To date, there have been no material changes to the Investment Policy.



# Future Considerations

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## Time Horizon

- Long Term Since Inception

## Risk Tolerance

- Moderately Conservative

## Cash Flow Needs

- Up to 7% Annual Withdrawals

## Return Objectives

- Generate a net-of-fee return in excess of the specified blended portfolio benchmark over a complete market cycle.

## Unique Circumstances

- Due to the origins of the restitution funds, no direct investments in PG&E securities.
- SBCF's mission is to benefit the entire San Bruno community.
- The 3-pool structure was created to address the multi-year spending for the RAC project and other grants.

**The above considerations may shift as a result of the upcoming strategic planning process.**



# SAN BRUNO

## Community Foundation

### Memorandum

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**DATE:** August 30, 2024

**TO:** Board of Directors, San Bruno Community Foundation

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Report from Investment Committee on its August 21, 2024, Regular Meeting and Presentation from Sand Hill Global Advisors, LLC, Regarding the Firm's Investment Outlook and SBCF's Investment Portfolio

The September 4, 2024, Board meeting will include a report from the Investment Committee regarding its recent quarterly meeting and a presentation from the Foundation's investment adviser, Sand Hill Global Advisors, LLC.

#### **1. Investment Committee Report**

Investment Committee Chair Pak Lin will give a report from the Investment Committee's most recent quarterly meeting, which took place on August 21, 2024.

At the meeting, Sand Hill Global Advisors CEO Brian Dombkowski, Senior Portfolio Manager Meghan DeGroot Daters, and Senior Wealth Manager Kristin Sun gave an overview of the firm's investment outlook and economic forecast for the third quarter of 2024 and presented the second-quarter performance of the Foundation's investment portfolio. As of June 30, 2024, the Foundation's three investment accounts had the following balances: \$23,344,053 for the Quasi-Endowment, \$5,756,621 for the Strategic Pool, and \$1,310,339 for the Liquidity Pool, for a total of \$30,411,013.

The Sand Hill team also previewed the two presentations it would give to the Foundation Board on September 4: its annual report to the Board, and a primer on socially responsible investing. One community member thanked the Foundation for scheduling the study session on socially responsible investing and urged the Foundation to adopt a socially responsible investment strategy.

The Committee also briefly discussed cash flow strategies related to the San Bruno Recreation and Aquatic Center (RAC) grants. As of late May 2023, the Foundation had moved all funds needed to cover the remaining balance on the original \$50 million commitment to the RAC project as well as the additional \$1.5 million for construction contingency that the Board approved in April, from the Strategic Pool to the Liquidity Pool. Through August 15, 2024, the

# SAN BRUNO

## Community Foundation

### Memorandum

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Foundation has made grant payments totaling \$50,943,725.91 related to the eight grants supporting the design and construction of the RAC.

#### **2. Presentation from Sand Hill Global Advisors**

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

The attached set of PowerPoint slides gives a preview of Sand Hill's presentation, which will cover Sand Hill's investment outlook, the structure of the Foundation's investment portfolio, the performance of the Foundation's investment portfolio, and an update on Sand Hill.

#### Attachment:

1. Slides for Sand Hill Global Advisors' 2024 Annual Report to the SBCF Board of Directors



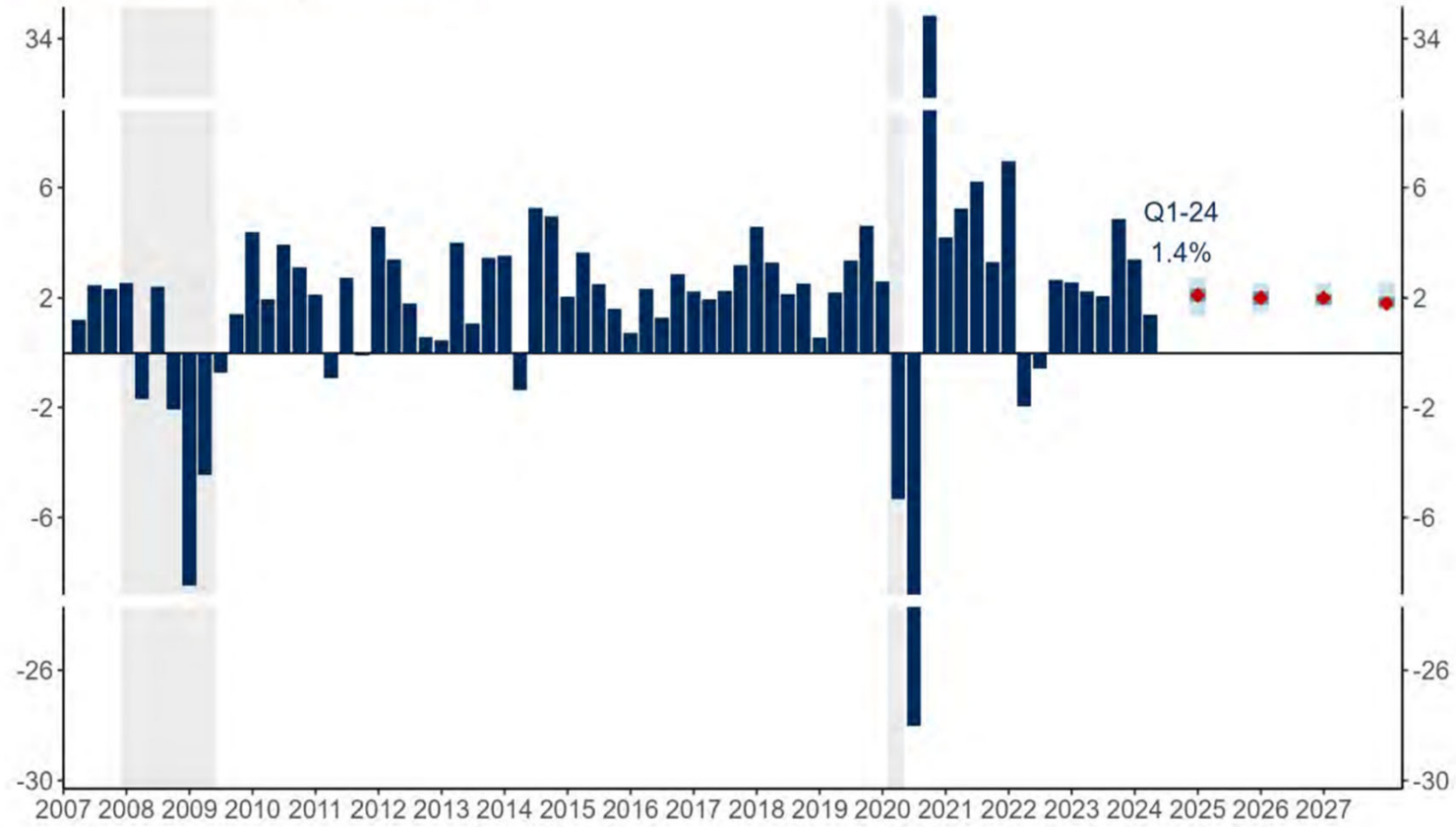
# 2024 Annual Report to the SBCF Board of Directors

September 4, 2024



# Economic Growth

Real Gross Domestic Product  
Percent change from previous quarter at annual rate



Source: Bureau of Economic Analysis, Federal Reserve Board. As of 7/8/2024.

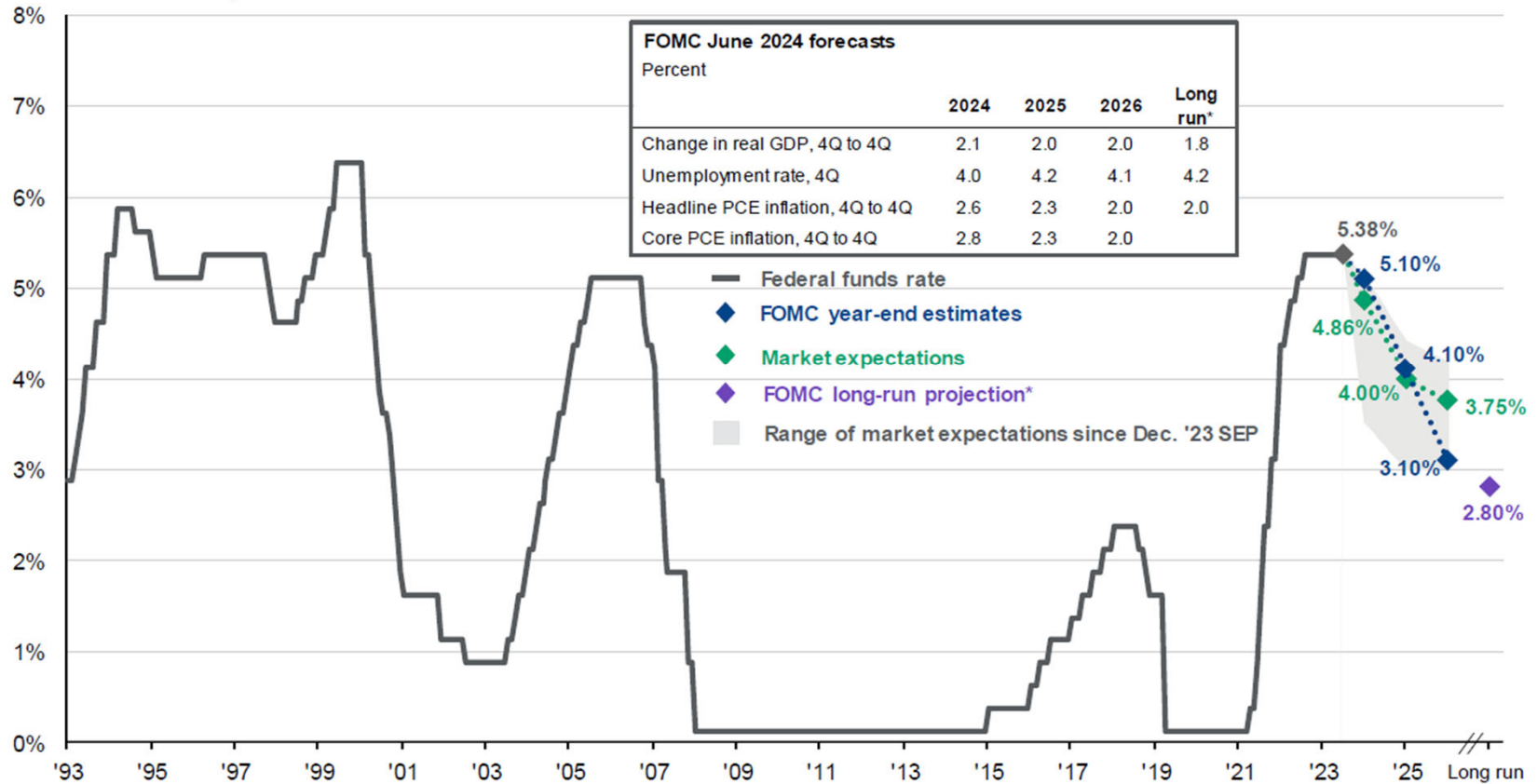




# Interest Rates

## Federal funds rate expectations

FOMC and market expectations for the federal funds rate

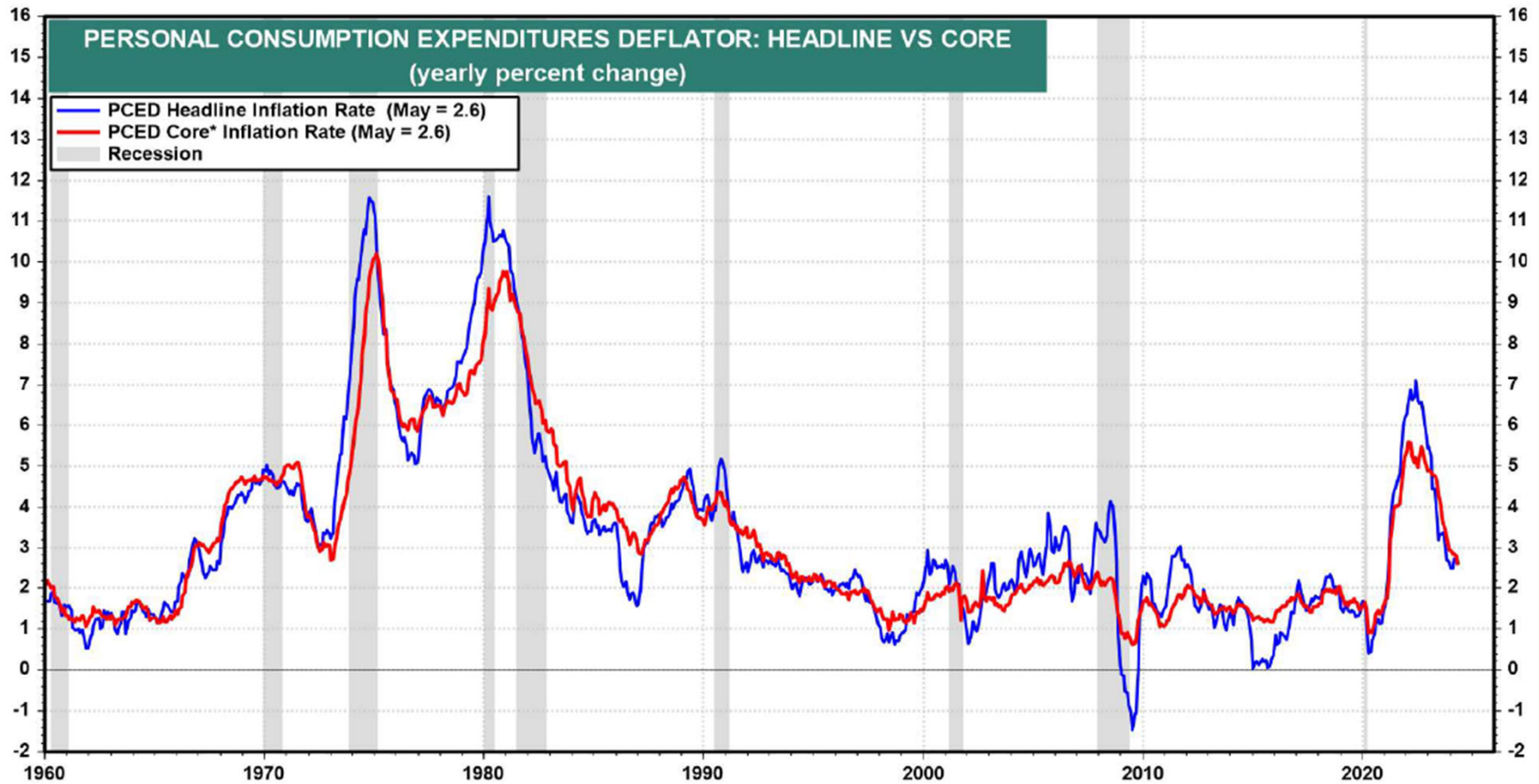


Source: Bloomberg, FactSet, Federal Reserve, JPM As of 7/3/24.



Sand Hill Global Advisors. All rights reserved. SHGA Economic and Market Overview.

# Inflation Outlook

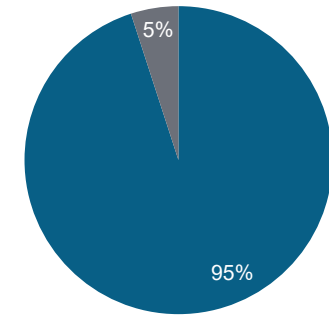
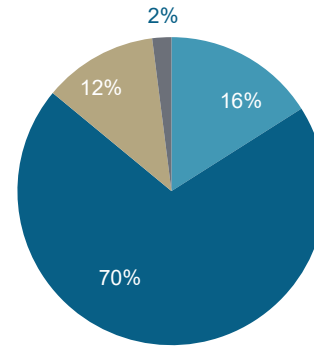
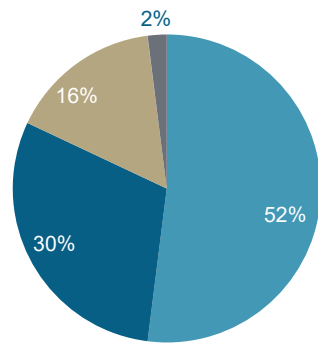
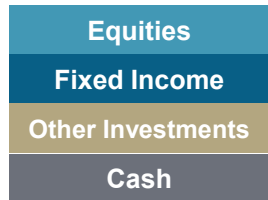


Source: LSEG Datastream and Yardeni Research. As of 7/5/24.



Sand Hill Global Advisors. All rights reserved. SHGA Economic and Market Overview.

# SBCF Portfolio Parameters



*Initial Funding Value:*

**Quasi-Endowment  
Custom Balanced**

\$15,000,000

*Risk Tolerance:*

Moderately Conservative

*Time Horizon:*

Long-Term

*Cash Flows*

Up to 7% per year

*Objective(s):*

Capital Appreciation  
Capital Preservation

**Strategic Pool  
Custom Conservative**

\$53,528,384<sup>1</sup>

Conservative

Mid-Term

100% within 4-7 yrs of incep.<sup>2</sup>

Capital Preservation  
Capital Appreciation

**Liquidity Pool  
Short-Term Cash &  
Fixed Income**

\$1,345,290

Conservative

Short-Term

100% within 24 months

Capital Preservation



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

(2) 4-7 Years from initial drafting of the Investment Policy Statement in 2016.

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Note: Pie graphics depict the Strategic Asset Allocation weightings for each strategy.

# SBCF Fiscal Year End Portfolio Update

	<u>Quasi-Endowment</u>		<u>Strategic Pool</u>		<u>Liquidity Pool</u>	
6/30/24 Balance <sup>1</sup>	\$23,344,053		\$5,756,621		\$1,310,339	
6/30/24 Allocation:	<u>Current</u>	<u>Target</u>	<u>Current</u>	<u>Target</u>	<u>Current</u>	<u>Target</u>
Stocks	58%	52%	19%	16%	0%	0%
Bonds	31%	30%	73%	70%	50%	0-100%
Other Assets	10%	16%	7%	12%	0%	0%
Cash	1%	2%	1%	2%	50%	0-100%
6/30/24 Performance:						
1 Year	11.83%		5.22%		5.83%	
Since Inception <sup>2</sup>	7.15%		2.88%		2.11%	
Portfolio Within IPS & IOP Guidelines:	☑		☑		☑	



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

# SBCF Portfolio Balance Update

## Balance History:

Initial Combined Funding Value:	\$69,873,674
8/23/24 Combined Value:	\$31,383,001
Change in Portfolio Value Since Inception:	(\$38,490,673)
Total Withdrawals Since Inception:	<b>\$60,074,081</b>
<b>Total Value Added Since Inception:</b>	<b>\$21,583,408</b>

## Community Benefits Supported:

- Crestmoor Memorial Scholarships
- Community Grants Fund
- First Responder Effectiveness
- San Bruno Community Day
- Music Education Strategic Initiative
- Pedestrian Safety Initiative
- Florida Avenue Park Development
- SBPSD Schools Transformation
- COVID-19 Relief Grants
- Tanforan Memorial
- SBPSD Field Trip Grant
- Recreation and Aquatic Center
- Centennial Plaza Improvement Project
- Downtown Beautification Projects

## Current Balance Information<sup>1</sup>:

Quasi-Endowment Pool:	\$24,357,086
Strategic Pool:	\$5,493,320
Liquidity Pool:	\$1,532,595
<b>Total Combined Value:</b>	<b>\$31,383,001</b>

## Estimated Performance<sup>2</sup>:

### Year To Date

Quasi-Endowment Pool:	10.67%
Strategic Pool:	5.68%
Liquidity Pool:	3.57%



(1) Current balance information as of 8/23/24.

(2) Calendar year performance shown is net of fees. Estimated Performance as of 8/23/24.

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Note: The ending balances listed include late-posted dividends and trade date values. They may not directly reflect the custodian's statement value.

# Sand Hill Global Advisors

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## Firm Updates:

- Over \$3.8 billion in Assets Under Management (AUM) as of June 30, 2024.\*
- 33 employees, including 14 internal shareholders.
- We remain committed to our role as an independent fiduciary.
- We are honored to continue to work on behalf of the Foundation and the San Bruno community.

\* Discretionary and Non-Discretionary Assets



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Thank You





# SAN BRUNO

## Community Foundation

### Memorandum

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**DATE:** August 30, 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

At the September 4, 2024, regular meeting, the Board of Directors will receive its quarterly update on the San Bruno Recreation and Aquatic Center (RAC). Community Services Director Travis Karlen will give the presentation on behalf of the City, covering the completion of construction, the project budget, and the Grand Opening celebration held on August 24, 2024.

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.

At the end of May, the Foundation and the City executed amendments to the grant agreements for RAC Grants #4 (City Compliance Review), #5 (Temporary Facilities), and #8 (Construction) – the three remaining active grants. For all three, the amendments extended the end of the grant period from March 31, 2024, to December 31, 2024, to accommodate the updated construction timeline. The amendment for the construction grant also acknowledges that the grant agreement for RAC #7 (Tom Lara Field Parking Lot Improvements) has been terminated pursuant to its terms and adds the remaining balance of that grant (\$89,720.23) to the "construction" portion of the grant amount for RAC #8. This is consistent with our original agreement with the City that any remaining balances in the other grants would eventually be folded into the construction grant, to ensure that the City received the full \$50 million of the Foundation's originally commitment to the project.

In June, the Foundation received a set of RAC grant reports and made payments totaling \$1,655,658.52, including the full \$1.5 million for construction contingency. In July, the Foundation then received the most recent set of RAC grant reports and made payments totaling \$33,226.60 (for RAC #4 and #5).

In sum, through August 15, 2024, the Foundation has made grant payments totaling \$50,943,725.91 related to the eight grants supporting the design and construction of the RAC.



# SAN BRUNO

## Community Foundation

### Memorandum

The remaining balance of the original \$50 million commitment to be paid is \$556,274.09. The entire \$1.5 million committed for construction contingency has been disbursed.

RAC Grant #	For	Total Grant Amount	Total Grant Payments Made as of 8/15/2024	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	\$753,584.67	\$308,026.33
5	Temporary Facilities	\$375,000.00	\$126,752.24	\$248,247.76
6	Business Plan	\$60,000.00	\$60,000.00	\$0.00
7	Tom Lara Field Parking Lot	\$1,033,717.77	\$1,033,717.77	\$0.00
8	Construction	\$40,554,174.38	\$40,554,174.38	\$0.00
8A	Construction Contingency	\$1,500,000.00	\$1,500,000.00	\$0.00
	<b>TOTAL</b>	<b>\$51,500,000.00</b>	<b>\$50,943,725.91</b>	<b>\$556,274.09</b>

# SAN BRUNO

## Community Foundation

### Memorandum

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**DATE:** August 30, 2024

**TO:** Board of Directors, San Bruno Community Foundation

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Report from the Ad Hoc Committee on Recreation and Aquatic Center Startup Activities, Determination of Whether Proposed Grant to the City of San Bruno Presents a Conflict of Interest Under Nonprofit and Exempt Entity Laws, and Resolution Approving Strategic Grant Supporting Startup Programming and Outreach Activities at the New San Bruno Recreation and Aquatic Center to the City of San Bruno in an Amount Not to Exceed \$2,250,000

At the September 4, 2024, regular meeting, the Board of Directors will receive a report from the Ad Hoc Committee on Recreation and Aquatic Center Startup Activities and consider a resolution approving a strategic grant supporting startup programming and outreach activities at the new San Bruno Recreation and Aquatic Center (RAC) to the City of San Bruno in an amount not to exceed \$2,250,000. Prior to considering the resolution approving the grant, the Board will need to determine whether the proposed grant to the City presents a conflict of interest under nonprofit and exempt entity laws, as required by the Foundation's Conflict of Interest Policy.

As chair of the Committee, President Malissa Netane-Jones will give the Committee report. On behalf of the City, Community Services Director Travis Karlen will give a presentation on the grant proposal being considered for funding. Legal Counsel Heather Minner will advise on compliance with the Foundation's Conflict of Interest Policy.

#### **1. Request from the City and Creation of the Ad Hoc Committee on Recreation and Aquatic Center Startup Activities**

At the June 5, 2024, Foundation Board meeting, Director Karlen – supported by City Manager Alex McIntyre, Chief Financial Officer Nick Pegueros, and Mayor Rico Medina – 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

# SAN BRUNO

## Community Foundation

### Memorandum

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sound financial position, he said that the City currently anticipates that it would benefit from some level of seed funding to support its initial programming and operations, and the City team requested a total of \$2.25 million in grant funding from the Foundation 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 approved 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. The Board appointed President Netane-Jones to serve as chair of the Committee, and Vice President Jim Ruane and Board Member Belinda Wong as Committee members.

#### **2. Committee Deliberations**

The Committee met twice over the summer. On July 15, the Committee met with City Manager McIntyre, Community Services Director Karlen, and Chief Financial Officer Pegueros, who provided more context to and details of the City's request. They noted that the RAC was expected to open in the fall of 2023, which would have allowed for a ramp-up period for the City's RAC Implementation Plan's fiscal year 2024-2025 revenue and expenditure projections. They also noted that due to the building layout and access points, they have had to pivot from some of the proposed membership plans and facility usage fee models that were anticipated in the Implementation Plan. Thus, their funding request is intended to help the City bridge the opening of the facility to full operations and to allow for some trial-and-error programming as the City tries to attract high community usage of the facility. City staff also noted that the City has moved RAC operations out of the General Fund to a special RAC fund, so that each year the City Council makes a deliberate decision on the level of subsidy for the RAC. For fiscal year 2024-2025, the Council has approved a \$1.67 million transfer from the General Fund to the RAC Fund.

The City team suggested that grant funding could be directed to certain membership recruitment, outreach, and programmatic activities and also offered the idea of the Foundation subsidizing certain hours of operation for a set time period (the latter of which the Committee seemed disinclined to support). The City team also requested less onerous reporting requirements (e.g., annual vs. quarterly reports) and said that annual grant payments would work (no cash-flow pressures requiring more frequent disbursements).

# SAN BRUNO

## Community Foundation

### Memorandum

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Based on the discussion on July 15, I drafted an outline of a strategic grant proposal that would meet the Foundation's requirements for transparency and desire to fund specific programs (rather than salaries or other general operating expenses), while also addressing the City's request for flexibility and for less burdensome reporting requirements.

The Committee met again on July 23 to discuss the draft proposal summary, outlined as follows:

- Grant Purposes: This strategic grant would provide startup funding to enable the City to test various marketing, outreach, recruitment, scholarship, and other initiatives in three primary areas (programs, memberships, and facility rentals) to encourage community members to use the facility and ensure that the facility generates sufficient revenues to sustain its operations for the ongoing benefit of the community. The grant funding would be used to support specific programmatic and outreach strategies, rather than non-program-specific operating expenses such as salaries for lifeguards or other core staff positions or regular building maintenance expenses.
- Time Horizon: The expectation would be that this startup funding would terminate after the first three years of the facility's operation and that the three years of funding would provide the City with sufficient time to fine-tune its Implementation Plan to support a sustainable business model for the facility on an ongoing basis.
- Grant Funding: Up to a total of \$2,250,000 over three years, as follows:
  - 2024-2025: \$1,000,000
  - 2025-2026: \$750,000
  - 2026-2027: \$500,000
- Reporting and Payment Schedule: The City's strategic grant proposal would include a summary of anticipated uses of the grant funds in fiscal year 2024-2025. At the end of each funding year, the City would submit a grant report that (a) substantiates expenses incurred in furtherance of the Grant Purposes during the prior year and (b) previews how the City intends to use the next year's funding. After receipt of each grant report, the Foundation would, in its discretion, make an annual grant disbursement for the next year based on the schedule above. The reporting requirements are intended to decrease the reporting burden on the City (annually instead of quarterly) and give the City flexibility in using the funds to test different programmatic and outreach strategies that may experience differing levels of success, while also ensuring that the Foundation

# SAN BRUNO

## Community Foundation

### Memorandum

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receives sufficient visibility on how the grant funds have been used in the past year and how they are proposed to be used in the following year.

The Committee agreed on this proposal summary, adding an oral reporting requirement, so that the City would provide an update at a Foundation Board meeting twice in the first year and once in each of the second and third years of the grant. Upon receipt of a written funding request from the City that incorporated the proposal summary, Committee members agreed to recommend that the full Board approve a three-year, \$2,250,000 strategic grant to the City of San Bruno for RAC startup activities.

Following the Committee's meeting, I provided the City team with the proposal summary and asked them to prepare the City's funding request, which is attached. I shared the written request with the Committee members, who agreed that the request accurately captured the agreed-upon elements of the proposal summary and expressed enthusiasm for the proposal's potential to bolster the long-term success of the RAC's operations and programming.

### **3. Determination of Whether Proposed Grant to the City of San Bruno Presents a Conflict of Interest Under Nonprofit and Exempt Entity Laws**

On September 4, President Netane-Jones will report on the Committee's deliberations, and Mr. Karlen will give a brief presentation on the funding request and answer any questions Board members may have about the project. The Board will then determine whether the proposed grant to the City of San Bruno presents a conflict of interest under nonprofit and exempt entity laws, in accordance with the Foundation's Conflict of Interest Policy. The attached memorandum from the Foundation's outside counsel, Heather Minner of Shute, Mihaly & Weinberger, LLP, details the facts and issues involved and counsel's legal analysis of whether a conflict of interest exists in this situation.

### **4. Resolution Approving Strategic Grant Supporting Startup Programming and Outreach Activities at the New San Bruno Recreation and Aquatic Center to the City of San Bruno in an Amount Not to Exceed \$2,250,000**

If the Board determines that there is no conflict of interest, it will then consider the attached resolution approving a strategic grant supporting startup programming and outreach activities at the new San Bruno Recreation and Aquatic Center to the City of San Bruno in an amount not to exceed \$2,250,000, as recommended by the Committee. The Committee believes that given the investment the Foundation has already made in the RAC project, it is in the Foundation's interest to provide this additional programming and outreaching funding to ensure that the facility is successful and that the City has the flexibility to both address the recreational wants and needs of the community as well as set the facility on a financially sustainable course.

# SAN BRUNO

## Community Foundation

### Memorandum

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If the Board determines that there is a conflict of interest, it is to follow the procedures for addressing the conflict of interest in Article IV, Section 2.b.iii of the Foundation's Conflict of Interest Policy. Under those procedures, if the Board determines that the grant is in the Foundation's best interest, for its own benefit, and that the terms of the grant arrangement are fair and reasonable to the Foundation and otherwise follows the procedures outlined in the Policy, it can proceed to approve the resolution approving the grant, making additional findings and amending the resolution as necessary.

Note that the grant amount is "not to exceed" \$2,250,000 over three years, and in the event that the actual costs of the project are less than \$2,250,000, the Foundation would provide grant funding only to the extent necessary to cover those actual costs.

As context for this grant proposal, please note that the Foundation's fiscal year 2024-2025 budget includes \$2,500,000 for strategic grants. At the September 4 meeting, the Board will also be considering a strategic grant of up to \$150,000 to the San Bruno Education Foundation for athletic field improvements at San Bruno Park School District schools. If both grants are approved, \$2,400,000 of the strategic grants budget for this fiscal year would be committed.

#### Attachments:

1. Memorandum from Counsel Heather Minner Regarding Disclosure by the Executive Director and Compliance with the Conflict of Interest Policy
2. SBCF Conflict of Interest Policy, adopted October 5, 2016
3. Resolution Approving Strategic Grant Supporting Startup Programming and Outreach Activities at the New San Bruno Recreation and Aquatic Center to the City of San Bruno in an Amount Not to Exceed \$2,250,000
4. Exhibit A: Strategic Grant Funding Request for Recreation and Aquatic Center Startup Activities from the City of San Bruno, August 1, 2024

**MEMORANDUM**

TO: San Bruno Community Foundation Board of Directors

CC: Leslie Hatamiya, Executive Director  
Erin Bradrick, Legal Counsel, NEO Law Group

FROM: Heather M. Minner, Legal Counsel

DATE: August 30, 2024

RE: Disclosure of Financial Interest by the Executive Director and  
Compliance with the Foundation's Conflict of Interest Policy

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Executive Director Leslie Hatamiya has disclosed that her son will soon begin a paid internship with the City of San Bruno, City Manager's Office. The Foundation will be considering two grants to the City at the September 4, 2024 Board meeting. Under the Foundation's Conflict of Interest Policy, the Executive Director is thus considered to have a "financial interest" through a family member that must be disclosed and the Foundation must follow certain procedures to consider the financial interest, including having the Board determine whether a conflict of interest exists before approving new grants to the City.

In this memorandum, I discuss the internship, the relevant Conflict of Interest Policy procedures, and the conclusions of the Foundation's nonprofit and public agency legal counsel that the internship does not create a conflict of interest under either public entity laws or nonprofit and tax exempt entity laws.

Accordingly, I recommend that the Board determine that a conflict of interest does not exist in connection with (1) the proposed strategic grant supporting startup programming and outreach activities at the Recreation and Aquatic Center, and (2) the proposed grant to the City for a memorial bench commemorating the former El Crystal Elementary School. The first determination will be voted on in agenda item 8.c and the second determination will be voted on in agenda item 8.d.

## **I. Disclosure of Financial Interest and Other Relevant Facts**

The Executive Director has asked that I provide the following facts to the Board regarding her son and his internship with the City. He is a Senior at Stanford University majoring in Public Policy, with a particular interest in urban planning, housing policy, and local government. He is living at home in San Bruno for the summer, but will be living on campus when school starts in late September.

He started talking with the City Manager's office about a potential internship in July; received an offer letter from the City on August 26<sup>th</sup>; and has accepted the offer. His past experience relative to the position includes the following: Housing and Community Development Intern, City of Oakland; Housing Policy Research Assistant, Stanford Institute for Economic Policy Research (California Policy Research Initiative); Policy Development Division Intern, U.S. Department of Housing and Urban Development; Research Assistant, Billington Lab, Department of Civil Engineering, Stanford University (worked on project related to public perceptions of affordable housing); and Political Affairs intern, Housing Action Coalition.

The internship position in the City Manager's office is listed in the offer letter as Special Assistant. It pays \$30/hour and is part-time: up to 20 hours a week, although they are targeting 10-12 hours per week. The position will last for this school year, starting the week of September 16<sup>th</sup>.

The Assistant City Manager for the City of San Bruno has stated that she made the recommendation that the City hire the Executive Director's son without regard to the fact that his mother is the Executive Director of the Foundation. The Assistant City Manager has also confirmed that (1) she will not make employment decisions or base her performance evaluations for the Executive Director's son based on the City receiving or seeking Foundation grants, and (2) she would not oppose a condition on the grants that no funds would be used to compensate or provide any other monetary benefits to the Executive Director's son.

The proposed grants to the City would be made pursuant to grant agreements that will include the Foundation's standard grant terms, as well as an additional term prohibiting the use of grant funds to compensate or provide any other monetary benefits to the Executive Director's son or any other insider of the Foundation, and provisions specific to the projects as discussed in the staff reports.

The Foundation has the following current active grant agreements with the City: RAC Grants #4 (City Compliance Review), #5 (Temporary Facilities), and #8 (Construction); Centennial Plaza Improvement Project; and Downtown Beautification



Initiative. The Foundation has contractual obligations to make grant payments under these agreements, provided the City meets its grant obligations. The Foundation also pays the City established rates for: IT services for Board meetings, front desk attendant at the Senior Center for Board meetings, the internet and phone services in the Foundation office (San Bruno CityNet Services - regular business customer).

## **II. Foundation Conflict of Interest Policy and Relevant Procedures**

The Foundation has adopted a Conflict of Interest Policy “to protect The San Bruno Community Foundation when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a director, officer, employee, or member of a committee of the Foundation, might result in a possible excess benefit transaction, or might violate the laws applicable to public entities.”

Under the Policy, the Executive Director is an “Interested Person” and will have a “Financial Interest” if she, directly or indirectly through a family member, has “a compensation arrangement with any entity which the Foundation has a transaction or arrangement” or “which the Foundation is negotiating a transaction or arrangement.” The Policy clarifies that “a Financial Interest is not necessarily a conflict of interest” and that “a person who has a Financial Interest may have a conflict of interest only if the appropriate Board or Committee decides that a conflict of interest exists.”

The Policy requires a set of procedures to be followed if an Interested Person (the Executive Director here) has a Financial Interest in a potential transaction being considered by the Foundation, as follows:

### **A. Public Entity Law Procedures:**

1. The Executive Director must first disclose the Financial Interest and the relevant details to the Foundation’s President in a timely manner.
2. The President then must obtain legal counsel and inform the Executive Director whether the Financial Interest could cause a contemplated or existing transaction or arrangement to violate Public Entity Laws.

### **B. Nonprofit and Exempt Entity Law Procedures:**

1. If there is not a conflict of interests under public entity laws that prohibits the transaction, the Executive Director discloses the Financial Interest and the relevant details to the Board.

2. At the Board meeting, after any discussion of the Financial Interest with the Executive Director, the Executive Director must leave the room.
3. The Board must then decide if a conflict of interest exists.
4. If the Board decides that a conflict of interest exists, it must then follow additional procedures as set forth in the Policy to determine whether to enter into the transaction and to ensure that, if it does, the transaction is in the Foundation's best interests, is for the Foundation's own benefit, and that the terms of the transaction are fair and reasonable to the Foundation, as required by applicable laws.

Here, the Executive Director has complied with the public entity law procedures by timely notifying the President when she learned of her son's internship with the City. I advised that the internship does not pose a conflict of interest under public entity laws, as discussed in more detail below. The Board must now follow the nonprofit and exempt entity law procedures outlined above at its September 4 Board meeting and determine whether a conflict of interest exists and, if so, whether the Foundation may proceed with the contemplated grants to the City.

### **III. Legal Counsel Analysis and Recommendations**

As the Foundation's public agency legal counsel, I have determined that the internship does not pose a conflict of interest under applicable public entity laws as follows:

- A. Government Code Section 1090: Government Code section 1090 restricts local agency officers and employees from making a contract in which they are financially interested. For section 1090 to apply, the public official must have a financial interest in the contract. There is no financial interest involved here because the internship compensation is not tied in any way to Foundation grants. In addition, legal precedent has found that an interest by an official's son is not a financial interest of the official for purposes of Government Code section 1090.
- B. Political Reform Act: Under the Political Reform Act, no public official shall make, participate in making, or influence a governmental decision if he or she has a financial interest in the decision. A public official has a disqualifying financial interest if it is reasonably foreseeable that the decision will have a material financial effect on one or more of the

official's financial interests. An official has a financial interest in the personal finances of his or her immediate family. Immediate family is defined to include dependent children. A child is considered a "dependent" for purposes of the Act if the child is under 18 years old and can be claimed as a dependent for federal income tax purposes. Accordingly, because the Executive Director's son is over 18 years of age, there is no potential conflict of interest under the Political Reform Act. There is also no potential conflict of interest because it is not reasonably foreseeable that the grants will have any effect on the son's internship salary.

- C. Common Law Conflicts of Interest: Common law conflicts occur in situations where the courts have found that an official may act in their own interest, rather than in the interests of the public agency, such as an official being personally embroiled in a matter, or benefiting in some non-financial way. In one case, the Attorney General concluded that an agency contract with a board member's son who lives with the board member, presented a common law conflict of interest. In that case, however, the son was directly financially interested in the contract because it was a contract with his company. In contrast here, the son has no financial interest in the proposed grants from the Foundation to the City. Accordingly, I do not believe that a common law conflict of interests exists.

The Foundation's nonprofit legal counsel, Erin Bradrick of NEO Law Group, has also analyzed the relevant facts concerning the internship and has concluded that it does not pose a conflict of interest under applicable nonprofit and tax exempt entity laws with respect to the proposed strategic grant supporting startup programming and outreach activities at the Recreation and Aquatic Center to the City to be considered at the September 4, 2024 Board meeting, as stated below.

- D. California Self-Dealing: The self-dealing rules under California Corporations Code Section 5233 apply to any transaction in which a Director has a material financial interest and require that certain steps be followed to prevent such a transaction from constituting a self-dealing transaction. The procedures in the Foundation's Conflict of Interest Policy capture these required steps. However, the state self-dealing rules only apply to individuals serving on the Board of Directors and only to a material financial interest of the Director themselves (and not the Director's family members). Here, because the Executive Director is not a member of the Board of Directors, I don't believe the state self-dealing rules apply.

- E. California Common Director Transactions: California Corporations Code Section 5234 also doesn't directly apply here, but is instructive. It deals with contracts or transactions between a nonprofit and another entity of any type of which one or more of the nonprofit's Directors is also a Director, but in which the Director does not have a material financial interest such that the self-dealing rules would apply. This section often comes up in the context of a grant from one nonprofit to another where the nonprofits have a common Director. Section 5234 states that such a transaction isn't necessarily problematic or voidable so long as the material facts of the transaction and common directorship are disclosed to the Board and the Board approves the transaction in good faith by a sufficient vote without counting the common Director, or the transaction is just and reasonable to the nonprofit at the time it is approved. This law does not apply here, because the Executive Director is not a Director of the Foundation or the City. Nonetheless, it further supports the finding that a grant from a nonprofit to a grantee with which an insider's family member has a relationship isn't inherently problematic so long as the interest is disclosed, the grant/transaction is fair and reasonable to the organization, and it is properly approved by the Board.
- F. Federal Private Inurement: Under the federal private inurement rules, the assets of a 501(c)(3) may not directly flow through to the benefit of an insider of the organization. I don't think that this is of concern in this situation, particularly because Foundation grant funds to the City will not be used to directly compensate or benefit the Executive Director's son.
- G. Federal Prohibited Private Benefit: The federal private benefit rules also prohibit a 501(c)(3) from providing any benefit to any individual or entity (not just insiders) that is more than incidental, quantitatively or qualitatively, to the exempt purpose that the organization is seeking to further with the transaction. I similarly do not think that this is of particular concern with respect to Foundation grants to the City for a proper purpose, particularly if any Foundation grant funds to the City are not used to directly compensate or benefit the Executive Director's son.
- H. Federal Excess Benefit Transactions: The Executive Director is a disqualified person with respect to the Foundation for purposes of the federal excess benefit transaction rules, as are her family members (including her children). The excess benefit transaction rules apply where the organization enters into a transaction in which a disqualified person directly or indirectly receives a benefit that is excessive in light of what the

organization receives in return. Because there are significant penalties that may be imposed on disqualified persons who receive an excess benefit and on Directors who knowingly approve an excess benefit transaction, these rules are often the biggest concern in potential conflict of interest transactions and organizations sometimes follow the rebuttable presumption of reasonableness procedures to provide more protection in connection with transactions with disqualified persons. However, here, since the Foundation will not be entering into any transactions directly with disqualified persons and will instead be making grants to the City while it employs a disqualified person, I do not think that there is a significant concern under the Excess Benefit Transaction rules, particularly given the grants will be properly approved and will not be permitted to be used to directly compensate or benefit the Executive Director's son.

This same analysis would apply to the proposed grant to the City for a memorial bench commemorating the former El Crystal Elementary School, in my opinion. In summary, the Foundation's public agency and nonprofit legal counsel have concluded that a conflict of interest does not exist with respect to existing grants from the Foundation to the City and other arrangements between them, and the two proposed grants to the City that the Board will be voting on.

### **CONCLUSION**

The Foundation's Conflict of Interest Policy is designed to ensure that the Foundation operates in a manner that is transparent to the public, even when no conflict of interest exists. Its procedures also ensure that the Board of Directors fully consider the financial interests of those involved in Foundation decisions. Legal counsel for the Foundation has advised that no conflict of interest exists from a legal perspective with respect to the proposed grants to the City on the agenda for the September 4, 2024 Board meeting, and the Board should consider this and other relevant facts when making its own determination regarding these grants.

**THE SAN BRUNO COMMUNITY FOUNDATION**  
**CONFLICT OF INTEREST POLICY**  
Adopted October 5, 2016

**ARTICLE I**  
**Purpose**

The purpose of this Conflict of Interest Policy is to protect The San Bruno Community Foundation (the “Foundation”) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a director, officer, employee, or member of a committee of the Foundation, might result in a possible excess benefit transaction, or might violate the laws applicable to public entities. This policy is intended to supplement, but not replace any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations and/or public entities.

Directors of the Foundation should also be aware of their obligation under the Nonprofit Public Benefit Corporation Law to perform the duties of a director, including duties as a member of any committee of the Board of Directors (the “Board”) upon which the director may serve, in good faith, in a manner that director believes to be in the best interests of the Foundation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

**ARTICLE II**  
**Definitions**

For purposes of this Conflict of Interest Policy, the following terms are defined as follows:

**1. Interested Person**

Any member of the Board, officer, employee, or member of a committee that has been created by the Board and/or pursuant to the Bylaws (herein, a “Committee”), who has a direct or indirect Financial Interest, as defined below, is an Interested Person.

**2. Financial Interest**

A person has a Financial Interest if the person has, directly or indirectly, through business, investment, or Family, as defined below:

- a. An ownership or investment interest in any entity with which the Foundation has a transaction or arrangement,
- b. A compensation arrangement with the Foundation or with any entity or individual with which the Foundation has a transaction or arrangement,

- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Foundation is negotiating a transaction or arrangement, or
- d. Any other material financial interest or economic benefit that would be subject to applicable laws regarding (i) self-dealing under the California Nonprofit Public Benefit Corporation Law, (ii) excess benefit transactions under Internal Revenue Code Section 4958, or (iii) conflicts of interest as defined by state and federal law applicable to public entities.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A Financial Interest is not necessarily a conflict of interest. Under Article IV, Section 2(b), a person who has a Financial Interest may have a conflict of interest only if the appropriate Board or Committee decides that a conflict of interest exists.

However, a director, officer, employee, or member of a Committee may also have a conflict, potential conflict, or an arrangement that could be perceived as a conflict that is not a Financial Interest arising out of such individual's non-financial or personal relationships. Although such conflicts or potential conflicts may not necessarily be governed by this Conflict of Interest Policy, in many instances, it may be appropriate for the individual to recuse herself or himself from participating in or influencing any Foundation decision connected to or that could impact those interests.

### **3. Family**

The term Family includes a person's spouse (including a registered domestic partner recognized by state law), ancestors (*e.g.*, parents, grandparents), children (whether natural or adopted), grandchildren, great-grandchildren, brothers and sisters (whether by the whole or half-blood), and the spouses (including the registered domestic partners recognized by state law) of such person's children, grandchildren, great-grandchildren, brothers, and sisters.

## **ARTICLE III State and Federal Laws Applicable to Public Entities**

As a quasi-public entity, the Foundation is subject to a number of state and federal laws that apply to public entities (collectively referred to herein as the "Public Entity Laws"). The Public Entity Laws applicable to the Foundation include, but are not necessarily limited to, the provisions beginning with California Government Code Section 1090 and the provisions beginning with California Government Code Section 87100, and related regulations.

The following descriptions are intended to provide general information regarding and examples of some of the Public Entity Laws applicable to the Foundation, but are not intended to be and do not represent a comprehensive list of all such applicable Public Entity Laws. Accordingly, any Interested Person who has an actual or possible Financial Interest that may violate the Public Entity Laws shall follow the procedures outlined in Article IV below.

- a. Government Code Section 1090 *et seq.* prohibits the Foundation from entering into contracts in which directors or covered employees have a Financial Interest. It also prohibits those individuals from influencing or participating in the making of a contract in their official capacity in which they have a Financial Interest. Certain types of contracts (such as payment of salary and reimbursements) are exempt from this provision, as are certain specified non-interests and remote interests enumerated in Government Code Sections 1091 and 1091.5.
- b. Government Code Section 87100 *et seq.* prohibits Foundation directors and covered employees from influencing or participating in governmental decisions in which they have a material Financial Interest. The law requires disclosure of certain financial interests and disqualification from influencing or participating in decisions that could affect those financial interests.

## **ARTICLE IV Procedures**

### **1. Duty to Disclose**

Where any Interested Person has a Financial Interest or other possible conflict of interest, the Interested Person must first disclose the existence of the Financial Interest and all material facts to the Foundation's Executive Director; provided, however, that if the Executive Director is the Interested Person, the Executive Director will disclose the existence of the Financial Interest and all material facts to the Foundation's President. The Interested Person shall make such disclosure in a timely manner upon learning of the Financial Interest associated with any transaction or arrangement, whether existing or proposed.

### **2. Determination of Applicable Law**

Upon such disclosure, and after obtaining appropriate legal counsel as necessary, the Executive Director or President, as appropriate, or the Foundation's attorney, shall inform the Interested Person as to whether the Financial Interest or other possible conflict of interest could cause the contemplated or existing transaction or arrangement to violate the Public Entity Laws.

#### **a. Procedures under Public Entity Laws**

If the Financial Interest or other possible conflict of interest could cause the contemplated or existing transaction or arrangement to violate the Public Entity Laws, the Executive Director or President, as appropriate, or the Foundation's attorney, shall inform the Interested Person as to whether recusal from participation in the decision would allow the Foundation to proceed with the transaction or arrangement. If the Foundation cannot enter into or continue with the transaction or arrangement under the Public Entity Laws, it shall not do so and the following procedures set forth below in this Article IV need not be followed.

#### **b. Procedures under Nonprofit and Exempt Entity Laws**



If the Financial Interest or other possible conflict of interest would not cause the contemplated or existing transaction or arrangement to violate the Public Entity Laws, the following procedures shall be followed to determine whether the contemplated or existing transaction or arrangement would benefit the private interest of a director, officer, employee, or member of a Committee of the Foundation; would violate the self-dealing rules specified in the California Nonprofit Public Benefit Corporation Law; or might result in a possible excess benefit transaction.

**i. Duty to Disclose to Board**

In connection with any Financial Interest or other possible conflict of interest, and after a determination is made that a transaction or arrangement will not pose a conflict or be prohibited under the Public Entity Laws, as described above, an Interested Person must disclose the existence of the Financial Interest and be given the opportunity to disclose all material facts to the directors and members of Committees considering the proposed transaction or arrangement. The Interested Person shall make such disclosure in a timely manner upon learning of the Financial Interest associated with any transaction or arrangement, whether existing or proposed.

**ii. Determining Whether a Conflict of Interest Exists**

After disclosure of the Financial Interest and all material facts, and after any discussion with the Interested Person, the Interested Person shall leave the Board or Committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or Committee members shall decide if a conflict of interest exists.

**iii. Procedures for Addressing the Conflict of Interest**

The Board or Committee shall follow the following procedures in order to determine whether to enter into a transaction or arrangement involving a possible conflict of interest and, if the Foundation does enter into such transaction or arrangement, to ensure that the terms of the transaction or arrangement are fair and reasonable as to the Foundation.

- a) An Interested Person may make a presentation at the Board or Committee meeting, but after the presentation, the Interested Person shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b) The chair of the Board or Committee shall, if appropriate, appoint a disinterested person or Committee to investigate alternatives to the proposed transaction or arrangement.
- c) The Board or Committee shall exercise reasonable due diligence in gathering sufficient information about the proposed transaction or arrangement, the Interested Person's conflict of interest, and possible alternatives (*e.g.*, comparability data) to be able to determine the fairness and reasonableness of the transaction or arrangement.

- d) After exercising due diligence, the Board or Committee shall determine whether the Foundation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- e) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or Committee shall determine by a vote of a majority of the directors then in office without counting the vote of the interested director or directors whether the transaction or arrangement is in the Foundation's best interest, for its own benefit, and whether it will be fair and reasonable as to the Foundation at the time the Foundation is to enter into the transaction or arrangement. In conformity with the above determination, the Board shall make its decision as to whether to enter into the transaction or arrangement.
- f) If it is not reasonably practicable to obtain approval of the Board consistent with the standards set forth in subsections d and e (the "Standards") prior to entering into the transaction or arrangement, a Committee shall make the determination of whether to enter into such transaction or arrangement in a manner consistent with the Standards; and the Board shall consider in good faith whether (i) it was not reasonably practicable to obtain approval of the Board prior to entering into the transaction or arrangement, and (ii) the Committee approved the transaction or arrangement in a manner consistent with the Standards. If the Board determines that the conditions of (i) and (ii) were met, it may by a vote of the majority of the directors then in office without counting the vote of the interested director or directors ratify the transaction or arrangement.

#### **iv. Violations**

If the Board or Committee has reasonable cause to believe that one of its members has failed to disclose an actual or possible conflict of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

#### **v. Records of Proceedings**

The minutes of meetings of the Board and all Committees at which a transaction or arrangement involving a Financial Interest or other possible conflict of interest was disclosed, discussed, or voted on shall contain:

- a) The names of the persons who disclosed or otherwise were found to have a Financial Interest in connection with an actual or possible conflict of interest, the nature of the Financial Interest or other actual or possible conflict of interest, any action taken to determine whether a conflict of interest was present, and the Board's or Committee's decision as to whether a conflict of interest in fact existed; and

- b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the extent to which Interested Persons were excluded from the deliberations and the reason for any recusal, the content of the discussion (including any alternatives to the proposed transaction or arrangement and comparability data or other information reviewed in connection with the discussion), and a record of any votes taken in connection with the proceedings.

The minutes of any such meeting must be prepared by the later of (i) the next Board or Committee meeting or (ii) 60 days after the final action of the Board or Committee with respect to the transaction or arrangement.

**vi. Compensation**

- a) A voting member of the Board or any Committee who receives compensation, directly or indirectly, from the Foundation for services provided other than as a Director is precluded from voting on matters pertaining to that member's compensation.
- b) No voting member of the Board or any Committee who receives compensation, directly or indirectly, from the Foundation, either individually or collectively, is prohibited from providing information to the Board or any Committee regarding compensation.

**ARTICLE V  
Annual Statements**

Each director, officer, employee, and member of a Committee of the Foundation shall annually sign a statement which:

- a. Affirms that the person has received a copy of this Conflict of Interest Policy, has read and understood this Policy, and has agreed to comply with this Policy;
- b. Affirms that the person understand that the Foundation is a tax-exempt entity and, in order to maintain its federal tax-exempt status, must engage primarily in activities which accomplish one or more of its tax-exempt purposes; and
- c. Discloses that person's interests that could reasonable give rise to conflicts of interest with respect to the Foundation, including, but not limited to, all known affiliations with any organization with which the Foundation may have a financial relationship and any persons with whom such person has a close relationship who are affiliated with any organization with which the Foundation may have a financial relationship.

All such statements by directors, officers, Committee members, and employees shall be filed with the minutes of the Board or Committee.

**ARTICLE VI**  
**Periodic Reviews**

To ensure the Foundation operates in a manner consistent with its exempt purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Foundation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further exempt purposes and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

**ARTICLE VII**  
**Use of Outside Experts**

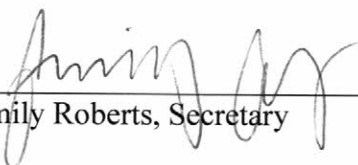
When conducting the periodic reviews as provided for in Article VI, the Foundation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted, except where otherwise provided by a court of competent jurisdiction.

CERTIFICATE OF SECRETARY

The undersigned hereby certifies that:

1. I am the duly elected and acting Secretary of The San Bruno Community Foundation, a California nonprofit public benefit corporation; and
2. The foregoing Conflict of Interest Policy consisting of [7] pages constitutes the Conflict of Interest Policy of such corporation as duly adopted by the Board of Directors on October 5, 2016, and has not been amended or modified since such date.

IN WITNESS WHEREOF, I have executed this Certificate as of this October 5, 2016.

  
\_\_\_\_\_  
Emily Roberts, Secretary

**CONFLICT OF INTEREST POLICY  
ANNUAL AFFIRMATION AND DISCLOSURE STATEMENT**

The Conflict of Interest Policy of The San Bruno Community Foundation (the “Foundation”) requires an annual affirmation from each director, officer, employee, and member of any Committee of the Foundation: (a) has received a copy of the Conflict of Interest Policy, (b) has read and understands the Policy, (c) has agreed to comply with the Policy, (d) understands the Foundation is tax-exempt and in order to maintain its federal tax-exempt status, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes, and (e) has submitted a completed California Fair Political Practices Commission Form 700 to the San Bruno City Clerk’s Office as required.

Also, the Conflict of Interest Policy requires each such person annually to disclose (a) all known affiliations with any organization with which the Foundation may have a financial relationship, and (b) any known persons with whom such person has a close relationship (such as immediate family members) who are affiliated with any organization with which the Foundation may have a financial relationship.

In addition, Form 990, the annual information return that the Foundation must file with the Internal Revenue Service and disclose to the public, requires the Foundation to disclose certain information related to each officer, director, and key employee. In order to make such disclosures, each officer, director, and key employee shall annually complete this Statement and timely update the Executive Director of any changes during the current year.

By signing this Statement, you indicate your affirmation of each of the matters described in the first paragraph above.

In addition, please disclose below any affiliations known to you described in the second paragraph above.

	<u>Business/Organization</u>	<u>Nature of Relationship</u>	<u>Dates of Relationship</u>
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
5.	_____	_____	_____
6.	_____	_____	_____

Please use another piece of paper if your answer requires more space.

Please complete and return this Statement to the Executive Director of the Foundation by the first Board meeting in the following calendar year.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

Reviewed for the Foundation by: \_\_\_\_\_

Date: \_\_\_\_\_

**RESOLUTION NO. 2024-\_\_**

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION APPROVING STRATEGIC GRANT SUPPORTING STARTUP PROGRAMMING AND OUTREACH ACTIVITIES AT THE NEW SAN BRUNO RECREATION AND AQUATIC CENTER TO THE CITY OF SAN BRUNO IN AN AMOUNT NOT TO EXCEED \$2,250,000**

**WHEREAS**, in the spring of 2015, the San Bruno Community Foundation conducted a Community Listening Campaign, through which the upgrade and expansion of San Bruno's community facilities, including its recreation center, swimming pool, and library, as well as the need for community center facilities, were identified as important community needs;

**WHEREAS**, in November 2015, the Foundation's Board of Directors established a quasi-endowment of \$15 million to be invested following a long-term investment strategy, with the remaining balance of the approximately \$70 million in the Foundation's funds to be used to fund programs and operations, and identified strategic grantmaking priorities, including such capital projects as upgraded library/community center, year-round swimming pool, and recreation center facilities;

**WHEREAS**, in January 2016, the Board agreed to provide funds not to exceed \$300,000 to the City of San Bruno to fund the completion of a Community Facilities Vision Plan focused on the Foundation's capital project strategic priorities and related facilities;

**WHEREAS**, from late summer 2016 through the beginning of 2017, the City of San Bruno, with the assistance of Anderson Brule Architects, conducted a community facilities visioning and prioritization process that solicited input from the San Bruno community on capital project concepts involving standalone and combined recreation center, library, community center, and swimming pool facilities;

**WHEREAS**, on February 14, 2017, after receiving and considering the results of the community facilities visioning and prioritization process, the San Bruno City Council agreed by consensus to build a new recreation and aquatic center facility in San Bruno City Park and directed the City Manager to (a) move forward with selecting a firm to do preliminary conceptual design development and programming, and (b) formally request from the Foundation funding of \$50,000,000 to support this project;

**WHEREAS**, concluding that a new recreation and aquatic center would be a meaningful investment benefiting the entire San Bruno community for years to come and a tangible tribute to the Crestmoor neighborhood and those residents who most directly experienced the devastation of the 2010 gas pipeline explosion, on March 1, 2017, the Board approved a resolution expressing its support for the concept of the Foundation making a strategic grant to the City of San Bruno for the planning, design, and construction of a new recreation and aquatic



center in an amount not to exceed \$50,000,000 and directing the Executive Director to proceed with negotiating and proposing the terms of such grant arrangement with the City;

**WHEREAS**, upon advice of legal counsel, the Executive Director and the Ad Hoc Committee on Program Strategy Development proposed a multi-stage grantmaking approach to the project, beginning with a strategic grant to cover expenses related to the project's conceptual design stage;

**WHEREAS**, starting in November 2017, the Board approved a series of eight strategic grants totaling \$50,000,000 to the City of San Bruno to cover expenses in connection with various components of the design and construction of a new San Bruno Recreation and Aquatic Center for the benefit of the public (RAC Grants #1-#8), as follows:

- RAC Grant #1: Conceptual Design
- RAC Grant #2: Architectural Design Services
- RAC Grant #3: Project and Construction Management Services
- RAC Grant #4: City Compliance Review
- RAC Grant #5: Temporary Facilities
- RAC Grant #6: Business Plan
- RAC Grant #7: Tom Lara Field Parking Lot Renovations
- RAC Grant #8: Construction

**WHEREAS**, at the City of San Bruno's request, in April 2023, the Board increased, by an amount not to exceed \$1,500,000, the amount of RAC Grant #8 (Construction) in order to avoid schedule delays and increased project costs, raising the total amount of the Foundation's funding commitment to the RAC project to \$51,500,000;

**WHEREAS**, the City of San Bruno is nearing completion of construction of the new Recreation and Aquatic Center in San Bruno City Park, celebrated the Grand Opening of the facility on August 24, 2024, and has begun programming in the facility;

**WHEREAS**, to ensure that the RAC has a successful launch in a sound financial position, the City of San Bruno has requested a total of \$2,250,000 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, as outlined in Exhibit A;

**WHEREAS**, the Foundation is committed to 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; and

**WHEREAS**, in compliance with the Foundation's Conflict of Interest Policy, the Executive Director timely disclosed a financial interest in the City of San Bruno through her son, who will be starting a paid internship with the City; Foundation legal counsel advised that this interest

does not pose a conflict of interest under public entity, nonprofit, or tax exempt laws; and on September 4, 2024, the Board determined that a conflict of interest does not exist in connection with making this contemplated grant to the City.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors approves a strategic grant in an amount not to exceed \$2,250,000 to the City of San Bruno to support startup programming and outreach activities at the new San Bruno Recreation and Aquatic Center over three years, based on the funding request from the City of San Bruno attached as Exhibit A; and in the event that the actual costs of such activities are less than \$2,250,000, the Foundation would provide grant funding only to the extent necessary to cover those actual costs.

**BE IT RESOLVED FURTHER** that the Board hereby authorizes Executive Director Leslie Hatamiya to finalize, and execute on behalf of the Foundation, a Grant Agreement setting forth the specific terms and conditions, including the specific grant purposes, timeline, reporting and disbursement requirements, and a term prohibiting any portion of the grant funds from being used by the City to compensate or provide any other benefit to the Foundation Executive Director's son or any other insider with respect to the Foundation, for such a grant to the City of San Bruno in an amount not to exceed \$2,250,000, and to take further actions that may be reasonably necessary for achieving the purposes of the grant or to put into effect the actions approved by these resolutions.

Dated: September 4, 2024

ATTEST:

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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 4<sup>th</sup> day of September, 2024, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

**City of San Bruno Recreation and Aquatic Center**

**August 1, 2024**

**Prepared by: Travis M. Karlen – Community Services Director**



**1. Program Description and Implementation Plan**

The San Bruno Recreation and Aquatic Center held the soft opening on July 24 for limited public use and will be holding their grand opening on August 24, 2024, with full use of the facility. The \$61 million construction project has been funded predominantly by \$51.5 million in grant funding from the San Bruno Community Foundation.



As the RAC was being built, the City – supported by SBCF grant funding – engaged a team of consultants led by Audree Jones-Taylor to develop a strategic business plan for the new facility, which was completed in the spring of 2021. Based on that strategic business, in early 2023 City staff led by then-Community Services Director Ann Motola released a RAC Implementation Plan to guide the operational, programmatic, and fiscal planning for the first three years of the facility’s operation. The plan anticipated that the new facility would open in late fall 2023 and set a 66% target cost recovery rate.

The Implementation Plan was created by staff who are no longer with the City, and the current staff has had to adjust some of the membership and facility use fee models to better match the facility’s layout and access points. For example, while the Implementation Plan envisioned an a la carte menu of options – including fitness center and track memberships, punch passes for the aquatics and gym, and daily passes – current plans are to offer a full facility membership (fitness center, track, gym, and pool) for individuals ages 14 and above, with facility punch passes for youth and seniors and daily passes for all ages.

In addition, three years after the former Veterans Memorial Recreation Center and City Pool closed to public use, City staff recognizes that there may be an extended ramp-up period to attract community members to utilize the facility. As the state-of-the-art facility will allow for a variety of programmatic and rental space opportunities not previously offered, City staff recognizes that different program models and/or fee schedules may need to be tested for the facility to land on solid financial footing. As a result, the City seeks seed funding to support its first three years of operations, which would give the City time and flexibility to fine tune its financial and operational models and bolster the facility’s long-term success as an important community resource. The City is seeking funding for the Operational Ramp-Up of the Recreation and Aquatic Center to ensure the success of this community investment.

This initiative aims to boost membership, facility usage, and access through strategic marketing, community engagement, special programs, membership events, and efforts to increase facility use and program participation. The goal is to reduce and stabilize the subsidy over a three-year

period. During this time, the administration will work to improve operational efficiencies, adjust programming to better meet the needs of San Bruno residents, and explore potential partnerships. Additionally, a portion of the funding will be allocated to developing a comprehensive marketing plan and revising the business plan for the facility.

The grant funding would be used to support specific programmatic and outreach strategies in three primary areas: programs, memberships and facility rentals in addition to access strategies.



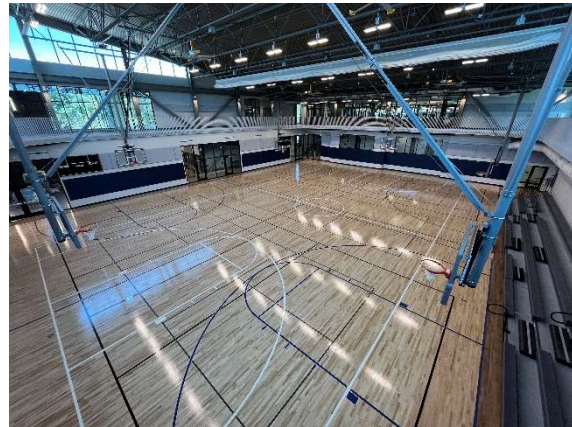
In the implementation plan, projections for Fiscal Year 2023/24 were based on the facility being open for at least six months. Full operational access to the facility is expected to commence approximately two months into the new fiscal year. Typically, for a facility the size of the RAC, full revenue realization is achieved by the second or third year of full operations, once membership is established and ongoing rentals and recreation programs are fully underway.

During the initial three years of operations, staff will focus on generating revenue from memberships and facility usage, optimizing facility rentals, and offering swimming lessons, fitness, and recreational opportunities. Additionally, they will ensure the provision of recreational programming and the rental of facilities to external organizations.

The entire Recreation Division will work collaboratively to meet the goals of the implementation and business plan over this period, with semi-annual reports to the City Council and the San Bruno Community Foundation on milestones achieved.

## **2. Value Proposition/Community Impact**

The initiative is vital to the success of the Recreation and Aquatic Center and will ensure that the facility will be available for maximum use to the community. By maximizing operational hours and access, the facility will provide a space that creates community, improves the overall health of the community and delivers quality programs and recreational opportunities.



The following metrics will provide a comprehensive view of the success and areas for improvement in the new recreation and aquatic facility.

## Operational Success

- Attendance Rates: Tracking the number of visitors daily, weekly, monthly, and annually and strategizing about improving numbers and/or adjusting programming to be more marketable.
- Membership Growth: Measure the increase in memberships and renewals and seek feedback from non-renewals to improve.
- Program Participation: Evaluate participation rates in offered classes, programs, and events and survey on the quality of the programs.
- Revenue Metrics: Monitor income from memberships, classes, rentals, and concessions and ensuring that a proper fee analysis is completed during the first year of operations.

## Customer Satisfaction

- Surveys and Feedback: Regularly collect and analyze customer satisfaction surveys and feedback.
- Retention Rates: Measure how many members renew their memberships annually.
- Net Promoter Score (NPS): Assess the likelihood of customers recommending the facility to others.

## Facility Maintenance and Safety

- Safety Incidents: Track the number and severity of accidents or incidents.
- Inspection Reports: Monitor results from health and safety inspections.
- Cleanliness Ratings: Regular feedback on the cleanliness of the facility.

## Staff Performance and Satisfaction

- Training Completion: Ensure all staff complete required training programs.
- Staff Turnover Rate: Monitor the rate at which employees leave and join the organization.
- Employee Satisfaction: Regularly assess staff satisfaction through surveys.

## Community Impact

- Community Engagement: Measure participation in community events and partnerships with local organizations.
- Accessibility: Track the use and feedback from accessibility programs and facilities.
- Inclusion Metrics: Evaluate how well the facility serves diverse community groups.

## Financial Performance

- Budget Adherence: Measure how well the facility adheres to its budget and what efforts are being made to decrease the subsidy.
- Cost Recovery: Assess the percentage of costs recovered through revenue.

## Program and Service Quality

- Program Variety: Evaluate the diversity and appeal of programs offered.
- Quality of Instruction: Collect feedback on instructors and program quality.
- Achievement of Learning Outcomes: Assess whether participants achieve intended outcomes from programs and classes.



**3. Tentative Timeline (Based on the Award of Grant by SBCF)**

- Duration of Grant Period 2024 - 2027
- August/September 2024 – SBCF Award of Grant
- September 2024 – Begin implementation of special programs and membership drives
- Annual Report to the SBCF and City Council outlining actual use for grant funding and how the City intends to use the next year’s funding.

In addition to the annual written grant reports, the City will provide an oral report to the Foundation Board at a Board meeting at least twice in the first funding year and at least once each in the second and third funding years.

**4. Budget**

A special revenue fund has been established to monitor the performance of the RAC and the Recreation Division. The revenues, expenditures and subsidy within the 2024/25 adopted budget are shown below. It should be noted that the projections are based on the presumption that the facility had been operating seven months (November 2023) prior to the budget adoption. The reality is that operations are actually ramping up nearly a year later.

The projections based on the facility opening in November 2023 are listed below.

<b>Fiscal Year</b>	<b>Projected Revenue</b>	<b>Projected Expenditures</b>	<b>Net Subsidy</b>
2023-24	\$1,550,951	\$3,561,631	\$(2,010,680)
2024-25	\$2,782,925	\$4,459,132	\$(1,676,207)
2025-26	\$2,795,091	\$4,288,076	\$(1,492,985)

The FY 2024-25 adopted budget is listed below and is based on a full year of operations with the prior seven-month ramp up.

<b>Category</b>	<b>Item</b>	<b>FY25 Budget</b>
Charges for services	Recreation Fees and Charges	\$ 1,274,056
Charges for services	Aquatic Programs	329,902
Charges for services	Sports	179,442
Charges for services	Contract/Fee Classes	264,800
Charges for services	ASES	113,000
Use of money and property	Facility Rentals	583,225
Other	Other Revenue	38,500
<b>Subtotal Revenues</b>		<b>2,782,925</b>
Salary and Benefits		2,742,397
Operating Expenditures		1,021,503
Internal Service and Overhead		695,232
<b>Subtotal Expenditures</b>		<b>4,459,132</b>
<b>Net Revenue/(Expenditure)</b>		<b>\$ (1,676,207)</b>

The request for grant funding spans a period of three years:

- Fiscal Year 2024 - 25 \$1 Million
- Fiscal Year 2025 - 26 \$750 Thousand
- Fiscal Year 2026 - 27 \$500 Thousand

## **5. Why are SBCF funds needed?**

The SBCF and the City have collectively invested over \$61 million to develop the new Recreation and Aquatic Center. For the fiscal year 2024/25, the subsidy is projected to be slightly over \$2 million. During the initial phase of operations, various programs will be trialed to determine the optimal balance between program offerings and available drop-in times for members and daily users.

Furthermore, the current rates are introductory and will be subject to a comprehensive review to ensure the facility's sustainability through incoming revenue while remaining competitive within the San Bruno market. The funding requested will be utilized for programming, marketing, support, and redevelopment of the overall general business plan to stabilize operations.

## **6. Collaborations**

This initiative will help to drive collaboration with the community and outside organizations that may include:

- Rented pool time with outside agencies.
- Corporate Membership
- Swimming Lesson Subsidies
- Enhanced Scholarship Programs
- Potential Transportation Programs
- Basic Fitness Included in Enhanced Membership
- Child Watch

## **7. Sustainability**

The Recreation and Aquatic Center is committed to ensuring the sustainability and growth of its operations beyond the initial three-year period of grant funding. Our strategic plan includes a multi-faceted approach to ramping up operations, which will involve diversifying revenue streams, enhancing community engagement, and optimizing operational efficiencies. By leveraging the initial grant funding to build a strong foundation, we will implement robust membership programs, host community events, and establish partnerships with local businesses and organizations. These initiatives will not only generate ongoing revenue but also foster a sense of ownership and support within the community. Furthermore, we will invest in staff development and program improvements to ensure high-quality services and experiences for our patrons. Through these concerted efforts, the Recreation and Aquatic Center will be well-positioned to thrive independently and continue to serve as a vital community resource for years to come.

## **8. Year 1 Plans**

This section provides highlights of the year 1 plan. This plan will be subject to change based on the success of each area. Updates or shifts in the plan will be communicated to the Foundation.

- Youth Swimming Lesson Subsidies
- Child Watch Implementation
- Transportation for Seniors
- Subsidized Programs for Seniors
- Admission Subsidies for Family Members Observation
- Marketing Plan and Public Relations
- Subsidized programs for Special Needs participants
- Membership Accessibility Programs
- Enhanced RAC Program Scholarships
- Feasibility of Corporate Membership Programs
- Signature RAC Events for Members
- Guest Passes for Members (To introduce new people to facility)
- Subsidize fitness instruction to be included in membership model



# SAN BRUNO

## Community Foundation

### Memorandum

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**DATE:** August 30, 2024

**TO:** Board of Directors, San Bruno Community Foundation

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Determination of Whether Proposal Grant to the City of San Bruno Presents a Conflict of Interest and Resolution Approving Grant in the Amount of \$1,200 to the City of San Bruno for a Memorial Bench Commemorating the Former El Crystal Elementary School's 70 Years of Service to San Bruno Schoolchildren in Connection with the New San Bruno Recreation and Aquatic Center Project

At the September 4, 2024, regular meeting, the Board of Directors will consider a resolution approving a grant in the amount of \$1,200 to the City of San Bruno for a memorial bench commemorating the former El Crystal Elementary School's 70 years of service to San Bruno schoolchildren in connection with the new San Bruno Recreation and Aquatic Center Project. Prior to considering the resolution approving the grant, the Board will need to determine whether the proposed grant to the City presents a conflict of interest under nonprofit and exempt entity laws, as required by the Foundation's Conflict of Interest Policy.

#### 1. Background

As part of an elementary school consolidation process, the San Bruno Park School District closed El Crystal Elementary School, which was located directly adjacent to San Bruno City Park, in June 2018 at the end of the 2017-2018 school year. At that time, the El Crystal PTA wanted to make a donation to the City of San Bruno for a memorial bench in San Bruno City Park commemorating El Crystal's 70 years as a beloved San Bruno elementary school. There were no memorial bench opportunities in San Bruno City Park then, but City staff confirmed that there would likely be an opportunity to underwrite a memorial bench or other park amenity in conjunction with the new Recreation and Aquatic Center project.

Because the El Crystal PTA had to disburse its funds and close its bank account by June 30, 2018, PTA President Erica Woliczko approached the Foundation to inquire whether it would be willing to receive a \$1,200 donation from the El Crystal PTA to be used to underwrite a memorial bench or other park amenity to be located at the new Recreation and Aquatics Center. City staff confirmed that the fee to sponsor a commemorative park bench was \$1,200, and that the next memorial bench opportunity in San Bruno City Park was likely to be at the time the new Recreation and Aquatic Center is built.

# SAN BRUNO

## Community Foundation

### Memorandum

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At its June 6, 2018, meeting, the SBCF Board approved a resolution authorizing the Executive Director to receive a donation from the El Crystal Elementary School PTA to be used to sponsor a memorial bench or other park amenity commemorating El Crystal's 70 years of service to San Bruno schoolchildren in connection with the Recreation and Aquatic Center project. In doing so, the Board agreed that receiving this donation and holding it for use in connection with the construction of the Recreation and Aquatic Center would be an appropriate function for the Foundation to serve. The intended use of the funds was directly related to a strategic initiative the Foundation is already funding and was consistent with the Foundation's mission and charitable purposes. It also made sense for the Foundation to be a resource for a community organization in such a situation.

In July 2018, the Foundation executed a grant agreement with the El Crystal PTA, received grant funds totaling \$1,200 from the El Crystal PTA, and since then has been holding the funds as a restricted donation. Under the grant agreement, the Foundation agreed to use the funds "in connection with the construction of a new recreation and aquatics center in San Bruno City Park and more specifically for obtaining and placing in or near such recreation and aquatics center a memorial bench or other park amenity to commemorate El Crystal Elementary School's existence for 70 years as one of San Bruno's beloved elementary schools." The grant agreement also stated that "SBCF shall have sole ultimate discretion and control over the nature, size, placement, language content, and other details of [the] memorial bench or other amenity; provided, however, that SBCF shall use its best efforts to ensure that the memorial bench or other amenity shall include language substantially similar to the language" requested by the El Crystal PTA.

In conjunction with the completion of construction of the Recreation and Aquatic Center this summer, the City of San Bruno's Community Services Department offered the Foundation the opportunity to use the funds received from the El Crystal PTA to sponsor a memorial bench in honor of El Crystal Elementary School near the Recreation and Aquatic Center.

The Community Services Department offered several options for the location of the memorial bench. I consulted with Ms. Woliczko and Dawn Fanara, another former El Crystal PTA leader, and they requested that the bench be placed at the option on the southern edge of San Bruno City Park near Baseball Diamond #2, due to its proximity to the pathway leading to the former site of El Crystal Elementary School. The Community Services Department agreed to place the bench in that location.

The Community Services Department also agreed to include the language that the El Crystal PTA requested on a plaque on the bench, as follows:

# SAN BRUNO

## Community Foundation

### Memorandum

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El Crystal STEM Magnet School  
1948-2018

I pledge to myself, my family, my school, and my country, to be the best person I can be, to learn all that I can learn, and to treat others the way I would like them to treat me

In conjunction with the Grand Opening Celebration of the Recreation and Aquatic Center in San Bruno City Park on August 24, 2024, the Community Services Department recently installed the El Crystal memorial bench at the agreed-upon location.

On September 4, the Board will consider approving conveyance of the funds for the memorial bench as a grant to the City.

### **2. Determination of Whether Proposed Grant to the City of San Bruno Presents a Conflict of Interest Under Nonprofit and Exempt Entity Laws**

Similar to the grant supporting RAC startup programming and outreach activities, prior to considering the resolution approving the grant, the Board must determine whether the proposed grant to the City of San Bruno presents a conflict of interest under nonprofit and exempt entity laws, in accordance with the Foundation's Conflict of Interest Policy. Please reference the memorandum from the Foundation's outside counsel, Heather Minner of Shute, Mihaly & Weinberger, LLP, regarding the RAC startup programming grant for this issue.

### **3. Resolution Approving Grant in the Amount of \$1,200 to the City of San Bruno for a Memorial Bench Commemorating the Former El Crystal Elementary School's 70 Years of Service to San Bruno Schoolchildren in Connection with the New San Bruno Recreation and Aquatic Center Project**

If the Board determines that there is no conflict of interest, it will then consider the attached resolution approving a grant in the amount of \$1,200, using the funds received from the El Crystal PTA in 2018, to the City of San Bruno to sponsor a memorial bench in San Bruno City Park commemorating El Crystal Elementary School's 70 years of service to San Bruno schoolchildren in connection with the Recreation and Aquatic Center project.

If the Board determines that there is a conflict of interest, it is to follow the procedures for addressing the conflict of interest in Article IV Section 2.b.iii of the SBCF Conflict of Interest Policy. Under those procedures, if the Board determines that the grant is in the Foundation's best interest, for its own benefit, and that the terms of the grant arrangement are fair and reasonable to the Foundation, it can proceed to approve the resolution approving the grant, making any additional findings and amending the resolution as necessary.

# SAN BRUNO

Community Foundation

## Memorandum

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Attachment:

1. Resolution Approving Grant in the Amount of \$1,200 to the City of San Bruno for a Memorial Bench Commemorating the Former El Crystal Elementary School's 70 Years of Service to San Bruno Schoolchildren in Connection with the New San Bruno Recreation and Aquatic Center Project

**RESOLUTION NO. 2024-\_\_**

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION APPROVING GRANT TO THE CITY OF SAN BRUNO IN THE AMOUNT OF \$1,200 FOR A MEMORIAL BENCH COMMEMORATING EL CRYSTAL ELEMENTARY SCHOOL'S 70 YEARS OF SERVICE TO SAN BRUNO SCHOOLCHILDREN IN CONNECTION WITH THE RECREATION AND AQUATIC CENTER PROJECT**

**WHEREAS**, the San Bruno Community Foundation awarded strategic grants totaling up to \$51.5 million to the City of San Bruno for the design and construction of a new San Bruno Recreation and Aquatic Center in San Bruno City Park;

**WHEREAS**, the San Bruno Park School District closed El Crystal Elementary School, which was located directly adjacent to San Bruno City Park, at the end of the 2017-2018 school year;

**WHEREAS**, the El Crystal Elementary School PTA sought to commemorate El Crystal's 70 years as one of San Bruno's beloved elementary schools with a memorial bench or other park amenity in connection with the new San Bruno Recreation and Aquatic Center, which is located in San Bruno City Park, and requested that the Foundation receive a donation of \$1,200 to be used for such purpose at the appropriate time in the construction of the Recreation and Aquatic Center;

**WHEREAS**, on June 6, 2018, the Foundation Board approved a resolution authorizing the Executive Director to receive a donation from the El Crystal Elementary School PTA to be used to sponsor a memorial bench or other park amenity commemorating El Crystal's 70 years of service to San Bruno schoolchildren in connection with the Recreation and Aquatic Center project;

**WHEREAS**, in July 2018, the Foundation executed a grant agreement with the El Crystal Elementary School PTA, received grant funds totaling \$1,200 from the El Crystal Elementary School PTA, and since then has been holding the funds as a restricted donation;

**WHEREAS**, in conjunction with the completion of construction of the Recreation and Aquatic Center this summer, the City of San Bruno's Community Services Department offered the Foundation the opportunity to use the funds received from the El Crystal Elementary School PTA to sponsor a memorial bench in honor of El Crystal Elementary School near the Recreation and Aquatic Center;

**WHEREAS**, the Community Services Department agreed to place the memorial bench on the southern edge of San Bruno City Park near Baseball Diamond #2 due to its proximity to the pathway leading to the former site of El Crystal Elementary School; and

**WHEREAS**, in conjunction with the Grand Opening Celebration of the Recreation and Aquatic Center in San Bruno City Park on August 24, 2024, the Community Services Department installed a memorial bench commemorating El Crystal's 70 years of service to San Bruno schoolchildren at the agreed-upon location.

**WHEREAS**, In compliance with the Foundation's Conflict of Interest Policy, the Executive Director timely disclosed a financial interest in the City of San Bruno through her son, who will be starting a paid internship with the City; Foundation legal counsel advised that this interest does not pose a conflict of interest under public entity, nonprofit, or tax exempt laws; and on September 4, 2024, the Board determined that a conflict of interest does not exist in connection with making this contemplated grant to the City.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors approves a grant in the amount of \$1,200, using the funds received from the El Crystal Elementary School PTA in 2018, to the City of San Bruno to sponsor a memorial bench in San Bruno City Park commemorating El Crystal Elementary School's 70 years of service to San Bruno schoolchildren in connection with the Recreation and Aquatic Center project.

**BE IT RESOLVED FURTHER** that the Board hereby authorizes Executive Director Leslie Hatamiya to finalize, and execute on behalf of the Foundation, a Grant Agreement setting forth the specific terms and conditions, including the specific grant purposes, and a term prohibiting any portion of the grant funds from being used by the City to compensate or provide any other benefit to the Foundation Executive Director's son or any other insider with respect to the Foundation, for such a grant to the City of San Bruno in the amount of \$1,200, and to take further actions that may be reasonably necessary for achieving the purposes of the grant or to put into effect the actions approved by these resolutions.

Dated: September 4, 2024

ATTEST:

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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 4<sup>th</sup> day of September, 2024, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

# SAN BRUNO

## Community Foundation

### Memorandum

---

**DATE:** August 30, 2024

**TO:** Board of Directors, San Bruno Community Foundation

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Report on the Centennial Plaza Improvement Project from the City of San Bruno

At the September 4, 2024, regular meeting, the Board of Directors will receive an update on the Centennial Plaza Improvement Project from the City of San Bruno. Community Services Director Travis Karlen will give the presentation on behalf of the City.

In November 2022, the SBCF Board approved a \$500,000 grant to the City of San Bruno to support the Centennial Plaza Improvement Project. The City is in the process of renovating Centennial Plaza, an underutilized open space in the downtown area at the intersection of Jenevein Avenue and San Mateo Avenue, into a useable community gathering space that can be used for resting, outdoor dining, and entertainment in a park setting.

The City began construction on Centennial Plaza in April and expects the project to be completed this fall. Under the original project timeline, the renovations were scheduled to be completed in the first half of 2024, but the construction documents phase took longer than expected. As a result, the Foundation and the City recently executed an amendment to the grant agreement extending the end of the grant period from June 30, 2024, to December 31, 2024.

Based on the City's most recent quarterly grant report for the quarter ending June 30, 2024, the Foundation made a grant payment of \$220,295.96 in late July. The Foundation has paid out a total of \$342,802.83 on this grant, with a balance of \$157,197.17 remaining.



# SAN BRUNO

## Community Foundation

### Memorandum

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**DATE:** August 30, 2024

**TO:** Board of Directors, San Bruno Community Foundation

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Report from on the Downtown Beautification Initiative from the City of San Bruno

At the September 4, 2024, regular meeting, the Board of Directors will receive an update on the Downtown Beautification Initiative from the City of San Bruno. Community Services Director Travis Karlen will give the presentation on behalf of the City.

In March 2024, the SBCF Board approved a \$350,000 grant to the City of San Bruno to support a series of projects to improve the visibility and appearance of San Bruno's downtown, 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.

The project is part of the City's Capital Improvement Plan, which the City Council formally approved in June in conjunction with the City's fiscal year 2024-2025 budget. The City has been moving forward on the various projects, including issuing requests for proposals for the marquee sign and the planters and meeting with downtown business owners to discuss possible banner designs. 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.

This grant is structured so that the City will submit one grant report when all projects are completed, after which the Foundation will disburse a single grant payment of up to \$350,000. As a result, the Foundation has not yet made any grant payments on this grant.

# SAN BRUNO

## Community Foundation

### Memorandum

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**DATE:** August 30, 2024

**TO:** Board of Directors, San Bruno Community Foundation

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Report on Music Education Strategic Initiative from San Bruno Education Foundation, San Bruno Park School District, and Capuchino High School

At its September 4, 2024, regular meeting, the Foundation Board will receive a report on the Music Education Strategic Initiative from representatives of the San Bruno Education Foundation, San Bruno Park School District, and Capuchino High School.

#### **1. Background: Music Education Strategic Initiative**

A partnership between SBCF, the San Bruno Education Foundation (SBEF), the San Bruno Park School District (SBPSD), Capuchino High School, and the Capuchino High School Alumni Association (CHSAA), the Music Education Strategic Initiative was created with the goal of making music education a hallmark of San Bruno's public schools. The original grant was for \$495,000 to be spent over three school years from 2017 to 2020, and then the initiative was extended one more year with an additional \$68,000 in funding. Capuchino High School's funds were spent on schedule in the 2020-2021 school year, but due to the challenges of delivering the elementary school music program via distance learning during the pandemic, we extended the grant period to the 2021-2022 school year for the SBEF/SBPSD grant.

Music program activities funded through the initiative have included:

- New uniforms for the Capuchino High School Marching Band
- Transportation for Capuchino music groups to attend performances and competitions
- Instruments and supplies for the Parkside Intermediate School music program
- Elementary music education for all SBPSD elementary schools through Music for Minors
- Fund development activities to ensure that SBEF and CHSAA are able to sustain the music programs once SBCF funding sunsets

In the spring of 2022, San Bruno Park School District then-Interim Superintendent Michael Milliken requested a two-year extension of the Music Education Strategic Initiative to provide seed funding to "jump start" the Parkside music program to remedy the negative impacts of the COVID-19 pandemic on music instruction. The district sought to revamp the sixth grade music

# SAN BRUNO

## Community Foundation

### Memorandum

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program, with the goal of enabling all Parkside sixth graders to take a music class for the year, such as instrumental music, chorus/vocal music, and music exploration to ignite a passion for further music instruction in many of the students.

At the recommendation of the Ad Hoc Committee on Education Initiatives, the SBCF Board approved a two-year extension of its Music Education Strategic Initiative totaling \$290,000 to continue investments in the music programs at Parkside Intermediate School and Capuchino High School. The grants provided seed funding to launch a new music program for sixth grade students at Parkside and, because the initiative has been a K-12 effort, support transportation, instrument, and other music program expenses at Capuchino.

The latest set of music education grants included \$270,000 to the San Bruno Education Foundation to launch the new sixth grade music program at Parkside (\$150,000 in 2022-2023 and \$120,000 in 2023-2024). The grant funding enabled the San Bruno Park School District to hire a second music teacher at Parkside and cover the teacher's compensation package for the 2022-2023 and 2023-2024 school years. SBCF's infusion of capital is boosting the middle school music program in ways that the district would not be able to do on its own. The grant also covered related program expenses, including purchasing and repairing instruments, sheet music, and other supplies for the sixth-grade music courses.

As part of the extension, the Capuchino High School music program received a total of \$20,000 (\$10,000 each year over two school years). Despite the challenges the program has faced throughout the pandemic, student interest in band, orchestra, and chorus classes has continued to thrive, while the costs of properly supporting these students through instruction and performance have grown. The grant funds boosted the high school music program by providing funding for transportation and other costs related to performances and competitions, replenishing the instrument supply, and instrumental/vocal sectional coaching.

SBCF last disbursed grant payments – \$120,000 to the San Bruno Education Foundation and \$10,000 to the Capuchino High School Alumni Association for the 2023-2024 school year – in August 2023.

#### **2. September 4 Report to the Board**

On September 4, 2024, SBPSD Superintendent Matthew Duffy and San Bruno Education Foundation President Heather Latta will report on the district's use of the grant funds, highlighting the sixth grade music program at Parkside. Capuchino High School Music Director Johnathan Hsu will provide an update on the Capuchino music program and its use of the grant funds. These updates will be their final oral reports to the Board on the Music Education Strategic Initiative grants.

# SAN BRUNO

## Community Foundation

### Memorandum

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**DATE:** August 30, 2024

**TO:** Board of Directors, San Bruno Community Foundation

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Report on SBPSD School Field Trip Grant from the San Bruno Park School District

At its September 4, 2024, regular meeting, the Foundation Board will receive a report on the SBPSD School Field Trip Grant from San Bruno Park School District Superintendent Matthew Duffy.

#### **1. Background: SBPSD School Field Trip Grant**

In October 2022, the Board approved a \$35,000 grant to the San Bruno Park School District to support field trips and on-campus assemblies in the 2022-2023 school year. The grant reflected the Foundation's belief in the value of field trips for San Bruno's students – the chance to leave the school campus and be exposed to new experiences at museums, parks, concerts, and other community venues – especially after more than two years of the pandemic, during which youth faced mental health challenges with social distancing and isolation. The grant also offered some much-needed financial relief to the schools' parent-teacher organizations, which are often relied upon to fund these types of opportunities. Under the grant, \$5,000 was earmarked to support activities at each of the five elementary school and \$10,000 to support activities at Parkside Intermediate School.

During the summer of 2023, the school district informed me that the schools had not expended all of the grant funds during the 2022-2023 school year, in part due to other grant funding for field trips with earlier expiration dates, and requested an extension to be able to use the remaining funds in the 2023-2024 school year. Last fall, we executed an amendment to the grant agreement that (1) extended the end of the grant period to June 30, 2024, (b) amended the grant purposes to allow for funds to be spent through the 2023-2024 school year, and (c) amended the grant purposes to give the school district the discretion to distribute any remaining funds designated for Rollingwood Elementary School (which closed in June 2023) after the 2022-2023 school year to any other district school.

Superintendent Duffy recently informed me that the schools still had not expended all of the grant funds during the 2023-2024 school year, due to leadership transitions at several schools,

# SAN BRUNO

## Community Foundation

### Memorandum

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challenges finding substitute teachers (at Parkside in particular) to cover for teachers who take a group of student on a field trip, challenges in finding bus transportation for field trips, and a misunderstanding over what the grant funds could cover, and he requested that the school district received another one-year extension of the grant period. Wanting to be supportive of the school district in the face of these challenges, I have agreed to extend the end of the grant period to June 30, 2025, and am working with nonprofit counsel to draft a second amendment to the grant agreement.

#### **2. September 4 Report to the Board**

On September 4, SBPSD Superintendent Matt Duffy will provide a brief update to the Board on the implementation of the School Field Trip Grant, including how the schools utilized the grant funds over the past two school years and plans to use up the remaining funds in 2024-2025.

# SAN BRUNO

## Community Foundation

### Memorandum

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**DATE:** August 30, 2024

**TO:** Board of Directors, San Bruno Community Foundation

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Report from the Ad Hoc Committee on San Bruno Park School District Strategic Initiatives and Resolution Approving Strategic Grant Supporting Athletic Field Improvements at San Bruno Park School District Schools to the San Bruno Education Foundation in an Amount Not to Exceed \$150,000

At the September 4, 2024, regular meeting, the Board of Directors will receive a report from the Ad Hoc Committee on SBPSD Strategic Initiatives and consider a resolution approving a strategic grant supporting athletic field improvements at San Bruno Park School District schools to the San Bruno Education Foundation in an amount not to exceed \$150,000. On behalf of the Committee, Secretary Raul Gomez will give the Committee report. On behalf of the San Bruno Park School District, Superintendent Matthew Duffy will give a presentation on the grant proposal being considered for funding. San Bruno Education Foundation President Heather Latta will also be on hand to respond to questions.

#### **1. Request from the San Bruno Park School District and Creation of the Ad Hoc Committee on SBPSD Strategic Initiatives**

On November 1, 2023, the Board received a presentation from SBPSD Superintendent 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. Then-Board Member Irving Torres was appointed Committee chair, while Secretary Gomez and Board Member Supriya Perry were appointed as Committee members.

The Committee reported at the March Board 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

# SAN BRUNO

## Community Foundation

### Memorandum

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also 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.

In late spring, Superintendent Duffy recently notified me about a need to make immediate improvements to the athletic fields at several of the elementary schools as well as at Parkside Intermediate School. He noted that while the school district is developing a long-term plan for the fields at all of its school sites, the district faces an urgent need for short-term improvements at several school sites for the upcoming school year and would like financial assistance from SBCF to do so. 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. In addition, the fields at some schools, particularly John Muir Elementary School, have been in such disrepair that it is not currently safe for students to play on them.

To address these needs, in early June, Superintendent Duffy presented the first draft of a funding request for short-term field improvements to the Foundation. This proposal requested \$100,000 in funding for field renovations at, in order of priority, John Muir Elementary School, Belle Air Elementary School, and Parkside Intermediate School. The district's goal was to have at least some of the renovations completed by the start of the fall 2024 soccer season and the 2024-2025 school year. The district's preliminary budget estimate for the field renovations was \$200,000 (about \$50,000 for each of John Muir and Belle Air's fields, and \$100,000 for Parkside's fields), and the funding request was to cover the costs of the John Muir and Belle Air renovations. The district was already in discussions with a landscape firm, Frank and Grossman, to handle the field improvements at John Muir over the summer. Due to more complex irrigation issues, the Belle Air field improvements would be on a slower timeline, with the goal of having that field in playable shape by the spring/summer of 2025.

## **2. Committee Deliberations**

The Committee met twice over the summer to consider the school district's request. At the first meeting on June 7, the Committee discussed the district's initial grant proposal. The Committee was supportive of providing a total of \$100,000 for the John Muir and Belle Air (which is a Title 1 school) field improvements (\$50,000 for each), but also expressed interest in contributing to the Parkside field improvements, as Parkside serves as the one middle school for the entire district. The Committee asked me to communicate its interest to Superintendent Duffy and to request additional information on the Parkside field improvements and the overall budget.

In July, Superintendent Duffy prepared a revised draft of the funding request, which is attached. The revised proposal adds field renovations at a fourth school site – the former Rollingwood

# SAN BRUNO

## Community Foundation

### Memorandum

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Elementary School site, which now houses Wings Learning Center (for autistic students) and Hugs Hangout Preschool. While the John Muir and Belle Air fields are not currently being used for soccer or other organized youth sports, the Parkside fields are already heavily used by youth sports organizations (including soccer, softball, and baseball), and those activities will necessarily be displaced during renovations to the Parkside fields. As a result, the district seeks to use the Rollingwood fields for sports activities while the Parkside fields are undergoing renovations and unavailable for use but is not seeking SBCF support for those renovations. The district seeks a total of \$150,000 in grant funding, or \$50,000 each for the fields at John Muir, Belle Air, and Parkside, and the renovations at Rollingwood would be covered by district funds.

The revised proposal includes an updated budget based on better estimates of the work to be completed. The total project budget is nearly \$290,000 (\$50,438 for John Muir, \$38,960 for Rollingwood, \$100,000 for Parkside, and \$100,000 for Belle Air). The budgets for the John Muir and Rollingwood improvements are hard numbers based on actual contracts with Frank and Grossman that the SBPSD Board approved in June, with the work to be completed over the summer. The budget figures for Parkside and Belle are estimates. The district is still working on the project scope and timeline for the Parkside improvements. The estimated cost of the Belle Air improvements has increased due to drainage and irrigation issues; work at that site is also complicated by the fact that water is supplied by the City of San Bruno rather than the school district.

The school district also decided to partner with the San Bruno Education Foundation (SBEF) on this project, requesting that the grant be awarded to SBEF, which would fulfill all reporting requirements. This arrangement is consistent with how we have handled most grants benefiting the San Bruno Park School District (in fact, the recent School Field Trip Grant is the only grant where we have awarded grant funds directly to the school district).

The Committee met on July 19 to discuss the revised proposal. The Committee was pleased with the updates made to the proposal and agreed to recommend to the full Board a strategic grant of up to \$150,000 to the San Bruno Education Foundation for the San Bruno Park School District School Field Improvement Project: \$50,000 each for the fields at John Muir, Belle Air, and Parkside. For each school's allotment, the recommendation is that funding would be contingent on the SBPSD Board approving (a) a contract with a landscape firm to do the work at the school site and (b) any additional funding needed to complete the field renovation project at that school.



# SAN BRUNO

## Community Foundation

### Memorandum

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#### **3. Resolution Approving Strategic Grant Supporting Athletic Field Improvements at San Bruno Park School District Schools to the San Bruno Education Foundation in an Amount Not to Exceed \$150,000**

On September 4, Secretary Gomez will report on the Committee's deliberations (in place of former Chair Torres, who resigned from the SBCF Board in August, after the Committee completed its deliberations), and Superintendent Duffy will give a brief presentation on the funding request and, supported by SBEF President Heather Latta, answer any questions Board members may have about the request.

The Board will then consider the attached resolution, as recommended by the Committee, approving a strategic grant supporting athletic field improvements at San Bruno Park School District Schools to the San Bruno Education Foundation in an amount not to exceed \$150,000. Payment of the funds designated for each of three schools – John Muir Elementary, Belle Air Elementary, and Parkside Intermediate – would be contingent on the school district Board approving (a) a contract with a landscape firm to do the work at the school site and (b) any additional funding needed to complete the field renovation project at that school. For example, if the district decided not to move forward with renovations to the fields at Parkside, the \$50,000 designated for that school site would not be disbursed to SBEF.

The Committee believes that this grant would be consistent with several of the Foundation's strategic grantmaking priorities (education, sports and recreation, and youth activities) and would have significant benefit to the children of San Bruno – those who attend the schools where the fields would be renovated as well as the large number of children who participate in youth sports organizations that will utilize the school fields.

As context for this grant proposal, please note that the Foundation's fiscal year 2024-2025 budget includes \$2,500,000 for strategic grants. At the September 4 meeting, the Board will also be considering a strategic grant of up to \$2,250,000 to the City of San Bruno for startup programming and outreach activities related to the new Recreation and Aquatic Center. If both grants are approved, \$2,400,000 of the strategic grants budget for this fiscal year would be committed.

#### Attachments:

1. Resolution Approving Strategic Grant Supporting Athletic Field Improvements at San Bruno Park School District Schools to the San Bruno Education Foundation in an Amount Not to Exceed \$150,000
2. Exhibit A: Strategic Grant Funding Request for San Bruno Park School District Athletic Field Improvements from the San Bruno Park School District and the San Bruno Education Foundation, July 1, 2024

**RESOLUTION NO. 2024-\_\_**

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION APPROVING STRATEGIC GRANT SUPPORTING ATHLETIC FIELD IMPROVEMENTS AT SAN BRUNO PARK SCHOOL DISTRICT SCHOOLS TO THE SAN BRUNO EDUCATION FOUNDATION IN AN AMOUNT NOT TO EXCEED \$150,000**

**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 education, sports and recreation, and youth activities among its strategic grantmaking priorities;

**WHEREAS**, the San Bruno Park School District is San Bruno’s pre-K-8<sup>th</sup> grade public school district;

**WHEREAS**, at the November 1, 2023 Board meeting, the leadership of the San Bruno Park School District identified a number of strategic priorities for the district, including but not limited to enhanced STEAM curriculum and activities and athletic field improvements, which the Foundation may be interested in supporting;

**WHEREAS**, in November 2023, the SBCF Board of Directors created an Ad Hoc Committee on SBPSD Strategic Initiatives to research and consider ways in which the Foundation could support the San Bruno Park School District’s strategic initiatives and, as appropriate, assist the District in preparing one or more strategic grantmaking proposals for the Board to consider in 2024 to support such efforts;

**WHEREAS**, in July 2024, the San Bruno Park School District requested \$150,000 in strategic grant funding to the San Bruno Education Foundation, its funding partner, to support its efforts to renovate the athletic fields at several of the district’s elementary schools as well as at Parkside Intermediate School, both to address field demand from community youth soccer groups in the face of the impending closure of the playing fields at the former Crestmoor High School site and to provide much-needed and safe recreational space for the students at the district’s schools;

**WHEREAS**, supporting efforts to renovate the athletic fields at San Bruno Park School District schools, which provide recreational space to both the school district’s students and to community sports organizations, is consistent with the Foundation’s strategic grantmaking priorities of education, sports and recreation, and youth activities, as articulated above.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors approves a strategic grant to the San Bruno Education Foundation to support athletic field improvements at San Bruno Park School District schools in an amount not to exceed \$150,000, with \$50,000

designated for improvements at the fields at each of John Muir Elementary School, Belle Air Elementary School, and Parkside Intermediate School, based on the funding request in Exhibit A, provided, however, that the payment of the grant funds designated for each of the three schools is contingent on the San Bruno Park School District Board of Trustees approving (a) a contract with a landscape firm to do the work at that school site and (b) any additional funding needed to complete the field renovations at that school above the amount of SBCF's grant funding for that school site.

**BE IT RESOLVED FURTHER** that the Board hereby authorizes Executive Director Leslie Hatamiya to finalize, and execute on behalf of the Foundation, a Grant Agreement setting forth the specific terms and conditions, including the specific grant purposes and contingent nature, for such a grant to the San Bruno Education Foundation in the amount not to exceed \$150,000, and to take further actions that may be reasonably necessary for achieving the purposes of the grant.

Dated: September 4, 2024

ATTEST:

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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 4<sup>th</sup> day of September, 2024, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

## EXHIBIT A

### SBCF Strategic Grant Proposal – San Bruno Park District Fields

REVISED 7/1/2024

#### **1. Program Description and Implementation Plan:**

The San Bruno Park School District seeks funding for short term upgrades to the playing fields at three of our schools. These fields in priority order are located at John Muir Elementary School, Belle Air Elementary School, Parkside Intermediate School, and the field at the former Rollingwood Campus. With the closing of the former Crestmoor High School property, city soccer fields are heavily impacted. While the district has longer term plans for a full restoration of its fields, the short-term need is now more pressing than ever. The district is working with the AYSO soccer organization as well as the Lowen organization to get the fields in stronger playing shape. The short term goal is to have the fields ready for the youth soccer league season in the fall of 2024. In partnership with the San Bruno Education Foundation, we seek \$150,000 to support field improvements across San Bruno. SBEF, our financial partner, will receive the grant on our behalf and support with report writing and project updates where needed.

#### **2. Value Proposition/Community Impact:**

The city already has limited field space for San Bruno's two youth soccer organizations, San Bruno AYSO and the Lowen Soccer Club, and it is anticipated that the soccer fields at the former Crestmoor High School site, which have served as the primary locale for most San Bruno youth soccer games and practices for decades, will close for public use in the coming months, as the San Mateo Union High School District has sold the site to a private developer. In addition, the San Bruno Park School District's fields, especially John Muir, are in disrepair. Disrepair means that the fields are not level and they are marred by an endless array of gopher holes which often cause injury to students. The fields are not lined for any sports. Currently, the only maintenance we do is the bare minimum at Parkside and Belle Air. We have improved the condition of the Parkside field in recent years with a more consistent cadence of maintenance on the field.

The district has clearly stated the fields are a priority. This priority has been reflected in the district facility master plan as well as the district's recent strategic proposal to the San Bruno Community Foundation. The district has not had the needed funds to create sustainable playing fields for its students. The district has been anticipating using funds from the future sale of the Engvall property as a means to transform the fields for the future. In the short term the district has identified funds from two sources-developer fees and deferred maintenance that will allow for a short term investment into the fields.

Measuring the impact of upgraded fields will be very reasonable as we will move from zero students served in our district to nearly 400 students according to figures we have been given by AYSO as of Friday June 7th. We also believe improved fields may accelerate an interest in new and different sports such as lacrosse and continue to grow other programs such as softball and baseball that already exist in the community.

Additionally, the district currently has no soccer teams. This is surprising especially to not have a soccer team at Parkside for boys or girls when soccer is such a popular sport within the communities that attend Parkside. Our intent over time is to ensure that Parkside has multiple soccer teams to engage our students and that we are able to build programs at the elementary level which would feed into the middle school program. Many students cannot afford private soccer clubs however much they may be

discounted and we believe having school based soccer teams are essential in San Bruno, particularly at Parkside.

**3. Timeline:**

We have both a super short timeline and a longer timeline. John Muir is on the super short timeline as we aim to have that field ready in mid-August. We are working with a landscape team from Frank and Grossman who believe they can get John Muir ready in 6 weeks once work begins. We have also added Rollingwood to the contract with Frank and Grossman because there is currently no play at Rollingwood and having Rollingwood in playing shape will allow more movement from Parkside when we make the needed repairs at Parkside and the field may have to close temporarily.

Belle Air is on a slightly longer timeline because there are deeper irrigation issues there and the water comes through the city and not the district so the project is more complex. The goal would be to have Belle Air ready for the spring/summer of 2025. We have already started a fast paced effort to make changes to our fields. This has come as a result of our work with AYSO and the Lowen organization.

At our June 18th Board meeting, our Board approved two contracts with Frank and Grossman to support the repair of the John Muir and Rollingwood fields. The approved costs of these contracts are \$50,438 for John Muir and \$38,960 for Rollingwood. The fields would be seeded, topsoiled and irrigated over June and July with final field readiness in August.

Estimates for the Parkside field run about \$50,000-\$100,000 and we are still working with all of our participating organizations to determine the timeline for the work. The anticipated cost of the Belle Air project is closer to \$100,000 after further investigation due to the complexity of the work with multiple entities and the major irrigation and drainage issues we have on that field. Our goal is to bring a next contract to the Board in August but we are still determining what will come first based on project viability.

We do still plan to think about the overhaul of all our fields which is a multi-million dollar long term investment which would be fully initiated once the district is fully able to sell the Engvall property and begins to see proceeds from the sale.

**4. Budget:**

We seek a contribution of \$150,000 which would include a \$50,000 contribution for the John Muir, a \$50,000 contribution to the Parkside field and a \$50,000 contribution for the Belle Air field. We anticipate the total project cost for all of the short-term repairs to the fields at the four schools to be nearly \$290,000.

John Muir Elementary School	Based on approved contract	\$50,438
Former Rollingwood Campus	Based on approved contract	\$38,960
Parkside Intermediate School	Estimate	\$100,000
Belle Air Elementary School	Estimate	\$100,000
TOTAL		\$289,398

These figures cover:

- Aeration
- Herbicide
- Seed
- Topsoil
- Compost
- Fertilizer
- Irrigation-repair and replace
- Fencing
- Labor

## **5. Why are SBCF funds needed?**

The district currently does not have a budget for the overhaul of our fields. On an annual basis we pay for basic upkeep of the Parkside field. We pay a landscaping company to do the basics-cut the grass, check the irrigation and fill extreme holes. We also count deeply on our partners of AYSO, San Bruno Girls Softball and the San Bruno Pony League who help us maintain the fields at Parkside and Belle Air in exchange for a very minimal rent.

Outside of that, we do not currently allocate any funding to the John Muir or Belle Air fields. We have examined our budget and believe we can make a one-time contribution to this project through our District Developer Fees and District Deferred Maintenance Funding. We are moving forward to do what we are able to do while the SBCF considers this proposal. We will approve a contract at the June 18th SBPSD Board meeting for landscaping and field repair services.

## **6. Collaboration:**

This spring the city of San Bruno approached the district to ask if there was any way the district could make upgrades to their fields to help both AYSO and the Lowen Soccer organization. Similarly, AYSO and Lowen both approached us asking for help with space with a specific question about the John Muir field immediately. We have committed to this collaboration and partnership with AYSO, Lowen Soccer and the city of San Bruno. Over time, with the repair of these fields, we will continue to determine how to outline this partnership as the use of John Muir and Belle Air for soccer would be a new facility rental for the school district. Additionally, we also know in the long term upgraded fields will benefit the City of San Bruno Park and Recreation as well as many other sports based organizations looking for field space.

## **7. Sustainability:**

The district is examining multiple possibilities to continue to support the fields. In the long term, we plan to use proceeds from the sale of the Engvall property (plan to close in January of 2025) to make further high end investments into the fields and put aside dollars for the upkeep of the fields. We also believe we can use developer fee monies to support ongoing maintenance of the fields.

The district is also taking more assertive steps to ensure that its fee structure for rentals is at par with other districts in the region. Moving to a more competitive rental rate among our fields and gyms will allow the district to bring in needed revenue to support the field in an ongoing manner. The facilities pricing increase has been discussed for two years and was approved on June 18th. Additionally, the fields, once improved, will be much easier to maintain as irrigation will be fixed, land will be level, new grass will be planted and lines striped.

# SAN BRUNO

## Community Foundation

### Memorandum

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**DATE:** August 30, 2024

**TO:** Board of Directors, San Bruno Community Foundation

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Report on Other Programs (Crestmoor Scholarship and Community Grants Fund)

At the September 4, 2024, Board meeting, I will give an update on the Crestmoor Scholarship and the Community Grants Fund.

#### 1. Crestmoor Scholarship

We continue to distribute this year's annual payments to 2020, 2021, 2022, 2023, and 2024 Crestmoor Scholars, as they submit the required documentation. We have distributed about 87% of this year's scholarship payments thus far, and we are reaching out to the remaining Scholars regarding their payments. This summer we approved a one-year deferral to one 2022 Scholar who is moving with his family and taking the academic year off. In addition, we are in discussions with four other Scholars whose academic plans have changed and who therefore may seek deferrals of their remaining scholarship payments.

As in past years, the 2025 cycle of the Crestmoor Scholarship will launch in December, with an early March application deadline.

#### 2. Community Grants Fund

##### a. 2022-2023 Grant Cycle

In December 2022, the San Bruno Lions Foundation were awarded two grants: (a) a \$5,000 grant to provide a special winter holiday experience for special education students and teachers at El Portal School in San Bruno, and (b) a \$15,000 grant supporting the distribution of holiday food baskets to San Bruno families in need through San Bruno public schools. With regard to the El Portal School grant, 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 agreed to amend the grant purposes to allow for this additional use of the grant funds and to extend the

# SAN BRUNO

## Community Foundation

### Memorandum

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end of the grant period to June 30, 2024. For the food basket grant, the Lions were unable to use up the full amount of the grant because they shifted the way they obtained items for and assembled the holiday baskets, which resulted in lower costs. They requested that they be permitted to use the remaining grant funds to do a second round of assistance for these families in need, by distributing grocery store gift cards at the end of the school year. We agreed to extend the end of the grant period for this grant to June 30, 2024. SBCF and the San Bruno Lions Foundation executed the amendments to both grant agreements in early June.

#### b. 2024-2025 Cycle

The 2024-2025 cycle of the Community Grants Fund launched in early July and the application deadline is September 18. Local organizations have begun completing the online application, which is available at [sbcf.org/grant-application](https://sbcf.org/grant-application).

Thus far we have conducted one grant workshop on Zoom on August 15, which was well attended. A second grant workshop will be held on September 3 on Zoom at 12:00 p.m.

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

As you will recall, in June the Board approved a \$300,000 program disbursement budget for this year's program. Of that amount, \$200,000 will be funded by SBCF quasi-endowment payout and \$100,000 will be funded by a donation from YouTube and Google.org to the 2024-2025 Community Grants Fund, which we received in July. As a result, the Foundation plans to distribute a total of \$300,000 in Community Grants in December.