

# SAN BRUNO

## Community Foundation

### *Board of Directors*

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

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## AGENDA

### SAN BRUNO COMMUNITY FOUNDATION

### Regular Meeting of the Board of Directors

**June 7, 2017**

**7:00 p.m.**

### Reception Honoring 2017 Recipients of the Crestmoor Neighborhood Memorial Scholarship

**6:30 p.m.**

#### **Meeting Location:**

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

In compliance with the Americans with Disabilities Act, individuals requiring reasonable accommodations or appropriate alternative formats for notices, agendas, and records for this meeting should notify us 48 hours prior to meeting. Please call the City Clerk's Office at 650-616-7058.

- 1. Call to Order/Welcome**
- 2. Roll Call**
- 3. Presentation:** 2017 Crestmoor Neighborhood Memorial Scholarship Recipients
- 4. Approval of Minutes:** May 3, 2017, Regular Board Meeting
- 5. Board Member Comments**
  - a. President
  - b. Others
- 6. Executive Director's Report**
- 7. Consent Calendar:** All items are considered routine or implement an earlier Board action and may be enacted by one motion; there will be no separate discussion unless requested by a Board Member or staff.
  - a. Adopt Resolution Canceling the August 2, 2017, Regular Board Meeting

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- b. Receive and Approve Treasurer's Report (April 2017 Financial Statements)

### **8. Conduct of Business**

- a. Receive Report from Ad Hoc Committee on Program Strategy Development Regarding Strategic Initiatives in Partnership with the City of San Bruno and Adopt Resolution Increasing Grant Funding Allocation to Pedestrian Safety Improvement Efforts to \$263,952
- b. Receive Report from Ad Hoc Committee on Music Education Strategic Initiative
- c. Receive Report on Community Grants Fund
- d. Receive Report from Investment Committee and Adopt Resolution Authorizing Treasurer Tim Ross and Executive Director Leslie Hatamiya to Execute Amendment to the Investment Operating Plan with Sand Hill Global Advisors Amending the Quasi-Endowment Payout Provision
- e. Adopt Resolution Approving 2017-2018 Budget and Transfers from the Quasi-Endowment and Strategic Pool Investment Accounts to the Liquidity Pool Account

- 9. Public Comment:** Individuals are allowed three minutes, groups in attendance, five minutes. If you are unable to remain at the meeting, contact the President to request that the Board consider your comments earlier. It is the Board's policy to refer matters raised in this forum to staff for research and/or action where appropriate. The Brown Act prohibits the Board from discussing or acting upon any matter not agendaized pursuant to State Law.

### **10. Adjourn**

## 2017 CRESTMOOR NEIGHBORHOOD MEMORIAL SCHOLARSHIP RECIPIENTS

*In 2017, the San Bruno Community Foundation recognizes eight outstanding San Bruno students who have demonstrated a strong commitment to the San Bruno community with multi-year college scholarships totaling \$120,000.*



**HARMONIE AHUNA:** Since the age of three, Harmonie Ahuna has wanted to be a pediatrician, and this fall she will begin undergraduate studies at UCLA in pursuit of this dream. In addition to serving as student body president, competing on the varsity swimming and soccer teams, and managing a rigorous academic load, Harmonie has spent countless hours giving back to the San Bruno community. She has volunteered with Mills Peninsula Hospital, Special Olympics, San Bruno Senior Center, and the San Bruno Library, where she has encouraged children to enroll in the summer reading program. It brings her great pride to be connected to the San Bruno community in so many ways.



**LESLEY BODE:** Lesley Bode has overcome significant adversity, including homelessness, throughout her life to emerge as a top student and community member. At Skyline College, from which she is graduating with AA degrees in Psychology and Anthropology, she is an instrumental member of the Financial Aid outreach team as a student ambassador, leading weekly workshops to assist local high school students and current college students with their financial aid applications. She has been a presenter at Skyline's Expanding Your Horizons conference for middle school girls interested in STEM fields. Lesley is committed to social justice issues and plans to major in psychology at UC Santa Cruz with the goal of helping at-risk youth.



**RYAN CHAPMAN:** Ryan Chapman is a Capuchino High School scholar in the International Baccalaureate diploma program, a three-sport varsity athlete, and a member of the San Bruno community who makes a difference. He is the co-founder and president of Chance Club, which assists foster youth lacking adequate resources and support, and has spent countless hours as a tutor through Capuchino's Summer Bridge and IB programs. Fueled by a NASA internship last summer, Ryan's goal is to pursue a career in astrophysics, particularly dark matter research. Co-valedictorian and Boys State representative of the Capuchino Class of 2017, Ryan will enroll at UCLA this fall.



**ZACHARY FUCINI:** A member of the Capuchino High School Class of 2017, Zachary Fucini is headed to Cal Poly San Luis Obispo, where he plans to major in civil engineering with the long-term career goal of improving local transit systems. An aspiring Eagle Scout, Zachary has been a longtime leader in San Bruno's Pack 290, Troop 72, and Troop 355, participating in a variety of service activities including flag ceremonies at the Golden Gate National Cemetery to food donation collections for homeless shelters. He is also a member of Capuchino's Interact Club and, notably, has served on the 15-person SamTrans Citizens Advisory Committee, providing input on bus transportation issues in San Mateo County.



**ALEXANDRA KENNEDY:** Having conquered substance abuse and homelessness, Alexandra Kennedy is an inspiration to those around her. While juggling the demands of single motherhood and a full course load at Skyline College, Alexandra has found time to volunteer as a facilitator in the County Jail, Intern at Project 90, a nonprofit drug treatment facility, and work as a public benefits specialist at SparkPoint, assisting San Bruno students and community members with the public benefits application process. Committed to alleviating poverty in the Bay Area, Alexandra will transfer from Skyline College and begin her studies at the University of San Francisco in the fall.



**WALTER MANUOFETOA:** A first-generation Tongan American, Walter Manuofetoa has a deep connection to his culture and a desire to reverse social injustices and inequalities. While gaining a global view of ethnic studies at College of San Mateo, Walter spends his time giving back locally. As the assistant youth pastor at his church, Walter mentors system-impacted youth and leads a team of musicians and vocalists. He co-founded Collective 24, which provides basic living necessities to homeless people in San Bruno, Vakatasi, an organization that empowers Pacific Islander college students, and Kalapu Faiteliha, which steers ex-gang members toward a positive path. A longtime resident of San Bruno's Crestmoor neighborhood, Walter will attend UC Santa Cruz.



**JANAH MAY OCLAMAN:** Janah May Oclaman's interest in science began in her youth when she taught herself a medical procedure she could not afford to have done professionally. Despite facing severe financial struggles, Janah has developed into a top student, committed community member, and motivated leader at Skyline College. Janah has served as a lead presenter of Skyline's Expanding Your Horizons program and lead organizer for Beta Theta Omicron's SMILE program, which are both designed to attract middle school girls to STEM careers. She also led hunger awareness campaigns at Skyline and a local elementary school and assisted patients at Seton Medical Center as a hospitality volunteer. Janah will attend UC Davis and hopes to become a neurologist.



**MADELINE VILLANUEVA-TOVAR:** Madeline Villanueva-Tovar is a Capuchino High School senior who has pushed herself to rise above difficult life circumstances. Her commitment to community service began at an early age, and while at Parkside Intermediate School she was vice president of the LEOS Club. In high school, her service contributions expanded to peer tutoring, founding the Code Blue Club for students interested in medical professions, volunteering at Mills-Peninsula Hospital, and organizing Relay for Life teams in honor of her aunt. Madeline aspires to help people as an emergency trauma physician and will begin her studies at Holy Names University this fall.

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## MINUTES

### SAN BRUNO COMMUNITY FOUNDATION

#### Regular Meeting of the Board of Directors

**May 3, 2017**

**7:00 p.m.**

#### **Meeting Location:**

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

1. **Call to Order/Welcome:** President Nancy Kraus called the meeting to order at 7:02 p.m.
2. **Roll Call:** Board Members Kraus, Hedley, McGlothlin, Ross, Bohm, Roberts, and Stanback Stroud, present.
3. **Approval of Minutes:** March 1, 2017, Regular Board Meeting: Board Member Stanback Stroud moved to approve the minutes of the March 1, 2017, Regular Board Meeting, seconded by Board Member Emily Roberts, approved unanimously; Vice President Hedley abstained.
4. **Board Member Comments**
  - a. President: None.
  - b. Others: None.
5. **Executive Director's Report:** Executive Director Hatamiya reported on several items not covered in the business portion of the agenda. First, she reported that renewals for directors and officers, Workers Compensation, and bundled commercial general liability/property/non-owned hired auto liability insurance policies took effect on March 21. She said the Foundation originally planned to add Board members to the workers compensation and auto policies, but due to issues with the insurance companies, she ultimately renewed the existing policies. She also reported that, under her contract authority, she planned to renew the crime insurance policy, whose rate has slightly increased due to having more volunteers and the addition of social engineering fraud coverage, which is now part of the standard policy.

Second, she reported that per the Board's authorization at the last meeting, she signed a three-year extension for the office lease, which took effect on April 1.

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Third, she reported on discussions she and President Kraus have had with the San Mateo Union High School District Superintendent regarding the Foundation's interest in partnering with the School District and the City to secure and upgrade the soccer fields at the former Crestmoor High School site in San Bruno. Since the school district is having trouble finding an alternative location for Peninsula High School in the southern part of the school district, discussions of plans for the Crestmoor site including the soccer fields have been tabled.

Fourth, she reminded the Board that the Investment Committee would have its next quarterly meeting on Wednesday, May 17, at 4:30 p.m. at City Hall, Room 115. Finally, she reported that after an uptick in December attributable to community interest in the Community Grants announcement, the reach of the e-newsletter and website traffic returned to pre-December levels in January and February and has stayed the same for March and April.

### **6. Consent Calendar**

- a. Adopt Resolution Authorizing President Nancy Kraus to Execute a Contract with Novogradac & Company LLP for Audit and Tax Preparation Services for Fiscal Year 2016-2017 for an Amount Not to Exceed \$9,000
- b. Adopt Resolution Authorizing Executive Director Leslie Hatamiya to Execute an Amendment to the Consulting Agreement with Program Consultant Stephanie Rutgers Dated November 16, 2016
- c. Receive and Approve Treasurer's Report (February and March 2017 Financial Statements)

Secretary McGlothlin moved to accept the Consent Calendar as presented, seconded by Board Member Stanback Stroud, approved unanimously.

### **7. Conduct of Business**

- a. Receive Report from Ad Hoc Committee on Music Education Strategic Initiative and Adopt Resolution Approving Strategic Grants to the San Bruno Education Foundation and the Capuchino High School Alumni Association Totaling \$495,000 to Support Implementation of the Music Education Strategic Initiative

President Kraus recused herself from discussion of this agenda item due to her professional association with the San Bruno Park School District and her past volunteer affiliation with the Capuchino High School Alumni Association. Vice President Hedley presided over this agenda item.

Committee Chair Roberts began her report by acknowledging the collaboration between the Foundation, the San Bruno Education Foundation, the Capuchino High School Alumni Association, Capuchino High School, and the San Bruno Park School District. She also thanked Committee Member Bohm, Executive Director Hatamiya, and the members of the Music Education Strategic Initiative's working group, many of whom were in attendance. She

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explained that the Initiative touches on two of the Foundation's strategic priorities (education and community building) and that the Initiative has two goals: to make music a hallmark of San Bruno's public schools and to ensure that the Initiative is sustainable. Referring to the Initiative proposal in the Board meeting packet, she explained that at the elementary school level the Initiative would fund Music for Minors, a comprehensive, age-appropriate music program to be offered district-wide. At the middle and high school levels, she explained that the Initiative would support the high-quality but under-resourced music programs that the schools currently run. She also said that the proposal also includes funding to support the sustainability of the program, particularly the organizations' fundraising capacity.

San Bruno Education Foundation President Scott Curtner said that he was very excited about this opportunity for San Bruno's public schools.

San Bruno resident Maria Barr said that eight of her neighbors died for the City to get the money funding this project and asked that they be remembered in this effort.

Capuchino High School Music Boosters President Suzanne Correa recognized the two Parkside Intermediate School music teachers and reported that Capuchino recently hosted a large group music festival, at which the Capuchino orchestra and band scored very highly. She said the music programs at the schools have transformed the lives of many children and invited people to attend the Capuchino concert the following evening.

Parkside Music Boosters President Frank Wierzbicki said he was also very excited about this project.

San Bruno Park School District Superintendent Cheryl Olson said she was thrilled about the Initiative and the seamless transition of curriculum it presents. She said that music education is difficult for the school district to fund without this kind of support. She said the Initiative would invigorate pride in San Bruno's public schools and commended the Foundation for being careful to create programs that are lasting and beneficial.

Capuchino High School Alumni Association Vice President Judy Puccini thanked Chair Roberts, Committee Member Bohm, and Executive Director Hatamiya for their hours of hard work to address the needs of the San Bruno Park School District and Capuchino High School.

Speaking on behalf of himself and Parkside Music Teachers Ciana Whitfield and Elyse Mahfouz, Capuchino Music Director thanked the Foundation, commended the community spirit from which the Initiative developed, and provided some highlights of the Capuchino music program's accomplishments.

Board Member Stanback Stroud commended the collaboration behind the Initiative and expressed pride in the proposal that has been presented.

Committee Member Bohm commended Executive Director Hatamiya and said it was a joy to work on the Initiative.

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Secretary McGlothlin said this is an opportunity to make something positive out of a terrible situation and that he was very pleased with the work of his colleagues.

Vice President Hedley said that music is a common language and that the collaboration behind the Initiative creates a strong legacy.

Community member Lonnie Sopko complimented the proposal, saying that music draws the community together.

Board Member Stanback Stroud moved to approve the resolution approving strategic grants to the San Bruno Education Foundation and the Capuchino High School Alumni Association totaling \$495,000 to support implementation of the Music Education Strategic Initiative, seconded by Secretary McGlothlin, approved 6-0 by a roll call vote; President Kraus recused.

The Board took a brief break, allowing President Kraus to return to the meeting.

- b. Receive Report from Ad Hoc Committee on Program Strategy Development Regarding Strategic Initiatives in Partnership with the City of San Bruno

Committee Chair Kraus gave updates on the Foundation's strategic projects with the City of San Bruno. Regarding the Community Facilities Vision Plan, she reported that the Foundation executed a grant agreement with the City for up to \$194,500, but total expenses are likely to be no more than \$182,000, which means that combined with the pre-planning grant, the total amount provided to the City for this project will be about \$207,000. As a result, this project will likely come at least \$93,000 under budget, and the Board could choose to use the balance of funds for other strategic initiatives.

She reported that Community Day, which the Foundation is supporting with a \$30,000, is scheduled for Sunday, June 4, at San Bruno City Park immediately following the Lions Club's Posy Parade. The City sent out a postcard advertising the event to every address in San Bruno in mid-April and is distributing a flyer around town. She reported that the Lions Club has a flyer as well and that the San Bruno Park School District announced the event in its Report to the Community. She encouraged Board members to spread the word about Community Day to their networks and to attend the event on June 4.

Moreover, she reported that the Committee is working with the City on pedestrian safety efforts to identify locations for flashing beacons near two school sites and in the downtown area. She said that the Traffic Safety and Parking Committee (TSPC) was meeting at the same time as the Board, considering the City's proposal for the flashing beacons at locations near Portola Elementary and Parkside Intermediate schools. She reported that she wrote a letter to the TSPC encouraging their support of the Foundation's initiative, as did San Bruno Park School District Superintendent Cheryl Olson. She said that the Committee has discussed the possibility of recommending to the Board that some or all of the unused funds from the Community Facilities Vision Plan be redirected to the pedestrian safety project to maximize the number of flashing beacons installed. The Committee has also been reaching out to potential corporate partners that may be interested in supporting the safety improvements.

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Regarding the recreation center/pool project with the City, she reported that she and the Executive Director have discussed with the City Manager and City Attorney a framework for the grant agreement, which would include a new joint City Council-Foundation Board ad hoc committee that would regularly meet throughout the design and construction of the facility. She said that such a committee would enable the Foundation to have an ongoing mechanism for providing input on the project and addressing issues as they arise. She said the grant agreement would be based on a project proposal to be prepared by the City that includes, among other topics, a description of the facility, the City's goals for the facility in a project plan that describes and offers a timeline of the three primary stages of the project (conceptual design development, design and development of construction drawings, and construction), the role of the Parks and Recreation Commission and other City boards and commissions in the project, the likely method of delivery, an overview of process for selecting architect(s) and contractor(s), and the City's preferred payment timeline based on cash-flow needs.

She said that the City Manager agreed in concept with this framework for developing the grant agreement and that next step is for the City to prepare the requested project proposal. She expressed her understanding that the City is developing a request for proposals for architectural firms to conduct the conceptual design stage of the project.

### c. Receive Report on Crestmoor Neighborhood Memorial Scholarship

Executive Director Hatamiya and Program Consultant Stephanie Rutgers reported that eight impressive students have been selected as the 2017 Crestmoor Scholars. Ms. Hatamiya thanked Ms. Rutgers for her administration of the program, which allowed Ms. Hatamiya to focus on the strategic grants such as the music education initiative and the recreation center/pool project.

Ms. Rutgers reported that by the March 15 application deadline, the Foundation received 57 applications, which she reviewed for eligibility and completeness. She reported that a Selection Panel reviewed and rated the complete applications and met in person to select the eight recipients of scholarships totaling \$120,000 from a competitive applicant pool. The 2017 Crestmoor Scholars will be publicly recognized at the Board's June 7 meeting, which will be preceded by a reception in honor of the scholarship recipients.

Ms. Hatamiya reported that although there were three categories of scholarships, the selection panel ultimately made awards in only two of them. There were only two completed applications in the high school to community college category, and the panel decided that a fourth community college transfer applicant merited the final \$10,000 in funding. She reported that staff put considerable effort into soliciting more applications for this category and will continue to work with the high schools to attract more applications from this cohort.

San Bruno resident Judy Puccini suggested that staff work with Capuchino High School's Hispanic parent liaison in its outreach efforts next year. San Bruno resident Carolyn Livengood said the Jobs for Youth program has also faced challenges attracting applicants and received more applications this year after increasing the award amount.



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Board Member Stanback Stroud expressed a desire in working on outreach to potential high school applicants headed to community college. She mentioned the Skyline Promise program at Skyline College and that outreach for both programs could be combined. She also suggested looking at the timing of the Crestmoor Scholarship, as it could be too early for community college-bound students.

d. Receive Report on Community Grants Fund

Executive Director Hatamiya gave an update on two Community Grants that were awarded to the San Bruno Education Foundation. One grant of \$14,000 was to support music programs at Parkside Intermediate School (creation of specialty performance ensembles and instrument inventory), but space constraints prevented the grant from being used for either purpose, so SBEF asked, and the Foundation approved, a modification of the grant purposes so that \$10,430 will be used for SBEF's summer music program for 4th-8th graders, with the balance for performance venue enhancements, such as stage curtains and/or acoustic baffles, at Parkside. She also reported that SBEF let Foundation staff know that the program cost for the other grant (\$11,000 to offer the Music for Minors program to second and third graders at three elementary schools) came in under-budget by \$1,650. She reported that the Foundation and SBEF agreed that the balance would be used as a deposit for Music for Minors for next school year.

For the 2017 Community Grants Fund program, Ms. Hatamiya announced that Program Consultant Rutgers will take over day-to-day administration and that the program will follow the same timeline as last year. She also reminded the Board that it previously approved a \$200,000 program disbursement budget for the program in 2017-2018.

**8. Public Comment:** None.

President Kraus reminded the Board and public that the June 7 Board meeting would include a reception for the 2017 Crestmoor Scholarship winners at 6:30 p.m.

**9. Adjourn:** Vice President Hedley moved to adjourn the meeting at 8:09 p.m., seconded by Secretary McGlothlin, approved unanimously.

Respectfully submitted for approval at the Regular Board Meeting of June 7, 2017, by Secretary John McGlothlin and President Nancy Kraus.

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John McGlothlin, Secretary

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Nancy Kraus, President

# SAN BRUNO

Community Foundation

## Memorandum

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**DATE:** June 2, 2017

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

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Executive Director's Report

Since the May 3, 2017, Board meeting, I have continued to focus on supporting the committees charged with partnering with the City on strategic projects, developing a strategic initiative to bolster music education in San Bruno's public schools, and overseeing the investment management function, as well as on administering the Crestmoor Neighborhood Memorial Scholarship Program and preparing for the second cycle of the Community Grants Fund – all topics that will be covered during the business segment of the May 3, 2017, regular Board meeting.

In addition, I have handled a variety of other matters, including the following:

### **1. Insurance Policy Renewals**

As previewed at the May Board meeting, I bound coverage on a renewal of the Foundation's crime insurance policy with Travelers Casualty and Surety Company of America, with an annual premium of \$3,404. The policy renewal took effect on May 27, 2017.

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

The reach of our e-newsletter saw a slight uptick in May, with the announcements of the Music Education Strategic Initiative and the 2017 Crestmoor Scholars. For the e-newsletter that was sent on May 10, which featured the news of the Music Education Strategic Initiative and a summary of the May Board meeting, of the 564 emails sent, 46% of the recipients opened the email, and the e-newsletter was viewed, either in email or as posted on the web, 769 times. For the e-newsletter that was sent on May 17 announcing the 2017 recipients of the Crestmoor Scholarship, of the 57 emails sent, 47% of the recipients opened the email, and the email was viewed 1,100 times, with 150 clicks through to the press release and/or the Crestmoor Scholar's biographies.

According to Google Analytics, activity on the sbcf.org website spiked on May 17, when the Crestmoor Scholars were announced. In May, 271 users engaged in 365 sessions on the Foundation website, for a total of 716 page views. Not surprisingly, the most visited pages were the home page and the page with biographies of the 2017 Crestmoor Scholars.

# SAN BRUNO

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### Memorandum

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**DATE:** June 2, 2017

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

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Consent Calendar for the June 7, 2017, Regular Board Meeting

For the June 7, 2017, 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 Canceling the August 2, 2017, Regular Board Meeting**

As we move forward, President Kraus and I anticipate that the Board will need to meet less frequently. The Foundation has emerged from its “start-up” phase, adopting necessary policies and establishing two ongoing programs (Crestmoor Neighborhood Memorial Scholarship and Community Grants Fund), and especially now that it has launched several larger strategic initiatives, matters requiring Board action arise with less frequency.

The Foundation Board is scheduled to have a regular monthly meeting on August 2, 2017 (the first Wednesday of the month). I will be on vacation in early August and at this time do not anticipate the Foundation facing any pressing matters that would require Board attention or action. In consultation with the Board President, I recommend that the Board approve the resolution canceling the August Board meeting as part of the Consent Calendar. The Board is able to schedule a special meeting later in August if such a meeting is deemed necessary.

It is also possible that the Board will not need to meet, as scheduled, on July 5, 2017, but we will wait until closer to the meeting date to cancel the meeting, in case any issues needing Board attention develop.

#### **2. Receive and Approve Treasurer’s Report (April 2017 Financial Statements)**

The April 2017 financial statements consist of a Budget Report and Balance Sheet. The Budget Narratives provide a thorough explanation of the financial statements. The Budget Reports include the budget figures approved at the June 1, 2016, Board meeting.

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Community Foundation

## Memorandum

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I recommend that the Board approve the Treasurer's Report as part of the Consent Calendar.

Attachments:

1. Resolution Canceling the August 2, 2017, Regular Board Meeting
2. April 2017 Financial Statements

**RESOLUTION NO. 2017-\_\_**

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION  
CANCELING THE AUGUST 2, 2017, REGULAR BOARD MEETING**

**WHEREAS**, the August Regular Meeting of the San Bruno Community Foundation's Board of Directors is scheduled for August 2, 2017;

**WHEREAS**, no business items requiring Board action is anticipated for this meeting; and

**WHEREAS**, the Executive Director is unable to confirm attendance at this meeting.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors cancels the Regular Board Meeting of August 2, 2017.

Dated: June 7, 2017

ATTEST:

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John McGlothlin, Secretary

I, John McGlothlin, Secretary, do hereby certify that the foregoing Resolution No. 2017-\_\_ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this 7<sup>th</sup> day of June, 2017, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

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## Community Foundation

April 2017

### 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 Expected Amount) and e (Change in Budget), and also be explained. First ten months of the year equal 83% of the fiscal year.

### INCOME

**Line 1 Transfers from Quasi Endowment** – None planned for this fiscal year.

**Line 2 Transfers from Strategic Pool** – Entire budget amount, \$1,341,290 has been transferred to the Liquidity Pool to cover 2016-17 fiscal year expenses.

**Line 3 Interest Income** – \$8,006 is 200.2% of budget. High balance has been maintained in Liquidity Pool as more than half the amount allocated for the year remains in the account. Final Expected Amount has been increased by \$5,006 based on a projection of \$500 per month for the final two months. The monthly average has been \$800 for the first ten months.

**Line 4 Restricted Donations** - \$10,000 received; nothing budgeted. Additional \$5,000 expected. These donations are restricted to use in support of San Bruno Community Day and corresponding increases in Strategic Grants have also been accrued and projected.

### EXPENSES

**Line 6 Crestmoor Scholarships** – Final Expected Amount increased \$20,000 based on Board action in January.

**Line 7 Community Grants** – \$198,500 is 99.3% of budget. \$148,500 has been paid out for eleven grants and two other grants totaling \$50,000 have been accrued based on execution of grant agreements. Final grant for \$1,500 is pending signature.

**Line 8 Strategic Grants** - \$434,500 is 64.4% of budget and has been accrued for the Florida Avenue Park (\$200,000); Community Facilities Vision Plan (\$194,500); and 2017 Community Day (\$40,000). Final Expected Amount increased \$259,000 based on \$500,000 additional expense planned for final two months (\$495,000 for Music Education \$5,000 for Community Day based on restricted donation).

**Line 10 Salaries & Wages** – Expense is at 84.2% of budget. Final Expected Amount increased \$2,552 based on Board authorized adjustment effective February 1.

**Line 11 Payroll Taxes & Benefits** – \$26,469 is 105.8% of budget. Costs include retirement (\$16,118), Social Security/Medicare (\$7,770), accrued vacation (\$1,570), and workers' compensation insurance (\$835). Final Expected Amount increased \$5,806 based on increased projection for one time retirement contribution less reduced projection for vacation expense and workers' compensation insurance.

**Line 13 Occupancy** – Only cost is office lease (\$10,844). Amount is 81.4% of budget. Final Expected Amount reduced \$148 based on new lease effective April 1.

**Line 14 Insurance** – \$13,594 is 81.4% of budget and includes Directors & Officers (\$10,422), crime (\$2,360), and commercial liability (\$812) policies. Final Expected Amount decreased \$176 based on D&O and liability policies renewing March 21.

**Line 15 Telecommunications** – \$1,523 is 88.1% of budget and includes cellular (\$692), internet (\$540), and land line (\$291).

**Line 16 Postage & Shipping** – \$1,795 is 42.9% of budget. Most of the cost (\$1,349) incurred in August to distribute annual report to community. Final Expected Amount decreased \$2,310.

**Line 17 Marketing & Communications** - \$9,132 is 57.2% of budget. 75% of total is for graphic design and printing of annual report (\$6,865). Other costs include scholarship flyers and posters (\$972); grant and scholarship on-line application software (\$945); and email communications/public relations service (\$252). Final Expected Amount reduced \$5,528.

**Line 18 Office Supplies** – \$1,203 is 42.5% of budget. Largest costs are toner (\$460) and accounting software (\$288). Final Expected Amount reduced \$1,269.

**Line 19 Office Equipment & Furniture** – \$198 is 19.8% of budget. No additional expenses projected this fiscal year so that Final Expected Amount reduced \$802.

**Line 20 Legal Fees** – \$21,836 is 66.6% of budget and is for San Bruno City Attorney (\$12,926) and advice regarding Grants (\$5,640) and administrative issues (\$3,270). Final Expected Amount decreased \$4,445.

**Line 21 Auditor & Payroll Fees** – \$9,956 is 91% of budget. Auditor fees (\$8,500) have been paid in full and represent 85% of the total. Final Expected Amount decreased \$716.

**Line 22 Other Consultants** - \$41,111 is 67.3% of budget and includes Program support (\$14,505), Accounting consultant (\$14,191), and Technology (\$12,415). Final Expected Amount reduced \$7,467.

**Line 23 Travel, Meetings & Conferences** – \$2,486 is 34.5% of budget. 95% of the total has been for Board meetings. Final Expected Amount reduced \$3,714.

**Line 24 Miscellaneous** – \$1,399 equals 56% of budget. Organizational memberships (\$925) and Attorney General filing fee (\$300) represent most of the cost. Final Expected Amount reduced \$1,097.

## **SUMMARY**

Total expenses are at 68.5% of budget, which is well below 83% benchmark for the first ten months of the year. Excluding Grants & Scholarships, expenses are at 78% of budget. In dollar terms, these non-Direct Program costs are \$19,652 below budget for first ten months. Final expected expenses have been increased \$260,274 and final expected income is increased \$20,006. The expense increase is entirely explained by additional Strategic Grants of \$259,000. Non-Direct Program expenses are projected to be \$19,226 below budget (about 5.2%).

April investment gain or increase in market value was \$513,971 bringing year-to-date net investment gain to \$2,386,614. The April gain came from the Strategic Pool - \$387,322; and Quasi Endowment - \$126,649, resulting in year-to-date amounts of \$1,094,189 (Strategic) and \$1,292,425 (QE).

Total Net Assets, as of April 30, 2017 are \$71,680,325 with \$16,410,544 in Quasi Endowment and \$55,269,781 in general Unrestricted funds.

# SAN BRUNO

## Community Foundation

### April 2017 2016-2017 Budget Report

	(a)	(b)	(c)	(d)	(e)
	Actual Year to	Budget	Actual as %	Final	Change in
	Date		of Budget	Expected	Budget (d - b)
			(a/b)	Amount	
<b>INCOME &amp; TRANSFERS</b>					
1 Transfers from Quasi Endowment	\$ -	\$ -		\$ -	\$ -
2 Transfers from Strategic Pool	1,341,290	1,341,290	100.0%	1,341,290	-
3 Interest Income	8,006	4,000	200.2%	9,006	5,006
4 Restricted Donations	10,000	-		15,000	15,000
<b>5 Total Available for Operations</b>	<b>1,359,296</b>	<b>1,345,290</b>	<b>101.0%</b>	<b>1,365,296</b>	<b>20,006</b>
<b>EXPENSES</b>					
6 Crestmoor Scholarships	-	100,000	0.0%	120,000	20,000
7 Community Grants	198,500	200,000	99.3%	200,000	-
8 Strategic Grants	434,500	675,000	64.4%	934,500	259,500
<b>9 Subtotal Direct Program Expenses</b>	<b>633,000</b>	<b>975,000</b>	<b>64.9%</b>	<b>1,254,500</b>	<b>279,500</b>
10 Salaries & Wages	147,365	175,000	84.2%	177,552	2,552
11 Payroll Taxes & Benefits	26,469	25,022	105.8%	30,828	5,806
<b>12 Subtotal Personnel Expenses</b>	<b>173,834</b>	<b>200,022</b>	<b>86.9%</b>	<b>208,380</b>	<b>8,358</b>
13 Occupancy	10,844	13,314	81.4%	13,166	(148)
14 Insurance	13,594	16,698	81.4%	16,522	(176)
15 Telecommunications	1,523	1,728	88.1%	1,816	88
16 Postage & Shipping	1,795	4,187	42.9%	1,877	(2,310)
17 Marketing & Communications	9,132	15,978	57.2%	10,450	(5,528)
18 Office Supplies	1,203	2,832	42.5%	1,563	(1,269)
19 Office Equipment & Furniture	198	1,000	19.8%	198	(802)
20 Legal Fees	21,836	32,781	66.6%	28,336	(4,445)
21 Auditor & Payroll Fees	9,956	10,940	91.0%	10,224	(716)
22 Other Consultants	41,111	61,100	67.3%	53,633	(7,467)
23 Travel, Meetings & Conferences	2,486	7,210	34.5%	3,496	(3,714)
24 Miscellaneous	1,399	2,500	56.0%	1,403	(1,097)
<b>25 Subtotal Non-Personnel</b>	<b>115,077</b>	<b>170,268</b>	<b>67.6%</b>	<b>142,684</b>	<b>(27,584)</b>
<b>26 Total Expenses</b>	<b>921,911</b>	<b>1,345,290</b>	<b>68.5%</b>	<b>1,605,564</b>	<b>260,274</b>
<b>27 Net Surplus/(Loss)</b>	<b>\$ 437,385</b>	<b>\$ -</b>		<b>\$ (240,268)</b>	<b>\$ (240,268)</b>



# SAN BRUNO

## Community Foundation

### Statement of Financial Position as of April 30, 2017

#### ASSETS

Cash, Wells Fargo General	\$ 48,757.16	
Cash, Wells Fargo Payroll	34,884.90	
Cash, Wells Fargo Savings	133,060.32	
Cash, Fidelity Liquidity Pool	697,389.39	
<b>Total Cash</b>		914,091.77
Investments, Fidelity Strategic Pool	54,876,649.60	
Investments, Fidelity Quasi-Endowment	16,410,544.32	
Accrued Interest Receivable	53,600.38	
<b>Total Investments</b>		71,340,794.30
Prepaid Rent	1,161.00	
Prepaid Insurance	4,717.25	
<b>Total Other Current Assets</b>		5,878.25
Deposits	1,335.45	
<b>Total Other Assets</b>		1,335.45
<b>TOTAL ASSETS</b>		<b>\$ 72,262,099.77</b>

#### LIABILITIES & NET ASSETS

##### LIABILITIES

Accounts Payable	15,047.27	
Accrued Grants Payable	484,500.00	
Accrued Scholarships Payable	70,000.00	
Accrued Employee PTO	12,227.05	
<b>Total Liabilities</b>		581,774.32

##### NET ASSETS

Unrestricted, Non-QE 7/1/2016 Balance	55,079,496.41	
Year to Date Net Income from Operations	(903,904.34)	
Year to Date Strategic Investment Income	1,094,189.06	
<b>Total Non-QE Net Assets</b>		55,269,781.13
Quasi-Endowment 7/1/2016 Balance	15,118,119.77	
Year-to-date QE Investment Income	1,292,424.55	
<b>Total Quasi-Endowment Net Assets</b>		16,410,544.32
<b>Total Unrestricted Net Assets</b>		71,680,325.45
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>		<b>\$ 72,262,099.77</b>

# SAN BRUNO

Community Foundation

## Memorandum

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**DATE:** June 2, 2017

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

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Report from the Ad Hoc Committee on Program Strategy Development Regarding Strategic Initiatives in Partnership with the City of San Bruno

Since January 2016, the Ad Hoc Committee on Program Strategy Development has been working with a corresponding subcommittee of the San Bruno City Council (consisting of Mayor Jim Ruane and Councilmember Irene O'Connell) on four strategic grant opportunities in partnership with the City:

- Community Facilities Vision Plan (grant of up to \$300,000)
- Community Day (grants of \$30,000 each for both 2016 and 2017)
- New Park Development at 324 Florida Avenue (grant of up to \$200,000 for park design and construction)
- Pedestrian Safety Improvements (grant of up to \$170,000)

In addition, on March 1, 2017, the Board approved a resolution supporting the concept of a \$50 million strategic grant to the City for the design and construction of a new recreation center-swimming pool joint facility and directing the Executive Director to proceed with negotiating such a grant arrangement with the City.

At the June 7, 2017, Board meeting, President Nancy Kraus, as chair of the Ad Hoc Committee on Program Strategy Development (which also includes Vice President Frank Hedley and Board Member Regina Stanback Stroud), will provide the Board with an update on all five projects.

### 1. Community Day

The City's Community Day will take place on June 4, three days before the Board meeting, at San Bruno City Park. All four event sponsors were offered the opportunity to have a table at the event; only Skyline College ultimately decided to have a table. The City will have signs posted around the park at the event identifying and thanking the sponsors. The San Bruno Lions Club's annual Posy Parade will take place at 11:15 a.m. on June 4, and Community Day will take place in the park immediately following the parade until 5:00 p.m. Board members are encouraged to attend Community Day.

# SAN BRUNO

## Community Foundation

### Memorandum

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#### **2. Florida Avenue Park**

The City continues to make progress in its Florida Avenue Park project. Demolition of the existing structures on the site has been completed. Construction drawings are nearly complete, and the City will soon go out for bids on the construction contract. The City remains on track to complete the park by the end of 2017.

#### **3. Community Facilities Vision Plan**

In January 2016, the Board originally approved a grant of up to \$300,000 for the Community Facilities Vision Plan. We ended up executing the project in two parts: an initial pre-planning grant of \$25,000, which was paid in August 2016, and a second grant for the Community Facilities Vision Plan of \$194,500. Total costs for the Community Facilities Vision Plan came in under budget, so the grant payment made to the City this past month was for \$181,047.30. The total paid for the two grants was \$206,047.30, or \$93,952.70 less than the original budget target of \$300,000.

#### **4. Recreation Center/Pool Facility Project**

As mentioned at previous meetings, the City's recreation center/pool project will be implemented in three stages: conceptual design development, design and development of construction drawings, and construction. According to City Manager Connie Jackson, the City expects to have a draft of a request for proposals for the conceptual design work on the recreation center/pool project very soon, with the goal of issuing it in early June. We hope to receive a project proposal from the City over the summer; the proposal will form the basis for the grant agreement for the project.

In terms of the grant payment schedule for the project, it is likely that the City will agree to payment for each of the first two stages after the City has completed the stage and can tally its expenses. For the construction stage, the City will likely need the remaining grant funds up front to pay costs as they are incurred. For the 2017-2018 Foundation budget that the Board will consider on June 7, I have estimated cash needs of \$300,000 in the next fiscal year for the recreation center/pool project for the conceptual design phase. City Manager Jackson confirmed that that amount should be sufficient to cover the costs of the first stage of the project, which is likely to be the only payments to be paid in 2017-2018 on this grant.

#### **5. Pedestrian Safety Improvements**

The Committee has been working diligently with the City on a package of efforts to enhance pedestrian safety in San Bruno. As reported previously, the City has identified six sites for flashing beacons at unsignalized or mid-block crosswalks – three near schools (two near Parkside Intermediate School on Niles Avenue and one near Portola

# SAN BRUNO

## Community Foundation

### Memorandum

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Elementary School on Amador Avenue) and three on San Mateo Avenue in the downtown area. In January, the City's Traffic Safety and Parking Committee expressed its support for the San Mateo Avenue flashing beacon sites, and on May 3, TSPC also endorsed the school sites. The TSPC's materials for the two projects are attached as background information. The next step is obtaining City Council approval for the City to enter into contracts for the flashing beacon installations. Ideally, the school sites will be installed over the summer so that they are in place and functioning by the beginning of the new school year. The downtown sites will not be installed until later, after planned sewer or water system work is completed on San Mateo Avenue.

According to City staff, the project cost is estimated to be at least \$263,500: \$11,500 for two traffic consultant studies for the downtown area and \$252,000 for the six flashing beacon sites (\$42,000 per site times six sites).

In January 2016, the Board originally approved \$170,000 for pedestrian safety. As mentioned above, the Community Facilities Vision Plan came in \$93,952 under budget. The Committee is now recommending that the Board redirect that balance to the pedestrian safety project in the 2017-2018 budget, for a total of \$263,952, which is slightly more than the estimated total cost. This would ensure that the City is assured of the necessary funding to move forward with the project, particularly the flashing beacons at the school sites. The Committee and staff are in discussions with potential community partners who would provide funding for the project (*i.e.*, provide a restricted gift to the Foundation, which the Foundation would use to help fund the grant to the City). If earmarked donations are secured, they would offset the Foundation's contribution, freeing up those funds for other projects.

I recommend that the Board pass the attached resolution increasing the allocation for the pedestrian safety improvements to \$263,952.

#### Attachments:

1. Traffic Safety and Parking Committee Staff Memo Re: San Mateo Avenue Improvements, January 2017
2. Traffic Safety and Parking Committee Staff Memo Re: Flashing Beacon Installations Near Schools – May 2017
3. Resolution Increasing Grant Funding Allocation to Pedestrian Safety Improvement Efforts to \$263,952



## Staff Report to Traffic Safety and Parking Committee

**DATE:** January 4, 2017  
**TO:** Traffic Safety and Parking Committee  
**FROM:** David Wong, Associate Civil Engineer  
**SUBJECT:** Item 5A – Pedestrian Safety Enhancements for San Mateo Avenue

### **BACKGROUND:**

The City was requested by the San Bruno Community Foundation to identify potential locations along the downtown San Mateo Avenue corridor that could benefit from the installation of pedestrian safety enhancements. San Mateo Avenue is a pedestrian-oriented street that serves as the City's historic downtown district and is designated by the General Plan as the central business district. Within the study area, San Mateo Avenue is fronted by small retail buildings serving the needs of local residents. These include grocery, baked goods, clothing, video stores, and many restaurants.

To address this request, this matter is being brought to the Traffic Safety and Parking Committee (TSPC) for consideration. Public notifications were mailed to property owners within the affected area. In preparation of the public discussion, staff conducted a field review and procured the services of a traffic consultant firm to evaluate the downtown San Mateo Avenue corridor for potential improvements.

### **DISCUSSION:**

#### Existing Conditions

San Mateo Avenue within the study vicinity is a 44-foot wide roadway with 2-lanes of travel, a speed limit of 25 MPH and parking on both sides of the road. The roadway functions as a major collector carrying both pedestrian and vehicular traffic within the City's historic downtown district. No bicycle accommodations are provided on the corridor. A field review of existing conditions showed many locations where pedestrian safety is already enhanced through a variety of safety features. Within the study corridor, San Mateo Avenue between San Bruno Avenue and El Camino Real, there are eight intersections and 4 midblock crossings. These locations and their control types are listed below and as shown in Attachment 1.

1. San Bruno Avenue / San Mateo Avenue (Signal)
2. Huntington Avenue / San Mateo Avenue (Signal)
3. Kains Avenue / San Mateo Avenue (All Way Stop Control)
4. Midblock crossing between Kains Avenue and Angus Avenue (Yield)
5. Angus Avenue / San Mateo Avenue (All Way Stop Control)

6. Midblock crossing between Angus Avenue and Sylvan Avenue (Yield)
7. Sylvan Avenue / San Mateo Avenue (All Way Stop Control)
8. Jenevein Avenue / San Mateo Avenue (One Way Stop Control)
9. Cypress Court / San Mateo Avenue (Yield)
10. North midblock crossing between Cypress Court and El Camino Real (Yield)
11. South midblock crossing between Cypress Court and El Camino Real (Yield)
12. El Camino Real / San Mateo Avenue (One Way Stop Control)

The signalized intersections provide all required pedestrian accommodations with ADA compliance at all curb ramps, countdown pedestrian signal heads, adequate crossing times, and well defined crossing facilities. Of the 45 curb ramps in the study vicinity, 11 are ADA compliant (less than 25 percent). Of the 29 total crosswalks in the study vicinity, 17 are marked as hi-visibility (nearly 60 percent). Within the corridor, 18 crosswalks facilitate east-west movement across San Mateo Avenue. Of these east-west crossings, the eight crosswalks are neither signalized or all way stop controlled and are equipped with the following:

- Location 4, Midblock crossing between Kains Ave and Angus Ave
  - W11-2 Pedestrian Crossing Warning Sign
  - No supplemental W16-7P diagonal downward arrow sign
- Location 6, Midblock crossing between Angus Ave and Sylvan Ave
  - W11-2 Pedestrian Crossing Warning Sign
  - No supplemental W16-7P diagonal downward arrow sign
  - Yield to Pedestrian Paddle
- Location 8, North crossing at Jenevein Ave / San Mateo Ave
  - W11-2 Pedestrian Crossing Warning Sign
  - No supplemental W16-7P diagonal downward arrow sign
- Location 8, South crossing at Jenevein Ave / San Mateo Ave
  - W11-2 Pedestrian Crossing Warning Sign
  - No supplemental W16-7P diagonal downward arrow sign
  - Yield to Pedestrian Paddle
- Location 9, Crossing at Cypress Ct / San Mateo Ave
  - W11-2 Pedestrian Crossing Warning Sign
  - No supplemental W16-7P diagonal downward arrow sign
  - Yield to Pedestrian Paddle
- Location 10, North midblock crossing between Cypress Ct and El Camino Real
  - W11-2 Pedestrian Crossing Warning Sign
  - No supplemental W16-7P diagonal downward arrow sign
  - Yield to Pedestrian Paddle
- Location 11, South midblock crossing between Cypress Ct and El Camino Real
  - W11-2 Pedestrian Crossing Warning Sign
  - No supplemental W16-7P diagonal downward arrow sign
  - Yield to Pedestrian Paddle
- Location 12, El Camino Real / San Mateo Ave
  - W11-2 Pedestrian Crossing Warning Sign
  - Supplemental W16-7P diagonal downward arrow sign

### Collision History Analysis

Collision history was collected for the five-year period from January 2011 to December 2015 for bicycles, pedestrians, and total collisions using the Statewide Integrated Traffic Records System (SWITRS). In the past five years four collisions were reported along the study corridor, two involved bicycles and two involved pedestrians. These collisions represent less than one percent of all recorded collisions within San Bruno (1,638). The two bicycle collisions were due to bicyclists riding on the wrong side of the road. The two recorded pedestrian collisions occurred at the intersection of Angus Avenue / San Mateo Avenue and were at the fault of the driver. The intersection of Angus Avenue / San Mateo Avenue has all way stop control, four hi-visibility ladder style crosswalks, and adequate sight distance on all approaches. Both were recorded between 8 PM and 9 PM when street lighting would be active.

### Rectangular Rapid Flashing Beacon Evaluation

A Rectangular Rapid Flashing Beacon (RRFB) consists of two rapidly and alternately flashing rectangular yellow indications having LED-array based pulsing light sources. The installation of RRFB treatments were considered at locations consistent with CAMUTCD guidance. RRFB treatments may only be applied at uncontrolled pedestrian crossing locations and are potentially applicable to six locations within the study corridor as follows:

- Location 4, Midblock crossing between Kains Ave and Angus Ave
- Location 6, Midblock crossing between Angus Ave and Sylvan Ave
- Location 8, Crossing at Jenevein Ave / San Mateo Ave
- Location 9, Crossing at Cypress Ct / San Mateo Ave
- Location 10, North midblock crossing between Cypress Ct and El Camino Real
- Location 11, South midblock crossing between Cypress Ct and El Camino Real

RRFB treatments are the most effective when spaced along a corridor, helping to consolidate pedestrian crossings to the busiest locations and minimizing vehicular delay. As such, RRFB installation is not recommended at each of the above locations and data collection consisting of pedestrian and bicycle counts were collected to aid in determining recommended locations for RRFB installation. As shown in Attachment 2, pedestrian activity through the corridor is prominent, but three locations experience significantly higher volumes than the others:

- Location 6, Midblock crossing between Angus Ave and Sylvan Ave
  - 114 east-west crossings over three peak hours
- Location 8, Crossing at Jenevein Ave / San Mateo Ave
  - 141 east-west crossings over three peak hours
- Location 11, South midblock crossing between Cypress Ct and El Camino Real
  - 70 east-west crossings over three peak hours

The remaining locations did not experience more than 43 pedestrians crossing San Mateo Avenue over three peak hours. Installation of RRFB treatments at the three busiest locations and removal of two east-west crosswalks would enhance pedestrian safety by consolidating pedestrian activity to fewer locations on San Mateo Avenue. Installation of a

RRFB at the north crosswalk and removing the south crosswalk of the Jenevein Avenue / San Mateo Avenue intersection would result in larger groups of pedestrians crossing together at one location, rather than two closely spaced locations, resulting in less delay to vehicles and a safer pedestrian environment. Installation of a RRFB at the southern midblock crossing between Cypress Court and El Camino Real and removing the northern midblock crossing between the same limits would consolidate pedestrians to either Cypress Court and San Mateo Avenue or the new RRFB enhanced midblock crossing.

The recommendation to remove crosswalks are based on the existing short crosswalk spacing. The existing east-west crosswalk spacing on San Mateo Avenue between Jenevein Avenue and El Camino Real are approximately 130 feet. Removal of the southern crosswalk at Jenevein Avenue / San Mateo Avenue and the northern midblock crosswalk between Cypress Court and El Camino Real would produce crosswalk spacing between 250 feet to 300 feet. Larger spacing improves safety as it reduces the number of pedestrian-conflict zones, enhances pedestrian visibility and could also decrease vehicular delay.

#### Other Potential Pedestrian Enhancements

During the field review it was observed that crosswalk striping is deteriorated and could benefit from restriping at locations south of Huntington Avenue. When pavement and striping deteriorates, the pedestrian space blends in with the vehicle space. Restriping the crosswalks within the corridor as hi-visibility crosswalks would promote pedestrian safety by increasing driver awareness to the presence of those crossing the street. It was also observed that some bicyclists ride on the sidewalks. The San Mateo Avenue corridor could benefit from the installation of sharrow pavement markings and associated bike route signage. Shared lane treatments are most effective on low speed roadways and aid in creating a complete street.

Based on collision history and as the two recorded pedestrian collisions occurred when street lighting was active, the corridor could benefit by identifying if adequate street lighting has been provided. While there has been no recorded collisions in the past five years at the crossing located at El Camino Real and San Mateo Avenue, this intersection could also benefit from pedestrian enhancements (See Attachment 3). The southbound crossing from the western sidewalk to the center island is a safe pedestrian crossing as it is stopped controlled with adequate sight distance and low vehicle speeds. However, there is no stop control for the crossing in the northbound direction from the center island to the eastern sidewalk and the island contains a signal pole, marquee board, and landscaping that may impair the line of sight for vehicles and pedestrians waiting to cross. The installation of yield teeth pavement markings set before the crosswalk could alert drivers of where they must stop when a pedestrian is present and the installation of hi-visibility striping would make the crossing and pedestrians in the crossing more visible to drivers. Currently, pedestrians traveling from the center island to the eastern sidewalk are able to cross diagonally and walk in the vehicular travel lane along the curb before stepping onto the sidewalk. The usage of vehicular designated spaces by pedestrians is unsafe and could be prevented through the installation of a physical barrier on the eastern sidewalk to direct pedestrian traffic through the crosswalk and onto the sidewalk.



The majority of the crossings that have installed W11-2 Pedestrian Crossing Warning Signs are missing the supplemental W16-7P diagonal downward arrow sign. These crossings would benefit from the installation of these supplemental signs and are required by the CAMUTCD. It was further observed that the 34 curb ramps that are not currently ADA compliant could be upgraded to the latest ADA standards.

**STAFF RECOMMENDATION:**

Staff suggests the TSPC review the pedestrian safety enhancement study to recommend potential improvements to be implemented on the San Mateo Avenue corridor. The TSPC could consider the following improvements for implementation:

- Upgrade all curb ramps to meet ADA standards
- Install sharrow pavement markings and bike route signage
- Restripe all crosswalks south of Huntington Avenue as hi-visibility crosswalks
- Install Rectangular Rapid Flashing Beacons at the following locations:
  - Location 6, Midblock crossing between Angus Ave and Sylvan Ave
    - Remove Yield to Pedestrian Paddle
  - Location 8, North crosswalk at Jenevein Ave / San Mateo Ave
  - Location 11, South midblock crossing between Cypress Ct and El Camino RI
    - Remove north midblock crossing between Cypress Ct / El Camino RI
    - Remove Yield to Pedestrian Paddle
- Install supplemental downward diagonal arrow signs at locations with Pedestrian Crossing Signs
- Enhance crossing at El Camino RI / San Mateo Ave
  - Install yield teeth pavement markings in both directions
  - Install hi-visibility crosswalk markings at both crossings
  - Install physical barriers near the crosswalks

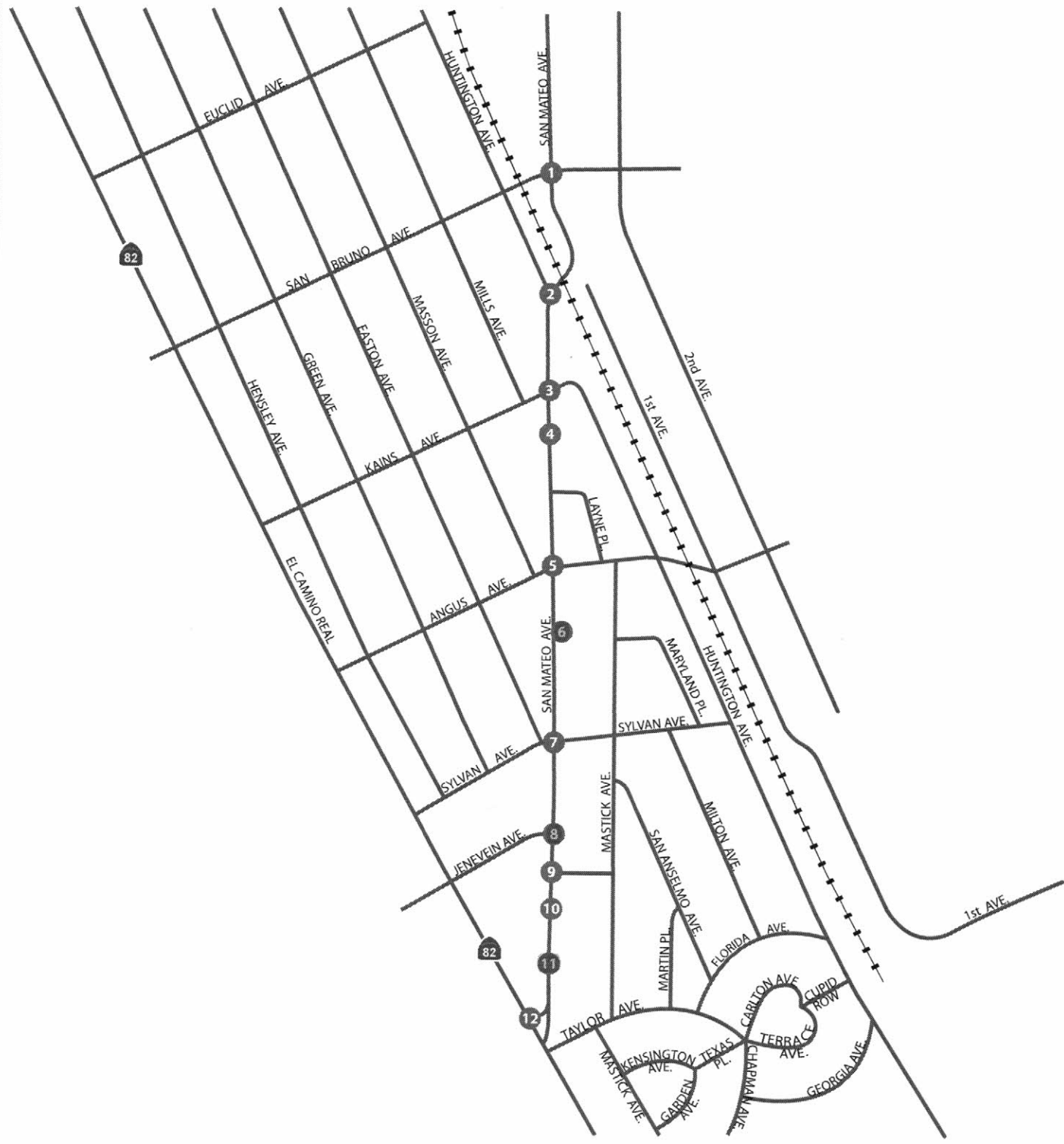
**DATE PREPARED:**

December 30, 2016

**ATTACHMENTS:**

1. Intersection Location Map
2. Pedestrian Traffic Volumes
3. Photo of El Camino Real / San Mateo Avenue Intersection
4. Draft Technical Study (TJKM)

# Vicinity Map



**LEGEND**

(X) Study Intersection



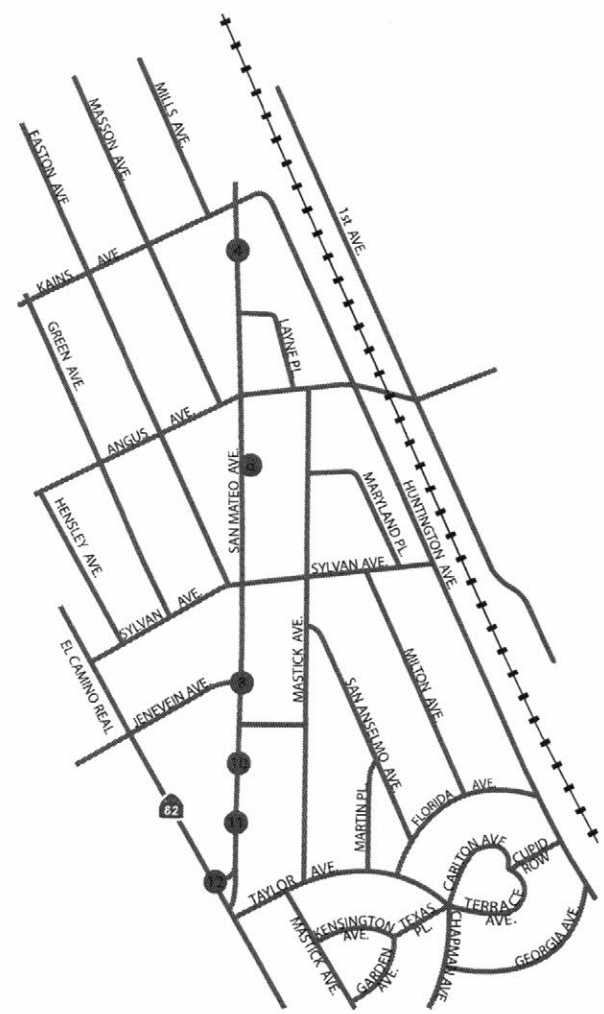
071-018-T4

ATTACHMENT □ - INTERSECTION LOCATION MAP

Figure 1

# Existing Bicycle and Pedestrian Traffic Volumes

<p><b>Intersection #4</b> Mid-block Crossing between Kains Ave. and Angus Ave.</p>	<p><b>Intersection #6</b> Mid-block Crossing between Angus Ave. and Sylvan Ave.</p>
<p><b>Intersection #8</b> Jenevein Ave./ San Mateo Ave.</p>	<p><b>Intersection #10</b> Mid-block Crossing (North) between Cypress Ct. and El Camino Real</p>
<p><b>Intersection #11</b> Mid-block Crossing (South) between Cypress Ct. and El Camino Real</p>	<p><b>Intersection #12</b> El Camino Real/ San Mateo Ave.</p>



**LEGEND**

- Study Intersection
- 🚶 Pedestrian Crossing and Direction
- 🚲 Bicycle Movement
- XX AM Peak Hour Volumes
- [XX] Midday Peak Hour Volumes
- (XX) PM Peak Hour Volumes





**ATTACHMENT 3  
EI CAMINO REAL / SAN MATEO AVE INTERSECTION**



**Staff Report to  
Traffic Safety and Parking Committee**

---

**DATE:** May 3, 2017

**TO:** Traffic Safety and Parking Committee

**FROM:** David Wong, Associate Civil Engineer

**SUBJECT:** Item 5A – Reconsideration of Rectangular Rapid Flashing Beacon Installations adjacent to Parkside Intermediate School and Portola Elementary School

**BACKGROUND:**

On February 1, 2017, staff brought the item to the Traffic Safety and Parking Committee (TSPC) to review and consider the installation of Rectangular Rapid Flashing Beacons (RRFB) adjacent to Parkside Intermediate School and Portola Elementary by the San Bruno Community Foundation (SBCF). A RRFB consists of a rapidly flashing pulsing light source mounted on a steel post near uncontrolled pedestrian crossings and is activated via a pedestrian push button (See Attachment 1). The main pedestrian routes taken by children attending Portola Elementary and Parkside Intermediate School require children to walk across uncontrolled crossings. Installation of RRFBs at these locations would enhanced the safety of children utilizing these crossings by increasing motorist awareness of potential pedestrian conflicts.

The general consensus from the TSPC was that while RRFBs are an effective pedestrian safety measure, RRFBs should be reserved for locations with either significant pedestrian volumes or a history of pedestrian/vehicular accidents due to the cost to furnish and install these units. Due to pedestrian counts not being available in time for the previous meeting, no recommendation was made by the TSPC regarding the installation of flashing beacons at Parkside Intermediate and Portola Elementary. Pedestrian volume counts have since been completed and with this additional information the SBCF is requesting that the TSPC approve and provide input regarding the installation of RRFBs at these two schools. The SBCF has indicated that, pending approval by the TSPC and City Council, these RRFBs would be installed immediately in order to enhance the safety of pedestrians walking to and from school and home. RRFBs at these locations are estimated to cost approximately \$15,000 per pedestrian crossing and the SBCF has indicated these units would be installed at no cost to the City.

To address this request by the SBCF, this matter is being brought to the Traffic Safety and Parking Committee for consideration. Public notifications were mailed to property owners and school officials within the affected area. The engineering design has been completed and these plans are being presented to the Traffic Safety and Parking Committee on April 5, 2017 to obtain approval.

## DISCUSSION:

### Parkside Intermediate School

Niles Avenue is a 43-foot wide residential roadway with 2-lanes of travel, a speed limit of 25 MPH and parking on both sides of the road. This roadway is the only access road to Parkside Intermediate School and experiences heavy vehicular traffic during school drop off and pick up hours. The two uncontrolled crossings providing direct connection to the school are located at the intersections of Niles Avenue / Cedar Avenue and Niles Avenue / Redwood Avenue. These crossings have been enhanced as high visibility ladder crosswalks with yield to pedestrian paddles, school crossing signs and pavement markings "SLOW SCHOOL XING" in advance of the crossings to increase motorist awareness of pedestrians crossing at these uncontrolled locations.

Pedestrian volume counts were conducted on Tuesday, March 7<sup>th</sup> between the morning hours of 7:30 AM to 8:30 AM and the afternoon hours of 2:30 PM to 3:30 PM. These times were considered to be the two peak hours and coincided with the school's morning arrival and afternoon dismissal. The Niles Avenue crosswalk at Cedar Avenue received 232 pedestrian crossings of which 16 were adults and 216 were minors heading to and from school. The Niles Avenue crosswalk at Redwood Avenue received 31 pedestrian crossings of which 4 were adults and 27 were children heading to and from school. It was observed that some of the minors at these uncontrolled crossings were preoccupied with mobile devices and not actively watching for vehicular traffic. Installation of a RRFB at this location would serve as an additional reminder to motorists to yield to pedestrians crossing at these uncontrolled locations.

### Portola Elementary School

Amador Avenue is a 40-foot wide residential roadway with 2-lanes of travel, a speed limit of 25 MPH and parking on both sides of the road. This roadway is the only access road to Portola Elementary School and experiences heavy vehicular traffic during school drop off and pick up hours. The crosswalk providing the most direct connection to the school and frequently crossed by students is the uncontrolled midblock crossing located immediately west of the driveway entrance to the school parking lot. To increase the visibility of pedestrians within this uncontrolled midblock crossing, the crossing has been enhanced as a high visibility ladder crosswalk with yield to pedestrian paddles, school crossing signs and pavement markings "SLOW SCHOOL XING" in advance of the crosswalk.

Pedestrian volume counts were conducted on Wednesday, March 8<sup>th</sup> between the morning hours of 7:30 AM to 8:30 AM and the afternoon hours of 2:00 PM to 3:00 PM. These times were considered to be the two peak hours and coincided with the school's morning arrival and afternoon dismissal. The Amador Avenue midblock crosswalk near Lake Drive received 120 pedestrian crossings of which 60 were adults and 60 were minors heading to and from school. While the majority of minors were accompanied by adults, it was observed that some minors without adult supervision crossed without looking for vehicular traffic cresting the hill from the westbound direction. Installation of a RRFB at this location would provide advance warning to motorists to watch for any pedestrians that may be crossing on the other side of the hill.

### Rectangular Rapid Flashing Beacon Evaluation

The installation of a RRFB at these locations were evaluated consistent with the CAMUTCD guidance. RRFB evaluation is based on the following allowable uses:

1. *An RRFB shall only be installed to function as a warning beacon.*

An RRFB installed at the uncontrolled crossings adjacent to Portola Elementary and Parkside Intermediate would function as a warning beacon. Therefore this criterion is met.

2. *An RRFB shall only be used to supplement a W11-2 (Pedestrian) or S1-1 (School) crossing warning sign with a diagonal downward arrow (W16-7p) plaque, located at or immediately adjacent to a marked crosswalk.*

The installation of an RRFB would include signage consistent with CAMUTCD guidance. Therefore this criterion is met.

3. *An RRFB shall not be used for crosswalks across approaches controlled by YIELD signs, Stop signs, or traffic control signals. This prohibition is not applicable to a crosswalk across the approach to and/or egress from a roundabout.*

The locations considered for RRFB installation are not controlled by either YIELD, STOP or a traffic control signal. Therefore this criterion is met.

4. *In the event sight distance approaching the crosswalk at which RRFBs are used is less than deemed necessary by the engineer, an additional RRFB may be installed on that approach in advance of the crosswalk, as a Warning Beacon to supplement a W11-2 (Pedestrian) or S1-1 (School) crossing warning sign with an AHEAD: (W16-9p) plaque. This additional RRFB shall be supplemental to and not a replacement for RRFBs at the crosswalk itself.*

This criterion is not applicable.

Collision history was collected for the five-year period from January 2011 to December 2015 for bicycles, pedestrians, and total collisions using the Statewide Integrated Traffic Records System (SWITRS). In the past five years there have been no collisions reported at either the midblock crossing on Amador Avenue, the intersection of Niles Avenue / Cedar Avenue or the intersection of Niles Avenue / Redwood Avenue. Due to the heavy vehicular and pedestrian traffic during school pick-up and drop-off hours, the installation of rectangular rapid flashing beacons at the proposed locations would increase motorist awareness of potential pedestrian conflicts and result in increased driver yielding behavior for pedestrians crossing at these uncontrolled school crosswalks.

**STAFF RECOMMENDATION:**

Staff is requesting that the TSPC approve the installation of the RRFBs by the SBCF to enhance pedestrian safety due to heavy pedestrian and vehicular traffic during school pick-up and drop-off hours.

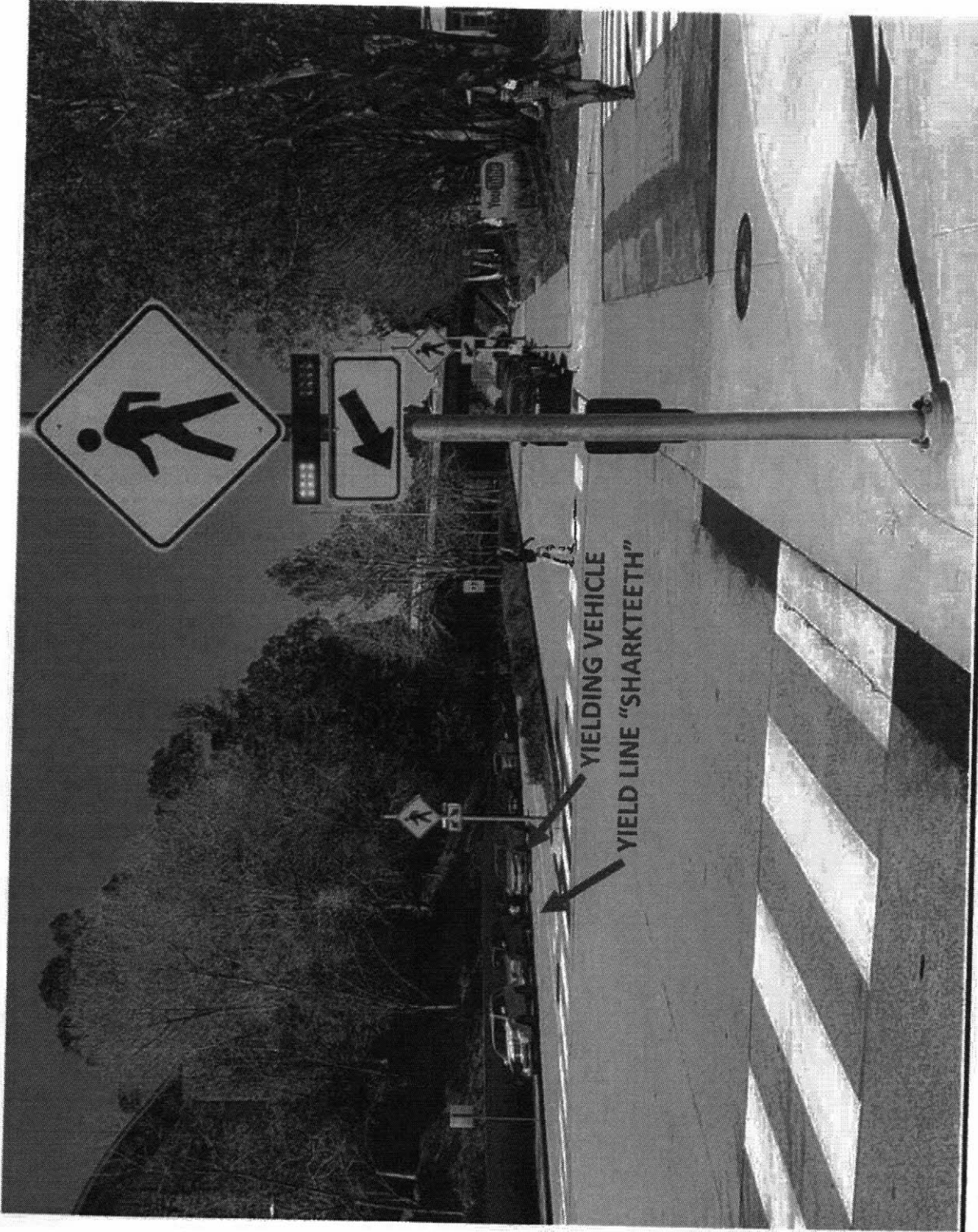
**DATE PREPARED:**

April 24, 2017

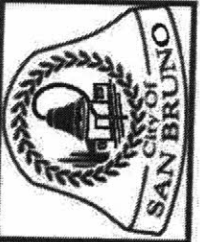
**ATTACHMENTS:**

1. Rapid Rectangular Flashing Beacon
2. Vicinity Map (Niles Intermediate)
3. Vicinity Map (Portola Elementary)
4. Photo – Niles Avenue
5. Photo – Amador Avenue
6. Proposed Improvements (Niles Intermediate)
7. Proposed Improvements (Portola Elementary)

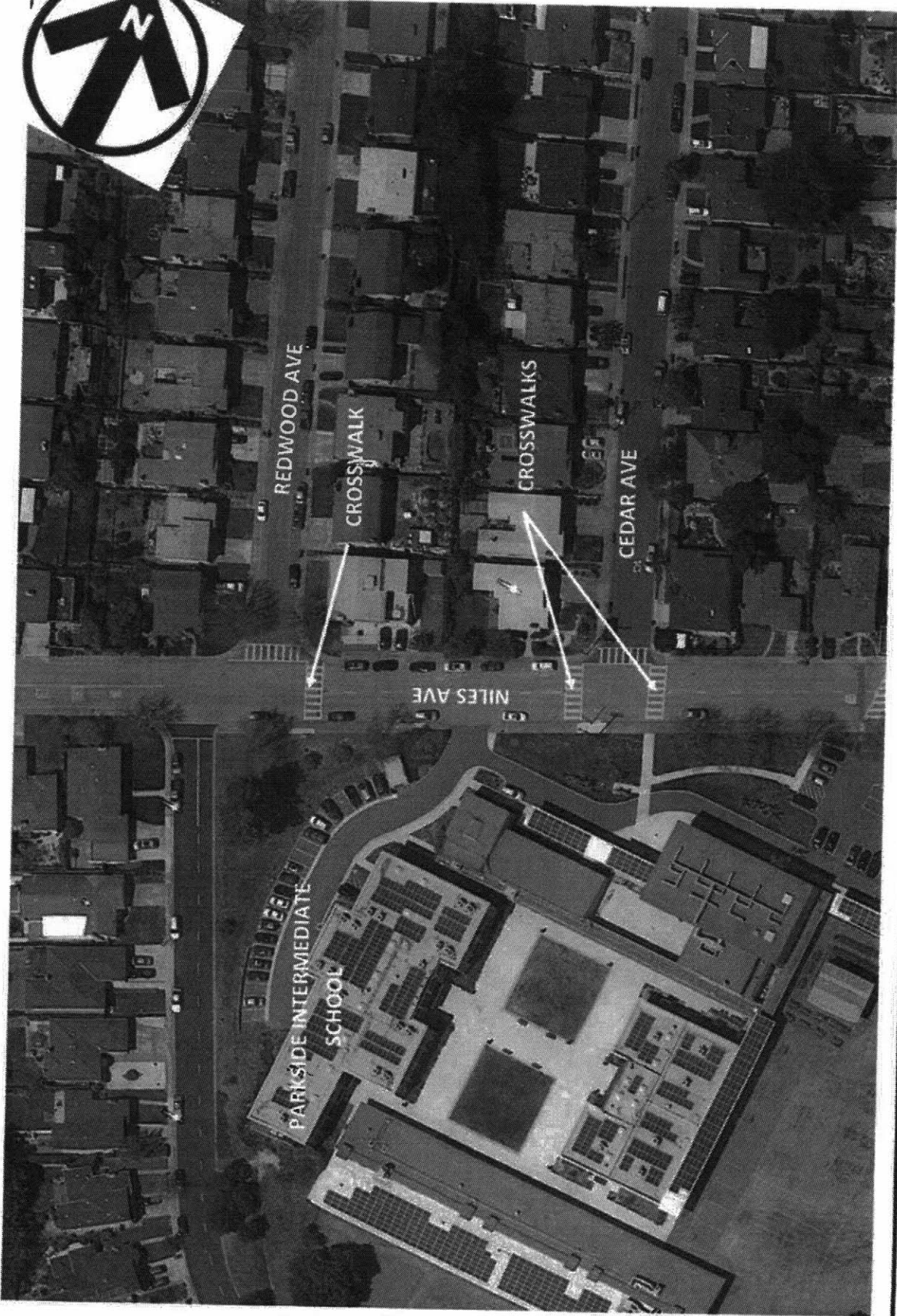




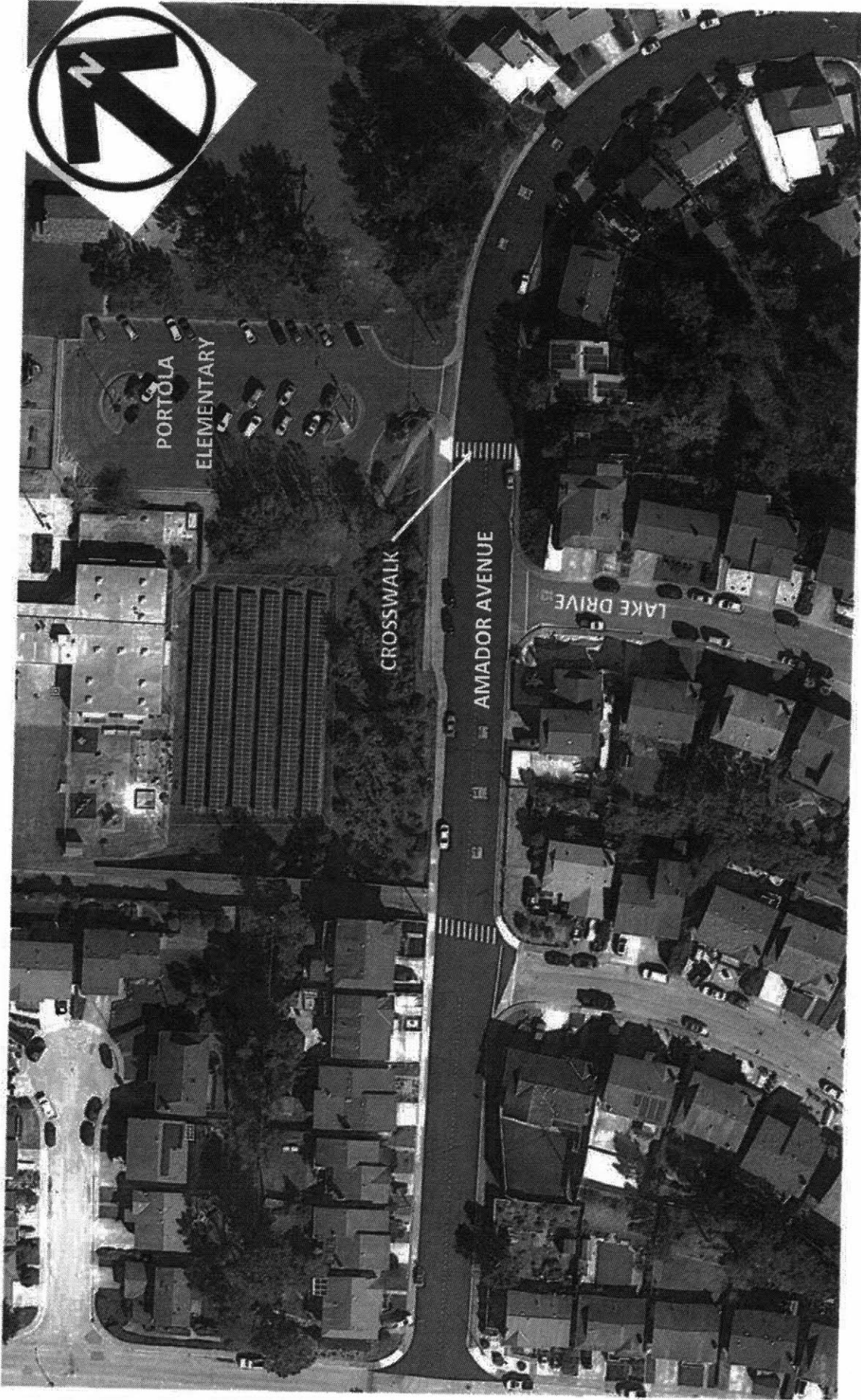
YIELDING VEHICLE  
YIELD LINE "SHARKTEETH"



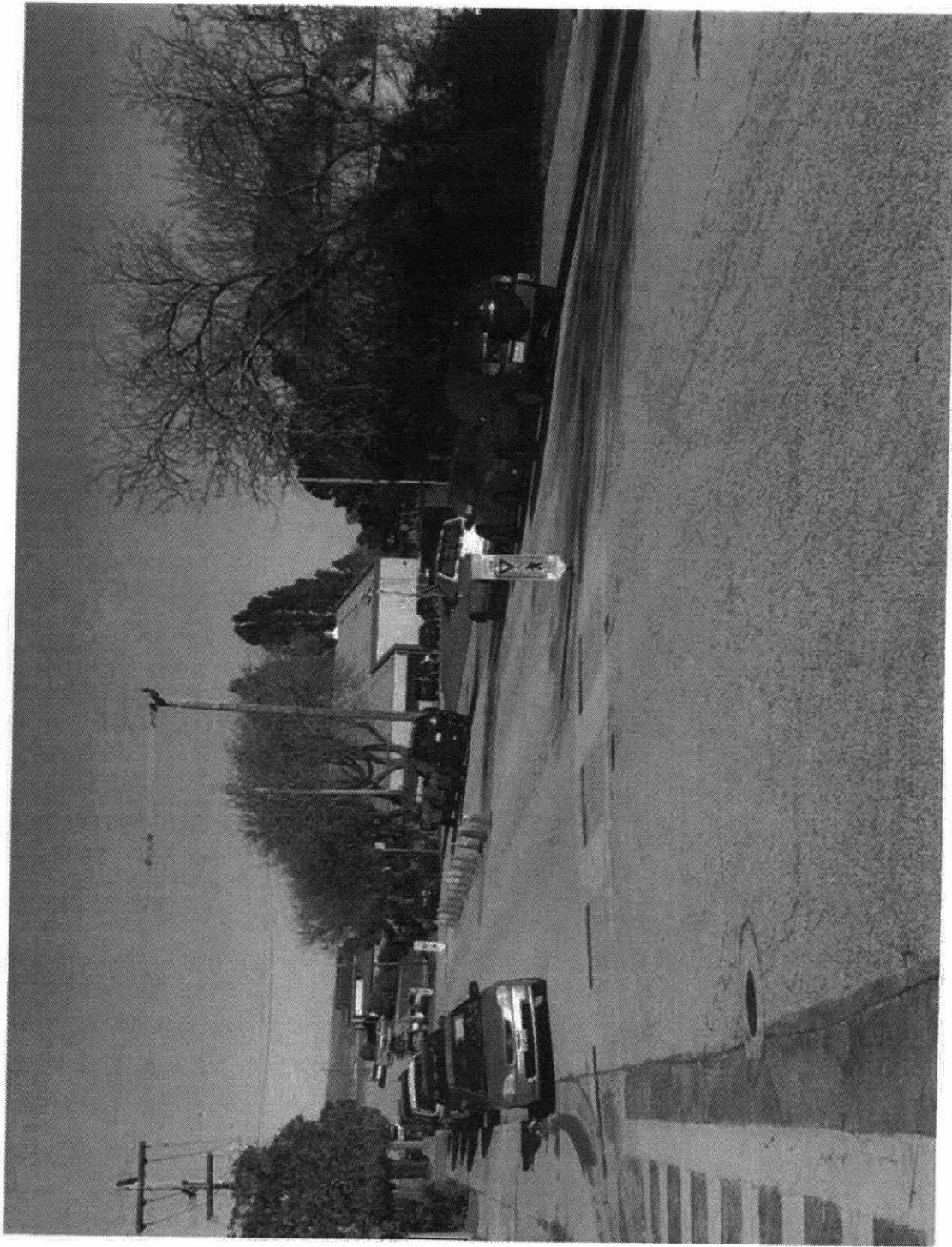
**ATTACHMENT 1  
RECTANGULAR RAPID FLASHING BEACON**



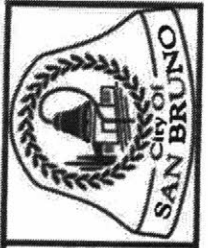
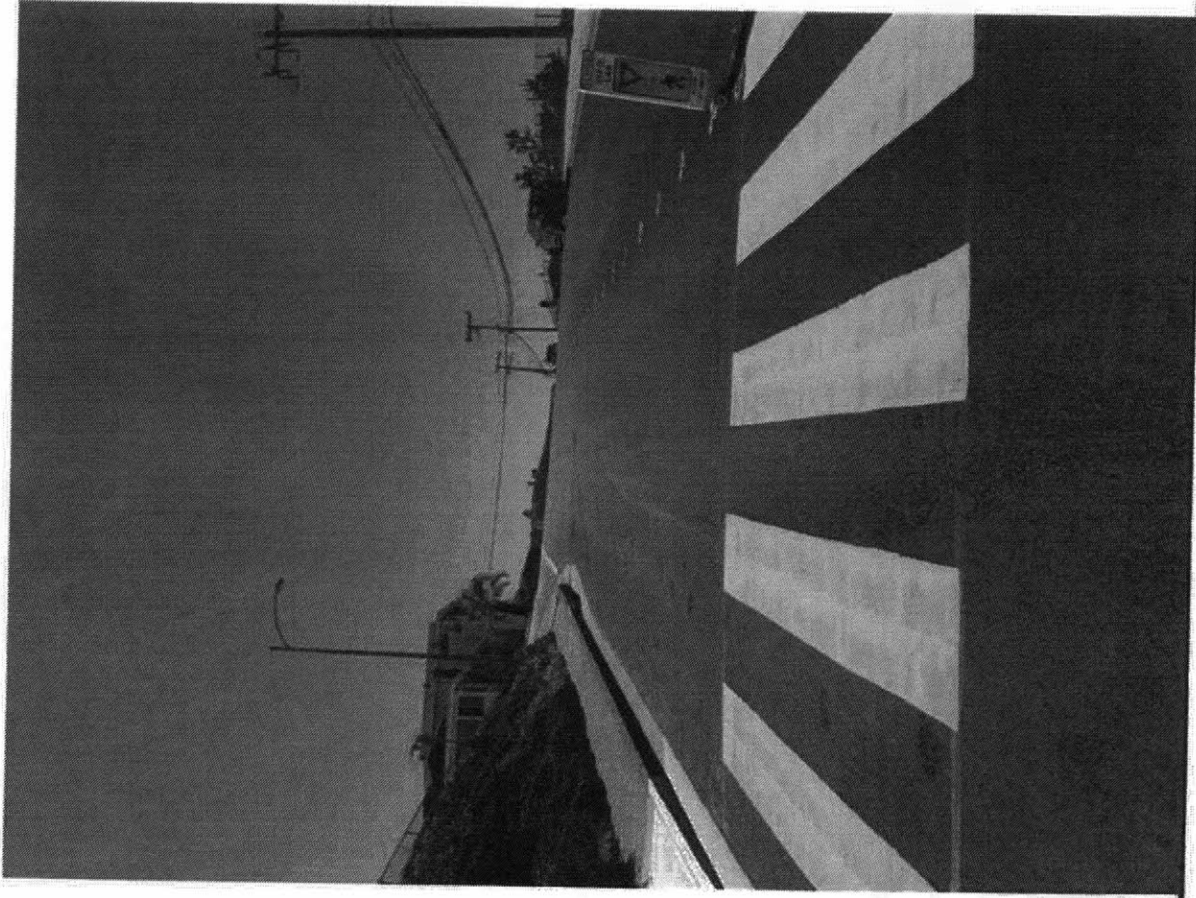
**ATTACHMENT 2  
VICINITY MAP (NILES INTERMEDIATE)**



**ATTACHMENT 3  
VICINITY MAP (PORTOLA ELEMENTARY)**



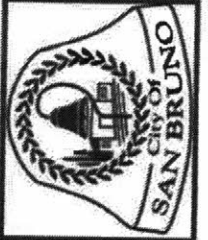
**ATTACHMENT 4  
PHOTO—NILES AVENUE**



**ATTACHMENT 5  
PHOTO—AMADOR AVENUE**



**ATTACHMENT 6  
PROPOSED IMPROVEMENTS (NILES INTERMEDIATE)**



# ATTACHMENT 7 PROPOSED IMPROVEMENTS (PORTOLA ELEMENTARY)



**RESOLUTION NO. 2017-\_\_**

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION  
INCREASING GRANT FUNDING ALLOCATION TO PEDESTRIAN SAFETY  
IMPROVEMENT EFFORTS TO \$263,952**

**WHEREAS**, the Ad Hoc Committee on Program Strategy Development has researched various near-term project concepts that involve facilities and programs of the City of San Bruno and require a close partnership with the City;

**WHEREAS**, in January 2016 the Committee recommended and the Board approved a series of grants for projects to be implemented by the City to be proposed to the San Bruno City Council, including a grant of up to \$170,000 to improve pedestrian safety in San Bruno through the installation of lighted crosswalks, lighted signage, or other similarly high-visibility pedestrian safety features;

**WHEREAS**, City staff has proposed a series of six flashing beacon installations at unsignalized crosswalks, three near schools in the San Bruno Park School District (two near Parkside Intermediate School on Niles Avenue and one near Portola Elementary School on Amador Avenue) and three on San Mateo Avenue in the downtown area;

**WHEREAS**, City staff has estimated that the total cost of the project to be at least \$263,500;

**WHEREAS**, the strategic grant to the City for the Community Facilities Vision Plan came in \$93,952 under budget;

**WHEREAS**, the Committee recommends that the Board redirect that balance to the pedestrian safety project in the 2017-2018 budget, for a total of \$263,952, which would ensure that the project is fully funded and enable the City to move forward with plans for the flashing beacon installations; and

**WHEREAS**, the Committee and staff are in discussions with potential community partners to provide funding for the project, which, if secured, would offset the Foundation's contribution and free up those funds for other projects.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors increases the strategic grant funding allocation for pedestrian safety improvement efforts in partnership with the City of San Bruno to \$263,952.

Dated: June 7, 2017



ATTEST:

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John McGlothlin, Secretary

I, John McGlothlin, Secretary, do hereby certify that the foregoing Resolution No. 2017-\_\_ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this 7<sup>th</sup> day of June, 2017, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

# SAN BRUNO

## Community Foundation

### Memorandum

**DATE:** June 2, 2017

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

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Report from Ad Hoc Committee on Music Education Strategic Initiative

At the May Board meeting, the Board of Directors approved a proposal prepared by the Ad Hoc Committee on Music Education Strategic Initiative to solidify music education in San Bruno's public schools to be funded by SBCF through a strategic grant. The two Board Members who sit on the Committee are Emily Roberts, who serves as chair, and Pat Bohm. On behalf of the Committee, Chair Roberts will give a brief update on implementation of the Initiative at the June 7, 2017, Board meeting.

As you will recall, the Strategic Initiative calls for \$495,000 in SBCF funding distributed in two grants over three years: \$378,890 to the San Bruno Education Foundation (SBEF) for music education programs supporting the San Bruno Park School District and the initiative's program coordination and sustainability efforts, and \$116,110 to the Capuchino High School Alumni Association (CHSAA) to support music education at Capuchino High School. With the assistance of outside nonprofit counsel at NEO Law Group and City Attorney Marc Zafferano, we developed two grant agreements – one with SBEF and one with CHSAA – that are similar in format. The grant agreements take effect on June 15, 2017, and the term ends on June 14, 2020. They call for annual grant payments as follows:

	<b>Year 1</b> <b>2017-2018</b> <i>Payment on</i> <i>June 15, 2017</i>	<b>Year 2</b> <b>2018-2019</b> <i>Payment on June</i> <i>15, 2018</i>	<b>Year 3</b> <b>2019-2020</b> <i>Payment on June</i> <i>15, 2019</i>	<b>Total</b> <b>Years 1-3</b> <b>2017-2020</b>
<b>GRANT TO SBEF</b>				
<i>Elementary School: Music for Minors</i>	\$70,350	\$74,880	\$58,492	\$203,722
<i>Middle School: Priority 1 Expenses (Instruments, Mouthpiece Supplies, Music Ed Supplies, Music Office, Repair, Supplies)</i>	\$89,768	\$2,600	\$1,300	\$93,668
<i>Middle School: Specialty Groups</i>	\$14,000	\$0	\$0	\$14,000
<i>Program Sustainability: Fundraising Strategy Consultant</i>	\$7,500	\$0	\$0	\$7,500

# SAN BRUNO

## Community Foundation

### Memorandum

<i>Program Sustainability: Fund Development/ Program Coordination</i>	\$20,000	\$20,000	\$20,000	\$60,000
<b>TOTAL TO SBEF</b>	<b>\$201,618</b>	<b>\$97,480</b>	<b>\$79,791</b>	<b>\$378,890</b>
<b>GRANT TO CHSAA</b>				
<i>High School: Priority 1 Expenses (Uniforms, Music, Transportation, Instrument Repair/Replacements, SmartMusic)</i>	\$90,820	\$16,860	\$8,430	\$116,110
<b>TOTAL TO CHSAA</b>	<b>\$90,820</b>	<b>\$16,860</b>	<b>\$8,430</b>	<b>\$116,110</b>
<b>TOTAL TO SBEF+CHSAA</b>	<b>\$292,438</b>	<b>\$114,340</b>	<b>\$88,221</b>	<b>\$495,000</b>

Under the grant agreements, SBCF will make grant payments around June 15 of 2017, 2018, and 2019. Each year, both SBEF and CHSAA are required to submit reports detailing their activities, use of the grant, and progress in achieving the grant purposes. In the first two years, the reports are due on March 15, or three months before the next grant payment is due, so the Foundation has the opportunity to review the grantee's use of the grant funds for the previous year. The final report will be due three months after the grant term ends, on October 15, 2020.

The two grant agreements with SBEF and CHSAA, respectively, have been fully executed. We expect to make the first grant payments on schedule around June 15, 2017.

In terms of program implementation, new SBEF Board member Bryan Vander Jugt has taken over the lead program management role for the Initiative for SBEF. SBEF expects to finalize the contract for the elementary school music program in the next few weeks. The Music for Minors staff is arranging scheduling for next year with the elementary school principals. Mr. Vander Jugt will soon meet with the Parkside principal and music teachers to firm up timing and logistics for their initial high priority capital expenditures. CHSAA Vice President Judy Puccini is working with the Capuchino music director to plan program uses for the grant funds for the next school year.

Finally, the Foundation announced the Initiative in a press release issued on May 10, 2017, which was distributed to local media and the Foundation's email list.

# SAN BRUNO

## Community Foundation

### Memorandum

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**DATE:** June 2, 2017

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

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Report on Community Grants Fund

At the June 7, 2017, Board meeting, Program Consultant Stephanie Rutgers and I will give an update on the Community Grants Fund. Ms. Rutgers is now handling the day-to-day administration of the program.

The 2017 cycle of the Community Grants Fund will launch at the beginning of July. The 2017 cycle will follow the same timeline as last year – online application available at the beginning of July, three grant workshops over the summer (Tuesday, July 18, Monday, August 14, and Monday, September 11), a late September application deadline (Wednesday, September 27), and Board consideration of the review panel's recommendations at the December Board meeting. The grant workshops will all be held in Room 115 at San Bruno City Hall, from 6:00 to 7:00 p.m.

Ms. Rutgers and I have updated the program's two primary marketing pieces – a one-page information sheet in both English and Spanish, and a poster (formatted in both 11"x17" and 8.5"x11" sizes) – which are in the process of being printed. We will distribute the materials throughout San Bruno starting in early July; we may seek Board member assistance in our outreach efforts. Taking into consideration feedback we received during the 2016 cycle from grant applicants and the grant review panel, we are also in the process of updating the online application, which will be available to the public no later than July 5.

As you will recall, in January the Board approved a \$200,000 program disbursement budget for the 2017 Community Grants Fund.

# SAN BRUNO

## Community Foundation

### Memorandum

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**DATE:** June 2, 2017

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

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** Report from Investment Committee

The June 7, 2017, Board meeting will include a report from the Investment Committee regarding its recent quarterly meeting, which was held on May 17, 2017. Treasurer Tim Ross chairs the Committee, on which Vice President Frank Hedley and community members Tony Clifford, Mark Hayes, and Georganne Perkins also serve.

On May 17, a team representing Sand Hill Global Advisors LLC (SHGA), the Foundation's investment adviser – including Chief Executive Officer Brian Dombkowski and Senior Wealth Manager Kristin Sun – made its quarterly presentation to the Committee. Mr. Dombkowski gave an overview of the firm's investment outlook, describing the current stage of the economic cycle as mid-to-late cycle. He gave a summary of the firm's current economic forecast for the second quarter of 2017, commenting on economic growth, interest rates, the employment market, corporate earnings, international developed markets, emerging markets, inflation, commodity markets, valuation, and the housing market.

Mr. Dombkowski then reviewed the Foundation's Investment Dashboard for the first quarter of 2017, including March 31, 2017, balances of \$16,300,189 for the Quasi-Endowment, \$54,595,232 for the Strategic Pool, and \$922,016 for the Liquidity Pool. He reported that in the first quarter, SHGA reduced the Foundation's interest rate exposure.

During the meeting, the Committee also conducted its annual review of the Foundation's Investment Policy Statement, which is the high-level policy document governing the Foundation's investment practices, and Investment Operating Plan, which is the more detailed operating agreement between the Foundation and SHGA, annually. Under the Investment Policy Statement, the Committee is tasked with reviewing both documents at least once a year and making any recommendations for amendments to the Board. Ms. Sun stated that SHGA is not recommending any changes to either document at this time.

As Executive Director, I reported to the Committee that I specifically looked at two issues as possible candidates for amendment: (a) changes to the Strategic Pool's asset allocation, in light of the recent development that the Foundation is likely to make a \$50 million grant, which would come from the Strategic Pool, to the City of San Bruno to

# SAN BRUNO

## Community Foundation

### Memorandum

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fund a new recreation center/pool facility, and (b) changes to the Quasi-Endowment payout related to the development of the 2017-2018 budget.

With regard to the first issue, I ultimately decided not to recommend a change to the asset allocation for three reasons. First, the timeline for payment of the grant funds is yet to be determined. Second, the three investment pools were structured so that as funds are needed they can be shifted from the Strategic Pool to the Liquidity Pool, which has a more conservative risk tolerance and higher liquidity requirement. Finally, the Investment Operating Plan provides SHGA with asset allocation ranges that allow SHGA to make reasonable and sufficient adjustments to the Strategic Pool to accommodate any determined payment schedule. After discussion, the Committee did not make any recommendations related to changes in asset allocation.

I then proposed – and the Committee agreed – to recommend to the Board an amendment to the Quasi-Endowment payout rate for 2017-2018, which the Investment Operating Plan currently has set at 3%. In developing the Foundation's 2017-2018 budget and determining the Foundation's cash needs for the fiscal year (approximately \$1.26 million for direct program disbursements and about \$379,000 for support costs), I presented the Committee with the following question: Should the Foundation use the full 3% Quasi-Endowment payout rate as set forth in the Investment Operating Plan, or whether a lower rate would be more appropriate, in order to allow the Quasi-Endowment to continue to grow while the Foundation still has funds in the Strategic Pool to cover expenses? I presented three options for the Committee to consider: (1) keep the Investment Operating Plan as is, with a 3% Quasi-Endowment payout; (2) lower the Quasi-Endowment payout to 2.25%, which covers the \$350,000 cash flow needs for the Crestmoor Scholarship and the Community Grants Fund; or (3) lower the Quasi-Endowment payout to 0% and fund all 2017-2018 cash needs from the Strategic Pool.

The Committee discussed the various options and weighed the benefits of relying more heavily on the Strategic Pool and using a smaller amount of Quasi-Endowment payout in the next year, allowing the Quasi-Endowment the potential to grow and therefore provide a larger base for the long-term funding of the Foundation, against the corresponding result that a smaller Quasi-Endowment payout would leave fewer funds in the Strategic Pool available for additional strategic grantmaking the Board may want to do in the next few years.

The Committee also discussed whether the Investment Operating Plan should provide a Quasi-Endowment payout rate for 2018-2019, or whether that rate should be determined when the Foundation has more information about the recreation center/pool project and more clarity as to its cash-flow needs that year. Committee members agreed that it would be prudent to defer that question to next year's review.

# SAN BRUNO

## Community Foundation

### Memorandum

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Moreover, the Committee discussed whether the specific language in the Investment Operating Plan setting forth the payout schedule from the Quasi-Endowment Pool to the Liquidity Pool (one-twelfth of the annual payout amount per month) is appropriate. Committee members expressed a desire to give the Executive Director and Treasurer more discretion to move the funds depending on the timing of cash-flow needs and a desire to keep funds in the Quasi-Endowment account for as long as possible.

The Committee ultimately adopted the attached resolution recommending that the Board of Directors amend Section VI.1.d.i. of the Investment Operating Plan to now read as follows:

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

On behalf of the Committee, Chair Ross will bring the Committee recommendation to the Board for consideration. Consistent with the Committee's recommendation, I recommend that the Board approve the attached resolution authorizing the Treasurer and Executive Director to execute an amendment to the Investment Operating Plan with Sand Hill Global Advisors that updates the Quasi-Endowment payout provision as set forth above.

Finally, the Committee changed the date of its next quarterly meeting due to conflicts with the regularly scheduled meeting. It will now meet on Wednesday, August 23, 2017, at 4:30 p.m., at San Bruno City Hall, Room 115.

#### Attachments:

1. Investment Committee Resolution No. IC 2017-3 Recommending to the SBCF Board of Directors an Amendment to the Quasi-Endowment Payout for Fiscal Year 2017-2018 in the Investment Operating Plan
2. Resolution Authorizing Treasurer Tim Ross and Executive Director Leslie to Execute Amendment to the Investment Operating Plan with Sand Hill Global Advisors Amending the Quasi-Endowment Payout Provision
3. Exhibit A: Amendment #1 to Investment Operating Plan of the San Bruno Community Foundation

# SAN BRUNO

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Community Foundation

## Memorandum

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4. San Bruno Community Foundation Investment Operating Plan, executed May 11, 2016



**INVESTMENT COMMITTEE OF THE SAN BRUNO COMMUNITY FOUNDATION  
RESOLUTION NO. IC 2017-3**

**RESOLUTION RECOMMENDING TO THE SBCF BOARD OF DIRECTORS AN  
AMENDMENT TO THE QUASI-ENDOWMENT PAYOUT FOR FISCAL YEAR 2017-  
2018 IN THE INVESTMENT OPERATING PLAN**

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

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

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

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

**WHEREAS**, Section VI.1.d. of the Investment Operating Plan provides pool-specific operating guidelines for payout or other withdrawals, including the following for the Quasi-Endowment Pool:

Payout amount will be determined once annually, prior to the conclusion of the Foundation’s fiscal year for the subsequent fiscal year. The payout rate will range up to 7%, as determined by the Board, multiplied by the average of the latest available twelve prior quarter-ending Quasi-Endowment values. From the initial funding of the Quasi-Endowment Pool through the end of fiscal year 2016-2017, the payout rate will be 0%. During fiscal years 2017-2018 and 2018-2019, the default payout rate will be 3%, multiplied by the simple average of all quarter-ending Quasi-Endowment values available at the time of the annual payout decision. One-twelfth (1/12) of the annual payout amount will be withdrawn from the Quasi-Endowment and deposited in the Liquidity Pool on a monthly basis.

**WHEREAS**, a lower Quasi-Endowment payout rate of 2.25% for 2017-2018 would provide the funds to cover cash flow needs for the Crestmoor Neighborhood Memorial Scholarship and the Community Grants Fund, consistent with the original long-term vision for the Quasi-Endowment, and allow the Quasi-Endowment to continue to grow; and

**WHEREAS**, the Investment Committee believes that a decision on the 2018-2018 Quasi-Endowment payout rate should be made at the end of the 2017-2018 fiscal year in order to best assess the cash needs and grantmaking commitments at that time.

**NOW, THEREFORE, BE IT RESOLVED** that the Investment Committee recommends that the Board of Directors amend Section VI.1.d.i. of the Investment Operating Plan to now read as follows:

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

Dated: May 17, 2017

ATTEST:

*Tim Ross*

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Tim Ross, Investment Committee Chair

I, Tim Ross, Chair, do hereby certify that the foregoing Resolution No. IC 2017-3 was duly and regularly passed and adopted by the Investment Committee of the San Bruno Community Foundation on this 17<sup>th</sup> day of May, 2017, by the following vote:

AYES: Committee members: Ross, Clifford, Hayes, Hedley

NOES: Committee members: None

ABSENT: Committee members: Perkins

**RESOLUTION NO. 2017-\_\_**

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION  
AUTHORIZING TREASURER TIM ROSS AND EXECUTIVE DIRECTOR LESLIE  
HATAMIYA TO EXECUTE AMENDMENT TO THE INVESTMENT OPERATING PLAN  
WITH SAND HILL GLOBAL ADVISORS AMENDING THE QUASI ENDOWMENT  
PAYOUT PROVISION**

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

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

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

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

**WHEREAS**, Section VI.1.d. of the Investment Operating Plan provides pool-specific operating guidelines for payout or other withdrawals, including the following for the Quasi-Endowment Pool:

Payout amount will be determined once annually, prior to the conclusion of the Foundation’s fiscal year for the subsequent fiscal year. The payout rate will range up to 7%, as determined by the Board, multiplied by the average of the latest available twelve prior quarter-ending Quasi-Endowment values. From the initial funding of the Quasi-Endowment Pool through the end of fiscal year 2016-2017, the payout rate will be 0%. During fiscal years 2017-2018 and 2018-2019, the default payout rate will be 3%, multiplied by the simple average of all quarter-ending Quasi-Endowment values available at the time of the annual payout decision. One-twelfth (1/12) of the annual payout amount will be withdrawn from the Quasi-Endowment and deposited in the Liquidity Pool on a monthly basis.

**WHEREAS**, a lower Quasi-Endowment payout rate of 2.25% for fiscal year 2017-2018 would provide the funds to cover cash flow needs for the Crestmoor Neighborhood

Memorial Scholarship and the Community Grants Fund, consistent with the original long-term vision for the Quasi-Endowment, and allow the Quasi-Endowment the opportunity to continue to grow;

**WHEREAS**, the Investment Committee and Board believe that a decision on the 2018-2019 Quasi-Endowment payout rate should be made at the end of the 2017-2018 fiscal year in order to best assess the cash needs and grantmaking commitments at that time;

**WHEREAS**, the Investment Committee and Board have expressed a desire to give the Executive Director and Treasurer more discretion in the timing of moving the approved payout from the Quasi-Endowment account to the Liquidity Pool account, depending on the timing of cash-flow needs and a desire to keep funds in the Quasi-Endowment account for as long as possible; and

**WHEREAS**, the Investment Committee, on May 17, 2017, passed a resolution recommending that the Board of Directors amend Section VI.1.d.i. of the Investment Operating Plan to now read as follows:

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

**NOW, THEREFORE, BE IT RESOLVED** that the Board authorizes Treasurer Tim Ross and Executive Director Leslie Hatamiya to execute the amendment to the Investment Operating Plan set forth in Exhibit A, which amends the Quasi-Endowment payout provision.

Dated: June 7, 2017

ATTEST:

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John McGlothlin, Secretary

I, John McGlothlin, Secretary, do hereby certify that the foregoing Resolution No. 2017-\_\_ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this 7<sup>th</sup> day of June, 2017, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

**AMENDMENT #1 TO INVESTMENT OPERATING PLAN  
OF THE SAN BRUNO COMMUNITY FOUNDATION**

1. This Amendment, which is dated June \_\_, 2017, modifies the Investment Operating Plan of the San Bruno Community Foundation, approved by the San Bruno Community Foundation Board of Directors on May 4, 2016, and executed by the San Bruno Community Foundation and Sand Hill Global Advisors, LLC, on May 11, 2016 (a copy of which is attached hereto for reference).
2. Section VI.1.d.i., Pool-Specific Operating Guidelines for the Quasi-Endowment Pool, is amended in its entirety to be read as follows:

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

3. In all other respects, the Investment Operating Plan is affirmed.

**San Bruno Community Foundation:**

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Tim Ross  
Treasurer

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Leslie Hatamiya  
Executive Director

**Sand Hill Global Advisors, LLC**

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Brian Dombkowski, CFA  
Chief Executive Officer

San Bruno Community Foundation

# Investment Operating Plan

Approved by the SBCF Board of Directors, May 4, 2016

SAN BRUNO COMMUNITY FOUNDATION  
INVESTMENT OPERATING PLAN

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**SUMMARY INVESTMENT OPERATING PLAN**

**QUASI-ENDOWMENT POOL**

<u>Investment Objective:</u>	Generate a return in excess of the specified blended portfolio benchmark over a complete market cycle.
<u>Risk Tolerance:</u>	Moderately Conservative
<u>Target Return:</u>	Over the long-term, exceed the blended portfolio benchmark, net of fees with similar risk.
<u>Evaluation Benchmark:</u>	The passive indices in similar weights to the target asset allocation as detailed in Appendix 1.
<u>Withdrawal Requirement:</u>	Up to 7% annual withdrawals, as determined by the SBCF Board.
<u>Time Horizon:</u>	Long-Term
<u>Target Allocation:</u>	Balanced Strategy (see specific allocation guidelines in Section IV.1 of this plan document)

**STRATEGIC POOL**

<u>Investment Objective:</u>	Generate a return in excess of the specified blended portfolio benchmark over a complete market cycle.
<u>Risk Tolerance:</u>	Conservative
<u>Target Return:</u>	Over the long-term, exceed the blended portfolio benchmark, net of fees with similar risk.
<u>Evaluation Benchmark:</u>	The passive indices in similar weights to the target asset allocation as detailed in Appendix 1.
<u>Withdrawal Requirement:</u>	100% withdrawn over 7-10 years, dictated by the timing of capital projects and as determined by the SBCF Board.
<u>Time Horizon:</u>	Mid-Term
<u>Target Allocation:</u>	Conservative Strategy (see specific allocation guidelines in Section IV.2 of this plan document)



SAN BRUNO COMMUNITY FOUNDATION  
INVESTMENT OPERATING PLAN

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**LIQUIDITY POOL**

<u>Investment Objective:</u>	Generate a return in excess of the specified blended portfolio benchmark over a complete market cycle.
<u>Risk Tolerance:</u>	Conservative
<u>Target Return:</u>	Over the long-term, exceed the blended portfolio benchmark, net of fees with similar risk.
<u>Evaluation Benchmark:</u>	The passive indices in similar weights to the target asset allocation as detailed in Appendix 1.
<u>Withdrawal Requirement:</u>	100% withdrawn within 24 months, as determined by the SBCF Board.
<u>Time Horizon:</u>	Short-Term
<u>Target Allocation:</u>	Short-Term Cash and Short-Duration Fixed Income Strategy (see specific allocation guidelines in Section IV.3 of this plan document)

# SAN BRUNO COMMUNITY FOUNDATION INVESTMENT OPERATING PLAN

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This Investment Operating Plan outlines the assumptions and understandings under which Sand Hill Global Advisors, LLC (the “Investment Manager” or “SHGA”) is to manage the assets of the San Bruno Community Foundation (“SBCF” or the “Foundation”). The content herein has been composed based upon meetings with the Board of Directors and staff in which discussions covered SBCF’s goals, attitudes, expectations, risk tolerance, desires for liquidity, and present and future cash flow requirements.

It is agreed that SHGA will meet with the Investment Committee on a quarterly basis to report on the status of the portfolio and to receive and provide information that will aid in the management of the portfolio. This Investment Operating Plan will be reviewed at least annually as to its appropriateness given any significant changes in SBCF’s needs or in light of significant shifts in the economy or the investment markets. Day-to-day contact with SBCF will be made via the telephone and e-mail.

This Investment Operating Plan shall adhere to the policies set forth in SBCF’s Investment Policy Statement, originally approved by the SBCF Board of Directors and San Bruno City Council in April 2016.

## **I. FOUNDATION’S PURPOSE AND GOALS**

The San Bruno Community Foundation was established in 2013 by the San Bruno City Council to administer, for the long-term benefit of the San Bruno community, approximately \$70 million in restitution funds resulting from the devastating 2010 gas pipeline explosion in San Bruno’s Crestmoor neighborhood. SBCF has been charged with determining the use of the funds and administering them to benefit the San Bruno community through enduring and significant contributions to, and investments in, charitable and community programs, and publicly owned community facilities, over the long term.

The SBCF Investment Policy Statement establishes three separate pools of funds with varying purposes, time horizons, and withdrawal requirements:

1. A Quasi-Endowment Pool to support the annual operating and program expenses of the Foundation over the long term.
2. A Strategic Pool earmarked to cover the costs of major strategic grantmaking projects, including capital improvements of community facilities, over a 7-10 year period. The Strategic Pool will be fully exhausted either at the completion of those strategic projects, or by consolidation into the Quasi-Endowment Pool at the Board’s discretion.
3. A Liquidity Pool to act as a holding account for expenditures planned in the subsequent 0-24 months. The purpose of this pool is to mirror the Foundation’s operating accounts. This account may be funded by both the Quasi-Endowment and the Strategic Pool.

## **II. INVESTMENT GOALS AND OBJECTIVES**

The primary goal of the Foundation is to administer these funds for the long-term benefit of the San Bruno community. The specific goals for these funds include but are not limited to supporting SBCF’s annual

SAN BRUNO COMMUNITY FOUNDATION  
INVESTMENT OPERATING PLAN

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operating expenses and the three categories of program activities outlined in SBCF's Program Strategy Framework (strategic grant making, responsive grant making, and Foundation programs).

The risk tolerance of each pool of funds is dictated by the time horizon and liquidity needs, and as directed by the Board of Directors. The specific goals and objectives, risk tolerance, and time horizon for each pool of funds is as follows:

1. **Quasi-Endowment Pool Investment Objectives:**

The Foundation seeks to meet the current payout objectives while maintaining the total purchasing power of these assets for the San Bruno community in the future. As such, Capital Appreciation is the primary objective, with Capital Preservation as the secondary objective.

a. Portfolio Return Objectives

- i. Total Portfolio Return: Achieve a time-weighted, real rate of return of 3-4%, after fees and program costs. This return will be sought using a diversified style of investment management, providing an average annual return that will be measured over a complete market cycle assumed to be five years.
  - ii. Blended Benchmark Return: Over rolling five-year cycles, to achieve a return that exceeds the Blended Benchmark, net of fees with similar risk.
- b. Portfolio Risk Tolerance - The risk to the portfolio must be moderately conservative, since the portfolio provides a source of funds that allows SBCF to perpetuate its mission.
- c. Withdrawal Requirements - Up to 7% Annual Withdrawals as determined by the SBCF Board. The SBCF staff will provide Sand Hill Global Advisors with guidance in this area.
- d. Time Horizon - Long-Term.
- e. Tax Considerations - None, since this organization is tax exempt.
- f. Illiquidity - The overall portfolio can maintain up to 10% illiquidity.

2. **Strategic Pool Investment Objectives:**

The Foundation seeks to achieve growth of the portfolio at a conservative rate in excess of inflation. As such, Capital Preservation is the primary objective.

a. Portfolio Return Objectives

- i. Total Portfolio Return: Achieve a time-weighted, real rate of return of 1-2%, after fees and program costs. This return will be sought using a diversified style of investment management, providing an average annual return that will be measured over a complete market cycle assumed to be five years.

SAN BRUNO COMMUNITY FOUNDATION  
INVESTMENT OPERATING PLAN

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- ii. Blended Benchmark Return: Over rolling five-year cycles, to achieve a return that exceeds the Blended Benchmark, net of fees with similar risk.
  
  - b. Portfolio Risk Tolerance - The risk to the portfolio must be conservative.
  
  - c. Withdrawal Requirements - 100% withdrawn over 7-10 years, determined by timing of SBCF's strategic grant making projects. The SBCF staff will provide Sand Hill Global Advisors with guidance in this area.
  
  - d. Time Horizon - Mid-Term.
  
  - e. Tax Considerations - None, since this organization is tax exempt.
  
  - f. Illiquidity - The overall portfolio can maintain up to 5% illiquidity.
3. **Liquidity Pool Investment Objectives**:

The Foundation seeks to preserve the principal balance of all funds directed into this pool. As such, Capital Preservation and Liquidity are the primary objectives.

- a. Portfolio Return Objective - Achieve a time-weighted, real rate of return of above the prevailing rate of the U.S. 90 Day T-Bill, after fees and program costs.
  
- b. Portfolio Risk Tolerance - The risk to the portfolio must be conservative.
  
- c. Withdrawal Requirements - 100% drawdown within 24 months, as determined by the SBCF Board.
  
- d. Time Horizon - Short-Term.
  
- e. Tax Considerations - None, since this organization is tax exempt.
  
- f. Illiquidity - The overall portfolio must maintain 100% liquidity.

**III. INVESTMENT AND ASSET GUIDELINES**

Sand Hill Global Advisors will utilize an appropriate combination of individual securities in direct accounts and specialized third party, commingled fund or mutual fund alternatives to implement the asset allocation. Implementation will include passive strategies such as index funds or exchange-traded funds (ETFs) and active strategies. Third-party offerings will be used to enhance the portfolio's diversification in certain asset classes that require specialized expertise or where liquidity may be limited. In each case, the potential for added value, institutional share class fees and cost effectiveness will be a major consideration.

A Direct Account is defined as any investment account registered in the name of the Foundation.

SAN BRUNO COMMUNITY FOUNDATION  
INVESTMENT OPERATING PLAN

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**1. Individual Equity Securities in the Direct Account:**

- a. No individual equity securities (stocks) will be held in any Direct Account.
- b. Direct investments in any equity securities of Pacific Gas & Electric Corporation (Symbol: PCG) are prohibited.

**2. Individual Fixed Income Securities in Direct Accounts:**

- a. Individual fixed income securities (bonds) may be held in Direct Accounts. These include, but are not limited to, municipal bonds, U.S. government securities, federal government agency securities, corporate debt (limited to U.S. or multinational corporations), and high yield debt.
- b. With the exception of U.S. government securities and federal government agency securities, no more than 5% at cost of the portfolio may be invested in the securities of a single issuer.
- c. Up to 5% of the total account may be invested in below investment grade securities, commonly referred to as “high yield debt,” but only through adequately diversified investment vehicles.
- d. Direct investments in any fixed income securities of Pacific Gas & Electric Corporation are prohibited.

**3. Commingled Funds, Mutual Funds and Index Funds:**

- a. Commingled funds, mutual funds, and index funds may be held in Direct Accounts.
- b. The fund selection process will incorporate criteria such as investment style and process, experience of the investment team, organizational stability and performance analysis such as long-term, risk-adjusted returns, manager tenure, relative performance in up and down markets, consistency of management style, and the associated cost to own (expense ratio). When appropriate, negotiations will occur with custodians for the waiver of loads, minimums, and transaction fees.

**4. Other Investments:**

- a. Other investments may be held in Direct Accounts.
- b. Other investments will be broadly defined, but not limited to, as investments in market-neutral funds, commodities and gold, real return strategies, venture capital, and real estate. These categories are to be implemented only through diversified investment vehicles.
- c. In the case of market neutral private partnerships, the diversification should be achieved through the use of a “fund of funds.”
- d. The real estate portion may be comprised of private and publicly held real estate investments.

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INVESTMENT OPERATING PLAN

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**5. Cash and Cash Equivalents:**

- a. Cash and cash equivalents may be held in Direct Accounts.
- b. Cash equivalent positions will be high quality instruments such as U.S. Treasury Bills, Eurodollar Certificates of Deposit, time deposits (CDs), money market funds, and repurchase agreements.

**6. Investment Procedures:**

- a. Diversification: All portfolios will be managed as diversified portfolios. The goal of diversification across various asset classes, sectors, and security types is to minimize risk while improving performance.
- b. Investment Vehicles: Within the constraints of the target asset allocation of each portfolio, investments will be allocated across various asset classes, either directly or through pooled or commingled investment accounts (mutual funds and index funds), that might include domestic and foreign equities, bonds, real estate, alternative investments, and cash or cash equivalents. With each asset class, the Investment Manager will weigh factors including expense, market efficiency, transparency of information, and diversification to determine whether direct investments or commingled investments are in the Foundation's best interests.
- c. Rebalancing: Rebalancing is designed to minimize portfolio deviations from allocation targets. The portfolio will be reviewed regularly by the Investment Manager and rebalanced whenever the weighting of a major asset class deviates materially from the target asset allocation, or a tactical opportunity presents itself.
- d. Custody of Assets: The Foundation's assets shall be held at a third-party custodian recommended by the Investment Committee and approved by the Board. The Investment Manager shall have discretion and authority to trade on behalf of the Foundation via the custodian's trading platform.
- e. Custodian's Margin Loan Option: A Margin Loan allows a brokerage account holder to gain access to cash by borrowing against the invested securities in the account. The margin loan option on any Direct Accounts shall be disabled.

**IV. ASSET ALLOCATION**

Generally, the allocations for each pool will be within the ranges shown below; however, SHGA is permitted to have a more defensive position that may result from significant cash inflows or outflows. Initial implementation of all three pools will be achieved over a three-month transitional period involving staggered commitments. The initial funding of the three pools will be a combination of cash and fixed income securities (government bonds and CDs).

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INVESTMENT OPERATING PLAN

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**1. Quasi-Endowment Pool**

	<u>Bottom Range</u>	<u>Target</u>	<u>Top Range</u>
EQUITY	40%	52%	65%
FIXED INCOME	20%	30%	40%
REAL ESTATE AND COMMODITIES	0%	8%	15%
MARKET NEUTRAL	0%	8%	15%
CASH AND CASH EQUIVALENTS	0%	2%	15%

**2. Strategic Pool**

	<u>Bottom Range</u>	<u>Target</u>	<u>Top Range</u>
EQUITY	12%	16%	20%
FIXED INCOME	53%	70%	88%
REAL ESTATE AND COMMODITIES	0%	4%	8%
MARKET NEUTRAL	0%	8%	12%
CASH AND CASH EQUIVALENTS	0%	2%	15%

**3. Liquidity Pool**

	<u>Bottom Range</u>	<u>Top Range</u>
SHORT DURATION FIXED INCOME	0%	100%
CASH AND CASH EQUIVALENTS	0%	100%

Duration is defined as an approximate measure of a bond's price sensitivity to changes in interest rates. Shorter the duration means the less interest rate risk and longer duration means more interest rate risk. The average duration of the fixed income portion of the Liquidity Pool will range from 0 to 24 months, consistent with spending timeline described in Section VII.3 of the Foundation's Investment Policy Statement.

SAN BRUNO COMMUNITY FOUNDATION  
INVESTMENT OPERATING PLAN

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**V. BROKERAGE AND PROXY POLICY**

1. All transactions effected for SBCF will be “subject to the best price and execution.” Securities and cash will be held in custody at Fidelity Investments.
2. Proxy voting has been delegated to SHGA. SHGA has retained Broadridge to vote proxies.

**VI. CONTROLS AND MONITORING**

**1. Payout and Withdrawals:**

- a. For unplanned withdrawals from any SBCF pool, SBCF staff will notify SHGA a minimum of five business days in advance to allow time for trade execution, trade settlement and fund transfer through the Liquidity Pool (if necessary) and out to SBCF’s external operating account.
- b. Notice in excess of five business days will provide additional time for SHGA to manage the liquidation of securities.
- c. If notice is provided less than five business days in advance, SHGA will attempt to fulfill the withdrawal request on a best efforts basis. SBCF has restricted the use of margin on all accounts, therefore cash must be available to be withdrawn.
- d. Pool-Specific Operating Guidelines:

i. Quasi-Endowment Pool

Payout amount will be determined once annually, prior to the conclusion of the Foundation’s fiscal year for the subsequent fiscal year. The payout rate will range up to 7%, as determined by the Board, multiplied by the average of the latest available twelve prior quarter-ending Quasi-Endowment values. From the initial funding of the Quasi-Endowment Pool through the end of fiscal year 2016-2017, the payout rate will be 0%. During fiscal years 2017-2018 and 2018-2019, the default payout rate will be 3%, multiplied by the simple average of all quarter-ending Quasi-Endowment values available at the time of the annual payout decision. One-twelfth (1/12) of the annual payout amount will be withdrawn from the Quasi-Endowment and deposited in the Liquidity Pool on a monthly basis.

ii. Strategic Pool

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

iii. Liquidity Pool



SAN BRUNO COMMUNITY FOUNDATION  
INVESTMENT OPERATING PLAN

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The Liquidity Pool will contain funds that have been earmarked for disbursement by the SBCF Board, with the guidance from the Investment Committee. As directed by SBCF staff, withdrawals will take place in the subsequent 0-24 months following initial deposit into the Liquidity Pool.

2. **Quarterly Reviews** – SHGA will provide the SBCF Investment Committee with quarterly performance and holdings reports to allow the Committee to review the investment performance of SHGA and the individual investments (retained by SHGA) in the portfolio with respect to the risk and return objectives established for SBCF. The review may include topics such as the overall business management, organizational changes and other relevant factors.
3. **Annual Board Meeting** – SHGA will present to the full SBCF Board of Directors on an annual basis.

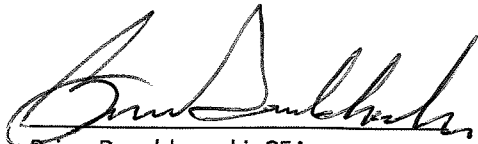
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INVESTMENT OPERATING PLAN

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**VII. SIGNATURES**

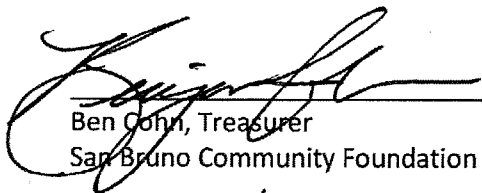
Reviewed and Accepted By:



Brian Dombkowski, CFA  
Chief Executive Officer  
Sand Hill Global Advisors, LLC

Date: 5/11/16

Reviewed and Accepted By:



Ben Cohn, Treasurer  
San Bruno Community Foundation

Date: 5/4/16



Leslie Hatamiya, Executive Director  
San Bruno Community Foundation

Date: 5/4/16

SAN BRUNO COMMUNITY FOUNDATION  
INVESTMENT OPERATING PLAN

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**APPENDIX**

**1. Benchmark Composition**

The Blended Benchmark will be used for the total portfolio review and to review SHGA. Individual asset classes will be reviewed using the indices most appropriate and assigned to each manager or investment style.

The Blended Benchmark is composed as follows:

Asset Class	Index	Weight		
		<u>QEP</u>	<u>SP</u>	<u>LP</u>
<b>Equity</b>				
Domestic Large Capitalization	S&P 500 Index	30%	9%	0%
Domestic Small Capitalization	Russell 2000 Index	9%	3%	0%
International	MSCI All-Cap World Index excl. USA	13%	4%	0%
<b>Fixed Income</b>	Barclays Capital Aggregate Index	30%	70%	0%
<b>Real Estate</b>	NAREIT Index	6%	4%	0%
<b>Commodities/Natural Resources</b>	Dow Jones UBS Commodity Index	2%	0%	0%
<b>Market Neutral</b>	Barclays 1-3 Year Aggregate Index	8%	8%	0%
<b>Cash/Cash Equivalents</b>	U.S. T-Bill 90 day Index	2%	2%	100%

SAN BRUNO COMMUNITY FOUNDATION  
INVESTMENT OPERATING PLAN

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**2. Benchmark Definitions**

**EQUITY MARKET INDICATORS**

The market indicators included in this report are regarded as measures of equity or fixed-income performance results. The returns shown reflect both income and capital appreciation.

**Standard & Poor's 500 Index** is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The index is capitalization-weighted, with each stock weighted by its proportion of the total market value of all 500 issues. Thus, larger companies have a greater effect on the index.

**Russell 2000 Index** is composed of the 2000 smallest stocks in the Russell 3000 Index, representing approximately 11% of the U.S. equity market capitalization.

**INTERNATIONAL EQUITY MARKET INDICATORS**

**Morgan Stanley Capital International (MSCI) All Cap World Index (ACWI) Ex-USA Index** is composed of approximately 6,000 equity securities representing the stock exchanges of Europe, Australia, New Zealand, the Far East and Emerging Market nations capturing 99% of the global investable market outside of the US. The index captures large, mid and small-cap companies. The index is capitalization-weighted and is expressed in terms of U.S. dollars.

**FIXED-INCOME MARKET INDICATORS**

**Barclays Capital Aggregate Bond Index** is a combination of the Mortgage Backed Securities Index and the intermediate and long-term components of the Government/Credit Bond Index.

**OTHER INDICES**

**National Association of Real Estate Investment Trusts (NAREIT) Index** is the only REIT index to include all REITs currently trading on the New York Stock Exchange, the NASDAQ National Market System and the American Stock Exchange. It is also the first index to include monthly historical statistics from 1972. It is often used as a publicly traded approximation for the illiquid private real estate market.

**Dow Jones UBS Commodity Index** is designed to be a highly liquid and diversified benchmark for the commodity futures market. Commodities as an asset class have historically demonstrated returns that are negatively correlated with returns of stocks and bonds and that are positively correlated with inflation measures.

**Barclays 1-3 Yr Aggregate Bond Index** is a combination of the Mortgage Backed Securities Index and the shorter duration components of the Government/Credit Bond Index.

**U.S. T-Bill 90 Day Index** is the benchmark used to measure cash. It is also considered to be the “risk-free rate” for the purposes of performance measurement.

# SAN BRUNO

## Community Foundation

### Memorandum

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**DATE:** June 2, 2017

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

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** 2017-2018 SBCF Budget

Under our Bylaws, the Foundation's fiscal year runs from July 1 to June 30, and its annual budget must be approved by the San Bruno City Council. With the current fiscal year soon coming to a close, at the June 7 Board meeting I will present to the Board for approval the 2017-2018 budget, which will then be submitted to the City Council for consideration at its June 27 meeting.

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

It is important to note that this budget results in what looks to be a deficit: Expenses far exceed Funds Available for Operations. This is because we record grant commitments as expenses at the time the grant agreement is executed, but sometimes the funds are paid out over more than one fiscal year. We expect to execute the \$50 million recreation center/pool grant agreement in 2017-2018, but only a small portion will likely be paid out in 2017-2018 (we have projected \$300,000 for the conceptual design stage). On a similar note, the full amount of Crestmoor Scholarships is recorded when the scholarships are awarded, but they are paid out over two or four years. As a result, the Foundation's cash needs in 2017-2018 are much lower than the expenses it will be incurring. Budgeted "income" almost exclusively comes from transfers from either the Quasi-Endowment or the Strategic Pool, and those transfers are based on projected cash needs during the fiscal year to cover operating expenses plus program obligations.

As I mentioned last year, most nonprofit budgets are income-driven because the nonprofit is able to spend only the funds it expects to bring in that year. In contrast, the Foundation's budget is expense-driven. As a result, I will discuss the expense lines first.

#### **1. Expenses**

We have three categories of Expenses: Direct Program Expenses (Crestmoor Scholarships, Community Grants Fund, and Strategic Grants), Personnel Expenses,

# SAN BRUNO

## Community Foundation

### Memorandum

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and Non-Personnel Support Costs. We are currently projecting expenses of \$50,992,794.

#### **Direct Program Expenses**

- Crestmoor Scholarships: This line keeps the budget for the 2018 Crestmoor Neighborhood Memorial Scholarship at the 2017 level (\$120,000). At this time, I recommend keeping the program essentially the same in format and total scholarship amount awarded for 2018, while working diligently to increase the applicant pool for the high school to community college category. The idea of extending the program to vocational education programs beyond community college has been raised. Staff will also look at this question but is concerned that some of the challenges of attracting more high school to community college applicants (particularly the Scholarship's emphasis on San Bruno community engagement) will be the same with a vocational education category. I would like the focus this year to be on bolstering the high school to community college program (which can provide funding for students headed to vocational programs at community colleges), and, depending on the success of those efforts, more significant program adjustments could be considered for 2019. Staff will bring to the Board a formal proposal for the 2018 Crestmoor Scholarship program disbursement amount in the fall, prior to the launch of the next cycle in December.
- Community Grants Fund: In January, the Board already earmarked \$200,000 for the second cycle of the Community Grants Fund.
- Strategic Grants: This line accounts for three strategic grants that are currently anticipated for 2017-2018: (a) \$50 million for the recreation center/pool facility, (b) \$263,952 for pedestrian safety improvements (which is being considered separately on June 7), and (c) \$30,000 to sponsor the City of San Bruno's 2018 Community Day. All three strategic grants require specific Board approval, but the budget allotment allows for all three. The Board will likely consider the Community Day grant in the early fall after the results of this year's event have been compiled and evaluated.

#### **Direct Personnel Expenses**

- Salaries & Wages: This line reflects the Executive Director's salary. To the extent that additional staffing is needed, I anticipate utilizing consultants rather than employees and therefore have not increased this line to cover additional staff.
- Payroll Taxes & Benefits: This line reflects payroll taxes, Workers Compensation insurance premiums, and benefits for the Executive Director. Benefits include retirement plan contribution, life insurance, and vacation accruals.

# SAN BRUNO

## Community Foundation

### Memorandum

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#### Non-Personnel Support Costs

- Occupancy: This line reflects the total expected rent we will pay in 2017-2018 under our current office lease, which runs through March 2020. We will pay a monthly rate of \$1,161 from July 2017 through March 2018 and a monthly rate of \$1,195 from April through June 2018.
- Insurance: This line is based on the Foundation's current commercial general liability, property, auto, and directors and officers liability insurance policies (\$14,447), which have an annual renewal date of March 21. It also includes the Foundation's crime insurance policy (\$3,404), which has an annual renewal date of May 27.
- Telecommunications: This line includes continuation of the Executive Director's cell phone expenses (\$763), broadband Internet access for the office, and the office landline (\$998 for Internet and landline through San Bruno Cable combined).
- Postage & Shipping: This line includes office postage (\$500) as well as the projected postage required for the fall Annual Report mailing (nonprofit rate) to all San Bruno addresses (\$1,500).
- Marketing & Communications: This line covers the projected printing costs associated with the Annual Report (\$10,000). It also includes funds for graphic design services (\$2,000), flyer/poster printing for the Community Grants Fund (\$800), flyer/poster printing for the Crestmoor Scholarships (\$800), other printing (such as holiday cards, business cards, and banners - \$300), website and e-newsletter costs (\$280), and costs associated with online grant and scholarship applications (\$978).
- Office Supplies and Equipment: This line consolidates two lines from last year's budget (Office Supplies and Office Equipment and Furniture), as the office is nearly fully furnished. It estimates \$200 monthly office supply expenses, includes computer backup expenses and QuickBooks accounting software fees, and allows for the possible purchase of various pieces of office equipment, including a paper shredder and a small refrigerator.
- Legal Fees: Based on this year's expenses, I have budgeted outside nonprofit counsel costs of \$1,000 month. This line also includes reimbursement of 5% of the 2017-2018 City Attorney's cost, which is projected at \$17,917 for the year. An additional \$8,000 has also been added for specialized legal advice as may be needed in the development of the recreation center/pool project grant agreement.

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## Community Foundation

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- Auditor & Payroll Fees: The payroll fees (\$1,733) are based on our current arrangement with our payroll vendor (Paychex). We have budgeted \$9,000 for audit and tax preparation services, per the Foundation's contract with Novogradac & Company.
- Other Consultants: This line includes \$21,000 (\$1,750 per month) for the accounting consultant/full charge bookkeeper, \$33,600 (\$2,800 per month) for the program consultant, \$10,000 for the IT consultant (to refine grant and scholarship online applications and databases as well as manage IT maintenance), \$500 for 403(b) retirement plan consultant (in case assistance is needed for annual filing), and \$250 for translation services.
- Travel, Meetings & Conferences: This line includes \$3,420 for monthly Board meeting room rental and audio recording expenses, \$300 for miscellaneous meeting room rentals, \$500 for meeting related refreshments, and \$500 for miscellaneous conference, training, and meeting expenses.
- Miscellaneous: We have budgeted \$2,000 for miscellaneous expenses that may arise. This line covers such items as professional organization membership fees (such as the San Bruno Chamber of Commerce, Thrive: Alliance of Nonprofits, and CalNonprofits) and government/agency taxes and fees.

This budget presents a realistic view of the Foundation's expenses for 2017-2018 as projected at this time. For purposes of comparison, this budget includes the revised budget and year-end projected actuals for the 2016-2017 fiscal year. Support Costs increase 8% from the 2016-2017 year-end projection to the 2017-2018 budgeted amount. Direct Personnel Expenses will decrease slightly from the projected level for 2016-2017 (due to a one-time retirement plan benefit in February 2017). Non-Personnel Support Costs will increase a relatively modest \$32,439, which is primarily accounted for by the expanded role of the program consultant, additional cushion for legal expenses that may be incurred related to the recreation center/pool grant, and marketing costs. Many of the expense lines are conservative estimates, and actual costs may be lower than the budget projections.

## 2. Funds Available for Operations

As mentioned above, we are not seeking a balanced budget, where income equals expenses in this budget. Instead, the Funds Available for Operations are determined by analyzing the Foundation's cash needs for the fiscal year. Our assumption is that all Personnel Expenses and Non-Personnel Support Costs will need to be paid out during the fiscal year (\$378,842). Projected cash needs for Program Disbursements (total of \$1,258,292) are as follows:



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<b>Crestmoor Scholarship</b>	
2016 Scholars	\$20,000
2017 Scholars	\$40,000
2018 Scholars	\$40,000
<b>Total Crestmoor Scholarship</b>	<b>\$100,000</b>
<b>Community Grants Fund</b>	
Yet-to-be-paid grants awarded in Dec 2016	\$50,000
Grants awarded in Dec 2017	\$200,000
<b>Total Community Grants Fund</b>	<b>\$250,000</b>
<b>Strategic Grants</b>	
Music Education Strategic Initiative	\$114,340
Florida Avenue Park	\$200,000
Community Day	\$30,000
Pedestrian safety improvements	\$263,952
Rec center/pool (conceptual Design)	\$300,000
<b>Total Strategic Grants</b>	<b>\$908,292</b>

Total cash needs for 2017-2018 are estimated at \$1,637,134. This figure, after adjustment for residual 2016-2017 cash balance, will drive the Foundation's Funds Available for Operations in 2017-2018.

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

#### **Operating Income**

At this time, the Foundation's Operating Income is negligible (\$8,000):

- Interest Income: This lines includes estimated investment income from the Fidelity Liquidity Pool account and interest earned on the Wells Fargo operating bank accounts.
- Restricted Donations: At this time, we have no firm commitments for donations earmarked to specific projects (such as Community Day or pedestrian safety improvements), but we may receive such restricted donations during the year.

#### **Transfers from Net Assets**

Consequently, the Foundation's available funds come almost entirely from transfers from the Quasi-Endowment and the Strategic Pool. The question in developing this budget is what portion of the needed funds comes from each pool. In answering this question, it is important to think back to the original purpose of each pool of funds. In

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responding to the results of the Community Listening Campaign, the Board decided to designate about \$54 million of the restitution funds to establish the Strategic Pool to be spent outright on strategic initiatives. The idea was that a pool that size was necessary to enable the funding of at least one major community facility project and other one-time strategic projects. The Board has indicated its support for the concept of a \$50 million recreation center/pool facility for San Bruno, and staff is currently working with the City to develop a concrete proposal for Board approval.

The Board also created the Quasi-Endowment with \$15 million of the restitution funds. The idea behind the Quasi-Endowment has been to follow a long-term endowment investment strategy for the \$15 million, so that only a portion of the investment income would be used as operating funds, and that once the Strategic Pool had been depleted, a scaled-back version of the Foundation could continue to operate – possibly in perpetuity – funding the Crestmoor Scholarship the Community Grants Fund, and potentially some smaller strategic projects on an ongoing basis. Last year, in creating the Investment Operating Plan, the Board decided not to take any Quasi-Endowment payout in the first year of possessing the restitution funds to enable the Quasi-Endowment to grow before spending any investment income.

At its last quarterly meeting, the Investment Committee grappled with this question: Whether the Foundation should use the full 3% Quasi-Endowment payout rate as set forth in the original Investment Operating Plan, or whether a lower rate would be more appropriate, in order to allow the Quasi-Endowment to continue to grow while the Foundation still has funds in the Strategic Pool to cover expenses. To the extent that Community Grants, the Crestmoor Scholarship, and support costs are funded by the Strategic Pool, there will be fewer funds available for any additional strategic grantmaking the Board may want to do in the next few years. At the same time, by relying more heavily on the Strategic Pool and using a smaller amount of Quasi-Endowment payout in the next year, the Quasi-Endowment will likely grow at a faster rate and therefore provide a larger base for the long-term funding of the Foundation, when only the Quasi-Endowment remains.

- Quasi-Endowment Payout: At the June 7 meeting, the Board will consider a proposal from the Investment Committee to decrease the Quasi-Endowment payout rate for 2017-2018 from 3% to 2.25% in order to cover the cash flow needs of the Crestmoor Scholarship and Community Grants Fund (\$350,000). The 2.25% payout rate will result in \$352,921.
- Strategic Pool: The transfer from the Strategic Pool is budgeted at \$1,071,914. This amount will cover total cash needs minus the Quasi-Endowment payout and minus \$204,300 in residual cash carried forward at the end of the 2016-2017 fiscal year. Based on the April 30, 2017, balance, the Strategic Pool after transfer would be \$53,804,736. That figure is almost exactly the same as the June 30, 2016 account

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balance (\$53.78 million), meaning the transfer from the Strategic Pool will be funded by the investment income the account made this past fiscal year.

I recommend that the Board adopt the attached resolution approving the 2017-2018 Foundation budget.

Attachments:

1. Resolution Approving 2017-2018 Budget and Transfers from the Quasi-Endowment and Strategic Pool Investment Accounts to the Liquidity Pool Account
2. Exhibit A: 2017-2018 Proposed Budget

**RESOLUTION NO. 2017-\_\_**

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION  
APPROVING 2017-2018 BUDGET AND TRANSFERS FROM THE QUASI-  
ENDOWMENT AND STRATEGIC POOL INVESTMENT ACCOUNTS TO THE  
LIQUIDITY POOL ACCOUNT**

**WHEREAS**, the San Bruno Community Foundation's next fiscal year will begin on July 1, 2017;

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

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

**WHEREAS**, the proposed 2017-2018 budget as attached in Exhibit A reflects decisions about program initiatives and investment strategy that the Foundation's Board of Directors has made;

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

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors approves the 2017-2018 Foundation budget attached as Exhibit A.

**FURTHER BE IT RESOLVED** that the Board of Directors approves a transfer from the Quasi-Endowment account to the Liquidity Pool account, based on the Quasi-Endowment payout rate set forth in the amended Investment Operating Plan, to cover the cash-flow needs of the Crestmoor Neighborhood Memorial Scholarship and the Community Grants Fund in the 2017-2018 fiscal year, of \$352,921.

**FURTHER BE IT RESOLVED** that the Board of Directors approves a transfer from the Strategic Pool account to the Liquidity Pool account, to cover remaining operating expenses and strategic grant obligations for the 2017-2018 fiscal year, of \$1,071,914.

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

Dated: June 7, 2017

ATTEST:

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John McGlothlin, Secretary

I, John McGlothlin, Secretary, do hereby certify that the foregoing Resolution No. 2017-\_\_ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this 7<sup>th</sup> day of June, 2017, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

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### 2017-2018 Proposed Budget

	<u>2016-17 Budget</u>	Apr 2017 <u>Actual</u>	May-Jun 17 <u>Projected</u>	Projected <u>2016-17</u>	<u>Proposed 2017-18 Budget</u>	Change vs. <u>2016-17 Actual</u>
<b>INCOME</b>						
1 Interest Income	\$ 4,000	\$ 8,006	\$ 1,000	\$ 9,006	\$ 8,000	\$ (1,006)
2 Restricted Donations	-	10,000	5,000	15,000	-	(15,000)
<b>3 Subtotal Operating Income</b>	<b>4,000</b>	<b>18,006</b>	<b>6,000</b>	<b>24,006</b>	<b>8,000</b>	<b>(16,006)</b>
4 Transfers from Quasi Endowment	-	-	-	-	352,921	352,921
5 Transfers from Strategic Pool	1,341,290	1,341,290	-	1,341,290	1,071,914	(269,376)
<b>6 Subtotal Transfers from Net Assets</b>	<b>1,341,290</b>	<b>1,341,290</b>	<b>-</b>	<b>1,341,290</b>	<b>1,424,835</b>	<b>83,545</b>
<b>7 FUNDS AVAILABLE FOR OPERATIONS</b>	<b>1,345,290</b>	<b>1,359,296</b>	<b>6,000</b>	<b>1,365,296</b>	<b>1,432,835</b>	<b>67,539</b>
<b>EXPENSES</b>						
8 Crestmoor Scholarships	100,000	-	120,000	120,000	120,000	-
9 Community Grants Fund	200,000	198,500	1,500	200,000	200,000	-
10 Strategic Grants	675,000	434,500	487,047	921,547	50,293,952	49,372,405
<b>11 Subtotal Direct Program Expenses</b>	<b>975,000</b>	<b>633,000</b>	<b>608,547</b>	<b>1,241,547</b>	<b>50,613,952</b>	<b>49,372,405</b>
12 Salaries & Wages	175,000	147,365	30,187	177,552	181,125	3,573
13 Payroll Taxes & Benefits	25,022	26,469	4,359	30,828	22,594	(8,234)
<b>14 Subtotal Direct Personnel Expenses</b>	<b>200,022</b>	<b>173,834</b>	<b>34,546</b>	<b>208,380</b>	<b>203,719</b>	<b>(4,661)</b>
15 Occupancy	13,314	10,844	2,322	13,166	14,104	938
16 Insurance	16,698	13,594	2,928	16,522	17,851	1,329
17 Telecommunications	1,728	1,523	293	1,816	1,800	(16)
18 Postage & Shipping	4,187	1,795	82	1,877	2,000	123
19 Marketing & Communications	15,978	9,132	1,318	10,450	15,158	4,708
20 Office Supplies and Equipment	3,832	1,401	360	1,761	3,490	1,729
21 Legal Fees	32,781	21,836	6,500	28,336	37,917	9,581
22 Auditor & Payroll Fees	10,940	9,956	268	10,224	10,733	509
23 Other Consultants	61,100	41,111	12,522	53,633	65,350	11,717
24 Travel, Meetings & Conferences	7,210	2,486	1,010	3,496	4,720	1,224
25 Miscellaneous	2,500	1,399	4	1,403	2,000	597
<b>26 Subtotal Non-Personnel Support Costs</b>	<b>170,268</b>	<b>115,077</b>	<b>27,607</b>	<b>142,684</b>	<b>175,123</b>	<b>32,439</b>
<b>27 TOTAL EXPENSES</b>	<b>1,345,290</b>	<b>921,911</b>	<b>670,700</b>	<b>1,592,611</b>	<b>50,992,794</b>	<b>49,400,183</b>
<b>28 NET SURPLUS</b>	<b>\$ -</b>	<b>\$ 437,385</b>	<b>\$ (664,700)</b>	<b>\$ (227,315)</b>	<b>\$ (49,559,960)</b>	<b>\$ (49,332,644)</b>