Nancy A. Kraus, *President*
John P. McGlothlin, *Vice President*
Emily Roberts, *Secretary*
Ben Cohn, *Treasurer*
Patricia Bohm
Frank Hedley
Regina Stanback Stroud

AGENDA

SAN BRUNO COMMUNITY FOUNDATION

Regular Meeting of the Board of Directors

April 17, 2014
6:30 p.m.

Meeting Location: San Bruno City Hall, Conference Room 115, 567 El Camino Real, 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 650-616-7058.

1. **Call to Order/Welcome**

2. **Roll Call**

3. **Approval of Minutes: March 20, 2014, Regular Board Meeting**

4. **Announcements**

5. **Boardmember Comments**

   a. President
   b. Others

6. **Consent Calendar:** All items are considered routine or implement an earlier Board action and may be enacted by one motion; there will be no separate discussion unless requested by a Boardmember, citizen, or staff.

   a. Adopt Resolution Approving Conflict of Interest Policy
   b. Adopt Resolution Approving Whistleblower Policy
   c. Adopt Resolution Ratifying Decision to Bind a One-Year Directors and Officers Insurance Policy from RSUI for $19,950
   d. Adopt Resolution Ratifying Appointment of Ad Hoc Board Subcommittee to Develop Draft Three-Year Estimated Budget for Purposes of 501(c)(3) Application

Nancy A. Kraus, *President*
John P. McGlothlin, *Vice President*
Emily Roberts, *Secretary*
Ben Cohn, *Treasurer*
Patricia Bohm
Frank Hedley
Regina Stanback Stroud

7. Conduct of Business

a. Review Draft 3-Year Budget for 501(c)(3) Application and Receive Report from Ad Hoc Budget Subcommittee
b. Receive Report Regarding Ongoing Activities for Continuing Formation and Establishment of the San Bruno Community Foundation (SBCF)
c. Receive Report and Provide Direction Regarding Establishment of Document Retention Policy
d. Receive Report and Provide Direction Regarding Rules of Procedure for SBCF Board Meetings

8. 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 investigation and/or action where appropriate. The Brown Act prohibits the Board from discussing or acting upon any matter not agendized pursuant to State Law.

9. Adjourn

Nancy A. Kraus, *President*
John P. McGlothlin, *Vice President*
Emily Roberts, *Secretary*
Ben Cohn, *Treasurer*
Patricia Bohm
Frank Hedley
Regina Stanback Stroud

MINUTES

SAN BRUNO COMMUNITY FOUNDATION

Regular Meeting of the Board of Directors

March 20, 2014
6:30 p.m.

Meeting Location: San Bruno City Hall, Conference Room 115, 567 El Camino Real, 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 650-616-7058.

1. **Call to Order/Welcome:** The meeting was called to order by President Kraus at 6:32 p.m.

2. **Roll Call:** Boardmembers Kraus, McGlothlin, Roberts, Cohn, Bohm, Hedley, and Stanback Stroud present.

3. **Approval of Minutes: February 15, 2014, Special Board Meeting:** Minutes from the February 15, 2014 Special Board Meeting were approved with amended language to distinguish San Bruno Community Foundation from Silicon Valley Community Foundation. (M/S RSS/JM)

4. **Announcements:** The next Centennial Committee meeting will be held on March 24, 2014. Boardmember McGlothlin will represent the SBCF and report back.

5. **Boardmember Comments**

   a. President: The SBCF has been immersed in orientation sessions regarding the many requirements of the new foundation, including state and federally mandated procedures to become a full functioning non-profit foundation. The SBCF now has a link on the City of San Bruno website and will work with staff to keep it up to date.
   b. Others: City Manager Jackson reminded the public, on behalf of the City Council, that the SBCF has progressed well and rapidly since its inception and still has a great deal of work ahead. It will take time before grants can be considered.

6. **Consent Calendar:** All items are considered routine or implement an earlier Board action and may be enacted by one motion; there will be no separate discussion unless requested by a Boardmember, citizen, or staff.

   a. Adopt Resolution Ratifying Formation of Executive Committee to Include President, Vice-President, and Treasurer (M/S FH/JM)
   b. Adopt Resolution Establishing Signature Authority for Treasurer and One Other Board Officer (M/S FH/JM)

7. Conduct of Business

a. Receive Report and Presentation, and Provide Direction Regarding Directors and Officers Insurance for SBCF Board Members:
Directors and Officers Insurance as defined by www.nonprofitrisk.org: *Insurance that provides coverage against wrongful acts which might include actual or alleged errors, omissions, misleading statements, and neglect or breach of duty on the part of the board of directors and other insured persons and entities.*
City Attorney Marc Zafferano reported that now is a good time for the SBCF to purchase Directors and Officers Insurance. The City's broker Seth Cole reported that several providers were approached and they received two quotes, both with a million dollar limit: RUSI for $19,950 and AIG for $15,436. Cole recommends going forward with RUSI because it provides the best protection, the details of which were shared.
A motion was made to direct staff to bring back a resolution to enter into an agreement with RUSI. (M/S JM/RSS).
The City will make sure coverage is established as soon as possible and bring back a resolution to the next SBCF board meeting.
Boardmember Stanback Stroud requested a review of funds and where the operational funding is coming from at this time.

b. Receive Report Regarding Ongoing Activities for Continuing Formation and Establishment of SBCF:
City Attorney Marc Zafferano shared with the Board that due to the lack of specificity within the Mission Statement and the unique formation of the SBCF, there is a lot of activity going on behind the scenes by City staff and Consultant Mari Ellen Loijens of the Silicon Valley Community Foundation, regarding procedural aspects of the SBCF.
Email addresses have been set up on the City server for now. The addresses will be: firstinitiallastname-sbcf@sanbruno.ca.gov. The City is working on restructuring the email system to allow a name other than "sanbruno.ca.gov". Correspondence to the SBCF will be sent through these email addresses once they are live.
Boardmember Hedley would like to look into expeditiously obtaining "sbcf.org" domain name.
The SBCF needs to file a 1023 application for a 501(c)(3) status with the IRS. A three year budget is needed for this application. The 501(c)(3) will show that the SBCF is a supporting organization to the City of San Bruno and that the funds were negotiated in a public settlement, not triggering the private foundation requirements. Mari Ellen Loijens will work with the Executive Committee and staff to put together a timeline of activities, allowing the Board and public to be aware of what will be happening at future meetings.
President Kraus has possible SBCF logos from the students at Capuchino High School. The City is reviewing any possible legal issues that might come from using the logos.

c. Receive Report and Provide Direction Regarding Establishment of Required Board Policies:
Legal Advisor Britt Strottman of Meyers Nave presented and recommended a draft Conflict of Interest Policy, outlining what should be done if there is perceived conflict of interest. The 1023 application does not require a policy, but it is suggested and highly recommended. The Conflict of Interest Policy will need to be followed in conjunction with State Law policies.
Motion made to direct staff to bring back a resolution adopting the Conflict of Interest Policy. (M/S PB/RSS)
Mari Ellen Loijens presented the second of three suggested policies for the 1023 application,

the Whistle Blower Policy, applying to the Board, contractors and future employees. The policy outlines two avenues of reporting both within the Board, to the Board President, and outside the Board, to the City Manager. Boardmember Hedley would like more research into individuals not having unilateral authority to address a Whistle Blower complaint.
Motion made to direct staff to bring back a resolution adopting the Whistle Blower Policy with suggested research/changes. (M/S ER/RSS)
President Kraus would like staff to continue to bring policies to the Board for review.

d. Receive Report and Provide Direction Regarding Preparation of a 3-year Budget for SBCF's 501(c)(3) Application:
Mari Ellen Loijens explained that a reasonable, good faith estimated 3-year budget is critical for filing the 1023. The IRS will review it and ensure that it falls in line with the Board's mission. The three years will include a partial first fiscal year ending 6/30/14, full FY 7/1/14 – 6/30/15 and full FY 7/1/15 – 6/30/16. Salaries and wages, grant assistance plan, occupancy, insurance, and consultants should all be part of the 3-year budget.
President Kraus appointed Boardmembers Bohm, Hedley and McGlothlin to an ad-hoc committee to work on the budget.
Motion made to appoint the ad-hoc committee to work with staff to create a 3-year budget in order to file the 1023 application for 501(c)(3) status with the IRS. (M/S RSS/ER)

8. **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 investigation and/or action where appropriate. The Brown Act prohibits the Board from discussing or acting upon any matter not agendized pursuant to State Law.

City Treasurer John Marty introduced Jim Dowley, of Wells Fargo Bank, who shared that he is very happy to be working with the Board and is available to answer any questions the Board may have about the funds being invested by Wells Fargo.

9. **Adjourn**
7:57 p.m. (M/S FH/RSS)

RESOLUTION No. 2014 - _____

RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION ADOPTING CONFLICT OF INTEREST POLICY

WHEREAS, the Board of Directors agrees that the Foundation should conduct its business affairs so as to avoid any possible conflict of interest between the duties and responsibilities that the Foundation's directors and officers owe to the Foundation, and other duties and responsibilities those individuals may have;

WHEREAS, the Board has reviewed the Conflict of Interest Policy attached as Exhibit A; and

WHEREAS, the Board has determined that the Conflict of Interest Policy attached as Exhibit A is appropriate for this Foundation.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors adopts the Conflict of Interest Policy attached as Exhibit A.

Dated: April 17, 2014

ATTEST:

_____

Emily Roberts, Secretary

I, Emily Roberts, Secretary, do hereby certify that the foregoing Resolution No. 2014-___ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this ___ day of April, 2014, by the following vote:

AYES: Boardmembers:

NOES: Boardmembers:

ABSENT: Boardmembers:

SBCF Mtg Date: 4-17-14

Item No. 6a

SAN BRUNO COMMUNITY FOUNDATION
Conflict of Interest Policy

ARTICLE I
Purpose

The purpose of the conflict of interest policy is to protect this tax-exempt organization's (Organization) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations. If this policy is in conflict with applicable state (including Corporations Code Section 5233) and federal laws governing conflict of interest, the applicable state and federal laws prevail.

ARTICLE II
Definitions

1. Interested Person

Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect Financial Interest, as defined below, is an Interested Person.

2. Financial Interest

A person has a Financial Interest if the person has, directly or indirectly, through business, investment, or family:

(a) An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,

(b) A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or

(c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

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

A Financial Interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a Financial Interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

EXHIBIT A

ARTICLE III
Procedures

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an Interested Person must disclose the existence of the Financial Interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

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

3. Procedures for Addressing the Conflict of Interest

(a) An Interested Person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

(b) The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

(c) After exercising due diligence, the governing board or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

(d) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflicts of Interest Policy

(a) If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member

of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

(b) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

ARTICLE IV
Records of Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain:

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

(b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

ARTICLE V
Compensation

(a) A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

(b) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

(c) No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

ARTICLE VI
Annual Statements

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

(a) Has received a copy of the conflicts of interest policy,

(b) Has read and understands the policy,

(c) Has agreed to comply with the policy, and

(d) Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

ARTICLE VII
Periodic Reviews

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

(a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.

(b) Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

ARTICLE VIII
Use of Outside Experts

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

2252062.1

RESOLUTION No. 2014 - _____

RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION ADOPTING WHISTLEBLOWER POLICY

WHEREAS, the Board of Directors agrees that the Foundation should observe high standards of business and personal ethics in the conduct of its duties and responsibilities;

WHEREAS, the Board has reviewed and discussed the Whistleblower Policy attached as Exhibit A, which applies to Directors, Officers, volunteers, contractors, consultants, and employees; and

WHEREAS, The Board of Directors determined that the Whistleblower Policy attached as Exhibit A is appropriate for this Foundation.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors adopts the Whistleblower Policy attached as Exhibit A.

Dated: April 17, 2014

ATTEST:

_____
Emily Roberts, Secretary

I, Emily Roberts, Secretary, do hereby certify that the foregoing Resolution No. 2014-___ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this ___ day of April, 2014, by the following vote:

AYES: Boardmembers:

NOES: Boardmembers:

ABSENT: Boardmembers:

SBCF Mtg Date: 4-17-14
Item No. 6b

San Bruno Community Foundation

Whistleblower Policy

PURPOSE

The San Bruno Community Foundation (SBCF) requires directors, officers, volunteers, contractors, consultants, and employees (hereinafter "Reporting Individuals") to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As representatives of SBCF, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.

SCOPE

All Reporting Individuals are covered by the scope of this policy and its guidelines.

POLICY

It is the responsibility of all Reporting Individuals to comply with this policy by reporting violations or suspected violations in accordance with this policy.

The objective of this policy is to:

- Prevent or detect and correct improper activities
- Encourage all Reporting Individuals to report what they in good faith believe to be a material violation of law, policy, questionable accounting, or auditing matter by the SBCF
- Ensure the receipt, documentation, retention of records and resolution of reports received under this policy
- Protect Reporting Individuals from retaliatory action

Reporting Individuals must also notify the SBCF if an action needs to be taken in order for the SBCF to be in compliance with law, policy or with generally accepted accounting practices. The types of concerns that should be reported include, for purposes of illustration and without being limited to, the following:

- Providing false or misleading information in the SBCF's financial documents, grant reports, tax returns or other public documents
- Providing false information to or withholding material information from the SBCF's auditors, accountants, lawyers, directors, officers, contractors, consultants, and volunteers or other

EXHIBIT A

representatives responsible for ensuring the SBCF's compliance with fiscal and legal responsibilities

- Embezzlement, private benefit, or misappropriation of funds
- Material violation of SBCF policies including, among others, confidentiality, conflict of interest, whistleblower, ethics and document retention
- Discrimination based on race, gender, sexual orientation, ethnicity, disability or other classifications protected by law
- Facilitation or concealing any of the above or similar actions

PROCEDURES FOR REPORTING

Reporting Parties may submit concerns to the board chair. If the Reporting Party is not comfortable reporting to the board chair, or if he/she does not believe the issue is being properly addressed, the Reporting Party may report directly to the City Manager of the City of San Bruno.

The SBCF (or the City Manager, if appropriate) will acknowledge receipt of the report to the Reporting Party if the Reporting Party is known, and will then investigate all reports filed in accordance with this policy to determine if the allegations are substantiated, whether the issue reported is material and what, if any, corrective actions are necessary. A report of all matters raised under this policy will be provided to the full board of directors.

The board chair (or City Manager, if appropriate) shall have full authority to investigate concerns raised in accordance with this policy and may retain outside legal counsel, accountants, private investigators, or any other resource that they believe is necessary to conduct a full and complete investigation of the allegations.

No Retaliation

No Reporting Party who in good faith reports a violation of this policy shall be subjected to harassment, retaliation, or adverse action. This policy is intended to encourage and enable Reporting Parties to raise serious concerns within the organization prior to seeking resolution outside the organization.

Obligation to Act in Good Faith

Anyone filing a complaint concerning a violation or suspected violation of this policy must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of this policy. Any allegations that are determined to be unsubstantiated and/or to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

San Bruno Community Foundation

Whistleblower Policy

Confidentiality

Violations or suspected violations of this policy may be submitted on a confidential basis by the Reporting Party or may be submitted anonymously. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation and with applicable law.

RESOLUTION No. 2014 - _____

RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION RATIFYING DECISION TO BIND A ONE-YEAR DIRECTORS AND OFFICERS INSURANCE POLICY FROM RSUI FOR $19,950

WHEREAS, The Board of Directors received a presentation about options for obtaining a Directors and Officers insurance policy on March 20, 2014; and

WHEREAS, The Board of Directors determined that RSUI's premium was reasonable given the broader scope of coverage than other alternatives;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors ratify the decision to bind a one-year Directors and Officers insurance policy from RSUI for $19,950.

Dated: April 17, 2014

ATTEST:

_____

Emily Roberts, Secretary

I, Emily Roberts, Secretary, do hereby certify that the foregoing Resolution No. 2014-___ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this ___ day of April, 2014, by the following vote:

AYES: Boardmembers:

NOES: Boardmembers:

ABSENT: Boardmembers:

SBCF Mtg Date: 4-17-14

Item No. 6c

Alliant

Invoice # 204978	Page 1 of 1
ACCOUNT NUMBER: SANBRUN-01	DATE: 3/25/2014
BALANCE DUE ON: 4/7/2014	AGENCY CODE: 200
AMOUNT PAID:	AMOUNT DUE: $19,950.00

San Francisco-Alliant Insurance Services, Inc.
701 B St 6th Fl
San Diego, CA 92101

Phone: (415) 403-1400 Fax: (415) 402-0773

City of San Bruno

567 El Camino Real
San Bruno, CA 94503

RECEIVED

MAR 26 2014

City of San Bruno
City Attorney

Client: City of San Bruno
Policy Number: NHP656513
Insurance Carrier: RSUI Indemnity Company

Policy: Director's & Officer's Liability
Effective: 3/21/2014 to 3/21/2015

Item #	Trans Eff Date	Due Date	Trans	Description	Amount
734901	3/21/2014	4/7/2014	NEWB	2014-15 D&O San Bruno Community Foundation	$19,650.00
734902	3/21/2014	4/7/2014	CFEE	Wholesaler Fee	$300.00

Total Invoice Balance: **$19,950.00**

CA

0018953

Invoice Payment Authorization
City Attorney review/approval: [illegible]
Acct No.: E 10004-0004-9151
Date Entered: 190-9010-6521
Vendor # 0018953

IMPORTANT NOTICE: The Nonadmitted & Reinsurance reform act (NRRA) went into effect July 21, 2011. Accordingly, surplus lines tax rates and regulations are subject to change which could result in an increase or decrease of the total surplus lines taxes and/or fees owed on this placement. If a change is required, we will promptly notify you. Any additional taxes and/or fees due must be promptly remitted to Alliant Insurance Services, Inc.

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income Alliant may earn on a placement, are available at www.alliantinsurance.com. For a copy of our policy or for inquiries regarding compensation issues pertaining to your account contact: Alliant Insurance Services, Inc., Attn: General Counsel, 701 B St., 6th Floor, San Diego, CA 92101

RESOLUTION No. 2014 - _____

RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION RATIFYING APPOINTMENT OF AN AD HOC BOARD SUBCOMMITTEE TO DEVELOP A DRAFT THREE-YEAR ESTIMATED BUDGET FOR PURPOSES OF 501(c)(3) APPLICATION

WHEREAS, the SBCF is in the process of applying for 501(c)(3) status from federal and state authorities; and

WHEREAS, the 501(c)(3) application requires preparation of an estimated 3-year budget;

WHEREAS, it would be convenient for an ad hoc subcommittee to assist the Board in developing that budget and to then report back to the Board;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors ratifies the appointment of an ad hoc Board subcommittee consisting of Pat Bohm, Frank Hedley, and John McGlothlin to assist in the development of a draft three-year estimated budget for purposes of 501(c)(3) application.

Dated: April 17, 2014

ATTEST:

_____
Emily Roberts, Secretary

I, Emily Roberts, Secretary, do hereby certify that the foregoing Resolution No. 2014-___ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this ___ day of April, 2014, by the following vote:

AYES: Boardmembers:

NOES: Boardmembers:

ABSENT: Boardmembers:

SBCF Mtg Date: 4-17-14
Item No. 6d

MEMORANDUM

SAN BRUNO COMMUNITY FOUNDATION

DATE: **April 17, 2014**

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

FROM: **Mari Ellen Loijens, Silicon Valley Community Foundation**
Marc L. Zafferano, City Attorney

SUBJECT: **Review Draft 3-Year Budget for 501(c)(3) Application and Receive Report from Ad Hoc Budget Subcommittee**

The SBCF is in the process of developing its 501(c)(3) application to obtain tax-exempt status from the federal and state governments. This requires preparation of a 3-year budget to be submitted as part of the application. The budget is not the Foundation's formal operating budget, which will be developed and adopted as part of a separate process in the upcoming months. Instead, the budget is required to contain good faith estimates of revenue and expenses, based on information currently available. In this case, given that the SBCF is a newly-formed entity and has not yet completed its process of formation and establishment, certain assumptions must be made to complete the budget for purposes of filing the application. However, it is understood that these assumptions, and the numbers contained in the budget, may be ultimately revised as the Foundation completes its formation and considers and adopts its operating budget.

On March 20, 2014, the Board appointed an ad hoc Board subcommittee consisting of Pat Bohm, Frank Hedley, and John McGlothlin to assist the Board in developing the 3-year budget for purposes of the 501(c)(3) application. The subcommittee met with Mari Ellen Loijens, the City Manager, and the City Attorney to review the draft budget developed by Ms Loijens. After discussing each line item in the budget and considering all of the comments and suggestions offered by the participants, the attached draft budget was developed.

At tonight's meeting, Ms Loijens will provide a brief oral report explaining the underlying assumptions and numbers used in the draft budget, and will answer any questions. The Board subcommittee will also be available to provide its input and comments.

City staff recommends that the Board receive this report, review the draft budget, take any public comment, and provide direction to complete the draft budget. At an upcoming meeting, the Board will be asked to review the completed 501(c)(3) application,

SBCF Mtg Date: 4-17-14
Item No. 7a

including the budget, before it is filed. The San Bruno City Council will also review the budget and application pursuant to its reserved powers as specified in the bylaws. Once approved, the 501(c)(3) application will be filed.

Attachment: Draft 3-year budget for 501(c)(3) application

San Bruno Community Foundation

STATEMENT OF PROJECTED REVENUE AND EXPENSES: 501(C)(3) Application

Assumptions	*Notes*	*Year One*	*Year Two*	*Year Three*	*Total*
INCOME					
Gifts, grants, and contributions:					
Government grants		$ -	$ -	$ -	$ -
Public charity grants		-	-	-	-
Private foundation grants		-	-	-	-
Corporate contributions		-	-	-	-
Establishing contribution in Year 2. No additional Contributions in Year 3.			68,838,703	-	68,838,703
Individual contributions		-	-	-	-
Program-related income		-	-	-	-
Unrelated business income		-	-	-	-
Investment income (interest, etc.)	*1*		4,818,709	5,156,019	9,974,728
Earnings net of investment management fees Year 1,2, and 3		-	-	-	-
Other		-	-	-	-
Total Income		-	73,657,412	5,156,019	78,813,431
EXPENSES					
Salaries and wages:	*2*				
Directors and officers					
Executive Director Year 2- Assuming a max 4% annual raise			150,000	156,000	306,000
Program officers and other staff					
Administrative Assistant in Year 2 - Assuming a max 4% annual raise		-	45,000	46,800	91,800
Subtotal salary and wages		-	*195,000*	*202,800*	*397,800*
Payroll taxes and benefits					
Executive Director end of Year 2 & 3- 23%, 23%, 23%		-	34,500	35,880	70,380
Administrative Assistant in Year 2 and 3- 23%, 23%		-	10,350	10,764	21,114
Grants and assistance to others					
Estimated 5% Distribution Years 2 and 3		-	3,441,935	3,500,000	6,941,935
Occupancy					
An office and reception area		-	26,000	26,000	52,000
Insurance					
D&O Insurance Year 1, 2, and 3			19,950	15,000	34,950
Telecommunications					
		-	3,000	2,500	5,500
Postage & shipping					
Mailing to the SB community in Year 2			5,000	5,000	10,000
Mailing of annual report in Years 2 and 3			6,000	7,000	13,000
Printing & copying					
Printing of new materials Year 2			10,000	-	10,000
Annual report Year 2 and Year 3		-	15,000	15,000	30,000
Letterhead Years 2, and 3			10,000	10,000	20,000
Office supplies					
		-	1,000	500	1,500
Office equipment & furniture					
		-	15,000	10,000	25,000
Legal, accounting & payroll services					
Legal for Set up of Foundation and other in years 1, 2, and 3			150,000	50,000	200,000
990 Fee Payable to Audit/Tax Firm Years 2, and 3		-	2,500	2,500	5,000
Audit Fee Payable to Audit/ Tax Firm Years 2, and 3		-	2,500	2,500	5,000
Payroll service provider in Years 1, 2, and 3 assuming ED is hired at end of Year 1			1,107	1,205	2,312
Travel					
Travel for conference inYear 2 (1 staff) Year 3 (1 staff)		-	1,000	1,000	2,000
Consultants	*3*				
Investment Consultant Years 2 and 3 assuming consultant begins works at end of year	*4*	-	140,000	140,000	280,000
HR recruiting firm for hire of ED Year 1- 25-30% of starting salary			50,000	-	50,000
Consulting Provided by SVCP Years 1, 2, and 3			50,000	30,000	80,000
Marketing Consultant for website design and development in Year 2 and 3 assuming work flows into Year3; Website update costs.			40,000	20,000	60,000
Marketing Consultant for design and development of logo and marketing materials including letterhead in Years 2 and 3 assuming work flows into Year 3 . Other design costs in Year 3.			20,000	5,000	25,000
Other					-
Internal meetings in years 2 and 3			1,500	2,000	3,500
Public Hearings			2,000	2,000	4,000
Conferences		-	1,500	1,500	3,000
HR comp survey in Years2 and 3- assuming this must happen every year for ED salary review			10,000	10,000	20,000
Total Expenses		-	4,264,842	4,108,149	8,372,991
Net Change		$ -	$ 69,392,570	$ 1,047,870	$ 70,440,440

Notes

* July 1, 2013- June 30, 2014

1 Assumes 7% annual rate of return for long-term growth oriented investment allocation for Years 2 and 3. Dollars rounded down to be conservative.

2 Salaries and Wage information reported here pertains to amounts to be paid by the San Bruno Community Foundation as compensation for its own employees who will perform functions solely for the San Bruno Community Foundation. All staff will be paid amounts which are reasonable in light of amounts paid to comparably qualified individuals by comparable organizations for comparable responsibilities.

3 Consultants and service providers will be arm's-length contractors, and will be paid amounts that are reasonable in light of similar services. In no case will individuals who would be properly classified as employees be paid as independent contractors.

4 Traditional, non-discretionary investment consulting services estimated at 0.15% on assets.

MEMORANDUM

SAN BRUNO COMMUNITY FOUNDATION

DATE: **April 17, 2014**

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

FROM: **Marc L. Zafferano, City Attorney**

SUBJECT: **Receive Report Regarding Activities for Continuing Formation and Establishment of the San Bruno Community Foundation**

This report provides an update regarding the ongoing activities for the continuing formation and establishment of the SBCF.

All SBCF Board members now have email addresses through the City's server. Board members are advised to use these email addresses for all SBCF business.

City staff has been able to secure two domain names: *sanbrunocommunityfoundation.org, and sbcf.org*. These addresses can be used in the future for the organization's website and other applications if desired.

The opportunity to use a high school art project for a potential SBCF logo was complicated by some unanticipated legal issues. The Executive Committee has recommended that the Board consider retaining professional services at a future meeting to design a logo.

With the Board's review and potential approval tonight of the draft 3-year budget for the 501(c)(3) application, the process can proceed relatively quickly. City staff, outside counsel, and the consultant from the Silicon Valley Community Foundation anticipate completing a draft of the application in time for your review at the May 15, 2014 meeting. Pursuant to its retained powers in the bylaws, the San Bruno City Council will review the application and budget.

At the last meeting, a question arose regarding the status of expenditures made by the City of San Bruno on behalf of the SBCF. Expenses paid by the City include insurance for approximately $20,000, consulting services from Silicon Valley Community Foundation for approximately $20,000, and outside legal services for approximately $75,000. The latter services include work starting in 2012 for the initial formation of the corporation as established by the City Council. These expenditures are eligible to be reimbursed to the City from the Trust established by the City and PG&E in the wake of

SBCF Mtg Date: 4-17-14
Item No. 7b

the disaster. The City Manager has had a preliminary discussion of this issue with the Trustee, who indicated that he would consider expenses for formation and establishment of the SBCF to be appropriately paid by the Trust without requiring reimbursement by SBCF. This discussion focused on the time before the Board held its first regular meeting in March. Given that time frame, the great majority of the expenses, including most of the legal expenses, would not be subject to being reimbursed to the Trust by the SBCF.

After tonight's meeting, the Board will have accomplished over a dozen of the identified tasks for forming and establishing the organization. City staff and the consultants will continue to assist the Board in this process at the next several meetings.

MEMORANDUM

SAN BRUNO COMMUNITY FOUNDATION

DATE: **April 17, 2014**

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

FROM: **Marc L. Zafferano, City Attorney**

SUBJECT: **Receive Report and Provide Direction Regarding Establishment of Document Retention Policy**

The San Bruno Community Foundation is required to adopt and implement a document retention policy in support of its 501(c)(3) application. In any event, such a policy is strongly recommended for all public entities because state law requires that certain documents be kept for specified periods of time depending on the type of document. Under state law, most documents must be retained for a minimum of two years, while others (such as property deeds) must be retained permanently.

On June 25, 2013, the San Bruno City Council adopted a resolution amending the City's document retention policy to provide that documents related to the Glenview disaster be retained permanently. Attached for the Board's reference is the staff report, resolution, and accompanying retention schedule. Page CW-7 of that schedule displays the highlighted section indicating that such documents be permanently retained, designated by a capital "P" in the "Total Retention" column.

The City is also in the process of adopting a separate email retention policy for all City departments. Email is generally not considered to be a type of public record that cities permanently retain. Instead, most email retention policies authorize destruction of emails with 90 days.

As a supporting organization to the City of San Bruno, the SBCF may choose to adopt the City's document retention policy. It is likely that the SBCF will be in existence for many years, and during that time, there may be significant and ongoing public interest in its activities. Under these circumstances, city staff recommends that the Board consider adopting the City of San Bruno's document retention schedule for Crestmoor-related documents, which requires indefinite retention for all documents except emails, which will be retained for 90 days.

Attachment: City of San Bruno staff report, document retention policy, and resolution dated 6-25-13

SBCF Mtg Date: 4-17-14
Item No. 7c

City Council Agenda Item
Staff Report

CITY OF SAN BRUNO

DATE: June 25, 2013

TO: Honorable Mayor and Members of the City Council

FROM: Marc L. Zafferano, City Attorney
Carol Bonner, City Clerk

SUBJECT: Adopt Resolution Amending Records Retention Schedule for Crestmoor (Glenview) Related Documents

BACKGROUND:

On July 29, 2009, the City Council adopted a Records Retention Schedule for all City documents. The Schedule is contained in a large binder, accessible to each City department. It classifies the types of documents both alphabetically and according to which department is responsible for their retention, according to a defined schedule that ranges from 30 days to permanently. All departments are required to obtain clearance from both the City Attorney and City Clerk before any documents are destroyed pursuant to the Schedule.

On December 8, 2009, the City Council amended the Schedule to add various categories of documents and make other minor changes.

Since September 10, 2010, City departments have generated and acquired a large number of documents relating to the Glenview disaster, many of which are unique and not otherwise covered by the City's existing Records Retention Schedule as amended.

DISCUSSION:

Because of the significance and ongoing impact of the Glenview disaster, staff believes that it is important to retain as many Glenview-related documents as possible. Accordingly, the City is in the process of categorizing these documents across all City departments. While this effort is ongoing, it is necessary to amend the Records Retention Schedule to reflect the importance of retaining these documents.

The proposed Resolution incorporates this amendment in Exhibit A, page CW-7, and is highlighted in yellow. The page prefix "CW" refers to "City Wide," which indicates that the policy is applicable to all departments.

FISCAL IMPACT:

None; all costs associated with the current efforts to compile and categorize the Crestmoor (Glenview) documents, as well as any future costs, are covered by the Trust.

ALTERNATIVES:

1. Provide additional direction to staff regarding amendments to the Records Retention Schedule for Crestmoor (Glenview) related documents.

RECOMMENDATION:

Adopt resolution amending Records Retention Schedule for Crestmoor (Glenview) related documents.

DISTRIBUTION:

None

ATTACHMENTS:

1. Resolution with Exhibit A

REVIEWED BY:

_____ CM

RESOLUTION NO. 2013 - 53

RESOLUTION AMENDING RECORDS RETENTION SCHEDULE FOR GLENVIEW-RELATED DOCUMENTS

WHEREAS, on July 29, 2009, the City Council approved Resolution 2009-89 Adopting a Records Retention Schedule and Authorizing Destruction of Certain Records and Rescinding all Previous Resolutions; and

WHEREAS, Resolution 2009-89 specifies that the City Council must approve any changes to the City's Records Retention Schedule; and

WHEREAS, from time to time the City Council has amended the Records Retention schedule as became necessary and convenient to the City's operations; and

WHEREAS, the City has generated and acquired numerous records relating to the Glenview Fire incident that occurred on September 10, 2010; and

WHEREAS, the City deems it necessary and convenient to retain such records indefinitely;

NOW, THEREFORE, BE IT RESOLVED that the San Bruno City Council authorizes the Amendment to the Records Retention Schedule attached hereto as Exhibit A, which shall become effective immediately upon its passage and adoption.

---oOo---

I hereby certify that foregoing **Resolution No. 2013 - 53**
was introduced and adopted by the San Bruno City Council at a regular meeting on
June 25, 2013, by the following vote following vote:

AYES: Councilmembers: Medina, O'Connell, Salazar, Mayor Ruane

NOES: Councilmembers: None

ABSENT: Councilmembers: Ibarra

Carol Bonner

Carol Bonner, City Clerk

Exhi' A

RECORDS RETENTION SCHEDULE: CITY-WIDE STANDARDS

Office of Record (OFR)	Retention No.	Records Description	Retention / Disposition: Active (in office)	Inactive Storage (Off-site, OD or Mfr)	Total Retention	Vital?	Media Options	Image: I=Import M=Mfr S=Scan	Destroy Paper after Imaged & QC'd?	Comments / Reference
Retentions apply to the department that is NOT the Office of Record (OFR), or the "Lead Department". If you are the OFR, refer to your department retention schedule.										
Retentions begin when the act is completed, and imply a full file folder (e.g. last document + 2 years), since destruction is normally performed by file folder.										
Litigation, claims, complaints, audits and/or investigations suspend normal retention periods (retention resumes after settlement or completion).										
Lead Dept.	CW-025	Drafts & Notes: Drafts that are revised (retain final version)	When No Longer Required		When No Longer Required		Mag, Ppr			As long as the drafts and notes are not retained in the "Regular Course of Business". Consult the City Attorney to determine if a record is considered a draft. GC §§34090, 6252, 6254(a)
Lead Dept.	CW-026	Facility Use Applications / Facility Use Permits	2 years		2 years		Mag, Ppr			GC §34090
Lead Dept.	CW-027	GIS Database / Data / Layers (both City-wide and Specialized)	When No Longer Required		When No Longer Required	Yes	Mag			The Lead Department should print out historical documents (or save source data) prior to replacing the data, if they require the data or output for historical purposes; Department Preference (Preliminary documents); GC §34090 et seq.
Lead Dept.	CW-061	Glenview PG&E Pipeline Explosion, September 10, 2010	When No Longer Required	P	P	Yes	Mag, Ppr		No	
Lead Dept.	CW-028	Grants (UNSUCCESSFUL Applications, Correspondence)	2 years		2 years		Mag, Ppr			GC §34090

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Adopted: 7/28/2009
Revised: 12/8/2009
Revised: 6/25/2013

MEMORANDUM

SAN BRUNO COMMUNITY FOUNDATION

DATE: **April 17, 2014**

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

FROM: **Marc L. Zafferano, City Attorney**

SUBJECT: **Receive Report and Provide Direction Regarding Rules of Procedure for San Bruno Community Foundation Board Meetings**

It is necessary for organizations such as the San Bruno Community Foundation to adopt and implement rules of procedure for the orderly administration of business at Board meetings. These rules generally specify how motions should be made, the order of priority for various types of motions, and the results of those motions on the business at hand.

There are several different model rules of procedures. One of the oldest, and most common, is Robert's Rules of Order, which is used by many different types of organizations, including many public entities such as the City of San Bruno. Robert's Rules have undergone several revisions over the decades, and the Rules currently span scores of pages in booklet form. Robert's Rules are generally recognized to be the most complete set of parliamentary rules, covering virtually every conceivable situation that could arise at a meeting. As a result, the rules are complex and sometimes difficult to interpret, and many of the rules address situations that rarely or never occur at public meetings.

Some organizations are instead turning to a simplified, plain-English set of rules referred to as Rosenberg's Rules of Order. These rules are sufficiently complete for most organizations that hold public meetings, and are much more intuitive and easy to understand and apply. The League of California Cities and the Institute for Local Government have links on their websites to these rules, and they have also supplied a one-page "cheat sheet" that further simplifies the rules. Public entities that have adopted these rules have found them workable and easy to implement. The "cheat sheet" and full set of rules are attached for your reference.

City staff recommends that the Board review and discuss Rosenberg's Rules of Order and consider adopting them for meetings of the SBCF.

Attachment: Rosenberg's Rules of Order; "Cheat Sheet"

SBCF Mtg Date: 4-17-14
Item No. 7d

Simple Parliamentary Procedures Cheat Sheet

(Adapted from *Rosenberg's Rules of Order*: Simple Parliamentary Procedures for the 21st Century)

Meeting Basics

- Establish a quorum
- Call meeting to order
- Move through agenda
- Adjourn meeting

Motions 101

Basic Motions

- Basic motion on agenda item
- Motion to amend
- Substitute motion

Meeting Motions

- Motion to adjourn
- Motion to recess
- Motion to fix the time to adjourn
- Motion to table

Super Majority Motions

- Motion to limit debate
- Motion to close nominations
- Motion to object to the consideration of a question
- Motion to suspend the rules

A motion can be made and seconded by any member.

Agenda Item Discussions

1. **Announce Agenda Item**: Chair clearly states agenda item number and subject.
2. **Reports and Recommendations**: Relevant speaker gives report and provides recommendations.
3. **Questions and Answers**: Technical questions from members are asked and addressed.
4. **Public Comment**: Chair allows public comment and input under the terms of the Board's policy for such comment.
5. **Motions and Action Items:**
   a. **Motions Introduced:** Chair invites motion from body, and announces name of member introducing motion.
   b. **Seconds:** If motion is seconded, Chair announces name of seconding member.
   c. **Motions Clarified**: Seconded motion is clarified by maker of motion, Chair, or secretary/clerk.
   d. **Amendments and Substitutions**: Other members may propose amended or substitute motions.
   e. **Discussion and Vote**: Members discuss motion. Chair announces that vote will occur. Members vote on the last motion on the floor (a substitute motion) first, and if that does not pass, vote on the next-to-last motion, and so on.
   f. **Ayes and Nays**: Chair takes vote by asking for "ayes," "nays," or "abstentions." Unless super majority required, simple majority determines whether motion passes.
   g. **Results and Actions:** Chair announces result of vote and action the body has taken. Names of dissenters should be announced as well. *Example: "The motion passes by a vote of 3-2, with Smith and Jones dissenting. We have passed the motion requiring 10 days' notice for all future meetings of this governing body."*
6. **Repeat:** Begin process again with next agenda item.

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Link to purchase ILG's *Rules of Order*

Prepared by:
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(415) 678-3800 | www.publiclawgroup.com
350 Sansome St. | San Francisco, CA 94104

Rosenberg's Rules of Order

REVISED 2011

Simple Rules of Parliamentary Procedure for the 21st Century

By Judge Dave Rosenberg

LEAGUE® OF CALIFORNIA CITIES

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To be recognized and respected as the leading advocate for the common interests of California's cities.

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Established in 1898, the League of California Cities is a member organization that represents California's incorporated cities. The League strives to protect the local authority and automony of city government and help California's cities effectively serve their residents. In addition to advocating on cities' behalf at the state capitol, the League provides its members with professional development programs and information resources, conducts education conferences and research, and publishes Western City magazine.

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About the Author

Dave Rosenberg is a Superior Court Judge in Yolo County. He has served as presiding judge of his court, and as presiding judge of the Superior Court Appellate Division. He also has served as chair of the Trial Court Presiding Judges Advisory Committee (the committee composed of all 58 California presiding judges) and as an advisory member of the California Judicial Council. Prior to his appointment to the bench, Rosenberg was member of the Yolo County Board of Supervisors, where he served two terms as chair. Rosenberg also served on the Davis City Council, including two terms as mayor. He has served on the senior staff of two governors, and worked for 19 years in private law practice. Rosenberg has served as a member and chair of numerous state, regional and local boards. Rosenberg chaired the California State Lottery Commission, the California Victim Compensation and Government Claims Board, the Yolo-Solano Air Quality Management District, the Yolo County Economic Development Commission, and the Yolo County Criminal Justice Cabinet. For many years, he has taught classes on parliamentary procedure and has served as parliamentarian for large and small bodies.

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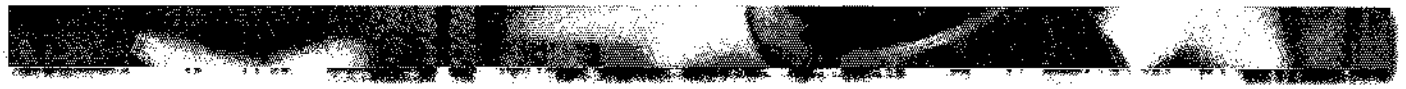

Introduction

The rules of procedure at meetings should be simple enough for most people to understand. Unfortunately, that has not always been the case. Virtually all clubs, associations, boards, councils and bodies follow a set of rules — *Robert's Rules of Order* — which are embodied in a small, but complex, book. Virtually no one I know has actually read this book cover to cover. Worse yet, the book was written for another time and for another purpose. If one is chairing or running a parliament, then *Robert's Rules of Order* is a dandy and quite useful handbook for procedure in that complex setting. On the other hand, if one is running a meeting of say, a five-member body with a few members of the public in attendance, a simplified version of the rules of parliamentary procedure is in order.

Hence, the birth of *Rosenberg's Rules of Order*.

What follows is my version of the rules of parliamentary procedure, based on my decades of experience chairing meetings in state and local government. These rules have been simplified for the smaller bodies we chair or in which we participate, slimmed down for the 21st Century, yet retaining the basic tenets of order to which we have grown accustomed. Interestingly enough, *Rosenberg's Rules* has found a welcoming audience. Hundreds of cities, counties, special districts, committees, boards, commissions, neighborhood associations and private corporations and companies have adopted *Rosenberg's Rules* in lieu of *Robert's Rules* because they have found them practical, logical, simple, easy to learn and user friendly.

This treatise on modern parliamentary procedure is built on a foundation supported by the following four pillars:

1. **Rules should establish order.** The first purpose of rules of parliamentary procedure is to establish a framework for the orderly conduct of meetings.
2. **Rules should be clear.** Simple rules lead to wider understanding and participation. Complex rules create two classes: those who understand and participate; and those who do not fully understand and do not fully participate.
3. **Rules should be user friendly.** That is, the rules must be simple enough that the public is invited into the body and feels that it has participated in the process.
4. **Rules should enforce the will of the majority while protecting the rights of the minority.** The ultimate purpose of rules of procedure is to encourage discussion and to facilitate decision making by the body. In a democracy, majority rules. The rules must enable the majority to express itself and fashion a result, while permitting the minority to also express itself, but not dominate, while fully participating in the process.

Establishing a Quorum

The starting point for a meeting is the establishment of a quorum. A quorum is defined as the minimum number of members of the body who must be present at a meeting for business to be legally transacted. The default rule is that a quorum is one more than half the body. For example, in a five-member body a quorum is three. When the body has three members present, it can legally transact business. If the body has less than a quorum of members present, it cannot legally transact business. And even if the body has a quorum to begin the meeting, the body can lose the quorum during the meeting when a member departs (or even when a member leaves the dais). When that occurs the body loses its ability to transact business until and unless a quorum is reestablished.

The default rule, identified above, however, gives way to a specific rule of the body that establishes a quorum. For example, the rules of a particular five-member body may indicate that a quorum is four members for that particular body. The body must follow the rules it has established for its quorum. In the absence of such a specific rule, the quorum is one more than half the members of the body.

The Role of the Chair

While all members of the body should know and understand the rules of parliamentary procedure, it is the chair of the body who is charged with applying the rules of conduct of the meeting. The chair should be well versed in those rules. For all intents and purposes, the chair makes the final ruling on the rules every time the chair states an action. In fact, all decisions by the chair are final unless overruled by the body itself.

Since the chair runs the conduct of the meeting, it is usual courtesy for the chair to play a less active role in the debate and discussion than other members of the body. This does not mean that the chair should not participate in the debate or discussion. To the contrary, as a member of the body, the chair has the full right to participate in the debate, discussion and decision-making of the body. What the chair should do, however, is strive to be the last to speak at the discussion and debate stage. The chair should not make or second a motion unless the chair is convinced that no other member of the body will do so at that point in time.

The Basic Format for an Agenda Item Discussion

Formal meetings normally have a written, often published agenda. Informal meetings may have only an oral or understood agenda. In either case, the meeting is governed by the agenda and the agenda constitutes the body's agreed-upon roadmap for the meeting. Each agenda item can be handled by the chair in the following basic format:

First, the chair should clearly announce the agenda item number and should clearly state what the agenda item subject is. The chair should then announce the format (which follows) that will be followed in considering the agenda item.

Second, following that agenda format, the chair should invite the appropriate person or persons to report on the item, including any recommendation that they might have. The appropriate person or persons may be the chair, a member of the body, a staff person, or a committee chair charged with providing input on the agenda item.

Third, the chair should ask members of the body if they have any technical questions of clarification. At this point, members of the body may ask clarifying questions to the person or persons who reported on the item, and that person or persons should be given time to respond.

Fourth, the chair should invite public comments, or if appropriate at a formal meeting, should open the public meeting for public input. If numerous members of the public indicate a desire to speak to the subject, the chair may limit the time of public speakers. At the conclusion of the public comments, the chair should announce that public input has concluded (or the public hearing, as the case may be, is closed).

Fifth, the chair should invite a motion. The chair should announce the name of the member of the body who makes the motion.

Sixth, the chair should determine if any member of the body wishes to second the motion. The chair should announce the name of the member of the body who seconds the motion. It is normally good practice for a motion to require a second before proceeding to ensure that it is not just one member of the body who is interested in a particular approach. However, a second is not an absolute requirement, and the chair can proceed with consideration and vote on a motion even when there is no second. This is a matter left to the discretion of the chair.

Seventh, if the motion is made and seconded, the chair should make sure everyone understands the motion.

This is done in one of three ways:

1. The chair can ask the maker of the motion to repeat it;
2. The chair can repeat the motion; or
3. The chair can ask the secretary or the clerk of the body to repeat the motion.

Eighth, the chair should now invite discussion of the motion by the body. If there is no desired discussion, or after the discussion has ended, the chair should announce that the body will vote on the motion. If there has been no discussion or very brief discussion, then the vote on the motion should proceed immediately and there is no need to repeat the motion. If there has been substantial discussion, then it is normally best to make sure everyone understands the motion by repeating it.

Ninth, the chair takes a vote. Simply asking for the "ayes" and then asking for the "nays" normally does this. If members of the body do not vote, then they "abstain." Unless the rules of the body provide otherwise (or unless a super majority is required as delineated later in these rules), then a simple majority (as defined in law or the rules of the body as delineated later in these rules) determines whether the motion passes or is defeated.

Tenth, the chair should announce the result of the vote and what action (if any) the body has taken. In announcing the result, the chair should indicate the names of the members of the body, if any, who voted in the minority on the motion. This announcement might take the following form: "The motion passes by a vote of 3-2, with Smith and Jones dissenting. We have passed the motion requiring a 10-day notice for all future meetings of this body."

Motions in General

Motions are the vehicles for decision making by a body. It is usually best to have a motion before the body prior to commencing discussion of an agenda item. This helps the body focus.

Motions are made in a simple two-step process. First, the chair should recognize the member of the body. Second, the member of the body makes a motion by preceding the member's desired approach with the words "I move ... "

A typical motion might be: "I move that we give a 10-day notice in the future for all our meetings."

The chair usually initiates the motion in one of three ways:

1. **Inviting the members of the body to make a motion**, for example, "A motion at this time would be in order."
2. **Suggesting a motion to the members of the body**, "A motion would be in order that we give a 10-day notice in the future for all our meetings."
3. **Making the motion.** As noted, the chair has every right as a member of the body to make a motion, but should normally do so only if the chair wishes to make a motion on an item but is convinced that no other member of the body is willing to step forward to do so at a particular time.

The Three Basic Motions

There are three motions that are the most common and recur often at meetings:

The basic motion. The basic motion is the one that puts forward a decision for the body's consideration. A basic motion might be: "I move that we create a five-member committee to plan and put on our annual fundraiser."

The motion to amend. If a member wants to change a basic motion that is before the body, they would move to amend it. A motion to amend might be: "I move that we amend the motion to have a 10-member committee." A motion to amend takes the basic motion that is before the body and seeks to change it in some way.

The substitute motion. If a member wants to completely do away with the basic motion that is before the body, and put a new motion before the body, they would move a substitute motion. A substitute motion might be: "I move a substitute motion that we cancel the annual fundraiser this year."

"Motions to amend" and "substitute motions" are often confused, but they are quite different, and their effect (if passed) is quite different. A motion to amend seeks to retain the basic motion on the floor, but modify it in some way. A substitute motion seeks to throw out the basic motion on the floor, and substitute a new and different motion for it. The decision as to whether a motion is really a "motion to amend" or a "substitute motion" is left to the chair. So if a member makes what that member calls a "motion to amend," but the chair determines that it is really a "substitute motion," then the chair's designation governs.

A "friendly amendment" is a practical parliamentary tool that is simple, informal, saves time and avoids bogging a meeting down with numerous formal motions. It works in the following way: In the discussion on a pending motion, it may appear that a change to the motion is desirable or may win support for the motion from some members. When that happens, a member who has the floor may simply say, "I want to suggest a friendly amendment to the motion." The member suggests the friendly amendment, and if the maker and the person who seconded the motion pending on the floor accepts the friendly amendment, that now becomes the pending motion on the floor. If either the maker or the person who seconded rejects the proposed friendly amendment, then the proposer can formally move to amend.

Multiple Motions Before the Body

There can be up to three motions on the floor at the same time. The chair can reject a fourth motion until the chair has dealt with the three that are on the floor and has resolved them. This rule has practical value. More than three motions on the floor at any given time is confusing and unwieldy for almost everyone, including the chair.

When there are two or three motions on the floor (after motions and seconds) at the same time, the vote should proceed *first* on the *last* motion that is made. For example, assume the first motion is a basic "motion to have a five-member committee to plan and put on our annual fundraiser." During the discussion of this motion, a member might make a second motion to "amend the main motion to have a 10-member committee, not a five-member committee to plan and put on our annual fundraiser." And perhaps, during that discussion, a member makes yet a third motion as a "substitute motion that we not have an annual fundraiser this year." The proper procedure would be as follows:

First, the chair would deal with the *third* (the last) motion on the floor, the substitute motion. After discussion and debate, a vote would be taken first on the third motion. If the substitute motion *passed*, it would be a substitute for the basic motion and would eliminate it. The first motion would be moot, as would the second motion (which sought to amend the first motion), and the action on the agenda item would be completed on the passage by the body of the third motion (the substitute motion). No vote would be taken on the first or second motions.

Second, if the substitute motion *failed*, the chair would then deal with the second (now the last) motion on the floor, the motion to amend. The discussion and debate would focus strictly on the amendment (should the committee be five or 10 members). If the motion to amend *passed*, the chair would then move to consider the main motion (the first motion) as *amended*. If the motion to amend *failed*, the chair would then move to consider the main motion (the first motion) in its original format, not amended.

Third, the chair would now deal with the first motion that was placed on the floor. The original motion would either be in its original format (five-member committee), or if *amended*, would be in its amended format (10-member committee). The question on the floor for discussion and decision would be whether a committee should plan and put on the annual fundraiser.

To Debate or Not to Debate

The basic rule of motions is that they are subject to discussion and debate. Accordingly, basic motions, motions to amend, and substitute motions are all eligible, each in their turn, for full discussion before and by the body. The debate can continue as long as members of the body wish to discuss an item, subject to the decision of the chair that it is time to move on and take action.

There are exceptions to the general rule of free and open debate on motions. The exceptions all apply when there is a desire of the body to move on. The following motions are not debatable (that is, when the following motions are made and seconded, the chair must immediately call for a vote of the body without debate on the motion):

Motion to adjourn. This motion, if passed, requires the body to immediately adjourn to its next regularly scheduled meeting. It requires a simple majority vote.

Motion to recess. This motion, if passed, requires the body to immediately take a recess. Normally, the chair determines the length of the recess which may be a few minutes or an hour. It requires a simple majority vote.

Motion to fix the time to adjourn. This motion, if passed, requires the body to adjourn the meeting at the specific time set in the motion. For example, the motion might be: "I move we adjourn this meeting at midnight." It requires a simple majority vote.

Motion to table. This motion, if passed, requires discussion of the agenda item to be halted and the agenda item to be placed on "hold." The motion can contain a specific time in which the item can come back to the body. "I move we table this item until our regular meeting in October." Or the motion can contain no specific time for the return of the item, in which case a motion to take the item off the table and bring it back to the body will have to be taken at a future meeting. A motion to table an item (or to bring it back to the body) requires a simple majority vote.

Motion to limit debate. The most common form of this motion is to say, "I move the previous question" or "I move the question" or "I call the question" or sometimes someone simply shouts out "question." As a practical matter, when a member calls out one of these phrases, the chair can expedite matters by treating it as a "request" rather than as a formal motion. The chair can simply inquire of the body, "any further discussion?" If no one wishes to have further discussion, then the chair can go right to the pending motion that is on the floor. However, if even one person wishes to discuss the pending motion further, then at that point, the chair should treat the call for the "question" as a formal motion, and proceed to it.

When a member of the body makes such a motion ("I move the previous question"), the member is really saying: "I've had enough debate. Let's get on with the vote." When such a motion is made, the chair should ask for a second, stop debate, and vote on the motion to limit debate. The motion to limit debate requires a two-thirds vote of the body.

NOTE: A motion to limit debate could include a time limit. For example: "I move we limit debate on this agenda item to 15 minutes." Even in this format, the motion to limit debate requires a two-thirds vote of the body. A similar motion is a *motion to object to consideration of an item.* This motion is not debatable, and if passed, precludes the body from even considering an item on the agenda. It also requires a two-thirds vote.

Majority and Super Majority Votes

In a democracy, a simple majority vote determines a question. A tie vote means the motion fails. So in a seven-member body, a vote of 4-3 passes the motion. A vote of 3-3 with one abstention means the motion fails. If one member is absent and the vote is 3-3, the motion still fails.

All motions require a simple majority, but there are a few exceptions. The exceptions come up when the body is taking an action which effectively cuts off the ability of a minority of the body to take an action or discuss an item. These extraordinary motions require a two-thirds majority (a super majority) to pass:

Motion to limit debate. Whether a member says, "I move the previous question," or "I move the question," or "I call the question," or "I move to limit debate," it all amounts to an attempt to cut off the ability of the minority to discuss an item, and it requires a two-thirds vote to pass.

Motion to close nominations. When choosing officers of the body (such as the chair), nominations are in order either from a nominating committee or from the floor of the body. A motion to close nominations effectively cuts off the right of the minority to nominate officers and it requires a two-thirds vote to pass.

Motion to object to the consideration of a question. Normally, such a motion is unnecessary since the objectionable item can be tabled or defeated straight up. However, when members of a body do not even want an item on the agenda to be considered, then such a motion is in order. It is not debatable, and it requires a two-thirds vote to pass.

Motion to suspend the rules. This motion is debatable, but requires a two-thirds vote to pass. If the body has its own rules of order, conduct or procedure, this motion allows the body to suspend the rules for a particular purpose. For example, the body (a private club) might have a rule prohibiting the attendance at meetings by non-club members. A motion to suspend the rules would be in order to allow a non-club member to attend a meeting of the club on a particular date or on a particular agenda item.

Counting Votes

The matter of counting votes starts simple, but can become complicated.

Usually, it's pretty easy to determine whether a particular motion passed or whether it was defeated. If a simple majority vote is needed to pass a motion, then one vote more than 50 percent of the body is required. For example, in a five-member body, if the vote is three in favor and two opposed, the motion passes. If it is two in favor and three opposed, the motion is defeated.

If a two-thirds majority vote is needed to pass a motion, then how many affirmative votes are required? The simple rule of thumb is to count the "no" votes and double that count to determine how many "yes" votes are needed to pass a particular motion. For example, in a seven-member body, if two members vote "no" then the "yes" vote of at least four members is required to achieve a two-thirds majority vote to pass the motion.

What about tie votes? In the event of a tie, the motion always fails since an affirmative vote is required to pass any motion. For example, in a five-member body, if the vote is two in favor and two opposed, with one member absent, the motion is defeated.

Vote counting starts to become complicated when members vote "abstain" or in the case of a written ballot, cast a blank (or unreadable) ballot. Do these votes count, and if so, how does one count them? The starting point is always to check the statutes.

In California, for example, for an action of a board of supervisors to be valid and binding, the action must be approved by a majority of the board. (California Government Code Section 25005.) Typically, this means three of the five members of the board must vote affirmatively in favor of the action. A vote of 2-1 would not be sufficient. A vote of 3-0 with two abstentions would be sufficient. In general law cities in

California, as another example, resolutions or orders for the payment of money and all ordinances require a recorded vote of the total members of the city council. (California Government Code Section 36936.) Cities with charters may prescribe their own vote requirements. Local elected officials are always well-advised to consult with their local agency counsel on how state law may affect the vote count.

After consulting state statutes, step number two is to check the rules of the body. If the rules of the body say that you count votes of "those present" then you treat abstentions one way. However, if the rules of the body say that you count the votes of those "present and voting," then you treat abstentions a different way. And if the rules of the body are silent on the subject, then the general rule of thumb (and default rule) is that you count all votes that are "present and voting."

Accordingly, under the "present and voting" system, you would **NOT** count abstention votes on the motion. Members who abstain are counted for purposes of determining quorum (they are "present"), but you treat the abstention votes on the motion as if they did not exist (they are not "voting"). On the other hand, if the rules of the body specifically say that you count votes of those "present" then you **DO** count abstention votes both in establishing the quorum and on the motion. In this event, the abstention votes act just like "no" votes.

How does this work in practice?
Here are a few examples.

Assume that a five-member city council is voting on a motion that requires a simple majority vote to pass, and assume further that the body has no specific rule on counting votes. Accordingly, the default rule kicks in and we count all votes of members that are "present and voting." If the vote on the motion is 3-2, the motion passes. If the motion is 2-2 with one abstention, the motion fails.

Assume a five-member city council voting on a motion that requires a two-thirds majority vote to pass, and further assume that the body has no specific rule on counting votes. Again, the default rule applies. If the vote is 3-2, the motion fails for lack of a two-thirds majority. If the vote is 4-1, the motion passes with a clear two-thirds majority. A vote of three "yes," one "no" and one "abstain" also results in passage of the motion. Once again, the abstention is counted only for the purpose of determining quorum, but on the actual vote on the motion, it is as if the abstention vote never existed — so an effective 3-1 vote is clearly a two-thirds majority vote.

Now, change the scenario slightly. Assume the same five-member city council voting on a motion that requires a two-thirds majority vote to pass, but now assume that the body **DOES** have a specific rule requiring a two-thirds vote of members "present." Under this specific rule, we must count the members present not only for quorum but also for the motion. In this scenario, any abstention has the same force and effect as if it were a "no" vote. Accordingly, if the votes were three "yes," one "no" and one "abstain," then the motion fails. The abstention in this case is treated like a "no" vote and effective vote of 3-2 is not enough to pass two-thirds majority muster.

Now, exactly how does a member cast an "abstention" vote? Any time a member votes "abstain" or says, "I abstain," that is an abstention. However, if a member votes "present" that is also treated as an abstention (the member is essentially saying, "Count me for purposes of a quorum, but my vote on the issue is abstain.") In fact, any manifestation of intention not to vote either "yes" or "no" on the pending motion may be treated by the chair as an abstention. If written ballots are cast, a blank or unreadable ballot is counted as an abstention as well.

Can a member vote "absent" or "count me as absent?" Interesting question. The ruling on this is up to the chair. The better approach is for the chair to count this as if the member had left his/her chair and is actually "absent." That, of course, affects the quorum. However, the chair may also treat this as a vote to abstain, particularly if the person does not actually leave the dais.

The Motion to Reconsider

There is a special and unique motion that requires a bit of explanation all by itself; the motion to reconsider. A tenet of parliamentary procedure is finality. After vigorous discussion, debate and a vote, there must be some closure to the issue. And so, after a vote is taken, the matter is deemed closed, subject only to reopening if a proper motion to consider is made and passed.

A motion to reconsider requires a majority vote to pass like other garden-variety motions, but there are two special rules that apply only to the motion to reconsider.

First, is the matter of timing. A motion to reconsider must be made at the meeting where the item was first voted upon. A motion to reconsider made at a later time is untimely. (The body, however, can always vote to suspend the rules and, by a two-thirds majority, allow a motion to reconsider to be made at another time.)

Second, a motion to reconsider may be made only by certain members of the body. Accordingly, a motion to reconsider may be made only by a member who voted in the majority on the original motion. If such a member has a change of heart, he or she may make the motion to reconsider (any other member of the body — including a member who voted in the minority on the original motion — may second the motion). If a member who voted in the minority seeks to make the motion to reconsider, it must be ruled out of order. The purpose of this rule is finality. If a member of minority could make a motion to reconsider, then the item could be brought back to the body again and again, which would defeat the purpose of finality.

If the motion to reconsider passes, then the original matter is back before the body, and a new original motion is in order. The matter may be discussed and debated as if it were on the floor for the first time.

Courtesy and Decorum

The rules of order are meant to create an atmosphere where the members of the body and the members of the public can attend to business efficiently, fairly and with full participation. At the same time, it is up to the chair and the members of the body to maintain common courtesy and decorum. Unless the setting is very informal, it is always best for only one person at a time to have the floor, and it is always best for every speaker to be first recognized by the chair before proceeding to speak.

The chair should always ensure that debate and discussion of an agenda item focuses on the item and the policy in question, not the personalities of the members of the body. Debate on policy is healthy, debate on personalities is not. The chair has the right to cut off discussion that is too personal, is too loud, or is too crude.

Debate and discussion should be focused, but free and open. In the interest of time, the chair may, however, limit the time allotted to speakers, including members of the body.

Can a member of the body interrupt the speaker? The general rule is "no." There are, however, exceptions. A speaker may be interrupted for the following reasons:

Privilege. The proper interruption would be, "point of privilege." The chair would then ask the interrupter to "state your point." Appropriate points of privilege relate to anything that would interfere with the normal comfort of the meeting. For example, the room may be too hot or too cold, or a blowing fan might interfere with a person's ability to hear.

Order. The proper interruption would be, "point of order." Again, the chair would ask the interrupter to "state your point." Appropriate points of order relate to anything that would not be considered appropriate conduct of the meeting. For example, if the chair moved on to a vote on a motion that permits debate without allowing that discussion or debate.

Appeal. If the chair makes a ruling that a member of the body disagrees with, that member may appeal the ruling of the chair. If the motion is seconded, and after debate, if it passes by a simple majority vote, then the ruling of the chair is deemed reversed.

Call for orders of the day. This is simply another way of saying, "return to the agenda." If a member believes that the body has drifted from the agreed-upon agenda, such a call may be made. It does not require a vote, and when the chair discovers that the agenda has not been followed, the chair simply reminds the body to return to the agenda item properly before them. If the chair fails to do so, the chair's determination may be appealed.

Withdraw a motion. During debate and discussion of a motion, the maker of the motion on the floor, at any time, may interrupt a speaker to withdraw his or her motion from the floor. The motion is immediately deemed withdrawn, although the chair may ask the person who seconded the motion if he or she wishes to make the motion, and any other member may make the motion if properly recognized.

Special Notes About Public Input

The rules outlined above will help make meetings very public-friendly. But in addition, and particularly for the chair, it is wise to remember three special rules that apply to each agenda item:

Rule One: Tell the public what the body will be doing.

Rule Two: Keep the public informed while the body is doing it.

Rule Three: When the body has acted, tell the public what the body did.

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