SAN BRUNO
Community Foundation

Board of Directors
Nancy A. Kraus, *President* • Frank Hedley, *Vice President* • Emily Roberts, *Secretary* • Ben Cohn, *Treasurer*
Patricia Bohm • John P. McGlothlin • Regina Stanback Stroud
Leslie Hatamiya, *Executive Director*

AGENDA

SAN BRUNO COMMUNITY FOUNDATION

Regular Meeting of the Board of Directors

September 7, 2016
7:00 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. **Approval of Minutes:** July 6, 2016, Regular Board Meeting

4. **Board Member Comments**

   a. President
   b. Others

5. **Executive Director's Report**

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

   a. Receive and Approve Treasurer's Report (June and July 2016 Financial Statements)

7. **Conduct of Business**

   a. Receive Report from Investment Committee and Presentation from Sand Hill Global Advisors, LLC, Regarding SBCF's Investment Portfolio

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b. Receive Report from Ad Hoc Committee on Foundation Program Development Regarding Community Grants Fund and Crestmoor Neighborhood Memorial Scholarship Program

c. Receive Report from the Ad Hoc Committee on Program Strategy Development Regarding Proposals to the San Bruno City Council Related to Near-Term Projects

d. Receive Report from Ad Hoc Committee on Elections Process and Adopt Resolution Establishing Process for Annual Election of Officers

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 research 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

SAN BRUNO
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MINUTES

SAN BRUNO COMMUNITY FOUNDATION

Regular Meeting of the Board of Directors

July 6, 2016
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, Cohn, Bohm, McGlothlin, and Stanback Stroud present; Roberts excused.

3. Approval of Minutes: June 1, 2016, Regular Board Meeting: Board Member McGlothlin asked to amend the minutes of the June 1, 2016, Regular Board Meeting to include as part of his reason for opposing the Resolution Authorizing Executive Director Leslie Hatamiya to Execute Agreement with the City of San Bruno to Reimburse the City for City Attorney's Services to the Foundation, for an Amount Not to Exceed Five Percent of the City Attorney's Compensation, as follows: "Because the City will be the principal beneficiary of the Foundation's philanthropy, he said that reimbursing the City for the City Attorney's services goes against the Foundation's goal of maximizing the funds and thus he does not believe the City should be seeking reimbursement." Vice President Hedley expressed that he did not agree with the opposition to the reimbursement but moved to approve the minutes of the June 1, 2016, Regular Board Meeting as amended, seconded by Board Member Stanback Stroud, approved unanimously**.**

4. Board Member Comments

a. President: President Kraus made brief remarks, commenting that the two reports being presented at the meeting reflect significant accomplishments by the Foundation in the first half of 2016. She also recognized the retirement of community member Carolyn Livengood from her long tenure as a columnist for the *San Mateo Times*, thanking her not only for her coverage of Foundation proceedings, but also for all the news she reported on behalf of San Bruno.

b. Others: None.

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5. Executive Director's Report: Executive Director Hatamiya reported on several items related to the administrative operations of the Foundation. First, she reported that the Investment Committee will hold its regular quarterly meetings on the third Wednesday of the middle month of the quarter (August 17, November 16, February 15, and May 17 for this fiscal year) at 4:30 p.m. at San Bruno City Hall Room 101, and that the Foundation's investment adviser, Sand Hill Global Advisors, will make its annual report to the Board at the regularly scheduled September Board meeting. She reported that the Sand Hill team did a transfer from the City's Fidelity account to the Foundation's Liquidity Pool account at the end of June and that there would likely be one final transfer of any residual interest payments hit the City's account in July. She also said that per its plans, the Sand Hill team is gradually investing the Foundation's funds over several months, investing the first tranche in early June and then, taking advantage of the drop in the market resulting from Brexit, investing the second tranche of funds on Friday, June 24.

She then reported that the Ad Hoc Committee on Elections Process, which was created at the June 1 Board meeting, will hold its first meeting on July 19.

Third, she reported that the Foundation's monthly rent is effectively $1,075.86, due to a clause in the original lease calling for a minor escalation in operating expenses beginning on the first anniversary date of the commencement of the lease.

She then reported on two actions related to the Foundation taken by the San Bruno City Council on June 28, 2016: (1) the Council, on a 3-1 vote, approved the Foundation's 2016-2017 budget, with one councilmember expressing concerns about the allocation for the Community Day grant, and (2) the Council unanimously approved a resolution authorizing the City Manager to execute an agreement with the Foundation to reimburse the City for the City Attorney's services.

Finally, she reported that the reach of the e-newsletter and SBCF website activity remain consistent.

At the conclusion of the Executive Director's Report, Board Member McGlothlin commented that he appreciated the consistent quality and thoroughness of the Executive Director's reports.

6. Consent Calendar

a. Receive and Approve Treasurer's Report (May 2016 Financial Statements)

Vice President Hedley moved to accept the Consent Calendar as presented, seconded by Board Member McGlothlin, approved unanimously.

Board of Directors
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7. Conduct of Business

a. Receive Report from Ad Hoc Committee on Foundation Program Development Regarding Community Grants Fund and Crestmoor Neighborhood Memorial Scholarship Program

Representing the Ad Hoc Committee on Foundation Program Development, Chair Bohm reported on the launch of the Community Grants Fund on July 1. She reported that Foundation staff and Board members had begun extensive outreach throughout the community to get the word out about the new program, including sending out a press release to the media and an email announcement to the Foundation's email list, posting flyers and posters at various businesses and community gathering spots, and providing thorough information about the program on the Foundation's website. She explained that the grant application is available online and linked from the Foundation website. She said that the program budget for 2016-2017 is $200,000 and that the application deadline is September 30, 2016.

Chair Bohm also reported that the Foundation has paid out scholarship checks to five of the seven 2016 recipients of the Crestmoor Neighborhood Memorial Scholarship and is awaiting enrollment documentation for the other two Crestmoor Scholars. She also said that staff is beginning preparations for next year's scholarship program.

b. Receive Report from the Ad Hoc Committee on Program Strategy Development Regarding Proposals to the San Bruno City Council Related to Near-Term Projects

Committee Chair Kraus reported on progress with the four near-term projects on which the Foundation is partnering with the City of San Bruno. She noted that the Committee met in June to discuss next steps on the projects and that she and the Executive Director met with the City Manager to discuss continuing to move these projects forward. She said that both sides agree that it is important to develop a mutually agreeable process for documenting and executing the grant proposals and that the Executive Director has worked with outside nonprofit counsel and the City Attorney to draft a template Grant Agreement and Grant Report Form to be used for most Foundation grants. Now that the Foundation has possession of the restitution funds, the Executive Director is working with the City Manager to finalize and execute Grant Agreements for the four projects.

With regard to the Community Day Grant, Chair Kraus reported that the City hosted a very well-attended Community Day in San Bruno City Park the afternoon of Sunday, June 5. Community Day began at the conclusion of the San Bruno Lions Club's Posy Parade, which ended at the Park. She reported that the event included carnival rides, children's games, food booths, music, and informational tables. She reported that the Executive Director is working with City staff to finalize the Grant Agreement for this project so that the Foundation can issue the grant check to the City. She also reported that City staff is in the process of compiling financial information for this year's Community Day and debriefing the event, which will be useful to the Foundation in determining the amount for a grant to underwrite the costs of Community Day in 2017. She said the Committee is also interested in working with local business to bring in partners to co-sponsor the next Community Day.

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Regarding the Community Facilities Vision Plan, she reminded the Board that the first part of the grant is a planning grant for the pre-planning process conducted by Anderson Brule Architects (ABA), which concluded in the spring. She reported that the Executive Director is working with the City Manager to finalize the Grant Agreement for this grant, after which the Foundation will issue the grant check of $25,000 to the City. She said that the second grant will be for up to $275,000 for the Community Facilities Vision Plan and that the City is working with ABA on finalizing the vision plan proposal with the goal to move forward with ABA to conduct the vision planning process. She said she was pleased to share with the Board that the City Council included $125,000 in its recently adopted budget toward accomplishing the Vision Plan.

With regard to the pedestrian safety grant, Chair Kraus reported that the Committee is working with City staff to execute this project in at least two grants. The first will be a planning grant to cover the cost of the City hiring a traffic engineer to study the downtown area and streets near schools and make recommendations on pedestrian improvements in those areas for the Foundation to fund. This grant will likely be in the $10,000-$15,000 range and would come out of the $170,000 the Foundation has proposed for this project. Once the City has received the traffic engineer's analysis and recommendations, the Foundation and City will agree on improvements for which Foundation funding will be used and the Foundation will then issue a second grant, up to the remaining balance of the $170,000, to underwrite the costs of the improvements.

Finally, Chair Kraus reported on the Florida Avenue park development grant. The Committee is working with City staff to execute this project in two or three grants until the proposed $200,000 is paid out. She said the first grant will be for the conceptual design phase (expected to be around $25,000), which the City recently launched, while a second grant will be for the landscape design (likely in the $100,000-$125,000 range). A third grant for the balance of the remaining funds will go toward park construction. She reported that the City is preparing a proposal for the conceptual design phase grant. Working with a consultant, the City held the first park planning meeting on June 22, inviting members of the local neighborhood and other interested community members to attend and provide their input on design concepts for the park. Vice President Hedley attended the meeting on behalf of the Foundation. She reported that the City expects to complete demolition of the existing structures on the site by late fall, with park construction to begin soon thereafter, anticipating completion of the park in spring of 2017. She said that the City Council included $425,000 in its new budget to add to the Foundation's pledge of $200,000 for the new park.

8. Public Comment: None.

President Kraus reminded the Board and public that the Board would not be holding a meeting in August.

9. Adjourn: Vice President Hedley moved to adjourn the meeting at 7:27 p.m., seconded by Board Member Stanback Stroud, approved unanimously.

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Respectfully submitted for approval at the Regular Board Meeting of September 7, 2016, by Secretary Emily Roberts and President Nancy Kraus.

Emily Roberts, Secretary

Nancy Kraus, President

SAN BRUNO
Community Foundation

Memorandum

DATE: **September 2, 2016**

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

FROM: **Leslie Hatamiya, Executive Director**

SUBJECT: **Executive Director's Report**

Since the July 6, 2016, Board meeting, I have continued to focus on supporting the committees charged with administering the Community Grants Fund and Crestmoor Scholarship Program, partnering with the City on near-term projects, developing an elections process for officer elections, and overseeing the investment management function, all of which will be covered during the business portion of the September 7, 2016, regular Board meeting.

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

1. Annual Report

With the assistance of President Nancy Kraus and an outside graphic designer, I developed an eight-page, full-color Annual Report that was mailed to all San Bruno addresses on September 1. Besides its website, the Annual Report is the Foundation's first substantive marketing piece, and it includes background information on the Foundation and the Board of Directors, an update on the four near-term strategic projects with the City, profiles of the seven 2016 Crestmoor Scholars, information about the Community Grants Fund and the upcoming application deadline, and financial information. We will post the Annual Report on the Foundation website and make hard copies available at various locations around town, such as City Hall, the Library, the Senior Center, and the Recreation Center.

My plan is to produce the Annual Report each year in the late summer or early fall.

2. Audit

Accounting Consultant Frank Bittner and I have been working to close the fiscal year 2015-2016 accounting books and prepare for the independent audit to be conducted by Novogradac & Company. Mr. Bittner and I will have all requested items to the Novogradac team by September 6 for its review. We expect to have a preliminary draft of the audited financial statements by late October, and the Audit Committee is scheduled to meet with the auditors on October 25, 2016. The auditors will present the audited financials to the Board at its November 2 Board meeting. The Novogradac

team will also be preparing the Foundation's tax returns, for submission by the November 15 deadline.

3. Contract to Reimburse the City for the City Attorney's Services

On June 1, 2016, the Board approved a resolution authorizing me, as Executive Director, to execute an agreement with the City of San Bruno to reimburse the City for the City Attorney's services to the Foundation, for an amount not to exceed five percent of the City Attorney's compensation, as defined as base salary and benefits as the City Council may adjust from time to time.

Using the Foundation's standard professional services agreement, City Attorney Marc Zafferano and I have developed the agreement and are in the last stages of preparing the final version. I have also engaged the services of the Foundation's nonprofit counsel at the NEO Law Group, who have provided useful input in the development of the agreement. I expect to have the agreement ready for both sides to execute in early September.

4. Conflict of Interest Policy

As reported previously, the Ad Hoc Committee on Bylaws and Corporate Governance Policy Revisions plans to bring a revised Conflict of Interest Policy to the Board for consideration. This project has proven to be a challenging task for City Attorney Marc Zafferano and me, as we work to incorporate the conflict of interest standards for both nonprofit organizations and public entities into a single policy. The City Attorney has been doing extensive research on the applicability of Government Code Section 1090 to the Foundation, including receiving feedback from the California Attorney General's Office and other local City Attorney offices. I have also engaged nonprofit counsel at the NEO Law Group to provide assistance in the revisions to the Conflict of Interest Policy to ensure that it keeps the Foundation in compliance with nonprofit law as well as the law governing public entities. With the Foundation now in possession of the restitution funds and beginning to disburse grants and scholarships, I believe it is critical that the Foundation take the time to make sure the Conflict of Interest Policy is appropriate under our dual regulatory schemes. As a result, the Committee hopes to have the revised Conflict of Interest Policy ready for Board consideration at the October Board meeting.

5. Email Newsletter

The reach of our e-newsletter remains fairly consistent with previous months. For the e-newsletter that was sent on August 12 and featured information on the Community Grants Fund and the August 17 Investment Committee meeting, of the 500+ emails sent, 45% of the recipients opened the email, and the e-newsletter was viewed, either in email or as posted on the web, 689 times. Overall, the last three e-newsletters, all of

which contained information about the Community Grants Fund, were viewed a larger than average number of times than previous e-newsletters.

6. Website Hits

The sbcf.org website has been subscribed to Google Analytics since the end of March, and activity has remained at a steady pace. In the past month, 211 users engaged in 266 sessions on the Foundation website, for a total of 676 page views. Not surprisingly, after the home page, the most visited pages are those pages related to the Community Grants Fund.

SAN BRUNO
Community Foundation

Memorandum

DATE: **September 2, 2016**

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

FROM: **Leslie Hatamiya, Executive Director**

SUBJECT: **Consent Calendar for the September 7, 2016, Regular Board Meeting**

For the September 7, 2016, Regular Meeting of the Board of Directors of the San Bruno Community Foundation, the Consent Calendar includes one item related to administrative and operational functions of the Foundation:

1. Receive and Approve Treasurer's Report (June and July 2016 Financial Statements)

Each month's financial statements consist of a Budget Report and Balance Sheet. Because there was no August Board meeting, the Treasurer's Report includes financial statements for both June (the final month of the 2015-2016 fiscal year) and July (the first month of the 2016-2017 fiscal year) 2016. The Budget Narrative for each month provides a thorough explanation of the financial statements. The Budget Report for June includes the revised budget figures approved at the October 7, 2015, Board meeting. The Budget Report for July includes the budget figures approved at the June 1, 2016, Board meeting, and features slight changes in format to show the funds "available for operations" now that the Foundation has taken possession of the restitution funds. Transfers from the Quasi-Endowment and Strategic investment accounts are not technically "income," but going forward they provide the vast majority of the funds the Board has designated to cover program and operational expenses.

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

Attachment:
1. June 2016 Financial Statements
2. July 2016 Financial Statements

SAN BRUNO
Community Foundation

June 2016

Budget Narrative

This report primarily describes amounts in column a (Actual Year to Date) of the monthly Budget Report. Budget variances shown in column d are positive numbers when income and expense exceed the budget amount and negative when income and expense are less than budget. Negative expense variances increase the net surplus for the year. This is the final report for the fiscal year and, therefore, no projections are included.

INCOME

Line 1 Restitution Funds – $70,052,576 includes complete transfer of all funds that had been held by City of San Bruno. The total is $373,632 or 0.5% more than budget. Including $491,031 received in the prior fiscal year, grand total of restitution funds received is $70,543,607. The amount in excess of $70 million ($543,607) is less than one percent (0.77%).

Line 2 Interest Income – $867 out of $898 total (97%) is from May and June interest on the Fidelity Liquidity Pool account. Total is $698 over budget.

EXPENSES

Line 4 Salaries & Wages – Executive Director continues as only employee. $50,000 under budget because no additional staff hired.

Line 5 Payroll Taxes & Benefits – Costs ($26,712) include: Social Security/Medicare ($10,789); Workers' Compensation Insurance ($1,889); accrued Paid Time Off ($5,050); Retirement ($8,750); and Life Insurance ($234). Amount is $11,844 under budget because no additional staff hired.

Line 7 Grants & Assistance – $55,000 in grants (2) to the City of San Bruno and $100,000 in Scholarships have been awarded ($20,000 paid and $80,000 accrued). Total is $845,000 less than the $1 million budgeted.

Line 8 Occupancy – Only cost is office lease ($11,413 total). Rent increase to $1,076 per month in April had not been anticipated in the budget. This is the only line item where actual exceeded budget and the excess is only $363.

Line 9 Insurance – Costs ($16,555) are for: Directors & Officers (D&O) coverage ($12,855); crime coverage ($2,724); and package non-profit liability coverage ($976). Total is $244 less than budget.

Line 10 Telecommunications – Cost ($1,467) includes cell phone account ($764), internet access ($552), and land line ($151). Total is $1,389 less than budget.

Line 11 Postage & Shipping – $373 cost is only 8.9% of budget. The budget includes cost for one city-wide mailing, which did not happen this year. Total is $3,814 less than budget.

Line 12 Marketing & Communications – Cost ($3,160) includes $1,938 for Scholarship related costs; $943 to promote Grants program; and $375 for logo design, website, and other general costs. Total is $12,340 less than budget.

Line 13 Office Supplies – Cost ($1,370) includes: toner ($755); Accounting software fees ($337); and miscellaneous supplies ($278). Total is $1,390 less than budget.

Line 14 Office Equipment & Furniture – Total cost ($2,023) includes: file cabinet ($817); projector ($436); chairs ($382); and table ($202). Amount is $2,277 less than budget.

Line 15 Legal Fees – Cost of $27,766 for: internal policies and by-laws ($9,470); IRS classification issues and amendment to Articles of Incorporation ($7,927); reimbursements to City of San Bruno ($7,429); and grant making issues ($2,940). Total is $2,234 less than budget.

Line 16 Auditor & Payroll Fees – Total cost ($7,600) includes audit ($6,000) and payroll ($1,600) fees. Amount is $181 less than budget.

Line 17 Investment Consultant – Total cost ($6,500) for assistance with: review of proposals; selection of Investment Manager; Investment Policy Statement; and asset allocation review. Amount is $8,500 under budget.

Line 18 Other Consultants - Total costs ($45,587) include: $18,232 for Accounting consultant; $15,224 for sample project cost modeling; $5,660 for Scholarship related costs; $3,900 for grants application system; $1,863 for retirement plan; and $780 for general technology costs. Total is $251 less than budget.

Line 19 Travel, Meetings & Conferences – Total cost ($5,880) is almost entirely for Board meetings, including $3,112 for audio recording, $1,805 for Senior Center facility rent, and $713 for City of San Bruno support staff. Amount is $4,120 less than budget.

Line 20 Miscellaneous – Cost ($919) is for organizational memberships ($700) and various governmental filing and bank fees ($219). Total is $2,081 less than budget.

SUMMARY

One expense line item (Occupancy) exceeded budget for the year and the excess was only $363. Six expense line items, not including Grants & Assistance, are below 50% used for the year (Postage & Shipping 8.9%; Marketing & Communications 20.4%; Office Supplies 49.6%; Office Equipment & Furniture 47%; Investment Consultant 43.3%; and Miscellaneous 30.6%). Only 34% of budgeted expenditures were actually incurred.

In addition to $69,566,238 surplus shown on Budget Report there has been an additional $454,141 of net income generated by investments. That brings combined total net income for the year, as will be reported in the annual audit to $70,020,378.

Total Net Assets at fiscal year-end are $70,197,616, with $15,118,120 in the Quasi-Endowment and $55,079,496 without Board restriction.

SAN BRUNO
Community Foundation

June 2016

2015-2016 Budget Report

		(a) Actual Year to Date	(b) Budget	(c) Actual as % of Budget (a/b)	(d) $ Budget Variance (a - b)	(e) % Budget Variance (d/b)
	INCOME					
1	Restitution Funds	$ 70,052,576	$ 69,678,944	100.5%	$ 373,632	0.5%
2	Interest Income	898	200	449.0%	698	349.0%
3	**Total Income**	70,053,474	69,679,144	100.5%	374,330	0.5%
	EXPENSES					
4	Salaries & Wages	175,000	225,000	77.8%	(50,000)	-22.2%
5	Payroll Taxes & Benefits	26,712	38,556	69.3%	(11,844)	-30.7%
6	**Subtotal Personnel**	201,712	263,556	76.5%	(61,844)	-23.5%
7	Grants & Assistance	155,000	1,000,000	15.5%	(845,000)	-84.5%
8	Occupancy	11,413	11,050	103.3%	363	3.3%
9	Insurance	16,555	16,799	98.5%	(244)	-1.5%
10	Telecommunications	1,467	2,856	51.4%	(1,389)	-48.6%
11	Postage & Shipping	373	4,187	8.9%	(3,814)	-91.1%
12	Marketing & Communications	3,160	15,500	20.4%	(12,340)	-79.6%
13	Office Supplies	1,369	2,760	49.6%	(1,391)	-50.4%
14	Office Equipment & Furniture	2,023	4,300	47.0%	(2,277)	-53.0%
15	Legal Fees	27,766	30,000	92.6%	(2,234)	-7.4%
16	Auditor & Payroll Fees	7,600	7,781	97.7%	(181)	-2.3%
17	Investment Consultant	6,500	15,000	43.3%	(8,500)	-56.7%
18	Other Consultants	45,499	45,750	99.5%	(251)	-0.5%
19	Travel, Meetings & Conferences	5,880	10,000	58.8%	(4,120)	-41.2%
20	Miscellaneous	919	3,000	30.6%	(2,081)	-69.4%
21	**Subtotal Non-Personnel**	285,524	1,168,983	24.4%	(883,459)	-75.6%
22	**Total Expenses**	487,236	1,432,539	34.0%	(945,303)	-66.0%
23	**Net Surplus/(Loss)**	$ 69,566,238	$ 68,246,605	101.9%	$ 1,319,633	1.93%

Prepared by: F. Bittner, 8/30/2016

SAN BRUNO
Community Foundation

Statement of Financial Position
as of June 30, 2016

ASSETS			
Cash, Wells Fargo General	$ 10,781.55		
Cash, Wells Fargo Payroll	23,594.73		
Cash, Wells Fargo Savings	10,039.94		
Cash, Fidelity Liquidity Pool	1,345,419.83		
Total Cash		1,389,836.05	
Investments, Fidelity Quasi-Endowment	15,118,119.77		
Investments, Fidelity Strategic Pool	53,779,422.20		
Accrued Interest Receivable	58,621.34		
Total Investments		68,956,163.31	
Accounts Receivable	1.13		
Prepaid Rent	1,075.86		
Prepaid Insurance	6,588.20		
Total Other Current Assets		7,665.19	
Deposits	1,517.45		
Total Other Assets		1,517.45	
TOTAL ASSETS			$ 70,355,182.00
LIABILITIES & NET ASSETS			
LIABILITIES			
Accounts Payable	11,908.77		
Accrued Grants Payable	55,000.00		
Accrued Scholarships Payable	80,000.00		
Accrued Employee PTO	10,657.05		
Total Liabilities		157,565.82	
NET ASSETS			
Unrestricted, 7/1/2015 Balance	177,237.78		
Year to Date Net Income	69,566,237.63		
Investment Income	454,898.30		
Investment Fees	(757.53)		
Transfer to Quasi-Endowment	(15,118,119.77)		
Total Non-QE Net Assets	55,079,496.41		
Quasi-Endowment	15,118,119.77		
Total Unrestricted Net Assets		70,197,616.18	
TOTAL LIABLITIES & NET ASSETS			$ 70,355,182.00

Prepared by: F. Bittner, 8/30/2016

SAN BRUNO
Community Foundation

July 2016

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 month equals 8.3% 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 – $516 is 12.9% of budget. Most (99%) is from Liquidity Pool.

EXPENSES

Line 8 Subtotal Direct Program Expenses – No Scholarships or Grants have been awarded in the first month of the year.

Line 9 Salaries & Wages – Expense is exactly on budget at 8.3%.

Line 10 Payroll Taxes & Benefits – Expense ($2,231) is 8.9% of budget. Social Security/Medicare ($1,116) is the largest cost and will be lower at the end of the calendar year. Other costs include retirement ($729) and accrued vacation ($234).

Line 12 Occupancy – Only cost is office lease ($1,076). Amount is 8.1% of budget.

Line 13 Insurance – Total ($1,381) is exactly on budget and includes Directors & Officers (D&O) coverage ($1,073) and crime coverage ($227).

Line 14 Telecommunications – Cost is 4.8% of budget.

Line 15 Postage & Shipping – Cost is less than 1% of budget. Significant cost ($1,349) incurred in August to distribute annual report to community.

Line 17 Office Supplies – Total ($401) is 14.2% of budget. Largest cost is for toner ($345).

Line 19 Legal Fees – Cost ($300) is less than 1% of budget and is for advice regarding Grants. Budget includes a portion of San Bruno General Counsel cost, which has not been billed.

Line 20 Auditor & Payroll Fees – Total is 1.2% of budget as there have been no audit fees incurred this year.

Line 21 Other Consultants - Cost ($1,144) is 1.9% of budget and is entirely for Accounting consultant.

Line 22 Travel, Meetings & Conferences – Total ($355) is 4.9% of budget and is entirely for cost of July 6 Board meeting.

Line 23 Miscellaneous – Cost ($364) equals 14.6% of budget with an organizational membership ($350) representing most of the cost.

SUMMARY

After adjusting for $975,000 budgeted for Scholarships & Grants, total expenses are at 6% of budget, which is well below 8.3% benchmark for the first month of the year. In terms of dollars, the $22,073 in first month expense is $8,785 less than the one-month budget allocation.

July Investment net income is $1,121,984. This came from the Strategic Pool ($645,273) and Quasi Endowment ($476,711).

Total Net Assets, as of July 31, 2016 grew to $71,298,043 with $15,594,830 in Quasi Endowment and $55,703,213 in general Unrestricted funds.

SAN BRUNO
Community Foundation

July 2016

2016-2017 Budget Report

		(a) Actual Year to Date	(b) Budget	(c) Actual as % of Budget (a/b)	(d) Final Expected Amount	(e) Change in Budget (d - b)
	INCOME & TRANSFERS					
1	Transfers from Quasi Endowment	$ -	$ -		$ -	$ -
2	Transfers from Strategic Pool	1,341,290	1,341,290	100.0%	1,341,290	-
3	Interest Income	516	4,000	12.9%	4,000	-
4	**Total Available for Operations**	1,341,806	1,345,290	99.7%	1,345,290	-
	EXPENSES					
5	Crestmoor Scholarships		100,000		100,000	-
6	Community Grants Fund		200,000		200,000	-
7	Strategic Grants		675,000		675,000	-
8	**Subtotal Direct Program Expenses**	-	975,000	0.0%	975,000	-
9	Salaries & Wages	14,583	175,000	8.3%	175,000	-
10	Payroll Taxes & Benefits	2,231	25,022	8.9%	25,022	-
11	**Subtotal Personnel Expenses**	16,814	200,022	8.4%	200,022	-
12	Occupancy	1,076	13,314	8.1%	13,314	-
13	Insurance	1,381	16,698	8.3%	16,698	-
14	Telecommunications	83	1,728	4.8%	1,728	-
15	Postage & Shipping	29	4,187	0.7%	4,187	-
16	Marketing & Communications	-	15,978	0.0%	15,978	-
17	Office Supplies	401	2,832	14.2%	2,832	-
18	Office Equipment & Furniture	-	1,000	0.0%	1,000	-
19	Legal Fees	300	32,781	0.9%	32,781	-
20	Auditor & Payroll Fees	126	10,940	1.2%	10,940	-
21	Other Consultants	1,144	61,100	1.9%	61,100	-
22	Travel, Meetings & Conferences	355	7,210	4.9%	7,210	-
23	Miscellaneous	364	2,500	14.6%	2,500	-
24	**Subtotal Non-Personnel**	5,259	170,268	3.1%	170,268	-
25	**Total Expenses**	22,073	1,345,290	1.6%	1,345,290	-
26	**Net Surplus/(Loss)**	$ 1,319,733	$ -		$ -	$ -

Prepared by: F. Bittner, 8/30/2016

SAN BRUNO
Community Foundation

Statement of Financial Position
as of July 31, 2016

ASSETS			
Cash, Wells Fargo General	$ 5,187.61		
Cash, Wells Fargo Payroll	7,040.41		
Cash, Wells Fargo Savings	210,044.63		
Cash, Fidelity Liquidity Pool	1,135,775.90		
Total Cash		1,358,048.55	
Investments, Fidelity Quasi-Endowment	15,594,830.39		
Investments, Fidelity Strategic Pool	54,426,465.56		
Accrued Interest Receivable	57,007.98		
Total Investments		70,078,303.93	
Prepaid Rent	1,075.86		
Prepaid Insurance	6,128.20		
Total Other Current Assets		7,204.06	
Deposits	1,517.45		
Total Other Assets		1,517.45	
TOTAL ASSETS			$ 71,445,073.99
LIABILITIES & NET ASSETS			
LIABILITIES			
Accounts Payable	6,139.63		
Accrued Grants Payable	55,000.00		
Accrued Scholarships Payable	75,000.00		
Accrued Employee PTO	10,891.05		
Total Liabilities		147,030.68	
NET ASSETS			
Unrestricted, Non-QE 7/1/2016 Balance	55,079,496.41		
Year to Date Net Income	(21,556.96)		
Investment Income	645,273.47		
Total Non-QE Net Assets	55,703,212.92		
Quasi-Endowment 7/1/2016 Balance	15,118,119.77		
Year-to-date QE Net Income	476,710.62		
Total Quasi-Endowment Net Assets	15,594,830.39		
Total Unrestricted Net Assets		71,298,043.31	
TOTAL LIABLITIES & NET ASSETS			$ 71,445,073.99

Prepared by: F. Bittner, 8/30/2016

SAN BRUNO
Community Foundation

Memorandum

DATE: **September 2, 2016**

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

FROM: **Leslie Hatamiya, Executive Director**

SUBJECT: **Report from Investment Committee and Presentation from Sand Hill Global Advisors, LLC, Regarding SBCF's Investment Portfolio**

The September 7, 2016, Board meeting will include a report from the Investment Committee regarding its recent quarterly meeting and a presentation from the Foundation's investment adviser, Sand Hill Global Advisors, LLC.

1. Investment Committee Report

Investment Committee Chair Ben Cohn will give a brief report from the Investment Committee's first quarterly meeting, which took place on August 17, 2016. All five Committee members were in attendance (Chair Cohn, SBCF Vice President Frank Hedley, and community members Anthony Clifford, Dr. Mark Hayes, and Georganne Perkins).

After introductions, the Committee approved a resolution establishing the Committee's regular meeting schedule. The Committee will meet quarterly and hold its regular meetings on the third Wednesday of the middle month of each quarter of the fiscal year (August, November, February, and May) at 4:30 p.m. at San Bruno City Hall, Room 101, 567 El Camino Real, San Bruno.

At the meeting, Sand Hill Global Advisors CEO Brian Dombkowski and Wealth Manager Kristin Sun gave a three-part presentation covering (a) the Foundation's investment portfolio structure, (b) SHGA's investment outlook, and (c) the performance thus far of the Foundation's investment portfolio.

Following the Sand Hill presentation, the Committee had a brief discussion on its plans for future meetings and activities and asked the Sand Hill team for additional reports on the Foundation's investment holdings, active fund managers, and the portfolio's performance.

2. Presentation from Sand Hill Global Advisors

On September 7, Mr. Dombkowski will give Sand Hill's annual presentation to the Board. Under the Investment Operating Plan, Sand Hill is obligated to present to the Board on an annual basis. This presentation will typically take place at the September Board meeting, following the Investment Committee's meeting in the quarter following

the end of the fiscal year. This timing will allow Sand Hill to cover the Foundation's investment portfolio performance for the previous fiscal year (which ends on June 30) as well as give its plans for the Foundation's portfolio and its perspective on the economic outlook for the current fiscal year.

The attached set of PowerPoint slides gives a preview of Sand Hill's presentation, which will cover (a) the Foundation's investment portfolio structure, (b) SHGA's investment outlook, and (c) the performance thus far of the Foundation's investment portfolio.

As you will recall, the Board authorized the creation of three pools of funds that Sand Hill manages for the Foundation:

- Quasi-Endowment, to follow a long-term investment strategy, with starting balance of $15 million
- Strategic Pool, to be used to fund major strategic projects and operations over the next 7-10 years, with starting balance of approximately $53.6 million
- Liquidity Pool, to be used to fund programs and operations for the current fiscal year, with starting balance of $1,345,290 (equal to the FY 2016-2017 operating budget)

The Fidelity accounts for the three pools were funded in late May, after the Foundation received the transfer of restitution funds from the City of San Bruno's custodial accounts (with small residual payments arriving in June and July).

In reviewing Sand Hill's performance reports, it should be noted that Sand Hill's figures differ slightly from the figures that appear in the Foundation's monthly financial statements prepared by Accounting Consultant Frank Bittner, as those are based on the monthly Fidelity account statements. The differences are the result of two factors: (a) Although the Fidelity statements say they run through the month end, Fidelity actually compiles its data a day or two prior to month end, so any dividends that pay out on those last couple of days do not appear until the next month's statements, and (b) Sand Hill's reports are calculated as of the trade date, while the Fidelity statements utilize the settlement date. All trades settle in 1-3 business days. Sand Hill's statements include securities in their list of holdings that are still in settlement mode, whereas Fidelity does not reflect securities in their list of holdings until trades have settled. Moreover, the difference between Sand Hill's figures and the Fidelity/SBCF monthly financial statement figures for June 30, 2016 (last day of the fiscal year), is larger than usual because Sand Hill placed a large number of trades in the last few days of June to take advantage of the market fluctuation resulting from the Brexit vote. Those trades were still in settlement mode on June 30, 2016, and ultimately settled in early July.

Attachment:

1. Slides for Sand Hill Global Advisors Presentation

SAND HILL GLOBAL ADVISORS

SAN BRUNO Community Foundation

2016 Annual Report to the Board of Directors

September 7, 2016

GLOBAL. PERSPECTIVE. DELIVERED.

For one-on-one presentations only. Not to be distributed to the general public.

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SHGA Economic and Market Outlook

OPTIMISTIC

2016

PESSIMISTIC

SCENARIO	POTENTIAL OUTCOME	
V-Shaped Economic Recovery: *The global economy dramatically accelerates as the private sector ignites. The economy snaps back to above average 3-4% growth rates, driven by a surge in investment spending, inventory build-up and a strong consumer. The slack in the economy dissipates and inflation pressures begin to build over time.*	**Equities and Risk Assets**: *Stocks outperform significantly on the back of strong earnings, accommodative policy and reasonable valuations.* **Fixed Income**: *Bonds struggle as deflationary assumptions do not play out and defensive fixed income assets become a source of capital.*	LESS LIKELY
Moderate Recovery: *The global economic recovery finds firmer footing as we distance ourselves from the inconsistent growth patterns over the last couple of years. Growth remains positive despite waning policy support. However, the recovery posts modest 2-3% growth as deleveraging pressures and global structural headwinds restrict economic potential.*	**Equities and Risk Assets**: *Stocks post positive returns consistent with prior post-recessionary periods, interrupted by short-lived consolidations.* **Fixed Income**: *Bond yields rise but not dramatically as modest growth outcomes, low inflationary pressures and low rates among the developed world's markets impact the yield curve.*	MORE LIKELY
Late Economic Cycle: *The global economy continues to expand but at a glacial pace as a widespread manufacturing slowdown is only partially offset by continued strength in the services sector. Corporate profit margin expansion tapers off, employment growth slows and slowing growth in the emerging markets impacts developed market growth. The result is a low, but positive, 1-2% growth environment.*	**Equities and Risk Assets**: *Stocks post modest returns against a backdrop of higher than average volatility in a "muddle through" environment.* **Fixed Income**: *Bond yields remain lower for longer as investors continue to seek stability and capital preservation in an uncertain environment.*	
Recession: *Economic growth contracts as an emerging markets slowdown spills over into the developed markets. Following years of low interest rates, central banks are left with few levers to stimulate the economy. Tighter credit conditions, deleveraging and deflationary forces take the upper hand. Consumer and investment demand falls and deflationary expectations rise, exacerbating the decline.*	**Equities and Risk Assets**: *Stocks correct as economic growth slips into the negative column and corporate results are disappointing.* **Fixed Income**: *Bond yields make new lows and provide positive, if anemic, returns to investors. Calls of a bond market bubble fade.*	LESS LIKELY
Stagflation: *Prior Federal Reserve stimulus efforts fail to result in sustainable economic growth and employment declines. A weakening dollar drives commodity prices and imports generally higher, setting an inflationary process in motion. Inflation expectations become entrenched resulting in policy tightening in the face of declining demand.*	**Equities and Risk Assets**: *Stocks suffer as falling revenues, a lack of pricing power and rising input costs depress profitability.* **Fixed Income**: *This scenario poses challenges to most financial assets, including bonds, which enter the period from vulnerable levels.*	

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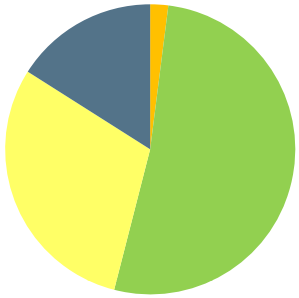
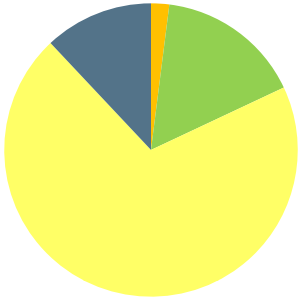
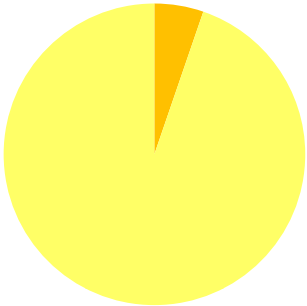
SBCF Asset Allocation

Bonds | Equities | Other Assets | Cash







	Quasi-Endowment **Custom Balanced**	**Strategic Pool** **Custom Conservative**	**Liquidity Pool** **Short-Term Cash & Fixed Income**
Funding Value:	$15,000,000	~ $53,600,000	$1,345,290
Risk Tolerance:	Moderately Conservative	Conservative	Conservative
Time Horizon:	Long-Term	Mid-Term	Short-Term
Cash Flows	Up to 7% Per Year	100% Over 7-10 Years	100% within 24 months
Objective(s):	Capital Appreciation Capital Preservation	Capital Preservation Capital Appreciation	Capital Preservation

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SBCF Portfolio Update

	Quasi-Endowment		Strategic Pool		Liquidity Pool	
Ending Balance [1]:						
6/30/16	$15,212,293		$53,953,732		$1,346,903	
8/31/16	$15,576,099		$54,370,502		$1,137,426	
6/30 Asset Allocation:	Current	*Target*	Current	*Target*	Current	*Target*
Stocks	53%	*52%*	17%	*16%*	0%	0%
Bonds	28%	30%	68%	70%	81%	95%
Other Assets	10%	*16%*	9%	12%	0%	0%
Cash	9%	*2%*	*6%*	*2%*	19%	*5%*
Performance:						
5/31/16 – 6/30/16	1.41%		0.69%		0.03%	
5/31/16 – 8/31/16 [2]	3.84%		1.47%		0.07%	
Implementation Status:	Completed		Expected Completion Q3 2016		Completed	

Governance Checklist:

Asset allocation within target range: All weights are in compliance.	✓
No Direct investments in any equity or debt securities of Pacific Gas & Electric	✓
No individual equity securities (stocks) will be held in any Direct Account	✓
No below investment grade allocation > 5% of portfolio value	✓
With the execption of U.S. government securities, no more than 5% at cost of the portfolio many be invested in the securities of a single issuer.	✓
Quasi-Endowment Pool can maintain up to 10% illiquidity	✓

1 – The ending balances listed include late-posted dividends and trade date values. They may not directly reflect the custodian's statement value.
2 – Estimated Performance

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SAN BRUNO
Community Foundation

Memorandum

DATE: **September 2, 2016**

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

FROM: **Leslie Hatamiya, Executive Director**

SUBJECT: Report from the Ad Hoc Committee on Foundation Program Development Re: Community Grants Fund and Crestmoor Neighborhood Memorial Scholarship

At the September 7, 2016, Board meeting, the Ad Hoc Committee on Foundation Program Development will give an update on the rollout of the Community Grants Fund. The two Board members who sit on the Committee are Patricia Bohm, who serves as chair, and Secretary Emily Roberts.

1. Community Grants Fund

As you know, the Foundation launched the Community Grants Fund on July 1, with the activation of the online Grant Application and distribution of marketing materials throughout San Bruno. We have sent flyers and posters to a broad range of community organizations in San Bruno. Thanks to Committee Members Bohm and Roberts along with President Nancy Kraus, we have distributed flyers and/or posters to a variety of high-visibility or gathering spots in town, including City Hall, San Bruno Public Library, Veterans Memorial Recreation Center, Crestmoor neighborhood trailer, San Bruno Chamber of Commerce, local churches, Bayhill merchants, Towne Center merchants, and downtown merchants. We also sent out program information to the Foundation's 500+ email distribution list.

Thus far we have held two Grant Workshops at City Hall on July 19 and August 15. A final Grant Workshop is scheduled for Monday, September 12, 6:00-7:00 p.m., at City Hall, Room 115. Attendance at the first two Grant Workshops was strong – about 20 attendees at the July Workshop and about 12 at the August Workshop. At the Workshops, I provide background information on the Foundation and cover the eligibility requirements and application process for the Community Grants program, followed by a Q&A session. Based on the questions asked at the Grants Workshop, I have created a Frequently Asked Questions document that is posted on the Foundation's website. Community members who have already attended a Workshop need not also attend the September 12 event. Moreover, attendance at any Grant Workshop is not required to apply for a Community Grant. I want to thank Committee Members Bohm and Robert as well as President Kraus for attending and participating in the Grant Workshops.

I have also fielded numerous phone calls and email inquiries from community organizations interested in applying for a Community Grant. Although thus far only six organizations have started filling out an online Grant Application, I am anticipating a relatively large number of Applications to be submitted by the September 30 deadline.

I am in the process of assembling the review panel that will assist in reviewing the Community Grant Applications and making recommendations to the Board.

2. Crestmoor Neighborhood Memorial Scholarship

The Foundation has paid out initial scholarship checks to all seven 2016 recipients of the Crestmoor Neighborhood Memorial Scholarship.

I have begun planning for the 2017 Scholarship process. President Kraus and I met with staff at Skyline College in July to discuss ways to improve outreach to community college students and increase the number of community college applications. With increased and earlier marketing efforts, we are hopeful that we will attract more community college applicants in 2017. I will also be speaking with college counseling staffs at some of the local high schools to discuss ways to improve outreach in the second year of the Scholarship program. To give students more time to complete the application, I plan to have the Scholarship application online in December (rather than early February), and the application deadline will remain in the same time frame as this past year (March 15, 2017). I do not anticipate that we will make any significant changes in the Scholarship eligibility requirements or application process.

SAN BRUNO
Community Foundation

Memorandum

DATE: **September 2, 2016**

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 Proposals to the San Bruno City Council Related to Near-Term Projects

As you know, in early January, the Foundation proposed to the City of San Bruno a partnership on four strategic projects for 2016:

- Grant of up to $300,000 to the City for the completion of a Community Facilities Vision Plan focused on the Foundation's capital project strategic priorities and related facilities, including a pre-planning process with Anderson Brule Architects (ABA) to develop the scope of work and work plan;

- Grant of up to $30,000 to the City to underwrite the costs of holding the third annual Community Day in 2016 and encouraging the City to merge the event with the annual Posy Parade in early June;

- Grant of up to $170,000 to the City for pedestrian safety improvements, including installation of lighted crosswalks, lighted signage, or other similarly high-visibility pedestrian safety features; and

- Grant of up to $200,000 to develop the City-owned lot at 324 Florida Avenue into a new community park.

At the September 7, 2016, 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 four projects. Since the Board's July meeting, the Committee has been actively engaged with the City on all four projects. The Committee has twice met with the City Council subcommittee tasked with working with the Foundation on these projects; that subcommittee consists of Mayor Jim Ruane and Councilmember Irene O'Connell. The two groups have plans to meet jointly once a month while the four projects are in the planning and implementation stages.

1. **Community Day Grant**

The City Manager and I, on behalf of the Foundation, have executed a Grant Agreement for a $30,000 grant to the City to help cover the costs of the 2016 Community Day. The Foundation formally conveyed the grant funds to the City in August.

The two committees have discussed plans for the 2017 Community Day, including the Foundation's interest in helping underwrite the costs. City staff has been tasked to prepare a budget and plan for the 2017 event that captures the full costs of organizing the event, based on feedback from the 2016 gathering. After the Committee receives the 2017 budget and plan, it will make a recommendation to the Board regarding the level of grant funding for the Foundation to contribute.

2. **Community Facilities Vision Plan**

As previously reported, this grant is being carried out in two parts. The first part is a planning grant for the pre-planning process conducted by Anderson Brule Architects (ABA) this spring. The City Manager and I have executed the Grant Agreement for this grant, and the Foundation issued the grant check of $25,000 to the City in August.

The second grant will be for up to $275,000 for the Community Facilities Vision Plan and will cover the costs of the City engaging with ABA to lead the Vision Planning Process plus additional outreach and marketing expenses. The Committee is waiting for a final budget from City staff, but it is likely that the amount of the second grant will be lower than expected (about $200,000).

3. **Pedestrian Safety Improvements**

As reported previously, the Committee is working with City staff to execute this project in at least two grants. The first is a planning grant for approximately $8,000 to cover the cost of a traffic engineering consultant to study the downtown area and make preliminary recommendations on pedestrian improvements along San Mateo Avenue. The City is also evaluating several sites near San Bruno schools in need of pedestrian safety improvements. The City is in the process of developing recommendations and costs projections for the school site options as well as cost projections for further analysis of San Mateo Avenue. Additional planning grants may be needed to complete the planning stage of this project, with the balance of the earmarked $170,000 to be used for project implementation of the improvements.

4. Florida Avenue Park

As previously reported, the Foundation is working with City staff to execute this project in two or three grants until the proposed $200,000 is paid out. The first grant will be for the conceptual design phase (expected to be around $25,000), which the City recently launched, a second grant will be for the landscape design (likely in the $100,000-$125,000 range), and a third grant for the balance of the remaining funds will go toward park construction.

Once the Foundation receives the City's proposal for the conceptual design phase grant, the Foundation will execute a Grant Agreement. The City has engaged with the consulting firm that recently provided similar conceptual design services for a new Glenview/Crestmoor park. The City held a second park planning meeting that was open to the public in August, where local neighborhood residents and other interested community members provided input on design concepts for the park.

The City expects to complete demolition of the existing structures on the site by late fall, with park construction to begin in spring 2017.

SAN BRUNO
Community Foundation

Memorandum

DATE: **September 2, 2016**

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

FROM: **Leslie Hatamiya, Executive Director**

SUBJECT: **Report from Ad Hoc Committee on Elections Process and Resolution Establishing Process for Annual Election of Officers**

When the Board elected its 2016 officers at its November 18, 2015, Special Meeting, it discussed establishing a process for the annual election of officers. The Bylaws provide minimal guidance, with the only reference to the election of officers in Article VIII, Section 2, which states:

> The officers of the Corporation, except the Executive Director and those appointed under Section 3 of this Article [meaning those other than the President, Vice President, Secretary, and Treasurer], shall be chosen annually by the Board for one-year terms starting on January 1 and shall serve at the pleasure of the Board, subject to the rights, if any, of any officer under any contract of employment, and subject to the approval of the City Council

Following up on the November discussion and in the interest of creating an agreed-upon election process, on June 1, 2016, the Board approved a resolution creating an Ad Hoc Committee on Elections Process, charged with recommending to the full Board an elections process to be utilized going forward, in anticipation of 2017 officer elections taking place toward the end of 2016. The Board appointed Dr. Regina Stanback Stroud as chair and Frank Hedley and John McGlothlin as Committee members.

The Committee met on July 19, 2016, to review drafts of two documents prepared by Chair Stanback Stroud with the assistance of me and City Attorney Marc Zafferano: (1) General Principles Regarding Election of Officers, and (2) Process for Electing Officers. The first document sets forth the desired skillset for each officer position and other general principles that guide the elections process. The second document outlines a straightforward process for scheduling and conducting officer elections. The Committee thoughtfully and collectively edited the two documents, resulting in the attached drafts that the Committee proposes that the Board adopt as part of the attached Resolution Establishing Process for Annual Election of Officers.

I recommend that the Board approve the Resolution Establishing Process for Annual Election of Officers.

Attachments:

1. Resolution Establishing Process for Annual Election of Officers
2. Exhibit A: San Bruno Community Foundation General Principles Regarding Election of Officers
3. Exhibit B: San Bruno Community Foundation Process for Electing Officers

RESOLUTION NO. 2016-__

RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION ESTABLISHING PROCESS FOR ANNUAL ELECTION OF OFFICERS

WHEREAS, the Board of Directors of the San Bruno Community Foundation, at the time of electing the Foundation's 2016 officers at a Special Meeting on November 18, 2015, discussed establishing a process for the annual election of officers;

WHEREAS, the Restated and Amended Bylaws, which the Board and the San Bruno City Council approved in April 2016, specify that officers will serve one-year terms starting on January 1 of each year but do not provide specific guidelines for the election of officers;

WHEREAS, the Board created the Ad Hoc Committee on Elections Process charged with recommending to the full Board an elections process to be utilized going forward, in anticipation of 2017 officer elections taking place toward the end of 2016; and

WHEREAS, after thoughtful deliberation the Ad Hoc Committee on Elections Process has drafted a set of general principles guiding the officer elections process, which includes the desired skillset for each officer position, and a straightforward process for the election of officers, including scheduling and nominations.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby adopts the San Bruno Community Foundation General Principles Regarding Election of Officers attached as Exhibit A and the San Bruno Community Foundation Process for Electing Officers attached as Exhibit B.

Dated: September 7, 2016

ATTEST:

_____
Emily Roberts, Secretary

I, Emily Roberts, Secretary, do hereby certify that the foregoing Resolution No. 2016-__ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this 7th day of September, 2016, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

EXHIBIT A

SAN BRUNO
Community Foundation

General Principles Regarding Election of Officers

Approved by the Board of Directors, September __, 2016

- All elections should be guided by the provisions contained in the Foundation's Bylaws and Articles of Incorporation or by any rules of procedure adopted by the Board of Directors.

- The skillset desirable for the President to possess to provide leadership and support for the evolving development of the Foundation includes:
    - Oral communication and meeting management skills to serve as the presiding officer
    - Interpersonal and communication skills to address the concerns of the public, City of San Bruno leaders, and Board members
    - Strong ties to the community and a demonstrated ability to hold the community in trust
    - Character and strong integrity
    - Reputation of fairness and transparency
    - Consideration of other viewpoints
    - Ability to collaborate and build consensus

- It is desirable for the Vice President to possess the skillset to perform the duties of the President as needed.

- The skillset desirable for the Treasurer to possess to support the Foundation's evolving finance and investment functions includes:
    - Professional experience in accounting, finance, business, and/or investment management
    - Strong ties to the community and a demonstrated ability to hold the community in trust
    - Character and strong integrity
    - Reputation of fairness and transparency
    - Consideration of other viewpoints
    - Ability to collaborate and build consensus

- The skillset desirable for the Secretary to possess to maintain the Foundation's records includes:
    - Strong writing skills and attention to detail
    - Strong ties to the community and a demonstrated ability to hold the community in trust
    - Character and strong integrity

- Reputation of fairness and transparency
- Consideration of other viewpoints
- Ability to collaborate and build consensus

- Officers of the organization should be able to commit the required time to fulfill their roles at the current stage of the Foundation's development.

- Officers should be able to meet their personal legal and fiduciary responsibility of serving as an officer.

- Officers should be nominated to serve as an officer only with their consent and expressed interest in serving and carrying out such responsibilities.

EXHIBIT B

SAN BRUNO
Community Foundation

Process for Electing Officers

Approved by the Board of Directors, September __, 2016

1. Terms of Officers

   The terms of offices are defined in the Bylaws ("shall be chosen annually by the Board for one-year terms starting on January 1").

2. Officers to be Elected

   Per the Bylaws, the following officers shall be elected by the Board of Directors, in the following order:
   - President
   - Vice President
   - Secretary
   - Treasurer

3. Scheduling of Officer Elections

   Officer elections are held no later than the Board's regular November meeting, so that, per the Bylaws, the San Bruno City Council can consider and approve the officers by December 31. Prior to the making of nominations, the subject of elections will be agendized to give Board members the opportunity to comment.

4. Nominations

   Nominations, including self-nominations, for each office are made orally at the meeting. A nomination must receive a second prior to any vote on that nomination. A Director nominated for an office may decline the nomination, even if the nomination has been seconded. Nominations are taken for each office individually, following the order in Section 2 above.

   A candidate who is not elected for an office may be nominated for a different office.

5. Voting

   The Board will take nominations and vote in turn for each office in the order specified in Section 2. If there is more than one candidate for an office, the Secretary shall conduct a roll-call vote, with each Director casting his/her vote for one candidate. To be elected, a candidate must receive votes from a majority of Directors participating in the meeting.

6. Record of the Election

   The minutes of the Board meeting at which the election occurred shall record the candidates nominated for each position and the elected candidate.

7. Process for Filling a Mid-Term Vacancy

   In the event that the office of the President becomes vacant prior to the completion of the current term, the Vice President will assume the Presidency for the remainder of the term. In the event of a vacancy of the any other office, the elections process as outlined in Sections 4-6 above will be implemented immediately to fill the position.