

ZEN CENTER BOARD OF DIRECTORS MEETING
MINUTES August 20, 2015
Greens

Attendance

Board members present: Larry Bye, Linda Ruth Cutts, Helen Degenhardt, Bruce Fortin, Roger Hillyard, Mark Lachman, Brian McCaffrey, Dennis McNally, Margie O'Driscoll, Joe Rodriguez, Ed Sattizahn, Fu Schroeder, Anna Thorn, and Jon Voss

Board members absent: Albert Kutchins and Mark Schieble

SFZC officers present: Susan O'Connell and Rita Cummings. Mimi Saunders (recording).

SFZC officers absent: Jordan Thorn.

Guest speakers: Tova Green, Nancy Petrin, Jennifer Orr, Mike Vincenty, David Prowler

Agenda and Minutes Approval

Brian moved to approve the June 17 minutes and Helen seconded the motion. The motion was passed unanimously.

Abbatial Reports

Linda reported on her trip to the Sakyadita conference as well as her experiences working with summer guests at Tassajara. She felt the GGF meeting on divestment was well attended. Linda also acknowledged Mark Lancaster's departure and his beneficial contributions to so many at Zen Center.

Fu said that Green Gulch is in the middle of a Genzo-e retreat with Shohaku Okamura. She reported that another section of the creek is being re-channeled. She is also looking at how to stay in conversation with people at GGF about when and how they will retire. GGF had their first community meeting on diversity and they noticed that it was difficult. As a result, the next step will be to become trained in guidelines for how to discuss the topic in a conscious and compassionate way.

Ed spoke about the recent City Center summer resident retreat. This year employees were invited to participate in a 1½ day workshop with Adam Wolpert. He said that he was excited about leading the upcoming fall practice period and about the new staff coming on board. Ed also said that he has begun scheduling regular priest meetings. He thought the GGF meeting on investment policy went well and that everyone is becoming better informed on the issues.

Linda noted that the affiliate sanghas have urged SFZC to be in the forefront of socially responsible investment. An update will be going out to these teachers.

President's Report

Susan said the Program Department lacks a manager but Rita is doing a tremendous job of holding it all together. Since the last board meeting, the Sangha Project has revised the financial sharing structure to respond to board input. The leadership met to plan the governance structure and

created two small working groups that will develop a teaching staff plan and a term sheet. The Sangha Project received a commitment for \$200,000 in the form of an outright gift and a match and met with two donors who said yes. The Sangha Project will come back to the board in November. Regarding the long-range financial plan, TDC will be here in September to meet with directors, Development, Robert, and the Task Force. Allison will attend the board meeting.

Susan allocated some of her reporting time to Mike Vincenty, the new CIO, who reported on the status of the SFZC IT systems and future plans. His goal is to offer people the tools that will help to release their creativity, benefit the organization financially, and reduce friction loss (generated by systems that don't talk to each other). In the short term, Mike's team will focus on procedures and practices to support continuity and knowledge transfer (in a workplace marked by high staff turnover). The long term plan is to upgrade our infrastructure.

ZISL

David Prowler said that the owners of the Sonoma site are very supportive because they see the Senior Living Project as a cornerstone of their development effort. We made the owners an offer and should hear back by early September. Bridge withdrew as a partner because there weren't enough subsidized units given their mission in this area. We are currently talking with another developer, Cliff Curry, recommended to us by Margie. He had a very successful career in retirement community development and in the development and management of memory care units. He would likely invest through his foundation. Next steps are to refresh the market analysis and set up operational taskforces. Gloria Borders has volunteered to work with Susan on this.

Development Report

Tova Green reported on FY2015 goals and performance including a revival of the Legacy Giving Program. The major gifts goal was met for the first time in three years. The total amount raised was \$1.9 million. Nancy Petrin outlined FY2016 strategies, performance year to date (which is ahead of projections), plans for expanding the donor base and a request for more cultivators and solicitors. Larry asked the board, if they were willing, as a group to commit to raising \$20,000 in October. A number of members expressed support. Nancy and Tova offered the Development staff's support. The board agreed to regularly schedule updates from Development as the fiscal year unfolds.

City Center Master Plan

Susan clarified that this report was for information only and to receive comments. She will return in late fall for board approval to commence preliminary work on a new capital campaign that will be principally focused on the needs of City Center.

Susan reviewed the process, design principles and the proposed plan for phased renovations and remodeling to four buildings (300, 308/310, 340 and 293/295 Page Street). Estimated costs total to \$19.6 million, which includes both construction costs plus substantial additional contributions to the SFZC endowment. After board approval, initial funds will be raised in order to move forward with architect selection, schematic design, development of more refined construction cost estimates and a phasing approach. They will also be used to hire capital campaign support staff. Susan reported that the plan is to implement a 7-year campaign to conclude on the 100th anniversary of the 300 Page Street building. Susan is focused now on the identification of major donors.

The board offered feedback on breaking the project into smaller phases. Ed asked if we could get more value by buying another building rather than remodeling the current one. Susan agreed that it was important to consider these alternatives. Linda responded to questions about specific functional spaces by recalling, from the last capital campaign, how preliminary and changeable this early stage planning is.

Both Susan and Larry underscored the need to take care of the campus and address urgent needs (bathrooms and elevator) as well as safety (soft story reinforcement). Susan invited the group to bring additional questions and comments to her.

Governance Committee Report

Brian reported on the process of identifying new board members. Diversity is a key criterion in the search for candidates. The board agreed to extend an invitation to former board member George Kellar to serve in one of the appointed slots.

Secretary Search

Dennis, chair of a search committee for secretary, reported that the committee has three applications and two more may be coming in. Once the application period is over interviews will be conducted and a recommendation made to the board.

Final Assessment Report on White Privilege/Diversity

Linda reviewed the report and noted that it was time to proceed to the next phases of trainings and structural change. The PIE (Promoting Inclusivity and Equity) Committee will work on training. The board discussed the need for structural change -- including changing the face of the board -- and agreed to focus on this simultaneously with training. There was strong support for taking significant steps in both areas.

Fu moved that the Board request the President and PIE to report to the Board in December on administrative steps that can be taken in the short run to address the problem. Later board action on policy changes can follow. Helen seconded the motion and it passed unanimously.

Finance Committee Report

Helen reported that, as of August 20, we are nearly through the first third of the current fiscal year. The two most important stipulations to the FY 2016 budget were 1) to continue working on reducing health insurance costs and, 2) to review budgetary trends no later than September and recalculate as needed. Health insurance costs are on track with the forecast but little progress has been made in finding a way to significantly reduce them.

Tracking overall performance as of now is difficult because the available data only reflect the first two months of the fiscal year. By the end of June, income was above and expenses were below projections. Program department expenses are up, however, and it is important that steps be taken to get them back on track. Helen said she would be able to discuss Qtr 1 & 2 financial trends at the September meeting.

LRFPTF Report

The Long Range Financial Planning Task Force met and identified a list of options for getting to our goal of generating an annual surplus. A number of options were identified including a possible downsizing of Zen Center. Since then, Susan and TDC have been working to analyze and cost out the most promising options. This will be presented at the September board meeting. The NextGen group will be invited to this meeting. Susan proposed inviting a few of the NextGen people to join the Board Retreat in October. There was subsequently discussion about this and the board consensus was to keep the retreat as a time for board members only to spend time together.

Executive Session & Adjournment

The Board held an executive session prior to adjournment.

Next Board Meeting + 2015 Calendar

September 16, 2015	2-8:30pm	City Center Dining Room
October 9-11, 2015	Board Retreat	Tassajara
November 18, 2015	4-8:30pm	Greens
December 13, 2015	4-6:30pm	Holiday Party

Respectfully Submitted,
Mimi Saunders