

SFZC BOARD MEETING

Minutes

November 18, 2015

Greens

Members Present: Larry Bye, Linda Ruth Cutts, Helen Degenhardt, Bruce Fortin, Roger Hillyard, George Kellar, Albert Kutchins, Mark Lachman, Brian McCaffrey, Dennis McNally, Margie O'Driscoll, Joe Rodriguez, Ed Sattizahn and Fu Schroeder.

Officers Present: Susan O'Connell, Rita Cummings, Jordan Thorn, and Jeremy Levie.

Absent: Mark Schieble and Anna Thorn.

Agenda and Minutes Approval

The minutes of the October 11, 2015 meeting at Tassajara were approved, as amended. The proposed agenda for today's meeting was also approved.

Abbatial and President's Reports

Abiding Abbot Ed Sattizahn reported on City Center: City Center is doing well. The zendo is full in the morning. City Center received funds from a bequest that may be used to do renovation and space reallocation, involving the library and sewing spaces. The men's dorm is also being converted into a meeting room. City Center is in the midst of Practice Period and is headed into Rohatsu Sesshin. Ed is absorbed currently in these practice activities.

Abiding Abbot Fu Schroeder reported on Green Gulch: Green Gulch is doing very well. The Practice Period is full, as will be the January Intensive.

An effort is being made to articulate and develop post-shuso training. An example of this is the ongoing study group with Robert Sharf, which is well attended by post-shuso students (and others) from all over SFZC. In response to a request from students, there was a study group open to the general GGF community to share the material covered in the recent Bob Sharf seminar more widely. Fu was impressed with the education and intellectual sophistication of the Practice Period student body.

Fu is working with the Tanto and Director to articulate the path of training and give timely feedback to students.

There are significant housing shifts coming up at Green Gulch, which should offer more appropriately sized housing to families and potential down-sizing for those whose children are no longer living at Green Gulch.

Fu noted the awareness of Green Gulch's limited resources, especially with regard to water, septic system capacity, and parking.

Starting in February, Fu will begin serving as the Chair of the Board of the Marin Community Foundation.

Central Abbess Linda Cutts reported: She appreciates the opportunity the Sangha News blog provides to speak on behalf of the SFZC leadership. Most recently, she used this opportunity to talk about the attacks in Paris.

She recently attended a four-hour meeting with Juan Lopez, who has been hired to work with SFZC on inclusivity and equity issues. Representatives from throughout SFZC also attended the meeting. The discussion focused on the differences and similarities between people of different cultures and the tensions that arise when we mix cultures. In particular, attention was paid to the tension between the traditional and cultural ways people express themselves and whether this aligns with what we call “Zen.” Juan will offer a training session at the 2016 Tri-Temple meeting.

Linda sees her position as a bridge between spiritual and administrative realms. In Abbots Executive Group (AEG) meeting earlier in the day, she strongly felt the need to integrate these realms: especially in a discussion about on-line programming.

Lauren Bouyea will transition from being Linda’s assistant to being the Shika at Tassajara. Lauren has been very helpful to Linda, especially in assisting Linda in organizing and prioritizing her work. Linda expressed her appreciation and gratitude to Lauren and others who serve in the assistant positions.

Susan reported from the Presidency: She has been working on work-practice policies. A disability policy proposal is ready to go to the Officers and Directors for consultation. The retirement policy is being refined and she may present proposed changes to this policy soon.

She has been meeting with the Strategic Implementation Team (SIT) on the five-year financial plan, which is going well. She and Jordan completed a budget re-forecast for this fiscal year. The projected deficit is down from \$165K to \$80K. She will be talking to the directors at each of the centers about trying to find savings totaling this amount.

She has been looking for someone who could carry the CC master plan to the next level and could provide information about what CC needs as fundraising begins. She has spoken with Studio Bondy, who has worked with a Julia Morgan building before. Susan is also looking for a programming coordinator and an on-line programming coordinator and is putting the word out to the wider community about these open positions. In addition, work is proceeding on the negotiation of a term sheet related to the purchase of property in Sonoma for the Zen Inspired Senior Living Project.

San Francisco Zen Center’s Sangha Project structure and business plan

Robert made a presentation on the San Francisco Zen Center’s Sangha Project covering the following topics: general intention of the project, overview of the business model, mission-based goals, key project outcomes, proposed organizational structure, success dependencies, and

reallocation of functions in case of failure, with the goal that the Board would approve a proposed resolution approving the organizational structure and business plan so that work could move forward.

In clarifying the presentation, it was explained that the SFZC Sangha-project would operate semi-autonomously, under SFZC auspices, but in charge of its own hiring, operations and fundraising. The SFZC Sangha Project team is working on an operational agreement to specify how it will relate to the other aspects of SFZC. Robert will fundraise the \$750K needed to cover the first three years of SFZC Sangha Project operations. He will approach major donors from the SFZC general donor pool primarily interested in tech and others as well. It was noted that there could be some impact on other SFZC fundraising, such as the City Center capital campaign.

Linda Ruth gave a brief summary of the Elders Council discussion of the SFZC Sangha project and related that the elders support the basic elements of the SFZC Sangha Project, but hold some reservations about the details. For the Elders, face-to-face practice is a bottom-line value of our tradition and request that any programs that are offered by SFZC be vetted by and in accord with the guidance of our teachers and elders. The Council affirmed that if the SFZC Sangha Project is approved by the Board and fully funded, the Elders will support it, but would like to stay in touch with how it's going and periodically review it.

There was neither a presentation nor a discussion of the Business Plan, which was submitted to board members prior to the meeting, having been approved by the Finance Committee.

A long Board discussion ensued covering such issues as membership, fund-raising, governance structure, and the SFZC Sangha Project's semi-autonomous functioning.

Susan and Robert offered a resolution approving the structure and business plan, which was amended to reflect some of the concerns expressed during the discussion and included bridge funding by means of a \$40K loan from the capital campaign while the Project awaits cash from donor pledges. The resolution, as amended, was adopted. There were two abstentions. The resolution is appended to these minutes.

Selection of next President of Zen Center

Linda Ruth reported the AEG recommendation that Linda Galijian be the next President of Zen Center. It was noted that there was not an open interview process for the position, which seemed appropriate at this time, but this is not intended to set a precedent for the future. The Board then voted unanimously to invite Linda to assume the post with the details of the agreement to be worked out by a committee to be named by the Board Chair.

Long Range Financial Planning Project update and discussion of next steps

Susan reported that the SIT had a good meeting regarding the five-year financial plan. The team is looking at a number of strategies identified by the ELF and TDC, which were also discussed at the fall Board retreat including food costs, the possibility of a residential physician, the replacing of some employees with staff/students, restructuring the Program Department, increasing hospitality revenue and developing expanded family and children's programs. Work will continue with the next

meeting to take place in January. Board leadership will work jointly with the SIT to identify a mix of strategies and plans to be adopted next year.

Finance Committee report and GGF creek restoration borrowing authorization

Helen reported that the finance committee recently worked on the budget reforecast, which now shows an \$80,000 deficit budget for FY 2016. Unrestricted working capital (cash flow) is very modest and the accounting office is being very careful about expenditures.

There is a new tenant for the space previously occupied by Samovar for the remainder of the existing lease (1 year 10 months). At the expiration, SFZC will negotiate a new lease at market rates (the rate should double). SFZC will start to test the market for tenants for the space in about a year.

The board discussed the idea of short-term borrowing to deal with cash flow issues related to the GGF creek restoration. After discussion, the Board unanimously passed a certificate of borrowing authorization for the Marin Community Foundation in order to address the problem.

IT plans

Rita and Jon reported on the IT plan overview presented at the fall Board retreat. Mike Vicente is working on specifications and estimates for essential repairs to the network and infrastructure. Currently, the parts of technology infrastructure systems don't talk to each other (e.g. the development database and point of sale systems are not linked). The IT department is working toward the development of an integrated infrastructure, the digitalization of HR records, and on clarifying critical work processes at SFZC. It is hoped that a more complete IT plan can be presented to the Board in February, one that addresses values, core functions, and near-term, mid-term, and long-term actions that need to be taken.

Development Committee report

Margie and Dennis reported that the Fall Harvest Campaign exceeded its goal. There will also be matching gifts from the Board for "Giving Tuesday," which was announced on Facebook, Sangha News and the Saturday program at CC. The Development Office will soon be offering a legacy-giving workshop. In addition, the year-end appeal has gone out.

Discussion of approach for increasing Board communication and conducting annual meetings with residents

To facilitate communication from the Board, Larry suggested that Board minutes be routinely posted on the website and that there be regular news from the Board in Sangha News. For the annual meetings with residents, it was suggested that the Board solicit questions from residents ahead of time. This could happen at each center's residents' meetings or by having meetings for smaller groups to generate questions. This would support the Board's effort to hear what's on the mind of the residential community rather than only from those willing speak up in front of the whole meeting. It was also suggested that there be brief announcements to the community at each

center after each Board meeting about what topics were discussed. Residents could be referred to the minutes and encouraged to ask follow up questions from board members.

2016 Board meeting calendar

Proposed dates were approved with the request that two meetings be moved to CC and one to GGF and that these three meetings would be from 2-6 p.m.

Next meeting

The next meeting will be the all-day Board retreat at CC on Friday, January 29th, from 9-5.

Respectfully submitted,

Jeremy Levie
Secretary

APPENDIX

The SFZC Board of Directors Resolution Approving the Organizational Structure and Business Plan and the Continued Development of the SFZC Initiative, the Sangha Project.

Whereas as part of the Widening the Circle Capital Campaign, the SFZC Board unanimously deemed the “4th Practice Center” project to be a worthwhile effort to pursue, approving it in concept and supporting it to raise “seed” development funds and continue to develop to accomplish its mission, widen SFZC’s circle of practice, and contribute positively to the long-term financial sustainability of SFZC; and

Whereas the 4th Practice Center project concept and plan has continued to evolve, with modifications and improvements, and is now called the “Sangha Project” to reflect its focus on helping SFZC to be successful in fostering a strong, enduring and mutually beneficial membership program by means of an online community of practice that can support and grow the SFZC membership through a combination of SFZC’s current in-person and new online practice offerings; and

Whereas at the June 2015 board meeting the Board passed a resolution supporting and approving the Sangha Project to take appropriate steps to implement its plan and raise the funds necessary to move the project forward, subject to certain stated conditions; and

Whereas the Sangha Project has presented a description of organizational structure which defines its relationship to SFZC, and a business plan;

THEREFORE BE IT RESOLVED:

1. That the SFZC Board approves the Proposed Organizational Structure and Governance of San Francisco Zen Center’s Sangha Project, Draft v11.11.15 a copy of which is attached hereto.

2. That the SFZC Board approves the Sangha Project Business Plan, draft V.5, dated 11/13/15, subject to the following conditions:

A hold is placed on the launch of the Sangha Project until initial funds are received from committed donors. This means withholding approval of year 0 launch efforts until \$350K fundraising goal is achieved. (The Sangha Project will receive a \$40K loan from the capital campaign until pledged donations are received.)

3. That the SFZC Board authorizes the Sangha Project to begin implementation of the business plan and begin operations in conformity with the Proposed Organizational Structure.
4. That the Sangha Project present an Operating Agreement to the Board for approval no later than at its January meeting.
5. The Board will continue to review, on a regular basis, progress reports for each development and post-launch stage and determine whether they have been attained.