

SFZC BOARD MEETING

Draft Minutes

Greens

July 20, 2016

Present: Larry Bye, Albert Kutchins, Brian McCaffrey, Alicia Lu, Dennis McNally, Maitri Goonewardena, Ed Sattizahn, Piper Murakami, Mark Lachmann, Jeremy Levie, Jordan Thorn, Fu Schroeder, Roger Hillyard, Anna Thorn, Rita Cummings, Mark Schieble, Susan O'Connell, Helen Degenhardt, George Kellar, Margie Driscoll, Joe Rodriguez

Absent: Linda Cutts

Approval of Agenda and Minutes

Helen moved that the minutes be approved, as written. Albert seconded the motion. The Board approved the minutes with two abstentions. The proposed meeting agenda was also approved.

Appointment of Alicia Liu to Board

Brian introduced Alicia Liu as a highly qualified potential Board member with expertise in IT. If selected she would serve as the third appointed member of the Board, serving through 2017. After discussion, Alicia was unanimously approved as a new appointed member of the Board.

Personnel Policy Revisions Report and Board Action

Susan explained that the annual review of personnel policies has been completed and approved by the Officers and Directors (O&D). They are now ready for board approval. Eli Brown-Stevenson presented the proposed changes to the policy. Revisions include changes to the WPA program, the Paths and Gates review schedule, SFZC membership for residents, and the development of a disability policy.

There was a discussion about some of the policies. A question was raised about whether legal counsel should review the document before board approval. It was agreed to by the board that counsel (Greg McClune) would review the proposed changes to the document and that these reviews would occur regularly. It was also agreed that the People Policy Committee would review the changes one more time before board action. The committee will field questions and concerns from the Board, and work with the O&D to bring back a final policy revision document that the board can consider at either its August or September meeting.

Report on IT Long Range Plan

Mike Vicente gave a report on the long-range plan for IT. The plan calls for an upgraded core infrastructure in 2016, improved user systems and tools in 2017 and a focus on mindfulness in work during 2018 and 2019. After the presentation Mike answered questions from the board and there was a board discussion.

Governance Committee Report on Bylaws Revision/Board Action

Albert presented the proposed bylaw amendments reflecting committee study and previous board conversations about the issue. The changes modify bylaw sections dealing with board elections, term

limits, types of board members, and SFZC ethical principles. In addition, a number of minor housekeeping changes were incorporated into the proposed revisions.

A motion to approve the Article IV changes (regarding elections and the terms of directors) was made by Brian. Margie seconded this motion. The changes were approved with one abstention. After some discussion, including about the review process for officers, Margie moved that the changes to Article VIII (regarding officers) be approved. George seconded the motion. The changes were approved with one abstention. Margie moved that the changes to Article IX (regarding membership, including that the Development Committee approve any changes to membership fees), be approved. Helen seconded the motion. The changes were approved with one abstention. Margie moved approval of the proposed changes to Article X (regarding Ethical Principles, which replaces the section on the Ethics and Reconciliation Council), which was seconded by Dennis. The changes to Article X were approved unanimously.

(Please see the addendum to the minutes for the revised content of the sections being amended.)

Sangha Project Report

Robert Thomas made a report on San Francisco Zen Center's Sangha Project. SFZC's Sangha Project has been reassessed and it is not going forward as approved by the Board. Fundraising has been going more slowly than required for it to proceed as planned. The group steering the project considered whether it would be better to go forward with a highly streamlined version of the project or to relocate pieces of it within existing departments of SFZC. The group decided on the latter. Robert, Linda G., Rita, and Nancy will meet to decide how to reallocate the most promising pieces of SFZC's Sangha Project into other departments at SFZC. Work on this will continue over the next six months. Robert will stay on staff during this time to help complete this work.

The Project's development has been funded primarily from money from the Widening the Circle capital campaign, both from restricted and unrestricted funds. Recently, the Finance Committee agreed to loan \$70K from the general fund to the development effort. The committee now recommends that these funds (less any that are unspent) be forgiven unless any unanticipated donations are received.

Property Fund Disbursements for Tassajara Vehicle and Firefighting Equipment

Albert moved approval of a resolution to authorize spending from the property fund to purchase a vehicle for Tassajara as well as additional firefighting equipment. Brian seconded the motion. After a brief discussion the resolution was approved unanimously.

Development Committee Report

Dennis made a report on behalf of the Development Committee, which began by reminding the board of its recent major commitment to a capital campaign to raise \$9M for deferred maintenance at City Center. Dennis stressed that for this campaign to be successful, it will require the complete commitment of all of SFZC's leadership. \$9M is a very ambitious goal, given the challenges of the organization. The organization is at a critical moment and will need to shift from a "fundraising culture" to a "culture of philanthropy," one where everyone takes responsibility for ensuring that there is growing support for the institution and its mission.

Alumni Committee Disbanding

Larry offered a resolution to disband the Alumni Steering Committee as a committee of the board since the board no longer needs to supervise this committee, and since a new iteration of this committee is now functioning under the aegis of the Central Abbess. The resolution was unanimously approved by the board.

Long-Range Financial Plan (LRFP)

The Strategic Implementation Team (SIT) and LRFP Task Force will review a revised five-year financial plan. The groups will be looking especially at health care costs and possibly IT costs and will bring back a plan to the Board in September. A task force has done an analysis of SFZC pricing. They will send their analysis (with proposed price increases) to Allison at TDC by July 29th, so she can incorporate it into the revised five-year plan. The new five-year plan will likely not meet the original goal of having a surplus after funding depreciation within the 5-year time horizon but will instead seek to reduce deficits significantly.

President's Report

Susan reported on her activities: working on the long-term (five-year) financial plan, with the Abbots Executive Group (AEG) on the retirement policy, the Board chair on planning the board retreat in the fall, the Austin Zen Center on issues that have arisen there and on succession planning and staffing rotation in co-operation with the officers and directors. She has also been supporting the follow through on issues from this year's budgeting process regarding food and health insurance and the search for partners for the Zen Inspired Senior Living (ZISL) project. A question was asked about the upcoming transition in the presidency. Susan reported that she is actively engaged in working on the transition with Linda Galijan and the work is going smoothly.

Abbatial Reports

Green Gulch Farm Abiding Abbess Fu Schroeder reported that the foundation for the new Bell Tower at Green Gulch is being put in place. The aim is to be done by the beginning of the New Year. The farm and garden, farmer's markets and apprenticeship programs are all doing well. She is working with others at Green Gulch on relocating the ashes site. There is a new Tenzo and transitions will soon take place in the Tanto, Ino, and Head of Maintenance positions. Fu is also working on developing an Introduction to Buddhism curriculum for the apprenticeship programs.

City Center Abiding Abbot Ed Sattizahn reported that he continues to work with the staff on making City Center (CC) friendlier and more welcoming. He is working on more online programming. Recent major events have included Pride Weekend and Blanche's funeral. There has been a shift to an electronic door entry system in the city with "fobs" replacing keys. He is involved with the Paths and Gates process heading into the fall Abbess' Council meeting, especially for more senior folks who haven't ever had a Paths and Gates review or none recently. Ed is also involved with the Zen Inspired Senior Living project. In addition, he mentioned two major staffing changes in the city, as both the Ino and Tenzo are rotating out of their positions.

Executive Session

At this point, the regular agenda concluded. The Board then met in executive session and adjourned.

Respectfully submitted,

Jeremy Levie
Secretary

ADDENDUM

Revised Sections of Article IV Reflecting Changes (Board of Directors)

ARTICLE IV

Board of Directors

Section 1. The authorized number of Directors shall consist of twelve (12) Directors elected by the Board of Directors (“General Directors”); at least two (2) Directors appointed by the Board of Directors (“Appointed Directors”); and the Abbesses/Abbots currently serving.

Section 2. The term of each General Director shall be three (3) years and shall begin on the first of January following the year of election. One-third of the General Directors shall be elected each year.

The term of each Appointed Director shall be determined by the Board of Directors. The term of the Abbess/Abbot shall be co-extensive with the term of her/his office as Abbess/Abbot. Each General Director and each Appointed Director shall hold office until the expiration of the term for which elected or appointed. No General Director or Appointed Director may serve for more than six (6) consecutive years. Except that a Director previously asked to fill out an unexpired term may stand in two elections so long as the total time served does not exceed 7.5 years, and a Director may serve a total of nine (9) consecutive years if he or she is serving as Chair of the Board.

Section 3. The General Directors shall be elected by the Board of Directors at a regularly scheduled and properly noticed meeting. The Governance Committee shall present the Board of Directors with a list of nominees sufficient to fill all vacancies. To be elected, a nominee must receive a majority of the votes of the Board at a meeting where a quorum is present.

The Board of Directors shall appoint at least two (2) persons, and not more than four (4), to serve as Appointed Directors who have substantial organizational, religious, financial, legal, or community service experience to serve as Directors. These Appointed Directors shall not be employees of San Francisco Zen Center.

Section 4. A vacancy shall be deemed to exist in the event that the actual number of Directors is less than the authorized number for any reason. Resignation shall be effective upon receipt of written notice by the Secretary.

Revised Sections of Article VIII Reflecting Changes (Officers)

Section 2. Officers shall be elected by a majority of the Board of Directors and shall serve until a successor shall have been elected.

Section 3. The President, Vice President, Secretary and Treasurer shall be ex-officio, non-voting members of the Board of Directors. In addition to the duties assigned to each Officer, the Officers shall perform such other duties as the Board of Directors may assign to them.

Section 4. The President shall be the Chief Executive Officer of the Corporation and shall, subject to the control of the Board of Directors, have general supervision, direction, and control of the business of the Corporation.

Revised Article IX Reflecting Changes (Membership)

Section 2. San Francisco Zen Center shall have two types of members: Lifetime Members and Annual Members. All former shusos (head students) are Lifetime Members. A person may qualify to be an Annual Member by completing and submitting a membership application and paying the dues required in accordance with the contribution policy. The Development Committee shall review this policy on an annual basis, and changes to the fee structure of the contribution policy must be approved by the Development Committee.

Revised Article X Reflecting Changes (Ethical Principles)

San Francisco Zen Center shall be guided by a statement of Ethical Principles, approved by the Board of Directors. In addition, San Francisco Zen Center shall have protocols in place for resolving conflicts and complaints within the SFZC community, approved and overseen by the Central Abbot/Abbess. The statement of Ethical Principles and the protocols for resolving conflicts and complaints shall be provided to each student.

RESOLUTION

SFZC BOARD OF DIRECTORS

Whereas, the Board previously constituted an “Alumni Steering Committee” to act under the Board’s aegis to revive and encourage the engagement of former Zen Center residents with Zen Center currently; and

Whereas, there no longer appears to be any need for the Board to supervise the operations of the Alumni Steering Committee, which will continue under the aegis of the Central Abbess;

The Board hereby rescinds its prior action creating the Alumni Steering Committee as an organ of the Board, and expresses its heartfelt thanks to the members of that committee for their efforts on behalf of San Francisco Zen Center.

Dated: July 20, 2016

RESOLUTION

SFZC BOARD OF DIRECTORS

Whereas the Tassajara director has determined that:

- It is necessary to purchase an additional vehicle this summer to guarantee safe guest transportation. The anticipated cost for such a (used) vehicle is \$45K maximum
- It is necessary to purchase additional firefighting equipment to replace outdated equipment in the amount of \$35K - \$50K

Whereas the Finance Committee has reviewed these requests; has determined that such equipment/vehicle is an unbudgeted capital improvement, deemed necessary for the healthy operation of Zen Center; and recommends that the Property Fund be used for such purchase.

Therefore it is resolved that the Board approves the Property Fund be used, **in an amount not to exceed \$95,000** to purchase this new vehicle & fire equipment.

Dated: July 20, 2016