

## Notes from the May 14, 2017 Leadership Council Meeting

Present were Rev. Rinsen, Rev. Do'on, Hoshi, Zusei, Jigan, Sho'on, Kinko and guest Daijin.

LC held an abbreviated meeting on Mother's Day solely focused on budgetary issues raised at the April meeting. At the April meeting, we had this information and action item:

*"Sesshin expenses were the source of the overspend. We budgeted \$18,000 for sesshin for the year, and by April 6 had spent \$7200 (40%) after purchasing for only 4 short retreats. LC concluded that the \$7200 included \$3900 of expenses that may have been miscategorized, and a double-charge for \$500 from Culligan (the water cooler service at the farm) for roughly six months of water which we expect will be refunded. LC decided that Hoshi and Do'on would dive into the \$3900 of expenses with our bookkeeper to reclassify them correctly, and Hoshi to make sure the Culligan refund came through. LC will explore this issue up again with corrected numbers at the next meeting, and take further action as needed depending on findings. Other expenses are tracking to budget."*

Between meetings, Reverend Do'on and our bookkeeper evaluated the \$3900 and recategorized some expenses, however it was clear we were still overspent on sesshin. In the process, we discovered that the source of the overspend was a miscommunication about our budget for sesshin.

In consideration of our practice of encouraging community members to come for shorter segments of sesshin if they cannot come for a whole retreat or a whole day, our cost modeling for 2016 sesshin took the total cost of 2015 retreats and divided it by total number of meals served, coming out to roughly \$12 per person per 1/3 of each day attended for all costs including food, water, paper goods, and etc. This adds up to a budget of \$84 per full-time equivalent participant for a Thursday – Sunday retreat. To set the 2017 budget, we guessed a 15% increase in meals served over 2016 and we wanted to build in about \$2500 additional to cover wear and tear on the house and appliances and facilities improvements such as additional bunk beds, a utility sink, etc. We multiplied meals served in 2016 times 1.15, added \$2500, and rounded it to come to \$18,000.

At the same time, back in 2015 we had updated our Sesshin Retreats on our website to say

*The cost to hold sesshin is approximately \$36 per student per day (or \$108 for a Thursday to Sunday retreat).*

The website lists the cost for a full-time equivalent participant at \$108; the budget was calculated based on \$84. From January – April, Reverend Do'on consulted the website and took the \$108 figure as the expected cost per full-time equivalent student when buying supplies for sesshin, coming to roughly \$15.50 per 1/3 of a day.

During the first 4 short retreats of 2017, based on enrollment, we bought supplies for 410 meals (enough for the equivalent of about 15 people continuously attending 4 short retreats) and total costs came out to \$6614. Based on Reverend Do'on's understanding of the expected budget with a \$108 allowance per full time equivalent, we were only \$300 overspent. However, based on the actual budget, we wanted to only spent \$4,925.

Now that we are aware of the disconnect, Reverend Do'on is working toward the \$84 per full-time equivalent budget and going beyond that to further reduce costs to help make up for the current overspend. Our largest and thus most expensive retreats of the year will occur in July and August.

Reverend Do'on and other LC members are all working diligently to find areas where we can reduce sesshin costs in an effort to contain spending to the original \$18,000 budget for the year as follows:

Shogen suggested that leaving the porta-potties and hand-washing stations on site for the summer would be significantly less expensive than having them delivered for each sesshin. After the meeting we learned it would save \$20 per unit per month to leave them on site, and decided to do so. This will save \$100 per month from the sesshin costs and has the additional benefit that units will be available on site for other temple activities that take place at the farm such as Dharma Camp. Weekly servicing of the units comes with the rental price, so additional usage outside of sesshin will not incur more costs or make the facilities less usable for sesshin.

Reverend Do'on committed to revisiting menus and shopping to reduce food and paper goods costs.

Hoshi has donated a gift of beeswax candles which burn cleaner than other candles. This donation will save about \$700 in ritual supplies for the year. This will reduce costs for ritual items for sesshin as well as for the temple.

We agreed to the need for better documentation about the plans and assumptions that went into each number of the budget for reference of LC members and others responsible for managing those budget areas.

Reverend Do'on also expressed that the budgeted amount for sesshin is challenging to meet and requested that we consider officially raising the budget in **2018** to \$15.50 per third of a day / \$108 per full-time attendee for a short retreat. LC will consider whether it is possible to adjust in this way when making the 2018 budget.

After resolving the questions related to sesshin and deciding on a path forward, we revisited other budget related issues briefly:

- Jigen reminded LC members that giving donations in-kind *in place of our pledged monetary* donations is not helpful for managing the budget. The organization is counting on our *pledged monetary* donations to pay bills. In-kind donations given ***in addition*** to pledged monetary donations are always welcome.
- We also reiterated the spending policy we adopted at the previous meeting: any expenditure that was not included in the 2017 budget needs prior approval from Leadership Council ***before*** it is made. Any Council member purchasing outside the budget area they manage needs approval from the Council member who manages that area of the budget before making a routine purchase (example: Kinko is the budget manager for Operations, so Zusei gets Kinko's permission before buying \$100 of hand soap on deep sale), and approval from the whole LC before making any unbudgeted purchase.
- Pledges and funds collected for the Jukai Initiates will first be used to cover expenses of that program – silk, other fabric, rakusu rings, sewing supplies, ceremony supplies, etc. When all Jukai program expenses are paid for, any remaining funds will be moved to the general fund and can then be used for other expenses.
- There will be no significant expenses for Shoken this year as there is already fabric available for robes.
- Jigen also reminded us we have a goal of becoming a financially stable and strong organization with a financial cushion of 3 times our monthly operating budget. We built this cushion into our

annual budget and if the majority of our pledged donations of about \$95,000 are kept, we will be able to create that cushion.

- Zusei also expressed a need to raise the Marketing / Events budget for 2018 as we have added many more events that represent opportunities to make the share the Dharma with more members of the Toledo and regional community, such as the public library mindfulness programs and more sesshin and teaching retreats, as well as Saturday afternoon Dharma teaching events during Ango. We need additional advertising budget to make our own sangha and the broader community aware of these events.