

**Board of Trustees Meeting**  
**April 17, 2019**  
**Minutes - DRAFT**

Chair: Heidi Schell ♦ Minutes: Arlene Rosenberg ♦ Timekeeper: Andy Oliff

*A community is too heavy to carry alone. – Deuteronomy Rabbah 1:10*

**Attendees**

**Board**

Nathaniel Bergson-Michelson  
Julie Feuchtwang  
Jenna Fisher  
Scott Haber  
Jon Herstein  
Ware Kuschner  
Jeff Lerner  
Andy Oliff  
Betsy Rosen  
Arlene Rosenberg  
Heidi Schell

Eric Schlezinger  
Adam Steinberger  
Mary Ann Waterman  
Maria Yarmolinsky

**Absent**

Marilyn Hollinger  
Matt Mandel  
Gene Podkaminer  
Sharon Silverman

**Staff**

Rabbi Dan Feder  
Rabbi Lisa Delson  
Rabbi Molly Plotnik  
Karen Wisialowski  
Jonathan Harris  
Ayelet Shapiro  
Allison Steckley  
Madeleine Steckley

**Individual Trustee Action Items:**

1. Adam will email Trustees rough estimates of the following for the 2020-21 and 2021-22 fiscal years: (1) the amount of costs that will be saved as a result of retiring the mortgage in the first quarter of 2020-21 and (2) the approximate amount of changes in personnel costs for expected cost of living increases and cantorial transition commitment adjustments.

**General Trustee Action Items:**

1. Trustees will review the additional financial information that Adam will be sending to them and reach out to Adam or Karen with any questions or comments.
2. Trustees will, if possible, attend one of Rabbi Plotnik's Youth Education house meetings.

Heidi called the meeting to order at 6:16 pm.

- |  |                                |
|--|--------------------------------|
| 1. Welcome   | 5 min                          |
| 2. D'var Torah ( <i>Ware Kuschner</i> )                      | 5 min                          |
| 3. Blessing for Community Service                            | 2 min                          |
| 4. 2019-2020 Budget Presentation ( <i>Adam Steinberger</i> ) | 60 min Presentation/Discussion |

- Adam reminded Trustees of their role in the budget process, which is to ask questions, make comparisons to prior years, challenge assumptions, and be practical.
- Adam updated Trustees on projected results for the 2018-19 fiscal year. We are currently projecting a modest surplus which will bring the balance in our Operating Reserve to approximately \$900K. This surplus is due in part to unfilled but budgeted personnel positions. Office and facilities expenses are also expected to be under budget, reflecting good management by Karen and team.
- Adam reviewed the budget process and thanked the members of the Finance Committee -- Gary Fishtrom, Jeff Savitz, David Monasch, Roger Lazarus, Nick Zeitlin, and Judy Bornstein – for their hard work. He also thanked Karen and Jonathan for their valuable assistance.
- Adam presented the preliminary budget for the 2019-20 fiscal year, highlighting the following:
  - On the revenue side, membership commitment has been budgeted at 5% less than the amount in last year's budget, which is believed to be a more realistic projection. The budget also reflects a slight increase in preschool revenue.
  - On the expense side, the budget assumes that the budgeted personnel positions that went unfilled during the current year will be filled in the coming year. The budget also reflects a cost-of-living increase for personnel, as well as the continued payment of our cantorial transition commitment.
  - During the next fiscal year, we plan to more actively use the restricted funds for their intended purposes, making targeted expenditures that fulfill donors' expectations and desires. These anticipated expenditures are reflected in the budget "below the line" (unlike in previous years, when anticipated expenditures from restricted funds were reflected in the budget as both inflows and outflows). This new methodology will create more transparency around use of restricted funds.
  - The preliminary 2019-20 budget shows a \$42K deficit. To close this gap, we must do one or more of the following:
    - Cut costs which likely include personnel costs;
    - Raise more revenue; and/or
    - Use funds from our Operating Reserve Fund.
- Adam described the following revenue and expense trends that PTS will face beyond the 2019-20 fiscal year:
  - Expense reductions: Because our Financial Freedom campaign has been so successful, we anticipate retiring the mortgage during the first quarter of the 2020-21 fiscal year (sooner if we receive significant new pledges), thereby eliminating our mortgage expense. In addition, although we will continue to incur cantorial transition costs through the 2021-22 fiscal year, the amount will go down each year.
  - Expense increases: Personnel costs will continue to rise due to cost-of-living increases, increased seniority of our professional staff, and our congregants' expectation that they will receive a professionalized experience from the synagogue.
  - Revenue challenges: We will not continue to see dramatic increases in preschool revenue because the school is reaching capacity. In addition, membership commitment is unlikely to be a major source of increased revenue; instead, major revenue increases will likely need to be secured through legacy and endowment contributions.
- Trustees engaged in a hearty discussion about options to cover the gap in the preliminary budget deficit. To help them evaluate the pros and cons of the options, Trustees asked Adam for rough estimates of the following for the 2020-21 and 2021-22 fiscal years: (1) the amount of costs that will be saved as a result of retiring the mortgage in the first quarter of 2020-21 and (2) the approximate amount of changes in personnel costs for expected cost of living increases and cantorial transition commitment adjustments. **Action Item:** Adam will email the requested estimates to Trustees. **Action Item:** Trustees will review the information that Adam sends to them and will reach out to Adam or Karen with any questions or comments.
- Next steps:
  - The Executive Committee will make a recommendation next month for how to cover the \$42K deficit in the preliminary 2019-20 budget.
  - Trustees will vote on the final 2019-20 budget at the May Board meeting.
  - The approved 2019-20 budget will be presented to the congregation at the Annual Meeting on June 6.

- Trustees agreed that in the near future, we will have a discussion about how large an Operating Reserve we want to maintain and how we can plan for it.

5. Story of the Month (*Madeleine Steckley*) 5 min Personal Reflection

6. Clergy Report: Youth Education Update (*Rabbi Molly Plotnik*) 15 min Presentation

- Rabbi Plotnik reviewed the changes she has made to the Youth Education program during her first four years at PTS and explained why she has decided to rethink the program at this time. Rabbi Plotnik explained that she plans to review and reassess all aspects of the Youth Education program, including the program's goals, curriculum, structure, and timing for all age groups.
- To assist her in this process, Rabbi Plotnik has assembled a task force of Youth Education parents and students. The task force will (1) help her process feedback received at the house meetings described below; (2) act as a thought partner and sounding board for her as she moves through the process; and (3) provide feedback on whether changes should be implemented in Fall 2019 or Fall 2020.
- Rabbi Plotnik has invited Youth Education parents to attend one of several "house meetings" she will be conducting at the synagogue this month. The purposes of these meetings will be to listen to parents' views of what is and is not working in the current Youth Education program and to allow Rabbi Plotnik to share her perspective with parents. Rabbi Plotnik encouraged Trustees to attend these house meetings. **Action Item:** Trustees will, if possible, attend one of Rabbi Plotnik's Youth Education house meetings.
- Following the house meetings and meetings of the Youth Education task force, Rabbi Plotnik hopes to make a presentation about her proposals for the Youth Education program at the May Board meeting.

7. Nominating Committee update (*Betsy Rosen*) 5 min Presentation

- Betsy reported that the Nominating Committee has settled on recommendations to fill two of the three open Board positions for next year, and should have recommendations for all three open positions by the date of the May Board meeting.

8. Governance (*Heidi Schell*) 10 min Vote

**Motion:** To approve spending of approximately \$10,443.96 out of the Preschool Fund for Outdoor Classroom turf and permanent musical instruments.

Background:

This is the second group of materials earmarked from our 2018-2019 fundraiser. The 2018-2019 school year Gala, held on November 3<sup>rd</sup>, 2018, raised 65k for the refurbishment of the Outdoor Classroom.

- Betsy Rosen made the motion. Julie Feuchtwang seconded. Motion passed.

**Motion:** To make changes to the PTS Staff-At-Large Handbook and the PTS Preschool Handbook as detailed on the attachment to this agenda.

Background:

In light of changing employment laws in California, especially in regards to harassment, Chauvel & Glatt LLP reviewed the relevant sections of our employee handbooks and made the suggested additions.

- Nathaniel Bergson-Michelson made the motion. Adam Steinberger seconded. Motion passed.

**Motion:** To accept changes to pages 7, 9, 12, 18, 19, 20 of PTS' Guidebook for Restricted, Endowment, and Board Designated Reserve Funds as detailed on the attachment to this agenda.

Background:

The handbook has been updated with the language for the following: (1) Lorry Lokey Security Endowment was added; (2) Investment procedures for the Ed and Bertha Lokay Education Fund was updated to match the Lokey Security Fund; (3) Adina Cherin Fund's purpose was changed at the request of the donors; and (4) Original language was added to the Alexa Paige Goldman fund description. In addition, we are taking this opportunity to clarify that new named funds will be accompanied by formal documentation.

- Scott Haber made the motion. Ware Kuschner seconded. Motion passed.

**Motion:** To make a mortgage payment of approximately \$131,414 on 4/18/2018 from the Financial Freedom Fund. After this transaction, the balance in the Financial Freedom Fund will be zero and the mortgage balance will be approximately \$270,000.

Background:

Our mortgage enables us to make prepayments equal to 20% of the then-outstanding balance with no penalty once per year. In addition, when the interest rate is favorable, we may prepay additional amounts with no prepayment penalty. Making a prepayment now will enable us to pay down our mortgage more quickly, leaving a smaller amount outstanding at termination. This prepayment amount will not change our actual monthly mortgage payment, nor will it impact the budget for 2019-20. As of April 12, 2019, pledges outstanding for Financial Freedom equal \$115,830.

- Maria Yarmolinsky made the motion. Jonathan Herstein seconded. Motion passed.

9. Board Packet Q&A

10 min Discussion

- A Trustee asked about the type of welcome we provide for new families with young kids. Rabbi Delson replied that she personally invites these families to attend the Playdate in the Park events she coordinates for young

families.

10. Outstanding Trustee of the Year Vote

5 min Vote

- Heidi distributed pieces of paper and asked Trustees to write down their choice for Outstanding Trustee of the Year. The ballots were collected and the winner will be announced at the May Board meeting and recognized at the June 6 Annual Meeting.

11. Consent Agenda

2 min Vote

Includes last month's Board minutes and approval of new members

- Consent agenda passed.

12. Concluding Prayer

13. Executive Session

- Arlene Rosenberg moved that the Board enter Executive Session. Eric Schlezinger seconded. The Board entered Executive Session at 8:37 pm. While in Executive Session, the Board passed a motion relating to a compensation matter. The Board exited Executive Session at 8:46 pm.

Meeting adjourned at 8:46pm.