

## Board of Trustees Meeting

May 20, 2020

6:15p via Zoom

### Minutes

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

#### Attendees

##### Board

Nathaniel Bergson-Michelson  
Julie Feuchtwang  
Scott Haber  
Jon Herstein  
Marilyn Hollinger  
Ware Kuschner  
Andy Oliff  
Gene Podkaminer  
Betsy Rosen  
Arlene Rosenberg  
Lisa Rosenthal

Heidi Schell  
Eric Schlezinger  
Adam Steinberger  
Mary Ann Waterman  
Maria Yarmolinsky  
Stuart Zussman

##### Absent

Jenna Fisher  
Jason Pollard

##### Staff

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

##### Guest

David Monasch

Heidi called the meeting to order at 6:17pm

#### 1. Welcome

- Heidi noted that this would be Madeleine and Rabbi Molly's last Board meeting. She thanked them for their contributions and said they will be missed.

#### 2. D'var Torah (*Gene Podkaminer*)

#### 3. Blessing for Community Service

#### 4. Youth Education Update (*Rabbi Plotnik*)

Presentation

- Rabbi Plotnik expressed gratitude to PTS's staff, clergy, and lay leaders for being her partners over the past five years. She praised the congregation for its willingness to innovate while still embracing tradition.
- Rabbi Plotnik reviewed the changes she has made to our Youth Education program over the past five years and stated that she is excited to see where the program goes from here.
- Feedback on the new, Shabbat-based Youth Education program:
  - Rabbi Plotnik thanked Heidi, Julie, and Arlene for facilitating online discussions to collect parent feedback on the first year of the new Youth Education program. The main takeaway from the feedback is that parents like the idea of a Shabbat-based program and believe in its goals, but still find it challenging to get their students to religious school consistently.
  - Rabbi Plotnik noted that she has advised her successor, Rabbi Alban, not to make too many changes to the Youth Education program right away, for several reasons: (i) the instability inherent in the transition to a new Director of

Education; (ii) the instability of so much in our world right now due to the COVID-19 pandemic; and (iii) the need to give the new Youth Education program more time before making changes.

- Rabbi Plotnik emphasized, however, that the fact that no immediate changes are likely to be made in response to parent feedback does NOT mean that the feedback has not been received and heard. All of the feedback will be passed on to Rabbi Alban for future action.
- Rabbi Plotnik, Rabbi Feder, and Rabbi Alban have been discussing plans for what Youth Education will look like next year if in-person instruction is still not possible. Given the uncertainty about next year's programming, PTS has delayed the start of Youth Education registration. Rabbi Plotnik hopes to launch next year's registration before she leaves in mid-June.
- Rabbi Plotnik thanked Madeleine for being a wonderful partner and expressed particular appreciation for the way Madeleine took over during Rabbi Plotnik's parental leave and helped implement the new Youth Education program.

5. Investment Committee Update (*Gene Podkaminer*) Presentation

- Gene informed the Board that because one of the funds in PTS's portfolio is winding down, the money in that fund has been transferred to a similar fund managed by the same investment company.
- PTS's portfolio has recovered slightly since Gene's last report. The portfolio is now down about 5% on the year, compared with the 10% decline recorded as of the end of March.

6. Board Priorities and End of Year Self-Evaluation Survey (*Jon Herstein*) Presentation

- Jon announced that we will conduct a Board self-evaluation survey next month to get feedback about ways in which the Board is functioning well, areas for potential improvement, and skills possessed by individual Trustees that could be better utilized.

7. 2020-2021 Budget Presentation (*Adam Steinberger*) Presentation/Discussion/Vote

- Heidi expressed gratitude to Adam, Karen, and all of the others who helped with the budget process. She acknowledged how difficult the process has been this year in the face of considerable uncertainty, and expressed pride that the decision-making was anchored in PTS's values and guided by the principle of shared sacrifice. She reminded Trustees that the budget will require regular review throughout the year.
- FY20 update: Adam briefly reviewed the results of the current fiscal year, noting the following:
  - Main events of FY20:
    - Elimination of the mortgage (which will be fully paid off in May or June);
    - The move to remote preschool on March 15;
    - Cancellation of summer camp for the last two weeks of June; and
    - Receipt of a Payroll Protection Program ("PPP") loan in the amount of \$490K, of which approximately \$375K is expected to be forgiven.
  - FY20 performance vs. budget:
    - Closure of the preschool has resulted in a substantial revenue loss. Although some of the lost revenue will be offset by parent donations and operating cost savings, we expect a net decrease in preschool revenue of about \$220K.
    - Youth Education revenue will also be somewhat lower than expected because of lower-than-expected enrollment.
    - Expenses will be lower than expected as a result of belt-tightening and reduction of non-personnel expenses.
    - We expect to end the fiscal year with a deficit of approximately \$177K. This figure does not reflect the \$490K PPP loan proceeds.
- FY21 budget:
  - Adam acknowledged and thanked the Finance Committee – Judy Bornstein, Roger Lazarus, David Monasch, Jason Pollard, Jeff Savitz (z'l), and Nick Zeitlin – as well as Heidi, Jonathan, Karen, and Jon Herstein for their work on the budget. He also acknowledged and thanked Maria Yarmolinsky and Jason for helping Karen with contingency planning,

- o and a task force consisting of Jason, Jon, Heidi, Adam, Karen, and Rabbi Feder for its strategic decision-making.
- o The Finance Committee is proposing a FY21 budget of \$4.375M, which represents a decrease from this year's \$4.6M budget.
- o In creating the FY21 budget, the Finance Committee was guided by the following values and priorities:
  - Stay safe
  - Remember to be grateful
  - Live our values and protect PTS culture
  - Share sacrifice among stakeholders
  - Limit furloughs and layoffs where possible
  - Assume things will get worse before they get better (and have a plan for if that happens)
  - Set PTS up to thrive, not just survive
- o The Finance Committee faced many unknowns for FY21, including whether we will be able to hold preschool camp this year; whether preschool will begin as scheduled in the fall; how the pandemic will affect enrollment in the preschool's regular, extended care, and drop-in programs; how preschool expenses will be impacted by social distancing requirements; whether additional shelter-in-place orders will be imposed during the year due to spikes in infections; and whether the pandemic will adversely affect Membership Commitment revenue.
- o For budgeting purposes, the Finance Committee made the following assumptions about FY21:
  - 15% decrease in Membership Committee from the current year;
  - 10% decrease in preschool tuition revenue from the current year;
  - Complete cancellation of preschool summer camp and furloughing of camp teachers;
  - Reopening of preschool in September as scheduled; and
  - A COVID-19 increase in janitorial needs.
- o Key cost-saving measures in the FY21 budget include a hiring freeze; a salary freeze for non-senior staff; pay cuts for senior staff; and reductions in non-personnel costs to the extent possible without seriously impacting safety and culture.
- o To the extent that these cost-saving measures are insufficient to close the gap between expenses and revenues, the difference will be made up using our Operating Reserve Fund and an allocation from the Rabbis' Discretionary Fund.
- o We are also setting up a separate fund to address employee financial hardship, which will be seeded with \$25K from the Operating Reserve Fund (see motion below).
- o Calculation of expected Operating Reserve Fund balance at the end of FY21:
 

Beginning balance as of 07/01/2019	\$913K
Coverage of FY20 deficit (estimated)	(\$177K)
Transfer to employee relief fund	(\$25K)
Coverage of FY21 deficit (estimated)	(\$255K)
<i>Ending balance as of 06/30/2020 (estimated)</i>	
	\$456K
- o Significantly, however, to the extent that the PPP loan is forgiven, transfers from the Operating Reserve Fund will be reduced.
- Beyond Next Month:
  - o The budget this year is NOT "one and done"; we will review it every 1-2 months and make adjustments if necessary.
  - o If revenue exceeds expectations, we plan to restore spending (to the extent possible and prudent) in the following order: (1) restoring payroll; (2) hiring a new Director of Youth Engagement to replace Madeleine; and (3) loosening of some belt-tightening measures.
  - o We must continue to prioritize legacy and endowment giving if we hope to thrive in the future rather than just pay the bills now.

**Motion:** To approve the 2020-2021 budget as presented on behalf of the Finance Committee.

Adam made the motion. Gene seconded. Motion passed.

- Karen:
  - Karen expressed gratitude for the staff and lay leaders at PTS, noting that the staff has grown closer as a result of sheltering in place. She also expressed appreciation for the cohort of other synagogue executive directors in the Bay Area and around the country to whom she has been turning for information, ideas, and advice.
  - What's happening now?
    - In mid-February, we received the go-ahead from FEMA to begin spending our Homeland Security grant. Now that shelter-in-place restrictions are beginning to lift, we can start to schedule that work. We can also schedule installation of the new panes for the Window of Names.
    - We are in the process of forming reopening task forces for both the congregation and the preschool.
    - Because of the shelter-in-place order, we were unable to hold our annual donor appreciation event this spring. Karen would still like to have a donor appreciation event this year. In the meantime, we arranged for challot to be delivered to all of our Financial Freedom donors last Friday.
    - The next major item on Karen's "to do" list is planning for the High Holy Days. Karen is looking for help managing the technical aspects of virtual High Holy Days services and would like Trustees to volunteer to be part of a Zoom HHD greeter/helper team.
- Allison:
  - Allison noted that the preschool staff is thankful to PTS for helping them stay whole and making them feel valued.
  - The preschool staff has been working on ways to meaningfully mark the end of the school year, including end-of-year Zoom meetings and a drive-through graduation.
  - Plans for the summer:
    - Tots & Torah Zoom celebrations will continue over the summer.
    - Allison is hoping to hold two 4-week sessions of camp this summer, beginning on June 29, which is allowed under new San Mateo County guidelines issued on May 15. Safety and health adjustments made this summer will inform decisions that Allison and her staff will make for the larger program in the fall.
    - Some distance learning opportunities will continue through the summer so that students who don't come to camp can stay connected to the preschool.
  - Planning for the upcoming school year:
    - Allison is working on putting together a preschool COVID task force to plan for the fall.
    - There are big issues facing the preschool in the coming school year, such as (1) what to do if health guidelines do not permit the school to welcome all of the students who are currently enrolled for next year, and (2) how staff will manage the strict and time-consuming safety protocols required by health guidelines.
- Rabbi Feder:
  - Rabbi Feder expressed appreciation for staff and lay leaders. He complimented the staff for finding new ways to create community and allow people to connect.
  - Rabbi Feder noted that the pandemic has reminded us that what we do for our members is very important and fills important needs. It also has forced us to consider new ways of doing everything we do, which is very difficult.
  - It seems pretty clear that High Holy Days services will be virtual this year. We need to figure out how to make that work, giving us the opportunity to try new things and be creative.

9. Welcoming New Clergy (*Heidi Schell, Rabbi Feder*) Presentation

- Heidi acknowledged that it will be hard to properly say good-bye to Rabbi Plotnik and Cantor Fox virtually and not in person.
- Heidi announced that we are forming a single welcome committee to welcome both Rabbi Alban and Cantor Zhar to our community, although there will be separate welcome events for each new clergy member. Diane Goldman has agreed to co-chair the welcome committee. We are looking for a second co-chair, preferably someone who is part of a Youth Education family. We are also looking for more people to join the welcome committee and/or to host welcome events (either in person or virtually, depending on what is permitted).
- Both Rabbi Alban and Cantor Zhar will officially begin their employment on July 1.

10. Annual Meeting (*Heidi Schell*) Presentation

- The Annual Meeting on Sunday, May 31 will be hosted via Zoom and we will vote using the Zoom polling feature. The meeting officially begins at 10am, and we are asking congregants to join the Zoom call at 9:30 so that we will be able to begin on time. The meeting is expected to wrap up at 11:30am.
- Every Trustee is expected to attend the Annual Meeting and to invite their family and friends to attend as well. As of last Monday, there were 8 Trustees who had not yet registered

11. Board Packet Q&A

Discussion

- No questions.

12. Governance (*Heidi Schell*)

Vote

**a) Motion:** To close the no-longer-needed Gift of Israel Fund and transfer the remaining balance of \$12,983 as follows: \$2,175 to URJ Camp Newman as a donation and \$10,808 to the Summer in Israel Fund. The amount designated for URJ Camp Newman is equal to the scholarship funds that we were prepared to offer this summer. (*Arlene Rosenberg*)

**Background:** Over many years, as part of a Jewish Community Federation program, PTS set aside money in a Board designated reserve fund to match parent savings for confirmation trips to Israel. When the JCF Gift of Israel program was terminated last year, we chose to continue to honor allocations to participants as long as program participants existed. As of today, there are no longer eligible recipients, and so we are recommending using the excess funds as described above, in the spirit of helping students build Jewish identities through participation in URJ Israel travel and summer camp.

Excerpts from Restricted Fund Handbook: "A Restricted Fund may be merged with another fund or closed at the discretion of the Board."  
"Board Designated Reserve Funds... They are unrestricted in the sense the Board may at its discretion choose to change the purpose and use of those Funds."

- Arlene made the motion. Marilyn seconded. Motion passed.

**b) Motion:** To create a COVID-19 Recovery Fund with the following description:

"This fund is used to support operations that are not otherwise covered by the budget during the period in which PTS is in and/or recovering from the COVID-19 pandemic. It is intended that all available COVID-19 Recovery Fund amounts be used during this timeframe. However, any funds remaining after the COVID-19 recovery period will be transferred to the then-annual General Fund or to the Operating Reserve Fund, as determined by the Board of Trustees."

**Background:** We are receiving donations specifically for COVID-19 recovery and would like to set them apart so that they will be used as intended by their donors.

- Scott made the motion. Eric seconded. Motion passed.

**c) Motion:** To create a Section 139 Qualified Disaster Relief Payment Fund with the following description. This fund will be seeded with \$25,000 from the Operating Reserve Fund. (*Adam Steinberger*)

“This fund is used to provide tax advantageous relief payments to employees of PTS as determined by the Personnel Committee on an individual basis and in a manner that is consistent with the guidelines set forth in IRS Code Section 139. All employees will be notified of its existence and may reach out to the Chief Community Officer or Senior Rabbi to make a relief payment request. For clarity, this is a Board Designated Reserve Fund, and the Board may, at its discretion, choose to change the purpose and/or use of this fund.”

**Background:** Due to the impact of COVID-19 and potential hardship for some employees, the Finance Committee is recommending the creation of this fund.

- Adam made the motion. Ware seconded. Motion passed.

13. Consent Agenda

Includes last month's Board minutes, approval of new members, and approval of any administrative resignations.

Vote

- Consent agenda passed.

14. Concluding Prayer

Meeting adjourned at 8:49pm.