

Update on Shambhala Mountain Center Report to the Community February 28, 2010

Summary: Change the Financial Model, Change the Culture

Last November we provided a report to the community regarding the situation at Shambhala Mountain Center. The following excerpt is from that report:

“Over the years Shambhala Mountain Center has had an ongoing pattern of running significant cash flow deficits, which led to periodic financial crises that then motivated major fundraising campaigns. In 2009 the experience was significantly worse than prior years. By October it became clear that Shambhala Mountain was on the brink of its worst financial crisis.

The board held a 5-day retreat to address the crisis and decided on immediate steps to dramatically reduce expenses by \$500,000 for the period November 2009 through April 2010. Plans were developed to make fundamental changes to our financial model over the next 12-24 months, so that there would be no return to the earlier cycle.

The board acknowledged the critical role played by the culture at Shambhala Mountain and also developed plans to strengthen the culture, including staff housing, and staff practice and study, and community.”

Click here http://www.shambhala.org/centers/documents/SMC_report.doc for the full November 2009 report.

Since November, we have been following the plan outlined in our November report. Additional work was done on the budget and the January forecast now shows a breakeven budget with a dramatically lower annual fundraising goal. The staff moved into the Rigden Lodge for the winter months, strengthening the community and collective meditation practice.

The board will undertake another full review at its April quarterly meeting, and we will issue another report to the community then. In the meantime, if you have any questions or comments please contact us: Jon Barbieri, Shambhala Mountain Executive Director at jonathandbarbieri@gmail.com or Connie Brock, Chagdzo Kyi Khyap at conniebrockmn@yahoo.com.

Changing the Financial Model

The Board has been working with a two-stage plan.

Stage One

- Reduced the 2010 budget by an additional \$110,000 in operations, capital expenditures, marketing and debt service.

- Reviewed and revised revenue projections.
- Completed a review of Marketing and the Call Center and developed a set of recommendations which were approved by the Board in January. The major follow up items are (1) the development of a long-term plan for rentals and public relations, and (2) the development of a comprehensive programming and communications plan for fall 2010 and all of 2011. The will be presented to the Board in March.
- Launched a targeted year-end fundraising appeal from President Reoch. There was a marvelous response that raised over \$100,000. Many people sent emails expressing their appreciation of the communication and the work that is being done to address the issues. A few expressed concerns; all received individual responses from President Reoch, and a few took advantage of the offer to speak with Chagdzo Kyi Khyap Connie Brock.
- With revised revenue and expense budgets as well as the year end fundraising, the forecast now shows the 2010 fundraising needed to breakeven is just under \$500,000 – less than the goal established by the Board – and dramatically less than the million plus needed in the past few years. Of this, about \$70,000 has been raised and \$250,000 is expected from fundraising during summer programs. That leaves a manageable \$180,000 goal.

Stage Two – 1st Quarter 2010

- Prepare a plan for possible additional expense reductions.
- Complete a checkpoint in March that takes into consideration Scorpion Seal registration, program rentals, the Marketing/Call Center review, and fundraising results.
- At that point, if necessary, implement further reductions.

Work has begun on the design for programming to be offered under the working title of “Center for Enlightened Society”. This will be an important next step towards the Sakyong’s long-term vision for Shambhala Mountain Center as a place people can awaken to their inherent wisdom and compassion and come together to create a world of living peace.

On the issue of the wastewater, we reached agreement with the state on a schedule for implementing the new wastewater treatment system. Construction is to begin in March 2011, with the majority of the work completed by December 2011, and full operation by May 2012. The total cost of the 2011 implementation, which includes putting the “downtown” area on the new system, is currently estimated at about \$2,000,000. To date about \$793,000 has been raised/pledged. The Board and management team are working aggressively on a funding plan, with the goal to launch a capital campaign in May. In the interim, the state will continue to permit Shambhala Mountain Center to operate at current levels, which will accommodate expected peak summer programming levels.

Changing the Culture

The initial cultural changes outlined in November have been made. For the winter months, virtually all staff moved into the Rigden Lodge, thereby improving the housing conditions for most and, more importantly, enabling this to become a practice community with easier access to regular periods of group meditation. A series of visiting acharyas and senior teachers provide teachings and practice guidance for the staff. Adana Barbieri is working with the staff in implementing a delek system to support what they now call the “staff sangha”.

Jeff Scott, Practice and Study Coordinator, offers the following update:

Shortly after Thanksgiving, the majority of the staff moved into the Rigden Lodge. We now have a person who rings a bell each morning at 7 a.m. to wake everyone up, we then have our breakfast together in the Rigden Lodge dining room. Following breakfast, we open our day at 8 a.m. with morning chants and combined group practice of shamatha & sadhanas. Our morning session lasts for two hours each morning, except for Wednesdays when we end an hour early and hold a community meeting and community council on alternating weeks. Overall, the new living arrangement & practice schedule has brought us much closer together as a community, and the time spent on the cushion seeps out into our interactions for the rest of the day. We are discovering once again the magic and potency of group practice.

In addition, we have an Acharya visit scheduled once a month, as well as other senior teachers to lead us in classes. We are very fortunate to have Acharya Dale Asrael, who will join us shortly to lead us in our Winter Staff Retreat scheduled for February 10-18. We are all eagerly awaiting this time to gather together and deepen our practice.

We have a small group of dedicated practitioners headed out to Karme Choling to attend Sutrayana Seminary, and another small group making preparations to attend Vajrayana Seminary in the summer. There is a wonderful group of folks working their way through the Way of Shambhala curriculum with the help of visiting teachers from the Boulder community. We look forward to more visiting teachers from the Front Range community to come and offer their services to lead a class, present contemplations, or simply hold discussion groups. Having a diverse group of visiting teachers only enriches our dharmic feast. If you are interested in coming for a visit please let me know.

Attendance at group sitting is the highest it has been in years, and it is so heartening to see the numbers continue to climb. We are looking forward to how this strengthened community will provide a stronger container for the number of summer volunteers who will be joining us, and how the continuity of our practice will carry us through the summer months. I feel so fortunate to be up here on this mountain top participating in the teachings in this way and manifesting the vision of Shambhala as set forth by the Sakyongs.

The amount of openness and determination in the air is quite amazing. It is so sweet here right now and we really are taking the teachings to heart in a way that is courageous and inspiring. I look forward to our further development along these lines, and know that it will only be possible if we are cradled in a way by the larger sangha. So, please do

consider how you can jump in up here and support our cultural change. Please keep us in your practice, as we also hold all of you in ours. This is, indeed, a fortunate birth.

I hope this letter finds everyone well, and I look forward to seeing many of you as we move once again into the summer.

Sending all of my love, and best wishes,

Jeff