

Rose Kennedy Greenway Finance Audit Risk Management Committee
Tuesday, March 18th, 2014 8:05 am -9:15 am
185 Kneeland Street, 2nd Floor
Meeting Minutes

FARMC: Bob Gore, Chris Manfredi (via phone), Chris Fincham, Vivien Wu,
FARMC Absent: John Pregmon, Susanne Lavoie, Maggie Hunt, Martin W. Lynn

RKGC: Jesse Brackenbury, Bob Gordon, Renee Wood, Bart Thompson

Co-Chair Manfredi welcomed everyone and called the meeting to order at 8:05 AM without a quorum present. With no quorum, January Minutes were not approved. The Committee discussed the ideal number of members; nine and seven are both preferable to eight, in order to eliminate the possibility of a tie vote.

A Board vote for the Finance Committee could be made on the April 8th Board Meeting. Possible seat turnover and vacancies were discussed, without final decision. Finance experience should be the guiding factor in future member selection.

Banking Relationships

Mr. Gordon provided cost-benefit analysis for banking options. Our relationship with a bank may not require the expense of a senior representative. Our deposit banking is relatively simple. Mr. Gordon discussed First Republic's previous philanthropic contributions. FR desires the Conservancy's banking business. Both FR and Citizens have contributed to the Tent and the Park Ranger project among others. Other banks' philanthropy was mentioned.

Mr. Brackenbury proposed that the issue be put to a final decision. Ms. Manfredi described the benefit that both banks get from branding and name association with the Greenway. Both banks desire business not for large deposits, but for caché.

A decision was not reached. Examples of bank missteps were revisited. A possible solution is to divide business between banks.

Auditor Procurement

Mr. Gordon and Ms. Wood discussed the ongoing process of auditor selection. Particular qualifications were familiarity with non-profits, knowledge about changing the fiscal year, individual preparation for the interview, and IT risk assessment. They look forward to receiving RFPs from candidates.

Mr. Brackenbury mentioned the April 8th Board meeting, which falls before the next FARMC meeting on April 15th. As the Finance Committee will select the auditors, the board will discuss but not vote on the candidates.

Personnel Updates

The Maintenance Department has recently experienced two vacancies of existing positions. Three additional positions have been posted to employment resources. One of these positions, a mason, is likely to be filled in the near future. Applications are being reviewed and

interviews conducted. The Conservancy has reached out to the offices of Tito Jackson and Timothy McCarthy among others.

The Programs Department has hired a part-time social media employee to document and disseminate information about the Greenway.

Executive Director Compensation

Mr. Gore began by discussing salary criteria for newly titled Executive Director Brackenbury. The board has been following a process that maximizes transparency and clarity. The numbers mentioned were at the low end of a competitive range. They would reflect a change from the salary he is currently receiving as Executive Director, which is a holdover from his former position of Chief Operating Officer. Performance objectives were also discussed.

The Committee described possible media reactions to information about the salary update. The Board continues to follow the process in deciding salary and in responding to public interest about the matter. The topic of an official offer letter was briefly discussed.

Conflict of Interest Policy

All members of the Board save one have returned signed conflict of interest statements. As this is consistent with last year, discussion was brief. The precedent of preceding years remains, with continued and respectful dialogue.

FY14 Budget to Actual Review & FY15 Budget Process

Ms. Wood began by stating that we are close to a balanced budget. She listed factors why: vacancies, the off-season, increased revenue. Despite the absence of particular expected sources of revenue, our current budget is close to even.

Mr. Brackenbury segued to discussing the Greenway's fiscal year in general. Currently, the fiscal year ends on June 30th, in the middle of the busy season. Philanthropic revenue is heavily backloaded, due to the May Gala, a large source of funds. Spring decisions affect two fiscal years. Seasonal hires in the Maintenance and Horticulture departments are employed for a period spanning two fiscal years.

Mr. Gordon described the requirements to change the fiscal year division. An additional audit at cost would be required, as well as a new 990, IRS requirements, changed bylaws, and a 2015 12-month statement, non-comparative. Mr. Gore and Ms. Manfredi agreed that the change be made the sooner the better. Mr. Brackenbury mentioned that we mirror the state fiscal year, and it may affect MassDOT budgeting, a serious problem. However, given the possibility of a future multi-year funding commitment, this problem could be mitigated. Ms. Wood mentioned implications with Development grants, and described that changing the FY15 fiscal year would require baseline targets prepared for each department by early April. No decision was reached.

The Finance Audit Risk Management Committee meeting concluded at 9:15 AM.