

**Rose Kennedy Greenway Conservancy FARMC Meeting**  
**Tuesday, August 27, 2013 – 8:00 am – 10:00 am**  
**185 Kneeland Street, 2<sup>nd</sup> Floor Boston, MA 02111**

**Meeting Minutes**

FARMC: Bob Gore, Chris Manfredi, Susanne Lavoie, Chris Fincham, John Pregmon, Woody Lynn (via phone), Maggie Hunt (absent)

RKGC Staff: Jesse Brackenbury, Amy Dwyer

Feeley and Driscoll: Chris Previte, Kelly Miranda

TDC: Allison Crump

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Bob Gore and Chris Manfredi opened the meeting, welcomed all in attendance and invited brief introductions from individuals. Feeley and Driscoll began with an overview of the draft financial statements. Chris Previte first inquired about the need for the September 22, 2013 FARMC meeting if Greenway staff and the FARMC members were comfortable with the draft financial statements prepared by Feeley and Driscoll being reviewed at this meeting. It was determined that the September meeting would not be necessary if all were in agreement on the draft financial statements at the end of the meeting.

The discussion of the Greenway's assets focused on an increase in the Conservancy's cash position which can be attributed to the increase in accounts payable due to the timing of one large Carousel construction bill. There were questions about outstanding pledges receivable and the sufficiency of a reserve set aside several years ago; no concerns were identified. The liabilities and net assets discussion was brief and straight forward noting that there was an increase of \$1.6 million for 2013.

Feeley and Driscoll moved to a discussion of the Conservancy's Statement of Activities noting that the contributions from donations was up and yet fundraising expenses were down and have continued to get smaller the past three years. This is a testament to the organization's focus on growing revenue and decreasing expenses; it is also a function of the vacancy in the ED position. On the expenses side, programmatic costs are also down while still increasing the number of events in the park and improving the overall park experience for its users. Many overhead expenses are down, including legal bills and BID outreach.

The Statement of Cash Flows discussion by the committee reflected net cash provided by decreased operating expenses.

The review of the Statement of Functional Expenses highlighted an increase in the right categories (personnel, contracted, and direct). It was noted that legal and accounting costs were down and that the increase in insurance was due, in part, to the workers compensation costs of a required reclassification of a number of employees as field staff.

Chris Previte walked the FARMC and Greenway staff through the footnotes to the Financial Statements. There were some slight language changes but nothing that significantly alters the intent of the document. Discussion was initiated on how to list Green & Grow in this transitional year. It was determined that would be listed as Green & Grow/Education and transition to Education as appropriate. There was a discussion of the need to add language to Note 10 for large donations to the Carousel project from Amalie Kass and The Tiffany & Co. Foundation.

It was also noted that the MassDOT detailed financial schedules both show all MassDOT contributions being spent in M&H.

Chris Previte discussed the surprise testing that Feeley & Driscoll performed with the Conservancy by producing 6 expense reports unannounced and there were no issues or concerns with the exercise.

Discussion of the annual 990 noted that the overall language was very detailed but written in a way that any reader would be able to understand the operations of the organization.

The FARMC discussed the issue of the Greenway Board's conflict of interest disclosures needed for the audit. The Conservancy needs to be able to say that all board members have signed and returned the COI forms or explain their specific conflict and actions that they will take as a result including recusing themselves from the discussion and vote on a particular matter. The Greenway board currently has one member who has not returned the COI form; the Conservancy can acknowledge that it had not fulfilled that requirement and explain in the schedule O the circumstances and disclose the conflict. Conservancy staff is working with this board member and respective attorneys to clarify this issue and will encourage them to clarify the conflict in the COI form instead of the Schedule O.

The members of the FARMC agreed to hold all subsequent meetings at 8:00 am.

There was a motion to approve the minutes of the June 25<sup>th</sup> FARMC meeting, duly seconded the meeting minutes were approved.

The committee was presented with an update to the Conservancy's procurement policy as result of a number of small change orders for the Carousel & Carvings contract. The new language allows for a contingency amount in addition to the anticipated contract amount to provide for flexibility in change orders and unexpected additions. After brief discussion, the committee made a motion to send the updated procurement policy to the full board for a vote, duly seconded the procurement policy will go before the full board at the October meeting.

Jesse Brackenbury presented a contract change to the Carousel and Carvings contract. The current board authorized amount is \$918,000 – with contract changes, the new amount for the contract would be \$951,000. A motion was made to recommend the contract change to be sent to the full board for approval, duly seconded the contract changes for the Carousel & Carvings contract will be sent to the full board for the October meeting.

Jesse Brackenbury also updated the FARMC on the progress of the hiring process for the two new finance positions. A number of candidates are being brought in to meet with senior staff and Conservancy staff hopes to bring the finalists before the committee co-chairs for final interviews soon.

Conservancy staff reviewed historical comparisons of departmental budgets as a share of the total budget. There has been a steady increase in the percentage of the budget devoted to M&H, the Conservancy's core function. Programs has decreased as a percentage of the Greenway budget, while still increasing the number and quality of events in the park; this is the result of a partnership strategy to host rather than produce events. Planning and Design's budget has remained fairly steady but they are down one FTE over the last 5 years. These changes are incremental but headed in the right direction. There was also brief discussion on historical comparisons of the types of expenses, with overhead

particularly decreasing. Personnel costs have increased marginally, as staff took on formerly contracted services. There was also a brief discussion of the depreciation of park assets, noting that the originally constructed capital assets are not on the Conservancy's books and therefore not depreciated.

The Conservancy is putting together a report on the state of good repair of the park's capital assets. The draft report contains about 25 specific items that currently need repair or replacement with total cost estimate ranging from \$600,000 - \$1.3 million dollars. This document is anticipated to be used in conversations with MassDOT and BID abutters to secure their support.

The meeting was adjourned at 9:50 am