



RoseKennedyGreenway.org

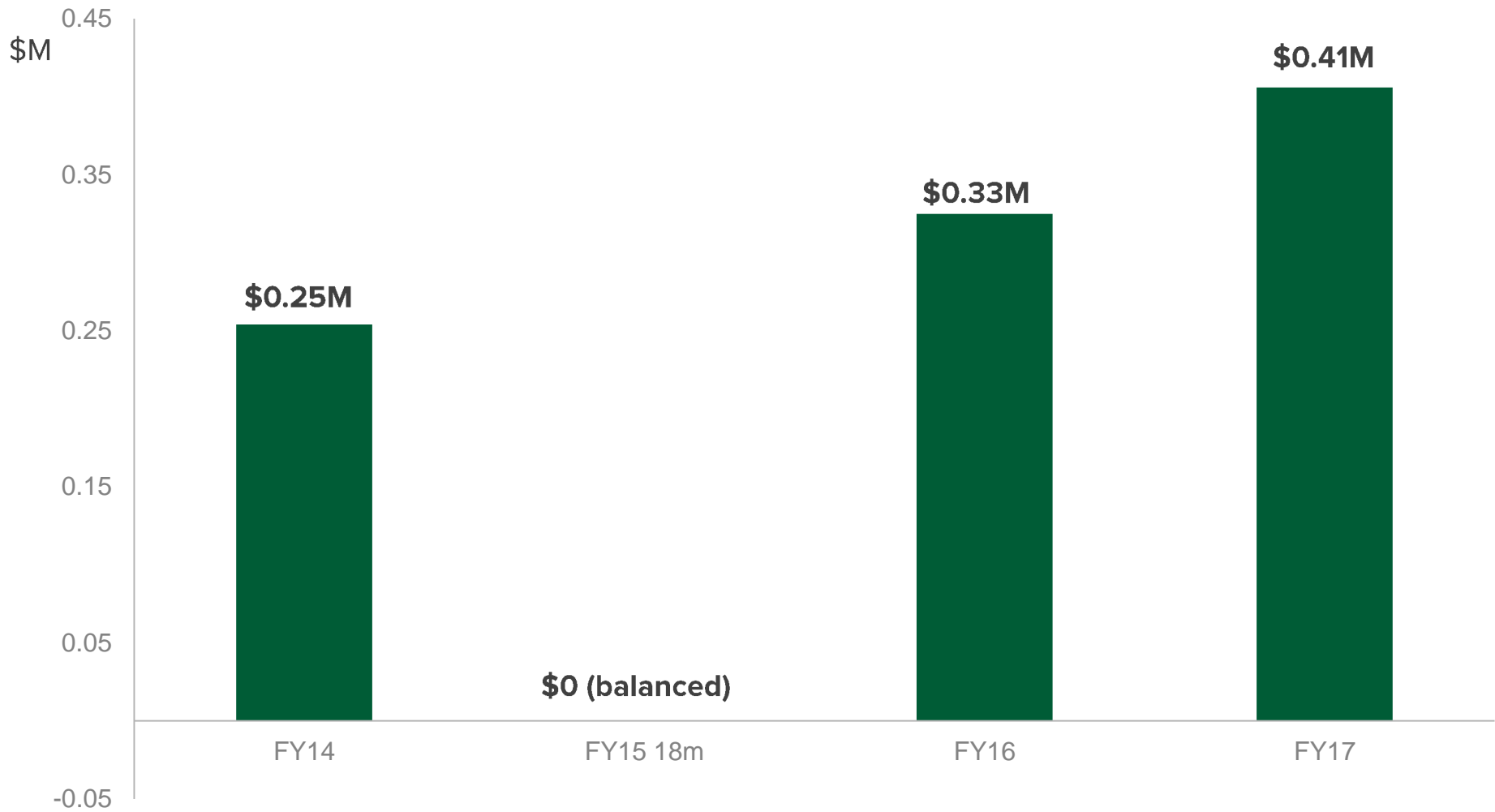
2019 Operating and Capital Budget presentation

Board of Directors
December 11, 2018

Executive Summary

- FY14-FY17 produced ~\$1M of operating surpluses, building reserves to auditor-recommended levels
- FY18 combined surplus of \$0.27M forecasted; proposed to be invested in FY19 capital expenditures
- Funds in-hand for proposed FY19 Capital Budget of \$1.07M; largest elements are BID Enhancements (TBD), masonry repairs, and Rings Fountain repairs+upgrades
- Proposed FY19 operating budget is balanced at \$6.1M
 - Larger FY19 budget due to capacity expansions & one-time costs from Strategic Business Plan and 2019 10-Year Anniversary
- FY19 budget risks include Development Department staffing changes and economic uncertainty

Operating surpluses from FY14-FY17 totaled \$0.99M



Note: Operating Surpluses before Depreciation from audited financial statements

2018 combined surplus estimated to be \$0.27M

- 2018 Operating surplus estimate increases by \$0.26M over Board-approved budget [from \$0.15M to \$0.41M]
 - Higher earned revenue of \$0.07M
 - Lower expenses of \$0.19M
 - Lower salaries & benefits due to vacancies of \$0.16M
 - Lower contracted and direct expenses of \$0.03M
- 2018 Capital deficit estimate decreases by \$0.01M [from (\$0.15M) to (\$0.14M)]
 - Largely due to changes in project timing

**FY18 add'l surplus of \$0.27M
proposed to supplement FY19 capital expenditures**

Proposed 2019 capital budget totals \$1.07M

Fully-funded projects

- \$0.25M – BID Enhancements (TBD; some may be operating)
- \$0.13M – replacements of 4 vehicles – funded via M-FY19 & M-FY20 Capital Plan
- \$0.12M – masonry + skate deterrents* – funded via M-FY19 & M-FY20 Capital Plan
- \$0.07M – Rings basin + vault repairs* – funded via M-FY19 Capital Plan
- \$0.06M – trash+recycling barrel replacements – funded via M-FY20 Capital Plan
- \$0.06M – electrical and lighting study – grants+pledges in place
- \$0.05M – new parcel-related irrigation upgrades – MassDOT funded in prior period
- \$0.05M – North End fountain repairs – funded via M-FY20 Capital Plan

Investments funded with 2018 surplus

- \$0.08M – website (SBP rec)
- \$0.07M – Rings fountain lights synced to water shows (10-Year Anniversary initiative)
- \$0.05M – photo stanchions* & vitrine (10-Year Anniversary art installations)
- \$0.04M – Carousel repairs to characters & molds
- \$0.02M – meadow installation (10-Year Anniversary initiative)
- \$0.01M – computers, especially for new hires (SBP rec)
- \$0.01M – infrastructure for banners (10-Year Anniversary initiative)

**Work began already in 2018 with additional funding*

Key 2019 operating revenue parameters

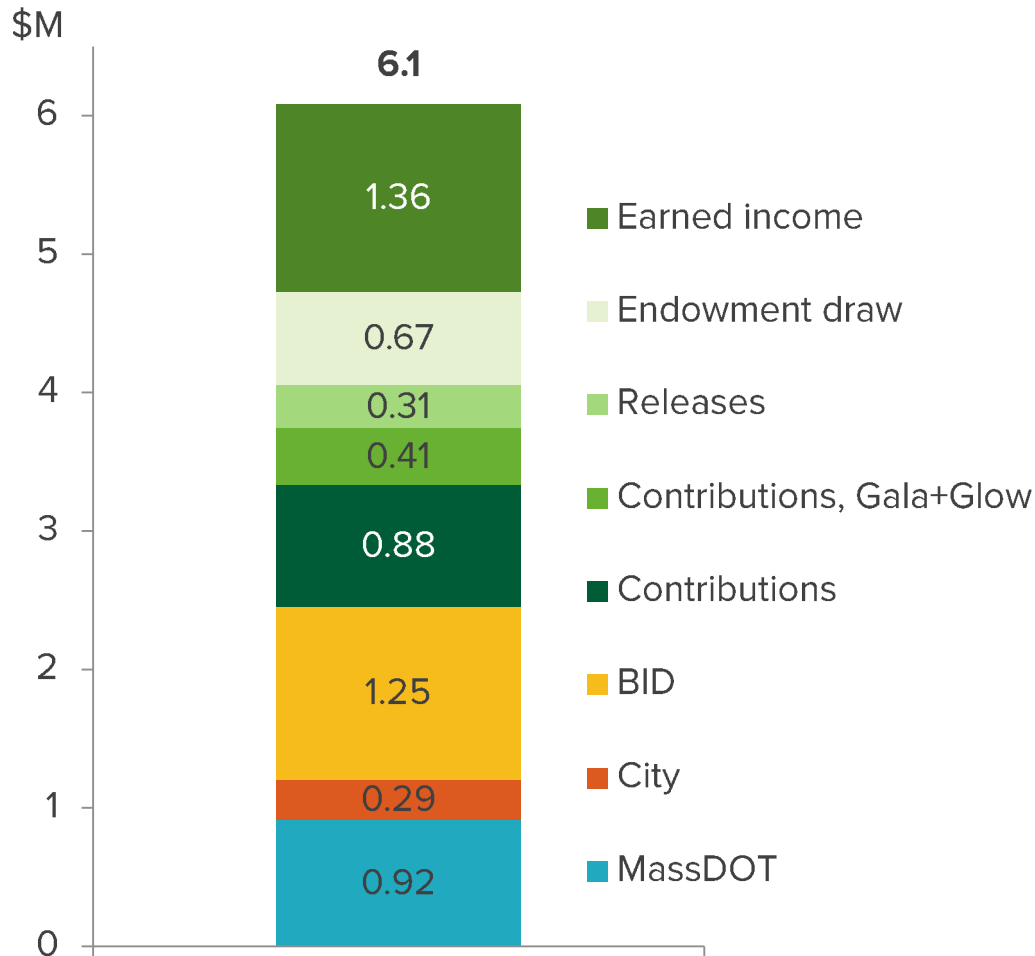
- MassDOT: \$0.625M for M&H (\$0.25M in 2019H1 + \$0.375M in 2019H2)
- BID: \$1.25M for M&H (\$0.75M in 2019H1 + \$0.5M in 2018H2)
- City: \$0.291M (\$0.167M in 2019H1 + \$0.125M in 2018H2) – contract not yet executed
- Endowment draw: \$0.67M from Board-approved 4.5% draw
- Earned income forecasts:
 - Increase in Carousel from 2018 due to increase ticket price
 - Decrease in Mobile Eats from 2018 due to food truck industry softness
 - Decrease in Drinkeries from 2018 due to uncertainty about Dewey
 - Decrease in event fees & promotions to be conservative
 - Cost-of-living increase for AHP contracted care
- Philanthropic forecasts:
 - Estimates drawn from detailed prospect forecasts
 - Gala+Glow forecasts consistent with historical proceeds
 - Significant releases of prior-year donor-restricted revenue (esp. art)

Key 2019 operating expense parameters reflect SBP & 10-Year costs

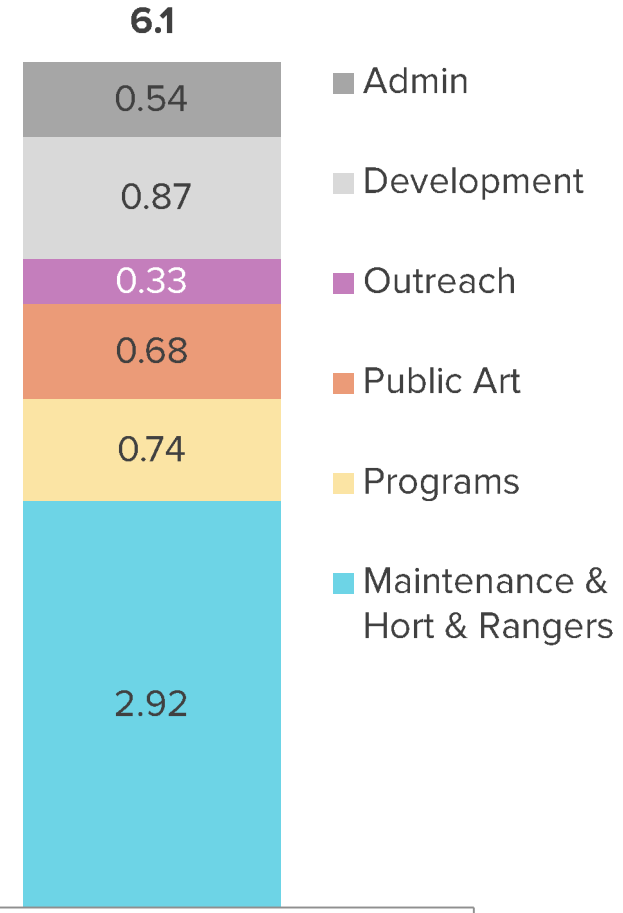
- Maintenance & Hort & Rangers
 - Add'l Maintenance Assistant hire (SBP rec)
 - Contingency for basic maintenance contract increase due to planned reprocurement
- Public Art installations: Year of the Pig (January) + Greenway Wall mural (Spring) + Augmented Reality (Spring) + 4 Auto Show artists (Spring/Summer) + Lincoln Street Triangle mural (Fall)
- Programs: Add'l Coordinator hire (SBP rec)
- Outreach
 - Creatives Services, in conjunction with new website (SBP rec)
 - 10-Year banner initiative [plus one-time expenditure for infrastructure in Capital Budget]
- Development
 - Interim PT DoD + hiring new DoD + contingency for search consultants
 - New Major Gift Officer hire (SBP rec)
 - Database conversion planned (one-time expense, SBP rec)
 - Higher annual fund mailing expenses (SBP rec)
- Admin: new part-time HR Manager hire (SBP rec)

Balanced \$6.1M operating budget proposed for 2019

Proposed Revenues, 2019



Proposed Expenses, 2019



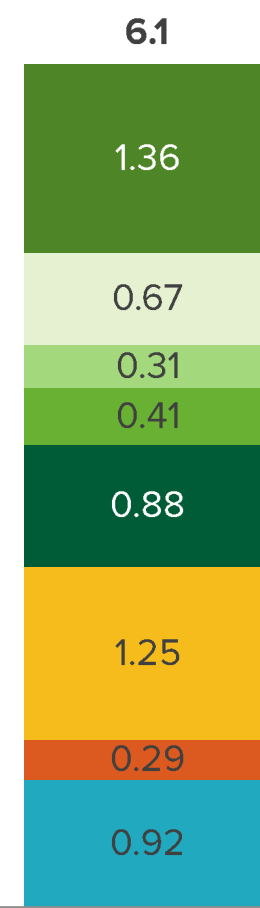
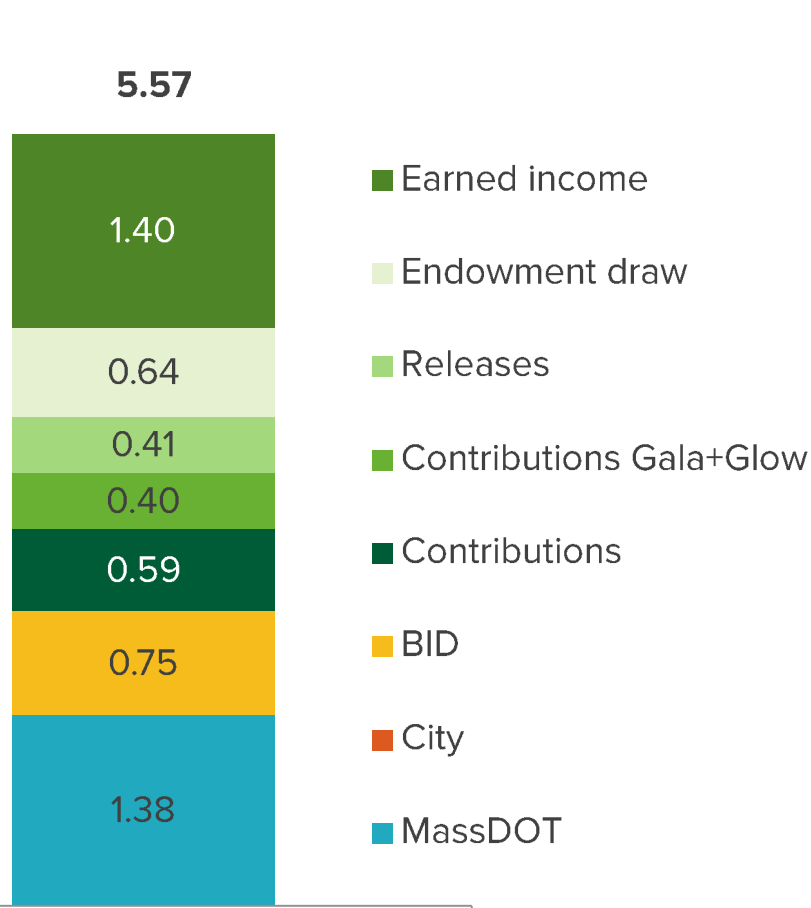
*Including cash+in-kind;
excludes \$0.44M depreciation expense, a majority of which relates to fully-funded Carousel.*

Proposed 2019 operating revenues vs. 2018

2018 revenues, approved budget

Proposed 2019 revenues

\$M

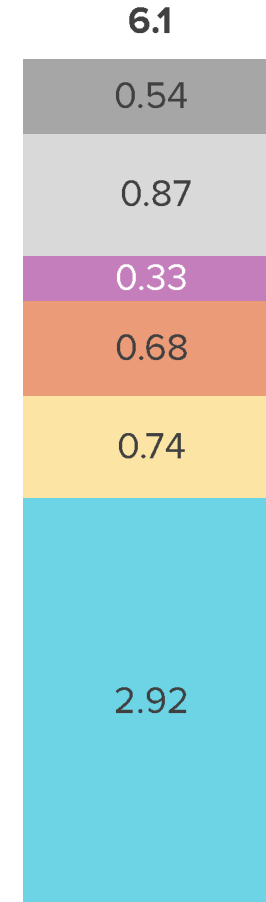
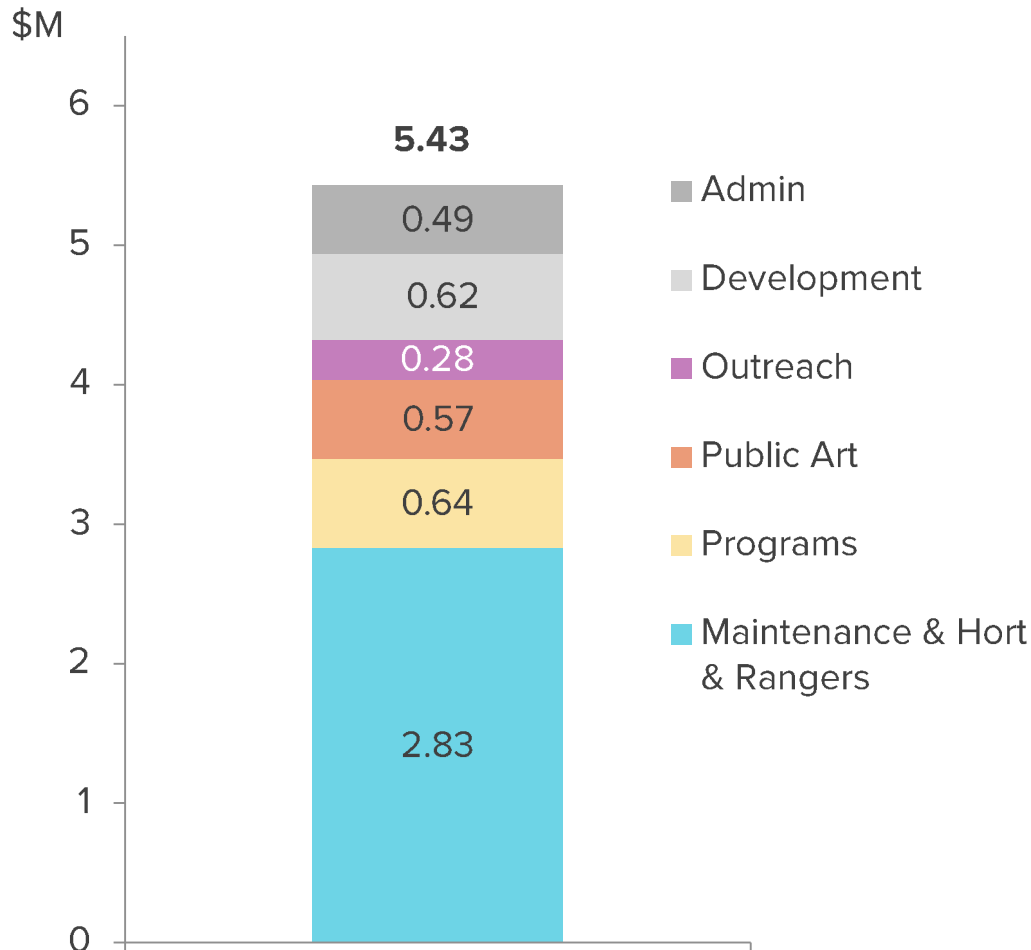


*Including cash+in-kind;
excludes depreciation, a majority of which relates to fully-funded Carousel.*

Proposed 2019 operating expenses vs. 2018

2018 expenses, approved budget

Proposed 2019 expenses



*Including cash+in-kind;
excludes depreciation expense, a majority of which relates to fully-funded Carousel.*

Risks in the 2019 Budget

Revenue

- With Development Department staff changes, philanthropic revenue could underperform
- The new Dewey beer garden could yield less revenue and/or permitting could challenge both beer gardens
- Economic downturn could challenge philanthropic and earned revenue
- A market downturn could lead the Board to reconsider the 4.5% investment draw

Expenditures

- Basic maintenance services contract procurement and/or heavy snowfall could result in higher costs
- Catastrophic occurrence inflicts major damage

2019 Programs Fee Schedule

Unchanged from 2017, except where **highlighted**

- Application Fee
 - \$25 non-profit organizations
 - \$100 for-profit organizations
 - \$50 late fee (<30 days in advance)
- Sampling and Promotion for 10'x10' footprint
 - \$375/hour for Dewey (**vs. \$350**)
 - **\$325/hour for Rowes Wharf Plaza**
 - \$275/hour for Wharf and NE parks
 - \$150/hour for other locations
 - Volume discounts for duration and footprint
- Market Rev Share
 - 5-15% non-profit organizers
 - 20-25% for-profits organizers
- Furniture Moving: \$300-\$800
- Programs staff beyond hours in contract
 - \$50/hr for non-profit organizations
 - \$100/hr for for-profit organizations
- Damages and cleaning
 - Lawn replacement: \$10/sq ft
 - Cleaning: \$300/hour
 - Rights reserved to require a deposit for events over 1000 attendees, recurring events, or events using lawn area

Carousel ticket prices

- **\$4 per ticket (vs. \$3)**
- **\$30 for 10 tickets (vs. \$25)**