

Rose Fitzgerald Kennedy Greenway Conservancy, Inc.
Minutes of the Audit, Risk Management and Finance Committee (FARMC) Meeting
September 29, 2015

Attendees: Directors- Christine Manfredi and Robert C. Gore, Co-Chairs; Jim Kalustian;
Robyn Reed; Janelle Chan (conference call)

Guests Greenway Staff: Jesse Brackenbury; Renee Wood; Srivi Radhakrishnan

Other Guests via conference call: Bud Ris; Jeanie Gorlovsky-Schepp, Alexander Aaronson
Finning

With a quorum present, Mr. Gore called the meeting to order at 8:05 a.m.

Upon motion duly made and seconded, it was unanimously voted to approve the minutes for the April 28, 2015 FARMC meeting.

Mr. Brackenbury reviewed the organizational chart and salary figures. He commented on the fact that the number of key management personnel drawing high salaries is lower because of the consolidation of various departments and functions. At the same time he emphasized that the organization is keen on compensating its staff at reasonably competitive rates given the unique trade and/ or management skills that are required in the park. He also explained the varying criteria that was used to determine the pay scale of different employees and expressed concern about the sensitivities relating to its public disclosure.

Mr. Brackenbury also spoke about the consolidation of the Planning and Design function with the Public Programs Department, and the evolvement of the function of a Chief Operating Officer to a Chief of Staff in the Community Relations Department.

Ms. Manfredi agreed with the assessment and reinforced the principle that salaries should be based more on experience and required skills rather than having fixed ranges.

Mr. Brackenbury reported that final updates were being made to the following Corporate Governance documents:

- Code of conduct & ethics
- Transparency policy
- Lobbying guidelines
- Whistleblower policy
- Records retention policy

He stated that these were reviewed by the lawyers, Goulston and Storrs, with standard edits and updates made. Upon the committee's recommendation, the updated corporate documents would then be taken to the full Board for review and adoption.

He then spoke in detail about the heterogeneous detail of the corporate governance guidelines document and the recommendation to eliminate the document. The committee inquired whether any of the specific details of the document had to be incorporated elsewhere. Mr. Brackenbury explained that this document was not distributed to board members and it did not have any content that was material and/or had to be inserted elsewhere. Mr. Brackenbury then went on to explain how the Board had changed since 2012 and why this document had lost its relevance as a corporate document over time.

Mr. Kalustian inquired whether this document could be kept as a guideline; without the Board having to adopt it to which Mr. Brackenbury replied that the Board would either have to amend the document with major edits or un-adopt it. The committee agreed that this seemed to be content of a booklet serving as a guideline for good Board practices. Based on input from the committee, Mr. Brackenbury concluded to remove the guidelines as a corporate document but to consider updating it as a board reference.

Ms. Wood introduced the next item in the agenda, status of the Extension of the Financial Year by 6 months; from a 12 to an 18 month fiscal year and transition to fiscal year ending December 31st going forward. She spoke about the loss of comparability for this one year as the financial period extends to 18 months. She also reviewed the unaudited Financial Statements for the 12 month period ending June 30, 2015. Topics of discussion included net assets with a particular focus on Temp restricted net assets, concern of low yields on permanently restricted funds, and the non-profit's effort to have multiple fund raising events (Gala and Glow). Mr. Brackenbury mentioned that MassDOT funds are used only for Park operations and maintenance and how other projects are competitively funded. He also noted that although the June 30 Unrestricted Net Assets from Operations was much higher than originally budgeted, it was only a matter of timing. The 18-month full fiscal year projections still remain close to break-even before depreciation.

Ms. Wood then highlighted the Balance Sheet items with an emphasis on permanently restricted funds, Plant, property and equipment and remaining temp restricted funds. Ms. Wood also highlighted the department-wide expense report with reference to pragmatic overhead allocation policies.

Ms. Wood opened the floor for questions. Ms. Manfredi asked the auditor from AAF, Jeanie Gorlovsky-Schepp, if she had any concerns regarding the Fiscal Year change and the unaudited June 30 financial results. Ms. Gorlovsky-Schepp expressed no concerns and exited the meeting. : 9.00 a.m.

Mr. Brackenbury then went on to discuss the next topic in the agenda, Capital improvements. He drew attention to the fact that the existing Capital assets on the parcels have been

depreciating over time and that the Greenway required funds for repairs. He also spoke about the new capital improvement projects in the North End parcels and Wharf district parcels. Mr. Kalustian agreed with this and suggested that the Board be given a report with the total funds that were required with a clear bifurcation, i.e., repairs vs new projects.

Mr. Ris inquired into how the Conservancy was doing in terms of funds in hand and also about the ease of raising funds for park maintenance vs. art projects.

Mr. Brackenbury and Ms. Wood responded that the funds from MCC have helped this year, though there is a virtual certainty that costs will go up and keeping up will get progressively more difficult. Mr. Brackenbury also stressed on the fact that the Conservancy is appealing to abutting property owners for funds.

Mr. Brackenbury also spoke about the improvements that were planned for the carousel. He spoke about changing the cover from glass to a flexi drop down material in the summer and also a more durable material that would help it withstand the winter months when it would be closed.

With no further business and upon motion dully made, it was unanimously voted to adjourn the meeting at 9.30 a.m.