



RoseKennedyGreenway.org

2020 Operating and Capital Budget presentation

Board of Directors
December 17, 2019

Executive Summary

- 2019 financial results have again beaten forecasts; even with additional projects advanced mid-year, a year-end surplus is expected
- 2019 surplus helps fund the \$7.6M 2020 operating and capital budget
- Funds in-hand for proposed 2020 Capital Budget of \$1.24M
 - mainly BID Enhancements (TBD) & MassDOT-funded capital repairs
- Largest-ever operating budget proposed at \$6.3M for 2020
 - higher earned income, lower foundational funding
 - consistent with Strategic Business Plan, continued investment in Development capacity and in marketing
- Risk exposure in 2020 budget is typical: economic, financial, legal

Proposed 2020 capital expenditures of \$1.24M, though half is unprogrammed BID Enhancements

BID Enhancements

- \$0.06M : State of Good Repair study
- \$0.03M : Chin Park lighting study
- **\$0.63M : TBD, some of which may be operating**

MassDOT Capital Plan

- \$0.08M : Climate Resiliency study (MassDOT-FY20)
- \$0.08M : Masonry repairs (MassDOT-FY21)
- \$0.05M + \$0.2M : Rings control panel (funded by MassDOT-FY20 + 2019 surplus)
- \$0.05M : Fountain repairs TBD (MassDOT-FY21)
- \$0.05M : Trash/recycling barrels (MassDOT-FY21)

Other projects (funded by 2019 surplus, except where noted)

- \$0.06M : Signature garden design for P18 with Julie Moir Messervy
- \$0.06M : Accounting systems transition + network equipment
- \$0.04M : P2 construction project management (reimbursed by BPDA)
- \$0.03M : Removal of MSH granite hills
- \$0.02M : Carousel molds replacement + new winter lights
- \$0.01M : Carolyn Lynch Garden planting replacements (funded by CLG Reserve)

Key 2020 operating revenue parameters

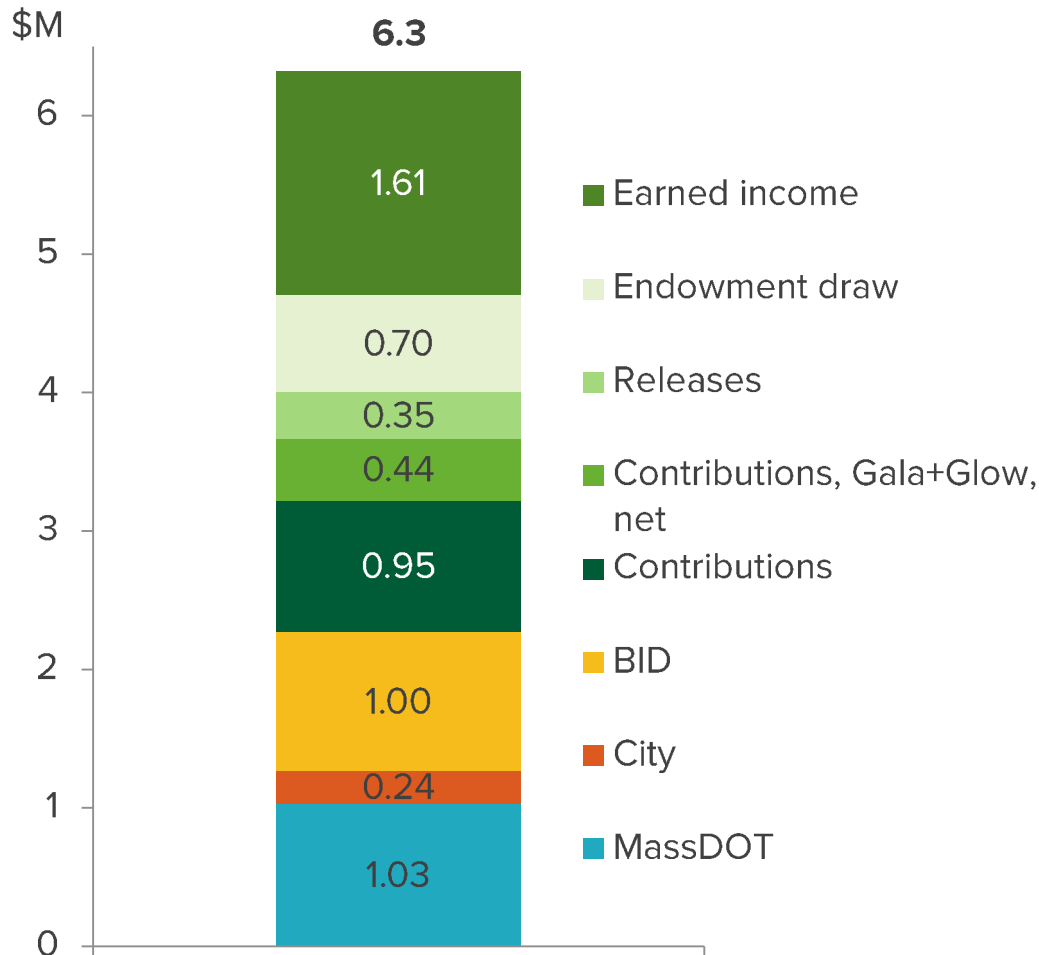
- Foundational funding of \$2M, down by \$0.18M from 2019
 - MassDOT cash: \$0.75M for M&H (up by \$0.12M)
 - BID: \$1M for M&H (down by \$0.25M)
 - City: estimated at \$0.24M (down by \$0.05M)
- Endowment draw: \$0.7M from Board-approved 4.5% draw
- Earned income up \$0.26M vs. 2019 budget:
 - Increase in Mobile Eats based on proposals received
 - Increase for Drinkeries due to City Winery contract
 - Flat forecast for Carousel revenue after 2019 ticket price increase
 - Flat forecast for event fees & promotions to be conservative
- Philanthropic up vs. 2019 budget:
 - Increase in Individuals following on investments in staff, mailings
 - Conservative forecasts for Foundation, Corporate
 - Gala+Glow higher than 2019 budget but lower than 2019 actual
 - Significant releases of prior-year donor-restricted gifts (esp. art)

Key 2020 operating expense parameters reflect SBP focus on staff capacity and marketing

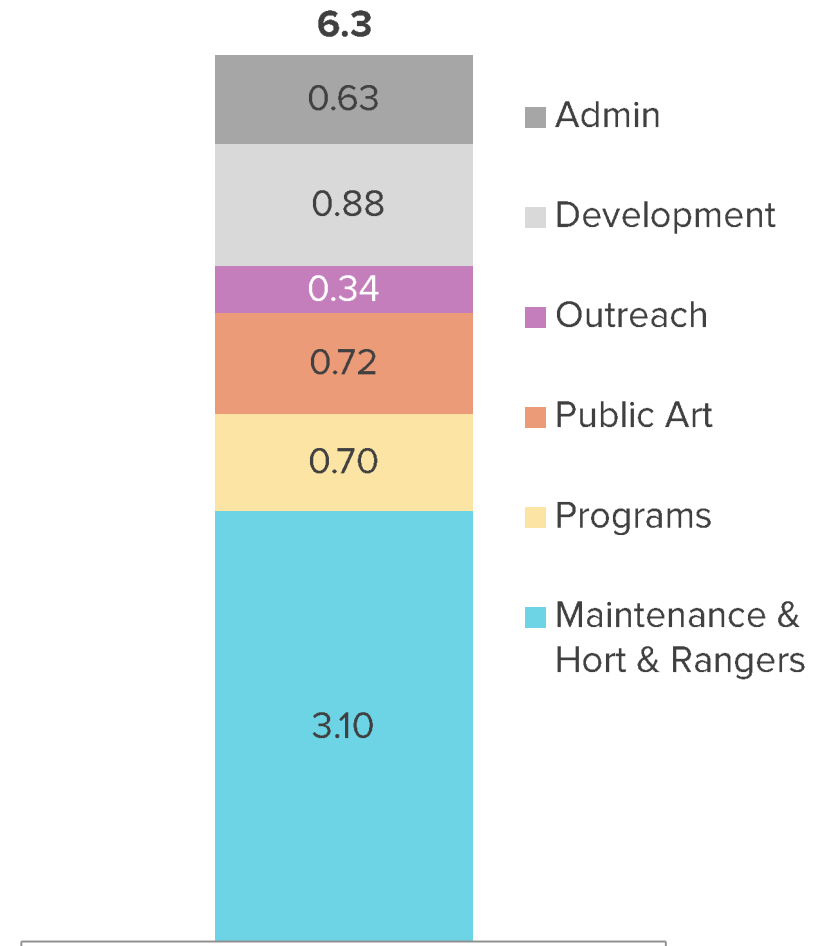
- Maint. & Hort & Rangers: Typical forecasts, plus season-long funding for supplemental security patrols
- Public Art
 - Installations: Augmented Reality (continuing; 12 months), Year of the Mouse (installed in January and up for 12 months) + Greenway Wall mural (Spring; 12 months) + 3 artists (Spring/Summer; varying) + Chin Park lantern/light artwork (August; 3+ months)
 - Prep for 2021 single-artist exhibit
- Programs
 - Add'l staff capacity via outsourcing Gala event coordination (charged in Development)
 - Funds for pilot effort(s) in Mary Soo Hoo
 - Another commissioned performance
- Outreach
 - Banners
 - PR/marketing consultants
 - Non-ask marketing mailing
- Development: First full year of Senior Development Consultant, Donor Relations Manager
- Admin:
 - Full-year of full support staff
 - New accounting system fees (implementation costs in Capital budget)
 - “DEI” training

\$6.3M operating budget proposed for 2020

Proposed Revenues, 2020



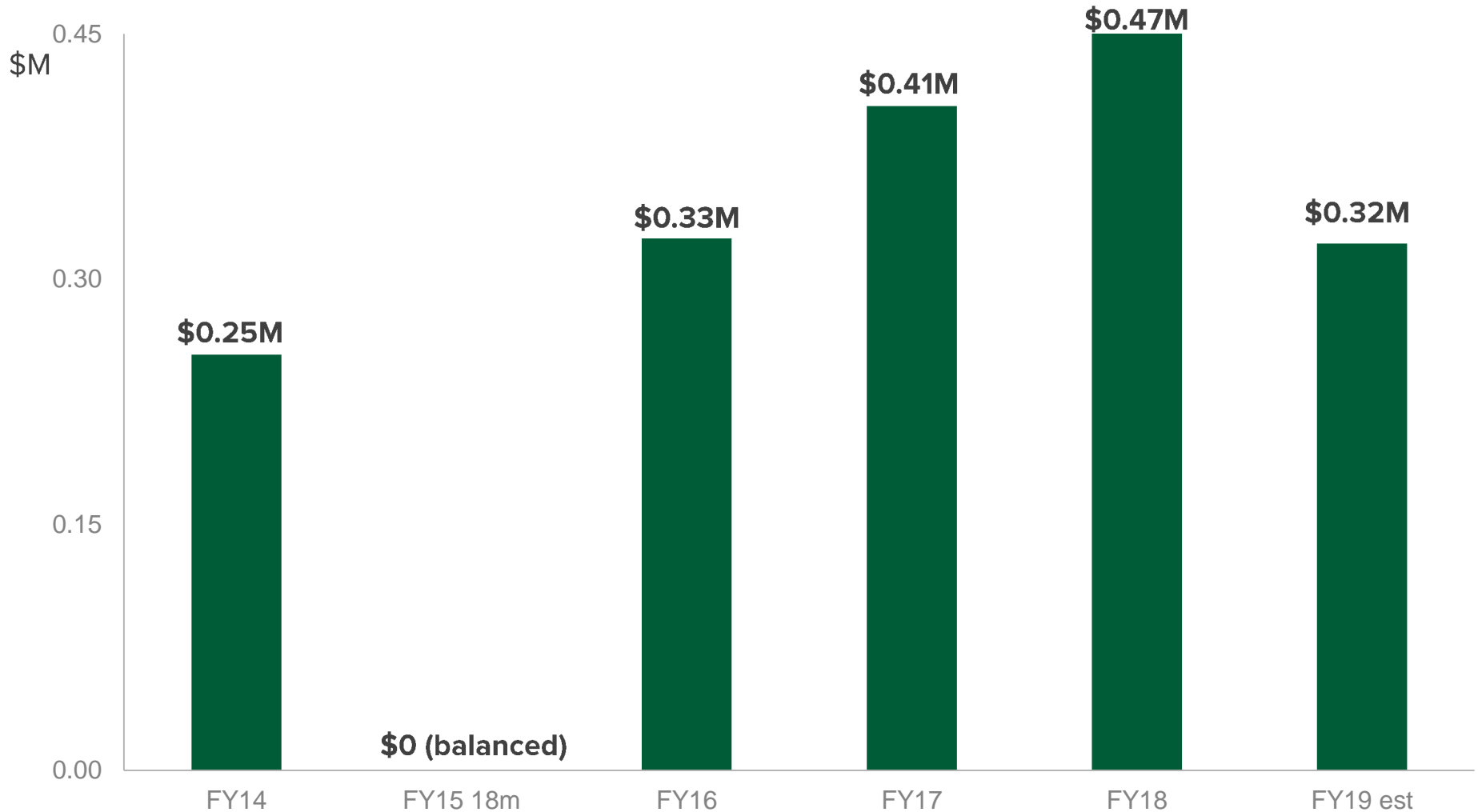
Proposed Expenses, 2020



*Including cash+in-kind;
excludes \$0.498M depreciation expense, a majority of which relates to fully-funded Carousel.*

Appendix

~\$1.8M in operating surpluses have built reserves, and supported operating and capital budgets



Even with add'l 2019 projects advanced at mid-year, a year-end surplus will help fund the 2020 budget

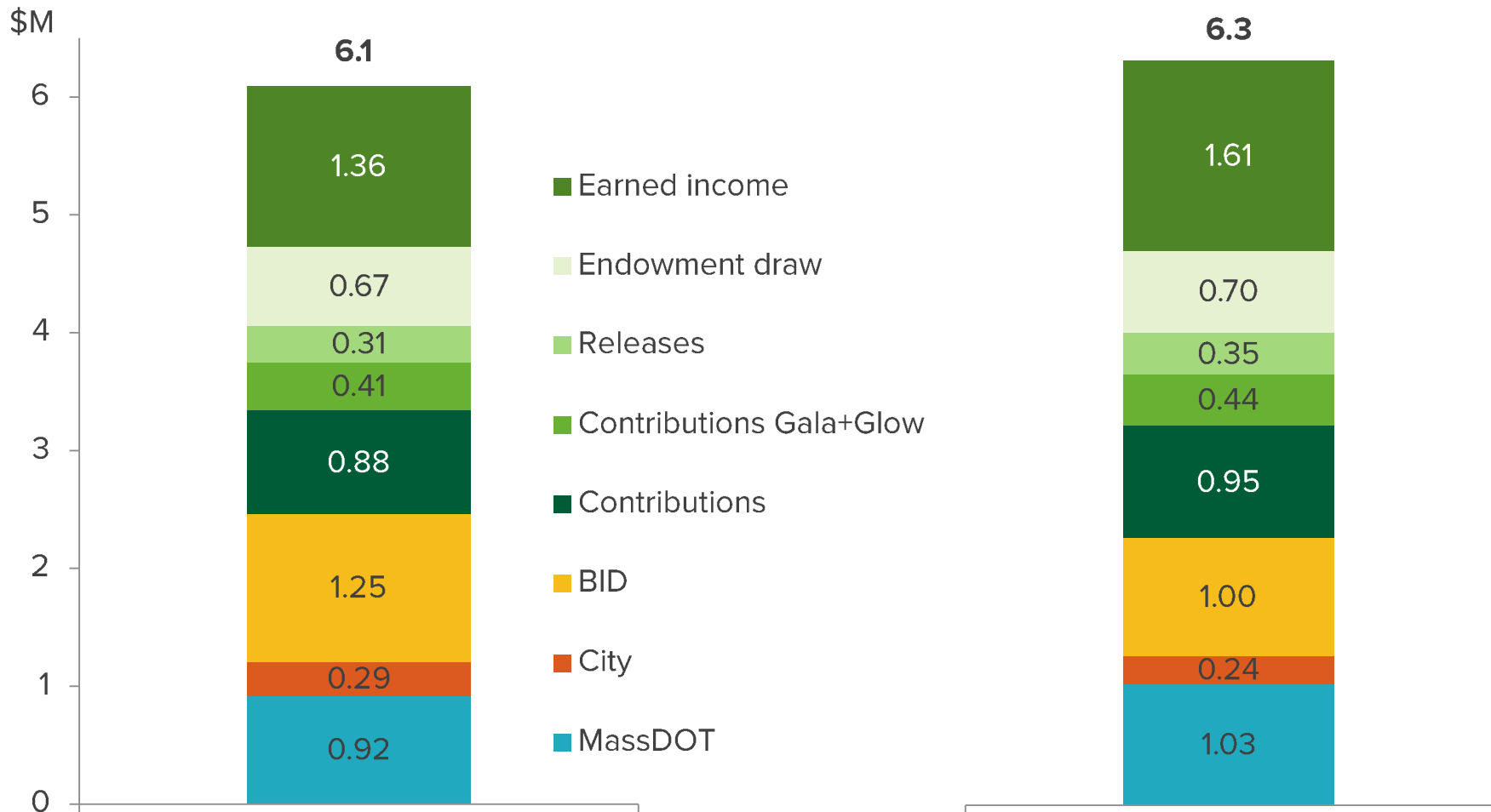
		Operating	Capital	TOTAL
2019 Budgeting	2018 est. surplus allocated to Capital		271,000	271,000
	2019 revenue forecast	6,346,915	655,780	7,002,695
	2019 expenditures forecast	6,029,167	1,008,841	7,038,008
	2019 surplus / (deficit) forecast	317,748	(82,061)	235,687
2020 Budgeting	2019 surplus rolled forward	317,748	(82,061)	235,687
	2020 revenue budgeted	6,320,668	1,062,869	7,383,537
	2020 expenditures budgeted	6,375,156	1,241,609	7,616,765
	2020 Surplus / (deficit) forecast	263,260	(260,801)	2,459

Additional, unbudgeted projects initiated at mid-year included. replacing fountain water treatment systems; repainting Light Blades; repainting red gate and cages; signature garden design (P18); truck modifications; and Carousel lighting replacements

Proposed 2020 operating revenues vs. 2019

2019 revenues, approved budget

Proposed 2020 revenues



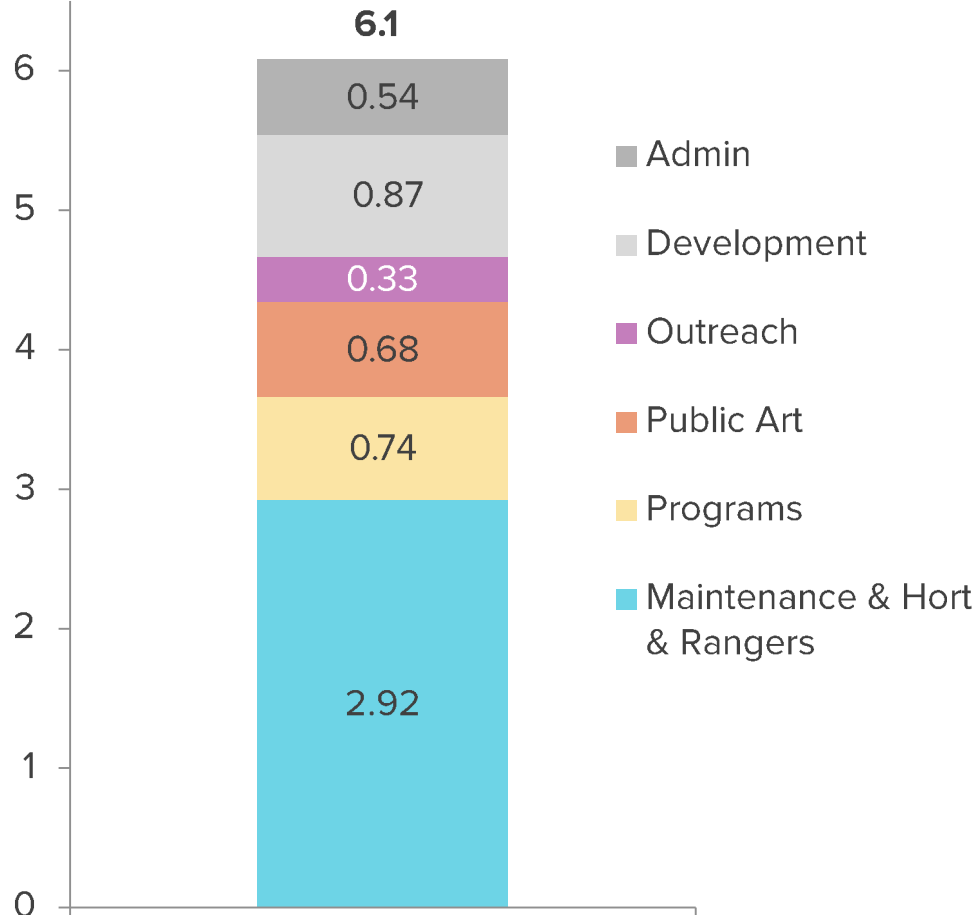
*Including cash+in-kind;
excludes depreciation, a majority of which relates to fully-funded Carousel.*

Proposed 2020 operating expenses vs. 2019

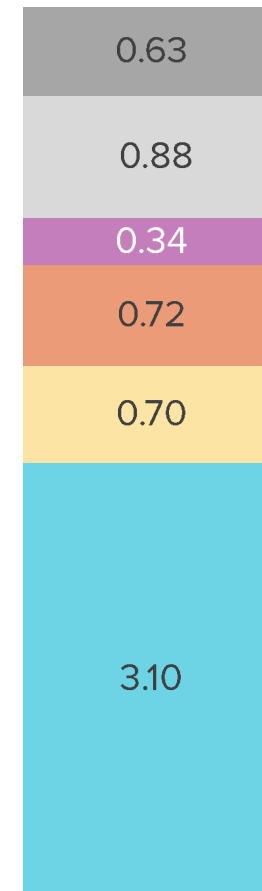
2019 expenses, approved budget

Proposed 2020 expenses

\$M



6.3



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

Risks in the 2020 Operating Budget

Revenue

- Potential permitting challenges for Drinkeries
- Coincident decreases from a small number of large contributors
- An economic or market downturn

Expenditures

- Catastrophic occurrence inflicts costly damage
- Legal risks in a growing enterprise
- Cost inflation

BID funding summary for 2019 and 2020

	2019 actuals (est.)		2020 budget forecast	
<u>For M&H</u>				
Revenue provided	\$1,250,000		\$1,000,000	
Expenditures	\$1,250,000		\$1,000,000	
Funds rolled to next year	\$0		\$0	
<u>For Enhancements</u>	<u>Operating</u>	<u>Capital</u>	<u>Operating</u>	<u>Capital</u>
Revenue provided	\$250,000		\$500,000	
Spent on P2 spruce up	\$2,000	\$27,131		
Chin lighting study			\$3,000	\$29,500
SGR study			\$5,000	\$55,000
TBD projects			\$628,369	
Funds rolled to next year	\$220,869		\$0	