

**Rose Kennedy Greenway Conservancy
Finance, Audit & Risk Management Committee Meeting
Tuesday, March 17, 2020– 12.00 p.m.
Dial in – (617) 603-7733, Room # 826, Conference pin # 7726**

DRAFT Meeting Minutes

Committee Members Present in Person: N/A (This meeting was available by conference call due to suspension of the provision of the Open Meeting Law requiring an in-person quorum by an order signed by Governor Charles Baker on March 12, 2020 due to COVID-19.)

Committee Members Present Over the Phone: Mark Boyle, David Wilkinson, Karen Johnson (Co-chair), Deniz Johnson, Rosalin Gorin, Linda See

Committee Members Absent: Bud Ris (Co-chair)

RFKGC Staff Present Over the Phone: Jesse Brackenbury, Tracey Cooke, Srivi Radhakrishnan, Keelin Caldwell

Non-Committee Members Present Over the Phone: Ronni Rausch, Arthur J. Gallagher & Co.; David Kelleher, Jeanie Gorlovsky-Schepp & Kaite Noll, AAFCPAs

Open Session

Co-Chair Karen Johnson called the meeting to order in Open Session with a quorum present at 12:05 pm.

1. Mr. Brackenbury sought approval for procurement of Max Ultimate Food as caterer for food and beverage services for the Gala on The Greenway and Glow in the Park totalling \$66.6K. He confirmed that even though the Conservancy sought approval for this procurement at this time, the actual procurement would occur only if the restrictions on gatherings due to COVID-19 were withdrawn by the State of Massachusetts allowing for public events on The Greenway. Upon a motion made by Ms. Johnson and seconded by Mr. Wilkinson, the Committee unanimously approved this item at 12.20 p.m.
2. Mr. Brackenbury sought approval for procurement for 2021 artworks on the Greenway for \$60K by artist Daniel Gordon. This would include the mural on Dewey Square, up-to 3 sculptures, 20 photographs, small installations and graphic elements. Upon a motion made by Ms. Johnson and seconded by Mr. Wilkinson, the Committee unanimously approved this item at 12.30 p.m.

3. Mr. Brackenbury recommended a vote to approve the audit. He introduced the auditors to the Committee. Ms. Gorlovsky-Schepp and Ms. Noll gave an overview of the Statement of Financial Position and Statements of Activities and Changes in Net Assets. They noted that the audit process was smooth and they had issued a clean audit report. Ms. Gorlovsky-Schepp said that management had proposed one adjusting entry to reclassify net assets by \$40K. She also recommended adopting a revenue recognition policy for new accounting standards. She added that the Greenway Conservancy had \$2.0Mil of operating net assets that translates to a healthy ratio of 4.2 months of operating expenses. Upon a motion made by Ms. Johnson and seconded by Mr. Boyle, the Committee unanimously voted to accept the audit presentation at 12.40 p.m.
4. Ms. Johnson gave a brief overview of the investments. (Ms. See recused herself from this discussion and left the meeting. She rejoined at 12.52 p.m.) Ms. Johnson noted that the assets in the endowment fund are split between TIFF and Fidelity in the ratio of approximately two-thirds/one-third. She said that 2018 market volatility had negatively impacted the endowment and the investment was down by \$266K at the end of 2018, but had, in 2019, regained this value and the appreciation on the endowment was \$1.73Mil per the 2019 audit (Footnote 6 to Financial Statements). She noted that both TIFF and Fidelity have a somewhat conservative portfolio of investments. Ms. Johnson said that the Investment Committee had previously decided to move the funds away from TIFF and towards Fidelity and had been doing it gradually. Committee members advised the Investment Committee to not make radical changes in its investment strategy in the current market. The FARMC moved on to the next item on the agenda. (AAFCPAs left the meeting at 12.51 p.m.)
5. Ms. Caldwell joined the committee at 12.52 p.m. Ms. Caldwell and Mr. Brackenbury updated the Committee on the rapidly developing COVID-19 situation. They said that all office staff had been asked to work remotely and field staff had been asked to practice social distancing in accordance with the guidelines issued by the State of Massachusetts. Mr. Brackenbury spoke about the budget and said that while ~50% of the \$6.30Mil budget is guaranteed by agreements with Massachusetts Department of Transportation, the Business Improvement District and the City of Boston (plus the endowment draw), the other 50% comprises earned revenue and philanthropy. He said that it was very likely that earned revenue consisting of the beer garden, City Winery, food trucks and promotions would take a hit as would philanthropy. He sought advice from the FARMC on what should be the revised budget to be adopted by the organization. Committee members recommended that the Conservancy look into programs/ assistance

offered by the Federal, State, and Local Governments. Committee members also advised that the Conservancy prioritize people's safety and ensure that there is no panic among staff. Mr. Brackenbury assured that "people first" has been the general guiding principle while looking into different options. He said that he had been looking at budget cuts that were more programmatic, including Public Art and he was also looking at a hiring freeze. The Committee discussed the impact on the food trucks and Conservancy revenue.

6. At 1.35 p.m. Jesse introduced Ms. Rausch. The Committee requested that Ms. Rausch present insurance coverage under the current COVID-19 environment and, (for time reasons), defer detailed presentation on General liability and Umbrella Insurance coverage to a later meeting. Ms. Rausch said that The Greenway was adequately insured if third party incidents were filed claiming negligence on the part of The Greenway. She also said that workers compensation would cover employees if they were to contract COVID-19 and could prove it was related to the work environment. However, she said that we could not file a claim for loss of income; as loss of property due to a pandemic was not covered under the current policy. She recommended looking into coverage that could be offered by FEMA. She said that the Greenway Conservancy also had indemnity under the Directors and Officers Liability Insurance policy if a claim was filed on a reorganization decision made by the Greenway Conservancy. Mr. Brackenbury thanked Ms. Rausch and invited her to give a detailed presentation on additional insurance coverage at a later FARMC meeting.
7. Mr. Brackenbury summarized the COVID-19 discussions that the Committee had thus far and said that he was planning on presenting different budget scenarios at the next board meeting to be held on March 24, 2020. The FARMC decided to hold an additional meeting on April 14 4-5.30p.m. They also agreed to meet in the interim if required.

Upon a motion made by Ms. Johnson and seconded by Mr. Boyle, The Finance, Audit and Risk Management Committee of the Rose Kennedy Greenway Conservancy Board of Directors was unanimously adjourned at 1:50 pm.