

Rose Kennedy Greenway Conservancy
Finance, Audit & Risk Management Committee Meeting
Tuesday, March 23, 2021 – 12:00 p.m.

DRAFT Meeting Minutes

Committee Members Present in Person: N/A (This meeting was available by Zoom conferencing 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: Karen Johnson, Mark Boyle, Conor Finley, Rosalind Gorin, Deniz Johnson, Linda See, David Wilkinson

RFKGC Staff Present: Jesse Brackenbury, Tracey Cooke, Cheryl Sullivan

Non-Committee Members Present: David Kelleher & Jeanie Gorlovsky-Schepp, AAFCPAs

Open Session

Chair of the Committee Karen Johnson called the meeting to order in Open Session with a quorum present at 12:08pm.

1. Upon a motion made by Ms. Johnson and seconded by Mark Boyle, the minutes from the February 24, 2021 meeting were unanimously approved.
2. Ms. Johnson welcomed auditors Jeanie Gorlovsky-Schepp & David Kelleher from AAFCPAs. Mr. Kelleher presented the 2020 Audit Executive Summary and explained that the audit resulted in a clean audit with an unqualified opinion. Management was very helpful in the audit process and no audit adjustments were necessary.

Conor Finley joined the meeting at 12:12pm

The Conservancy overall had an operating deficit (before depreciation) of \$77K in 2020. Philanthropy was down slightly and earned income was down significantly, due to COVID-19. On the expense side, about 75% of operating expenses were program related. There was a drop in percentage from previous years that ties to the earned income drop. Investment returns totaled \$2.9 million. Operating cash was steady, slightly lower than at the end of 2019, but still strong. Restricted cash was \$1 million.. Net assets totaled \$27.3 million. At the start of 2021, the Conservancy has operating reserves including board designated funds of \$2.7M. Despite a loss of operating income in 2020, the organization is in a good position. There are no weaknesses in audit control.

Mr. Kelleher and Mr. Brackenbury offered an explanation of the Conservancy's approach to depreciation of assets. Because the organization budgets on a cash basis, it does not budget for depreciation. The approach has been to pay for capital each year, while running a balanced budget. The original park construction is not on the books, so depreciation does not capture the deterioration of the park.

Ms. Cooke thanked Ms. Gorlovsky-Schepp, who will be moving on from AAFCPAs.

3. Mr. Brackenbury discussed the 2021 budget. He informed the board of the important decisions made in conjunction with the FARMC: to end the furlough for two staff members, to move one employee from part-time to full-time and to hire an irrigation specialist, a seasonal ranger and seasonal horticulture staff. Mr. Brackenbury still expects approximately \$185K to be received in 2021 from the 2020 Employee Retention Credit. Expectations for Earned Income are looking better. Eighteen food trucks have signed contracts. The carousel has opened for the season and reported over \$4K in revenue in its opening weekend. Drinkeries are on target to open in May. Fundraising is working on Gala, less than a month away. Mr. Brackenbury thanked members of the committee for contributing generously. The new accounting system implementation has been postponed until 2022 however the process will continue to move forward in 2021. Mr. Brackenbury reminded the committee that it had tabled a discussion about spending for cost of living increases for staff, re-hanging Lantern Stories and two hires for the new Executive Director.
4. Mr. Brackebury and Ms. Cooke opened a discussion on staffing needs. Mr. Brackenbury explained that the organization was leanly staffed before the pandemic and a year later, some staff departures and a hiring freeze have left the organization significantly short staffed. Horticulture, in particular, is struggling as well as Maintenance and Administration. Committee members recognized that the Conservancy is leanly staffed while also urging caution in spending, noting that downtown offices are not anticipated to return to capacity until at least the fall.

The new Executive Director will likely make staffing changes, The committee agreed to a coordinator-level hire to support Finance & Admin, Development, and the new Executive Director.

Rosalind Gorin exited the meeting at 1:23pm

Mr. Brackenbury noted that this meeting would be the last for Mark Boyle and perhaps for David Wilkinson. Mr. Brackenbury remarked on how helpful each had been to the committee and to the Conservancy.

Mark Boyle exited the meeting at 1:27pm..

Ms. Cooke noted that there had not been time in the meeting to discuss investments, but noted TIFF had good returns in 2020. She will distribute investment reports for the committee's review.

Linda See exited the meeting at 1:31pm

Connor Finley exited the meeting at 1:31pm

Ms. Cooke thanked Mr. Brackenbury for his contributions, noting that this was his last meeting.

Committee Chair Johnson ended the meeting at 1:32pm.