

Rose Fitzgerald Kennedy Greenway Conservancy, Inc.
Minutes of the Audit, Risk Management and Finance Committee
(FARMC) Meeting
April 28th, 2015

Attendees: Directors- Christine Manfredi and Robert C. Gore, Co-Chairs, Janelle Chan, Jim Kalustian, Martin Lynn, Robyn Reed

Guests Greenway Staff: Jesse Brackenbury, Renee Wood, Bart Thompson

With a quorum present, Ms. Manfredi called the meeting to order at 8:00 a.m.

Upon motion duly made and seconded, it was unanimously voted to approve the minutes for the March 17th FARMC meeting.

Ms. Wood updated the Committee on insurance. Property, plant and equipment insurance was renewed in early April at comparable rates to last year. However, given the Conservancy's change of fiscal year to January 1, most of the policies were renewed through November 2015 and will be renegotiated again in the fall to align with the calendar year budgeting process. Regarding health and benefits insurance, the Conservancy has changed brokers from Paychex to William Gallagher Associates, the same brokers used for PP&E. Due to a shift in employee demographics, Health insurance rates have declined overall, and annual savings are predicted. Rates for dental have increased slightly and life insurance premiums are locked in for another year.

Ms. Wood continued with a comparison of FY15 budget to actual. Though Public Art trended under budget for March, most expenditures will be incurred following erection of the sculpture on May 3rd. Due to Boston's record-breaking winter snowfall, snow removal costs were over budget. However, compared to the previous billing format, the recently renegotiated contract has reduced snow removal expense rates overall.

The Committee moved to discussion of the change in fiscal year. As voted in at the last Board meeting, the Conservancy will align its fiscal year with the calendar year, meaning FY2015 will be extended to 18 months and end on December 31st, 2015. However, management will still submit to the FARMC an unaudited financial performance report after the June 30th close. A six month stub budget is also being prepared for the period extending from July 1 through December 31, 2015, and will be presented at the next FARMC meeting. Governance Documents will be updated to

reflect the new fiscal year period, as well as the annual meeting schedule and Board Members' terms.

Regarding FY2015 auditing, the Conservancy has agreed to conduct an 18-month audit at the close of the new fiscal year ending December 31, 2015. In addition, the Committee asked our auditors to review the Conservancy's finances at the close of June 30, 2015, with special attention given to restricted net assets. Upon motion made and duly seconded, the Committee voted unanimously to continue working with the firm Alexander, Aaronson & Finning (AAF) as our auditors.

The Committee discussed changes to the committee meeting schedule.

Mr. Brackenbury updated the Board on personnel and other topics. Two former employees of the Conservancy have returned to serve in full-time and consulting positions. The spring 2015 employee survey showed strong positive results. Also, the Federal Reserve has retained the Conservancy for nine months of organic horticulture services. Finally, the Conservancy's relationship with a new IT service provider is going well, and a strategic assessment is underway to determine a plan of action for future technology needs. Also, cyber security insurance is being priced.

Regarding other items, Ms. Wood mentioned that the Conservancy will again conduct an executive compensation study, as is standard for many non-profits. The Committee will finalize the process for this study in an upcoming meeting. It was remarked that this study would be distinct from a regular performance review, and that the change in fiscal year would align regular performance reviews with budget preparations.

Upon motion made and duly seconded, the Audit, Risk Management, and Finance Committee was adjourned at 8:26 a.m.