

**Rose Kennedy Greenway Finance Audit & Risk Management Committee
(FARMC) Meeting
Tuesday, October 25th, 2016 – 12:00 pm
185 Kneeland Street, 2nd Floor, Boston**

Meeting Minutes

Committee Members Present In Person: Chris Manfredi, Bud Ris, Mark Boyle, Robyn Reed, Kim Sherman Stamler

Committee Members Participating Via Phone: N/A

Committee Members Absent: Thomas O'Brien, Janelle Chan

RFKGC Staff: Jesse Brackenbury, Renee Wood, Cliff Thompson

Open Session

FARMC Co-Chair Chris Manfredi called the meeting to order in Open Session with a quorum present, in person, at 12:05pm.

1. Ms. Manfredi called for a motion to approve the minutes from the September 27, 2016 meeting of the FARMC, along with a revision to minutes of the July 27, 2016 meeting. **On a motion by Robyn Reed, and seconded by Bud Ris, the minutes were unanimously approved.**

2. Ms. Wood updated the committee on FY16 Budget Forecast-to-actual operating expenses. Total forecasted expenses through end-of-year 2016 are \$4.88M, slightly more than break-even. Departmental costs are close to forecasted numbers, with total YTD actual expenses \$3.55M as of September 30th. Mr. Ris asked where Gala expenses are included. Gala expenses are netted with revenue from the event.

3. Mr. Lynn was unable to join by phone. Mr. Brackenbury updated the Committee on Investments. The Conservancy's Endowment is currently invested with Fidelity and TIFF, split between five funds. In the current investing environment, the Investment Committee has concluded the present 4.5% quarterly draw is sustainable. The Investment Committee will meet again in early 2017 to review the investment landscape and determine if the Conservancy should continue a 4.5% endowment draw. YTD endowment returns (net of fees) are 5.6% as of September 30th.

4. Ms. Wood and Mr. Brackenbury provided an update on the FY17 budget. The Finance department is distributing spending templates to each department for 2017 projects. Mr. Boyle asked if the endowment draw was always 4.5% or up to 4.5%, based on need. Mr. Brackenbury responded that policy is a 4.5% draw, and Ms. Manfredi added that the Conservancy has consistently needed the 4.5% draw. The Conservancy continues to hold a reserve of 3-6 months of operating funds. In building the budget, the committee needs to be more focused on the revenue and expense issues that could arise in 2017. The next FARMC meeting on December 6th will include a review of the completed FY17 budget, before it is proposed to the Board of Directors on December 13th.

5. Ms. Wood updated the Committee on Procurements, beginning with capital projects. Ms. Reed asked about structural damage on trash cans; they are not galvanized and are rusting. Ms. Wood continued with professional services procurement. The Conservancy reprocured for property and casualty insurance brokers, but after review, remained with current brokers. The Conservancy has procured new brokers for benefits insurance. A benefits premium increase of about \$25k is projected if the organization remains on the current plan. However the new broker has recommended options that could be significantly less. Regarding Public Art, the Public Art Curator procured three artists for projects in 2017 (see Public Art attachment for artists and budget). Ms. Manfredi asked about funding for the pieces. They are contracted 1-year installations that will be funded with public art donations and earned income.

On a motion by Robyn Reed, seconded by Bud Ris, the Committee voted to approve the procurements with four votes of “yes” and one abstention.

6. Ms. Manfredi and Ms. Ris briefed the Committee about the ED annual review process. The process has been defined and will take place in January and February 2017. In the interests of time, IT and Finance System updates, along with the FY17 Board and Committee Calendar update have been pushed to the next meeting.

7. No members of the public present.
The Finance, Audit and Risk Management Committee Meeting was adjourned, upon a motion made by Robyn Reed and seconded by Bud Ris, and a unanimous vote in favor was held at 1:30pm.