

**Rose Kennedy Greenway Finance,
Audit & Risk Management Committee Meeting
Tuesday, March 21, 2017 – 12:010 pm
185 Kneeland Street, 2nd Floor, Boston**

Meeting Minutes

Committee Members Present In Person: Bud Ris, Susanne Lavoie, Tom O'Brien, Robyn Reed

Committee Members Participating via Phone: Christine Manfredi

Committee Members Absent: Mark Boyle, Kim Sherman Stamler

RFKGC Staff Present: Jesse Brackenbury, Michael Nichols, Renee Wood

Open Session

Committee Co-Chair Bud Ris called the meeting to order in Open Session with a quorum present, in person, at 12:01pm.

1. Jesse Brackenbury, Executive Director, presented a review of the 990 narrative sections. Mr. Brackenbury highlighted that the information is used for grants, blogs, and other external messaging documents.

Board members asked questions about possible updates to the language describing executive compensation.

2. Mr. Brackenbury offered a recap on the thresholds that trigger FARMC and Board review of planned expenditures. Mr. Brackenbury discussed that there are no items presently planned that are over \$45,000, the threshold for FARMC review. The Conservancy is currently seeking grants that, if received, would involve FARMC review and staff would present information at that time. Mr. Brackenbury also provided an update on a planned capital repair project in the North End related to a flood of one of the North End fountain vaults. Pursuant to the Conservancy's agreement with MassDOT, MassDOT is responsible for capital repairs to park infrastructure that total over \$50,000 and this project is expected to exceed \$50,000.

Board members asked questions about whether the state has been notified about the vault flood, whether the process for payment or reimbursement has been

clarified, and whether the leak is believed to have reached the Central Artery highway tunnel.

3. Mr. Brackenbury introduced Kevin Walsh, an Executive Vice President at Citizens Bank, for possible addition as an advisory member of FARMC.

After a brief discussion reflecting Board members that had interviewed Mr. Walsh related to his interest in joining the FARMC as an advisory member, **a motion made by Tom O'Brien, and seconded by Bud Ris, to confirm Mr. Walsh was unanimously approved.**

4. Mr. Ris presented the minutes of the December 6, 2016 FARMC meeting for approval. **On a motion by Tom O'Brien, and seconded by Robyn Reed, the minutes were unanimously approved.**
5. Renee Wood, Director of Finance & Administration, introduced Jeanie Gorlovsky-Schepp of AAF, the Conservancy's independent auditors, to discuss the Conservancy's FY16 audit. Ms. Gorlovsky-Schepp reviewed the process by which the audit is typically reviewed and approved by FARMC, followed by review and approval by the Board, and ultimately back to AAF for final sign-off. Ms. Gorlovsky-Schepp highlighted various elements of the Conservancy audit to the FARMC, including the Conservancy's profit and loss statement, an analysis that administrative expenses are lean at 6%, that the Board should consider whether administrative staffing is too lean, and that the Conservancy is preparing for a conversion away from Quickbooks. Ms. Gorlovsky-Schepp noted it was a good year for the Conservancy's investment income. She said AAF reviewed the organization's unrestricted operating reserve and that most healthy non-profits maintain 2.5 to 5 months of reserves and the Conservancy currently has approximately 4.5 months. She noted the Conservancy has no capital reserve except for the Carousel.

Ms. Gorlovsky-Schepp offered that she expects some small changes from the version presented to FARMC today to the version to be presented to the Board due to late TIFF reporting on the Conservancy's investment income.

Ms. Gorlovsky-Schepp mentioned that the AAF audit review of the Conservancy's finances includes review of the reports the Conservancy issues to MassDOT on the spending of MassDOT funds for horticulture and maintenance. Ms. Gorlovsky-

Schepp reviewed AAF's letter to the Board regarding audit statements and other required communications. She also reviewed AAF's recommendations, which include consideration of upcoming non-profit accounting standards changes and new lease accounting standards.

Ms. Gorlovsky-Schepp reviewed the management letter issued reflecting 'clean management.'

Mr. Brackenburg and Ms. Wood left the meeting.

Board members asked questions regarding Ms. Gorlovsky-Schepp's statements about the leanness of administration and finance staffing. Ms. Gorlovsky-Schepp offered that the organization and the department are well-run, but that the administration and finance staffing is probably at the minimum level appropriate for an organization of this size. Ms. Gorlovsky-Schepp noted there were no other areas of concern.

Mr. Brackenburg and Ms. Wood returned to the meeting.

Ms. Wood addressed the process by which the Conservancy reports to MassDOT on the use of MassDOT funds.

Board members asked questions about the potential for similar reports to be generated for abutting property owners and restrictions and safeguards placed on the use of Conservancy vehicles by staff.

6. Ms. Wood provided a review of the Conservancy's investment portfolio as of the 2016 year-end, including a review of each account and its performance.
7. No members of the public present sought to be heard.

The Finance, Audit and Risk Management Committee of the Rose Kennedy Greenway Conservancy Board of Directors was adjourned, upon a motion made by Tom O'Brien, seconded by Robyn Reed, and a unanimous vote in favor at 1:33pm.