

Rose Fitzgerald Kennedy Greenway Conservancy, Inc.
Minutes of the Audit, Risk Management and Finance Committee (FARMC)
Meeting
June 23, 2015

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

Guests Greenway Staff: Jesse Brackenbury, Renee Wood, Mike Nichols, Robert Gordon

Other Guests Bud Ris, Robert Gordon

With a quorum present, Ms. Manfredi called the meeting to order at 8:03 a.m.

Upon motion duly made and seconded, it was unanimously voted to approve the minutes for the April 28, 2015 FARMC meeting.

Mr. Brackenbury then reviewed the proposed changes to the Conservancy's By-laws and how the change in fiscal year from one ending June 30 to one ending December 31 would also affect the termination date of current directors as well as those elected in the future. Terms would end on December 31 rather than on the anniversary of the meeting at which directors were first elected. He noted that the Conservancy's counsel Goulston & Storrs was reviewing the by-law changes to ensure compliance with the legislation regarding the term length for directors appointed by State and Federal elected officials, i.e. under proposed changes appointed, those directors could possibly serve more than the statutory terms depending on date of appointment but never less than the statutory term.

Upon motion duly made and seconded, it was unanimously voted to recommend the revised By-laws as drafted, subject to the legal review of Goulston and Storrs, to the full Board at its next scheduled meeting.

Mr. Brackenbury reported that outsourcing IT services to Tech Networks was working well after the recent departure of the Conservancy's IT Coordinator. Tech Networks just completed an assessment of the network and found that many of the servers were nearing the end of their normal technological life. The plan is to move to the cloud this winter when there would be less disruption. The cost is estimated to be between \$25,000 and \$50,000. A brief discussion ensued

in which several Committee members suggested that management develop a contingency plan were the servers to fail sooner than expected.

Then Co-Chair Manfredi asked management for an update on the FY15 budget. Mr. Brackenbury noted that in the light of the change in fiscal year, the FY15 budget has now been revised to reflect an eighteen month budget for the period July 1, 2014 to December 3, 2015. He then reviewed the presentation that shows that the budget is cash flow positive before depreciation and can fund a more permanent enclosure for the carousel, but the cash flow is not robust enough to fund all the capital needs. For example, many of the capital needs due to the initial design of the Greenway have been addressed, but as the fountains age they will require more maintenance. However, the capital reserve is not currently adequate to address those needs if they occurred sooner than expected. Mr. Brackenbury continued that, because of the fiscal year change, the budget also reflects seven endowment draws as approved by the Investment Committee. The Investment Committee also mandated that there be the normal 4.5% draw in FY2016 and forward. The budget also contains annual staff salary increases, including those reviewed previously by FARMC Committee members in conjunction with an executive comp study. Mr. Brackenbury noted that going forward the costs for Programming and Planning and Design will be treated as one cost center. Public Outreach will be treated as a new cost center with the plan to leverage more in-kind contributions to support this activity. Co-Chair Gore suggested that to help the Committee, the new organization chart have bios for the key managers and that the Board's bios be updated as well.

A discussion ensued with the Committee asking that management prepare a more detailed budget for the Board that identified the separate 12 month and 6 month periods and also to update the costs and funding related to the Echelman project for the Board as well.

Finally, Mr. Brackenbury reported that a two year lease renewal had been agreed to in principal with MassDOT but the Secretary of Transportation had yet to sign the lease.

With no further business and upon motion dully made, it was unanimously voted to adjourn the meeting at 9.32 a.m.