

# Greenway Evolution & General Financial/Operating Review

Board of Directors and  
Greenway Leadership Council

May 1, 2012



# Topics for today

- Facts about the Greenway Conservancy
  - Conservancy transparency, including tour of materials on website [[rfkkgc.org/documents](http://rfkkgc.org/documents)]
  - Administrative and Development cost benchmarks
  - Direct labor comparisons
  - Administrative cost detail
  - Replacement cost analysis
- Park evolution
  - Greenway-wide and in each of the 5 parks
- History of the public/private partnership
- Greenway operating model

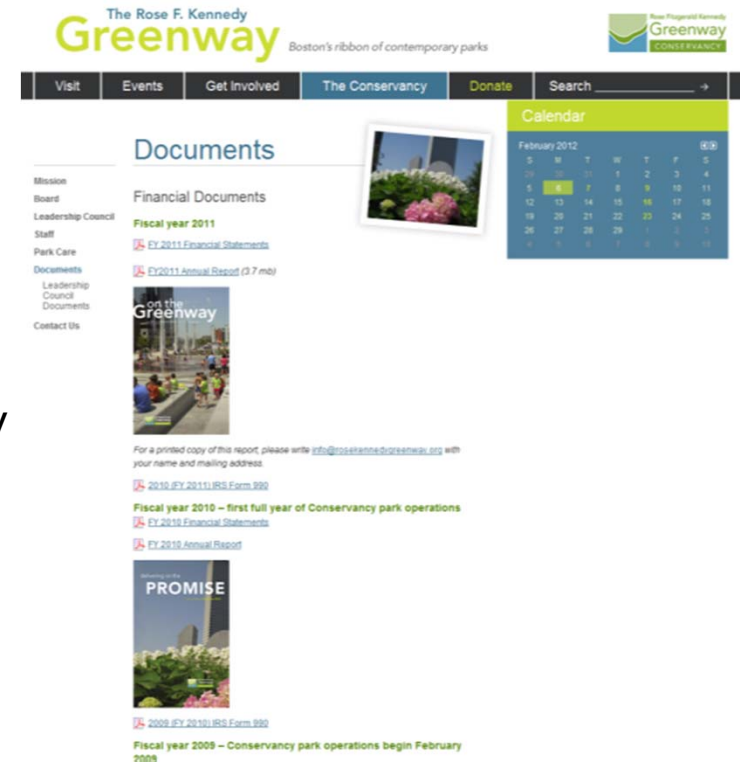
# Facts about the Greenway Conservancy

To supplement presentation  
shown at February public meeting:

[http://www.rosekennedygreenway.org/files/8713/2880/3504/RFKGC Public Meeting Presentation 020712.pdf](http://www.rosekennedygreenway.org/files/8713/2880/3504/RFKGC_Public_Meeting_Presentation_020712.pdf)

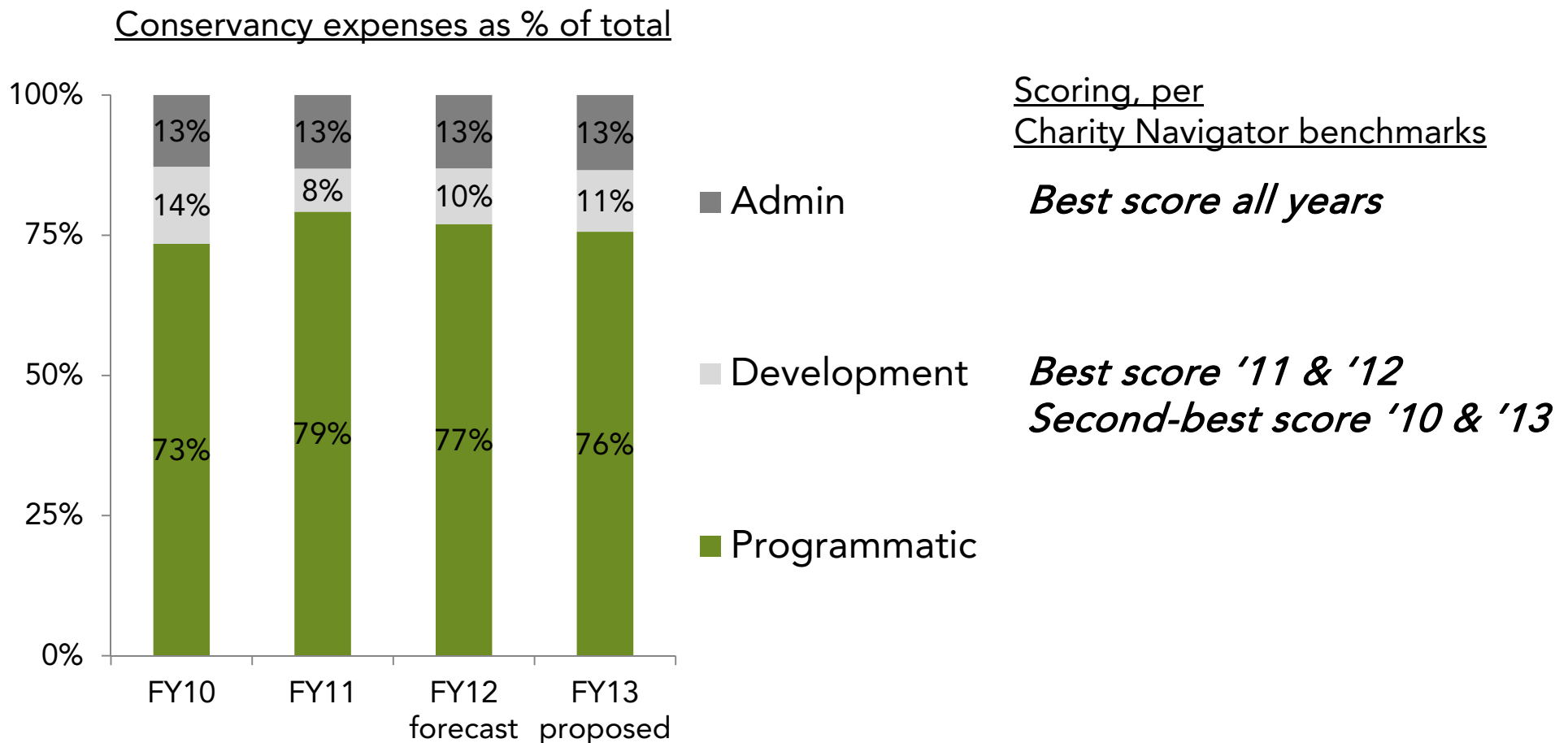
# Conservancy uses best practices for non-profit transparency

- Audited annually: 7 years of clean opinions
- Board-approved transparency policy, accepted by the Attorney General's office
- At least 4 public meetings annually, all shown on our website calendar
- Public documents available one click from home page
  - Audits, federal tax filings, Annual Reports
  - Public meeting minutes, Board policies, Legal documents, and more
  - Senior staff bios
- GuideStar Seal for transparency
- 350+ pages of content on website



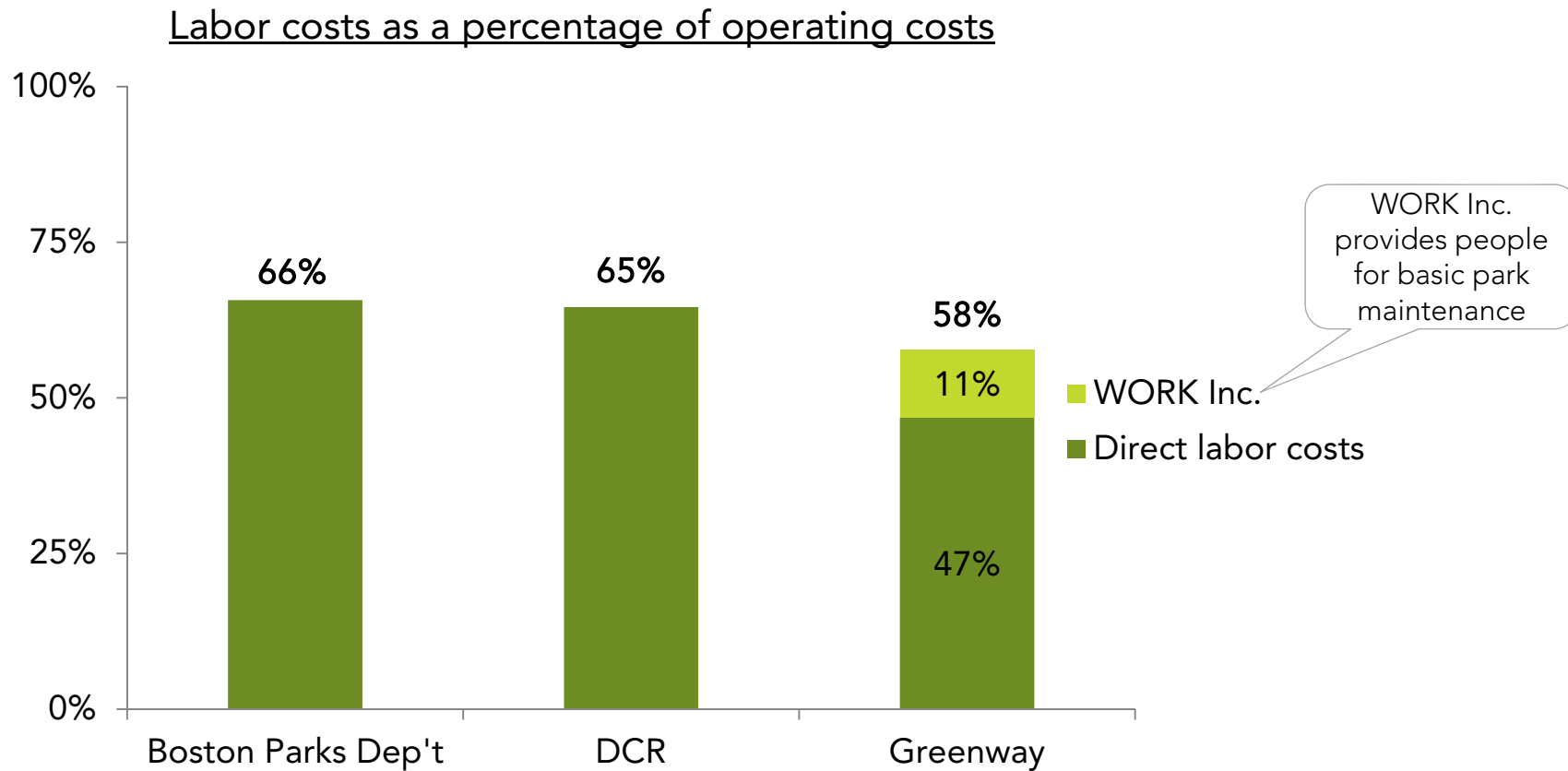


# Conservancy administrative and development expenses are reasonable, according to Charity Navigator guidelines



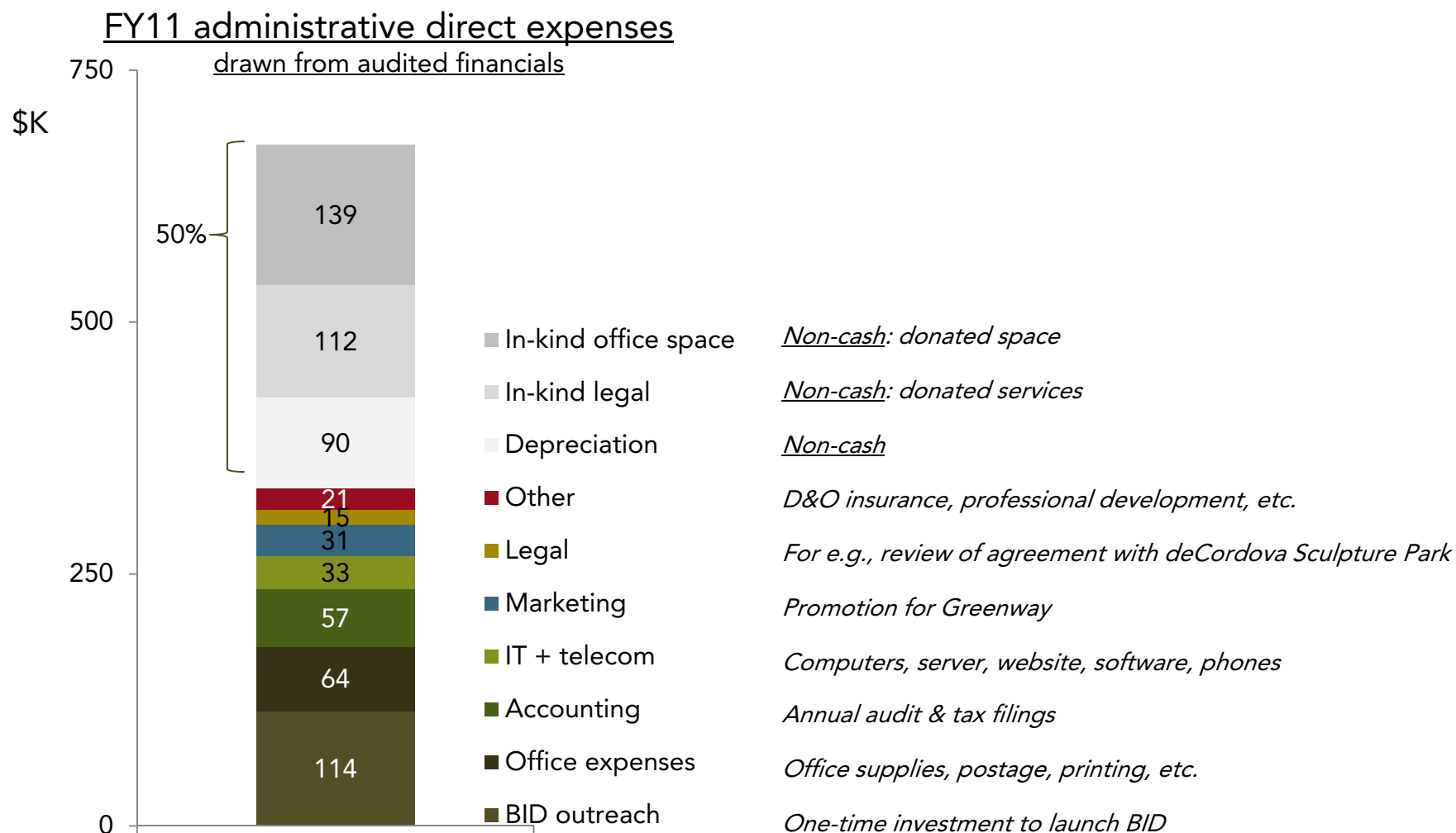
- FY10 and FY11 from audited financials; FY12 and FY13 comparable presentation
- CN scoring: Admin <15% receives top score; Development 0-10% is top score, 10-15% next score
- RFKGC is not formally rated by Charity Navigator yet since CN evaluates charities with 5 years operating data and RFKGC has only FY10 and FY11 figures since park operations began

# Caring for parks is dependent on people: Greenway similar to Boston Parks and to DCR



- RFGKC – salaries+benefits from FY11 audited financials
- City of Boston Parks & Rec FY11 Personnel Services as % of Operating Budget from <http://www.cityofboston.gov/budget/>
- Mass Department of Conservation and Recreation FY09 Wages&Salaries+Employee Benefits from [http://www.mass.gov/bb/gaa/fy2010/app\\_10/dpt\\_10/hodcr.htm](http://www.mass.gov/bb/gaa/fy2010/app_10/dpt_10/hodcr.htm)

# 50% of administrative direct expenses are not cash costs



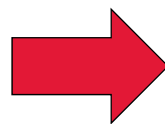
Auditor-approved, moderate approach for overhead allocation:

- Overhead (e.g., contingency, in-kind rent+utilities, legal, accounting, office supplies) allocated to departments on a %-of-total-operating-budget basis
- Administrative salaries are not allocated

# Preliminary replacement cost analysis suggests \$12M+ cost over next 10 years

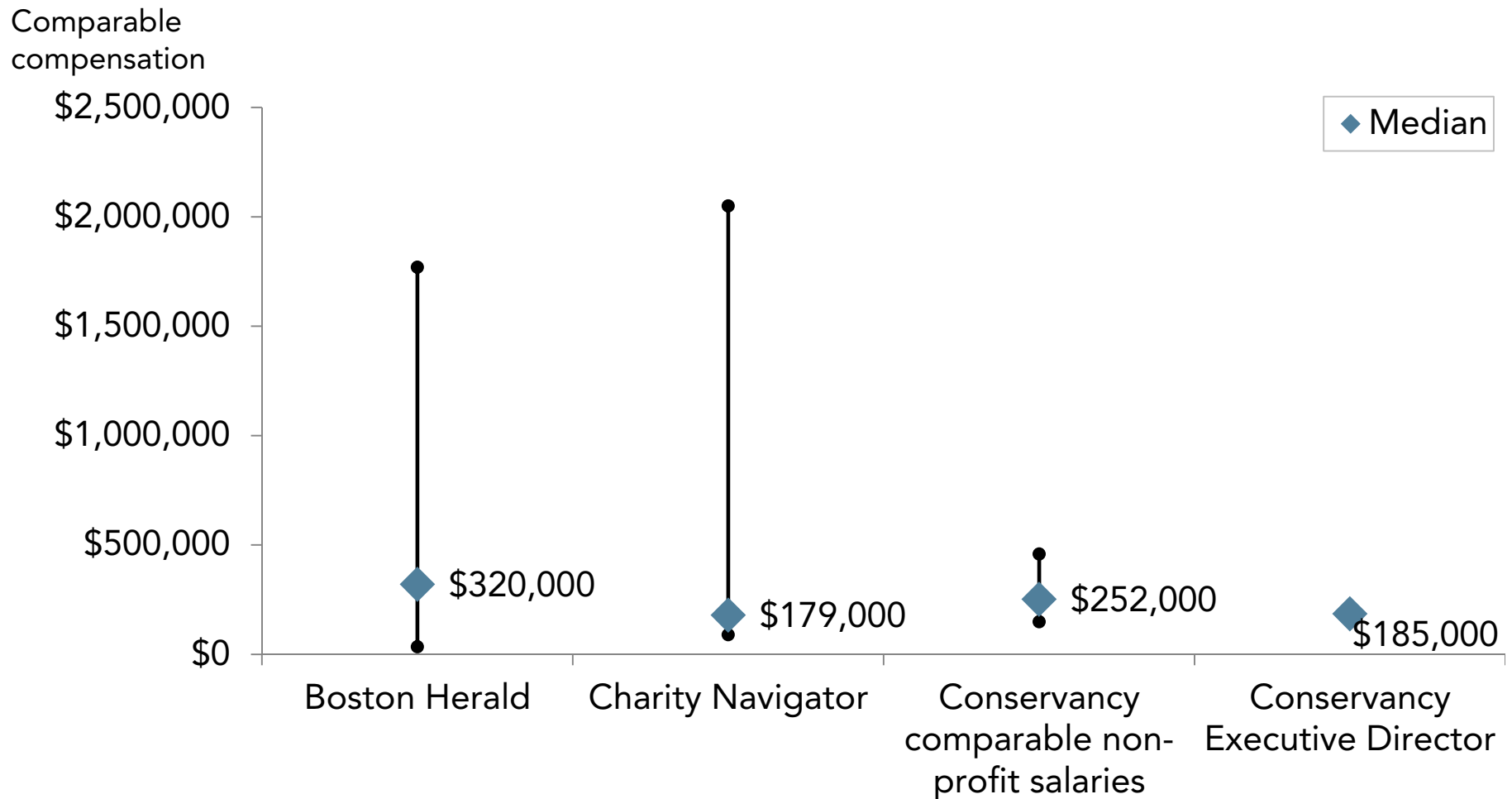
- Conducted inventory of park assets by parcel
  - Original CA/T bid documents
  - Aerial map calculations for ground covers
  - Field checks
- Costs based on original bid construction cost
- Estimated lifespans

Cost Inventory								
Note: costs not inflated								
Feature	Category	Quant	Unit	Life Expectancy	Replacement Cost Each	Annual Cost	Total Cost	
Tables	Furniture - Movable	48	#	7	300	2,057	14,400	
Chairs	Furniture - Movable	226	#	7	300	9,686	67,800	
Umbrellas	Furniture - Movable	24	#	7	1,721	5,899	41,292	
Planting Containers	Horticulture	48	#	7	682	4,677	32,736	
Light Blade Lighting	Lighting	12	#	7	25,000	42,857	300,000	
Mothers' Walk Engraved Concrete Pavers	Paving	560	SF	7	280	22,400	156,800	
Wi-Fi System	Technology	1	#	7	94,864	13,552	94,864	
Street trees	Horticulture	123	#	7	895	15,726	110,085	
Poured Concrete Paving	Paving	71,171	SF	15	8	37,958	569,367	
Concrete Pavers	Paving	50,196	SF	15	20	66,928	1,003,926	
Granite Veneer	Paving	2,327	SF	15	345	53,521	802,815	
Granite Planter Walls	Paving	971	SF	15	400	25,887	388,300	
In-Ground Uplights	Lighting	108	#	15	1,200	8,640	129,600	
Brick	Paving	72,866	SF	15	8	38,862	582,927	
Irrigation Controllers	Subsurface	5	#	15	40,000	13,333	200,000	
Benches	Furniture - Fixed	156	#	15	2,700	28,080	421,200	
Bike Racks	Furniture - Fixed	15	#	15	1,500	1,500	22,500	
Trash Receptacles	Furniture - Fixed	35	#	15	1,660	3,873	58,100	
Tree Grates	Furniture - Fixed	138	#	15	2,765	25,438	381,570	
Railing	Infrastructure	588	LF	15	400	15,680	235,200	
Chip Seal	Paving	3,319	SF	15	5	1,106	16,596	
Crushed Stone (Gravel Road)	Paving	3,944	SF	15	12	3,155	47,324	
Stone Dust Paths	Paving	9,516	SF	15	9	5,710	85,645	
Water Feature Vault - North End (10)	Structures	1	#	15	1,100,000	73,333	1,100,000	
Water Feature Basin - North End (10)	Structures	1	#	15	663,900	44,260	663,900	
Bed trees	Horticulture	482	#	30	895	14,380	431,390	
Granite Paving	Paving	83,594	SF	30	52	144,896	4,346,882	
Lawn with drainage system (Wharf)	Horticulture	36,418	SF	30	7	8,498	254,928	
Lawn without drainage system (non-Wharf)	Horticulture	137,363	SF	30	5	22,894	686,813	
Granite Stairs	Paving	1	#	30	145,000	4,833	145,000	
Granite Steps	Paving	1,460	SF	30	200	9,733	292,000	
Lampposts	Lighting	59	#	30	7,300	14,357	430,700	
A and B Signs (large)	Signage	12	#	30	10,000	4,000	120,000	
Mill Pond Wall Marker	Special Feature	1	#	30	40,000	1,333	40,000	
Inscribed Granite Map	Special Feature	1	#	30	25,000	833	25,000	
Leaning Rail Timeline	Special Feature	1	#	30	114,000	3,800	114,000	
Katherine Nanny Naylor Site	Special Feature	1	#	30	5,000	167	5,000	
Immigration Story Interpretive Engravings	Special Feature	1	#	30	9,900	330	9,900	
Water Feature Vault - Rings Fountain	Structures	1	#	30	1,570,500	52,350	1,570,500	
Water Feature Basin - Rings Fountain	Structures	1	#	30	753,620	25,121	753,620	
Water Feature Vault - North End (8)	Structures	1	#	30	1,100,000	36,667	1,100,000	
Water Feature Basin - North End (8)	Structures	1	#	30	663,900	22,130	663,900	
Water Feature - Harbor Fog	Structures	1	#	30	500,000	16,667	500,000	
Water Feature Vault - Chinatown	Structures	1	#	30	348,401	11,613	348,401	
Water Feature Basin - Chinatown	Structures	1	#	30	154,707	5,157	154,707	
Granite Curbs	Paving	842	SF	60	200	2,808	168,450	
Granite Planter Curbs	Paving	4,311	SF	60	130	9,340	560,384	
Pergolas	Structures	2	#	60	525,000	17,500	1,050,000	
Red Bamboo-Supporting Structures	Structures	5	#	60	56,900	4,742	284,500	
Red Gates and Sails	Structures	1	#	60	373,704	6,228	373,704	
Granite Seatwalls	Furniture - Fixed	1,746	LF	60	430	12,513	750,780	
Light Blade Structure	Lighting	12	#	60	75,000	15,000	900,000	
						1,032,007	23,607,507	



No current source of funds to address

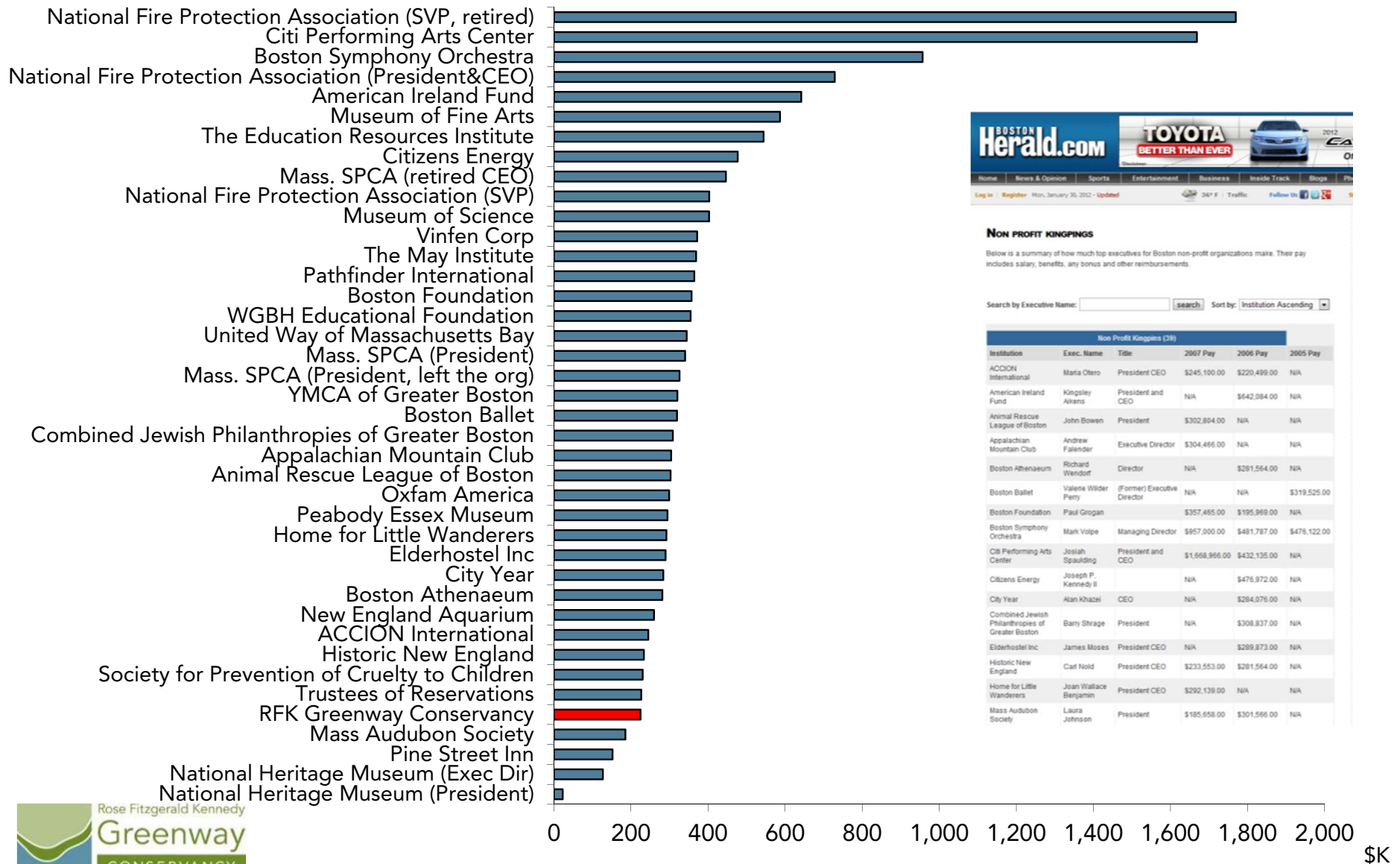
# Multiple studies of non-profit CEO/Executive Director compensation



#### Sources:

- Herald: [http://www.bostonherald.com/projects/non\\_profit/](http://www.bostonherald.com/projects/non_profit/), n=39
- "Charity Navigator 2010 CEO Compensation Study", 8/2010, n=3,005, median is medium-sized Northeast non-profits
- RFKGC comparables, see previous slide, n=8

# Where would Conservancy appear in Herald's salary database of 39 top local non-profit execs?



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**NON PROFIT KINGINGS**

Below is a summary of how much top executives for Boston non-profit organizations make. Their pay includes salary, benefits, any bonus and other reimbursements.

Search by Executive Name:  search Sort by: Institution Ascending

Non Profit Kingings (39)					
Institution	Exec. Name	Title	2007 Pay	2006 Pay	2005 Pay
ACCION International	Maria Otero	President CEO	\$245,190.00	\$220,499.00	N/A
American Ireland Fund	Kingsley Aikens	President and CEO	N/A	\$642,084.00	N/A
Animal Rescue League of Boston	John Bowen	President	\$302,804.00	N/A	N/A
Appalachian Mountain Club	Andrew Falender	Executive Director	\$304,466.00	N/A	N/A
Boston Athenaeum	Richard Wendorf	Director	N/A	\$281,564.00	N/A
Boston Ballet	Valerie Wilder Perry	(Former) Executive Director	N/A	N/A	\$319,525.00
Boston Foundation	Paul Grogan		\$357,465.00	\$195,969.00	N/A
Boston Symphony Orchestra	Mark Volpe	Managing Director	\$957,000.00	\$481,787.00	\$475,122.00
Citi Performing Arts Center	Josiah Spaulding	President and CEO	\$1,668,966.00	\$432,135.00	N/A
Citizens Energy	Joseph P. Kennedy II		N/A	\$476,972.00	N/A
City Year	Alan Khazel	CEO	N/A	\$284,076.00	N/A
Combined Jewish Philanthropies of Greater Boston	Barry Strage	President	N/A	\$308,837.00	N/A
Elderhostel Inc	James Moses	President CEO	N/A	\$289,873.00	N/A
Historic New England	Carl Noid	President CEO	\$233,553.00	\$281,564.00	N/A
Home for Little Wanderers	Joan Wallace Benjamin	President CEO	\$292,139.00	N/A	N/A
Mass Audubon Society	Laura Johnson	President	\$185,658.00	\$301,566.00	N/A

# Park evolution



There was a Green Monster before there was a Greenway

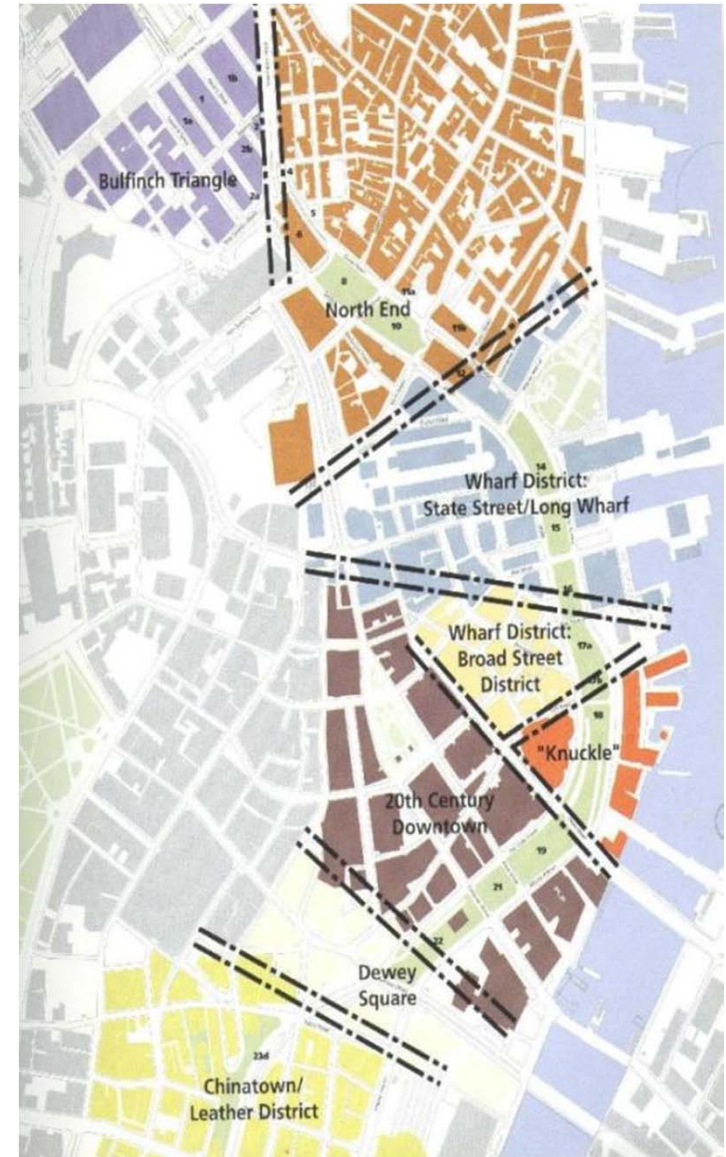




# Plans for an urban park

Architects, landscape architects, city planners and others discussed how to transform the space, produced by dismantling the elevated Central Artery, into a signature urban park.

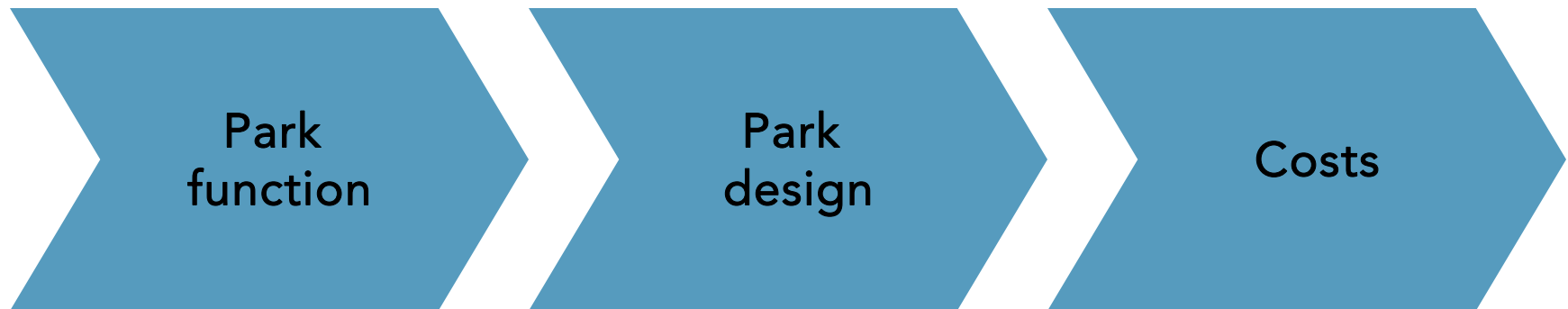
- With community input, MTA completed the design in 2003/4.
- Greenway Conservancy started operation in 2005.
- Park construction complete in 2007/8.



# The Greenway's location over the tunnel, design and civic mission drive operating costs

2004: "ensure the Greenway's future as a **first-class** public space"

2008: "ensure ... Greenway is operated, maintained, managed and actively programmed, financed and improved to the **highest standards**"



# Conservancy faced immediate challenges:

- Soil health
- Moisture levels
- Irrigation system
- Plantings and garden
- Fountain repair





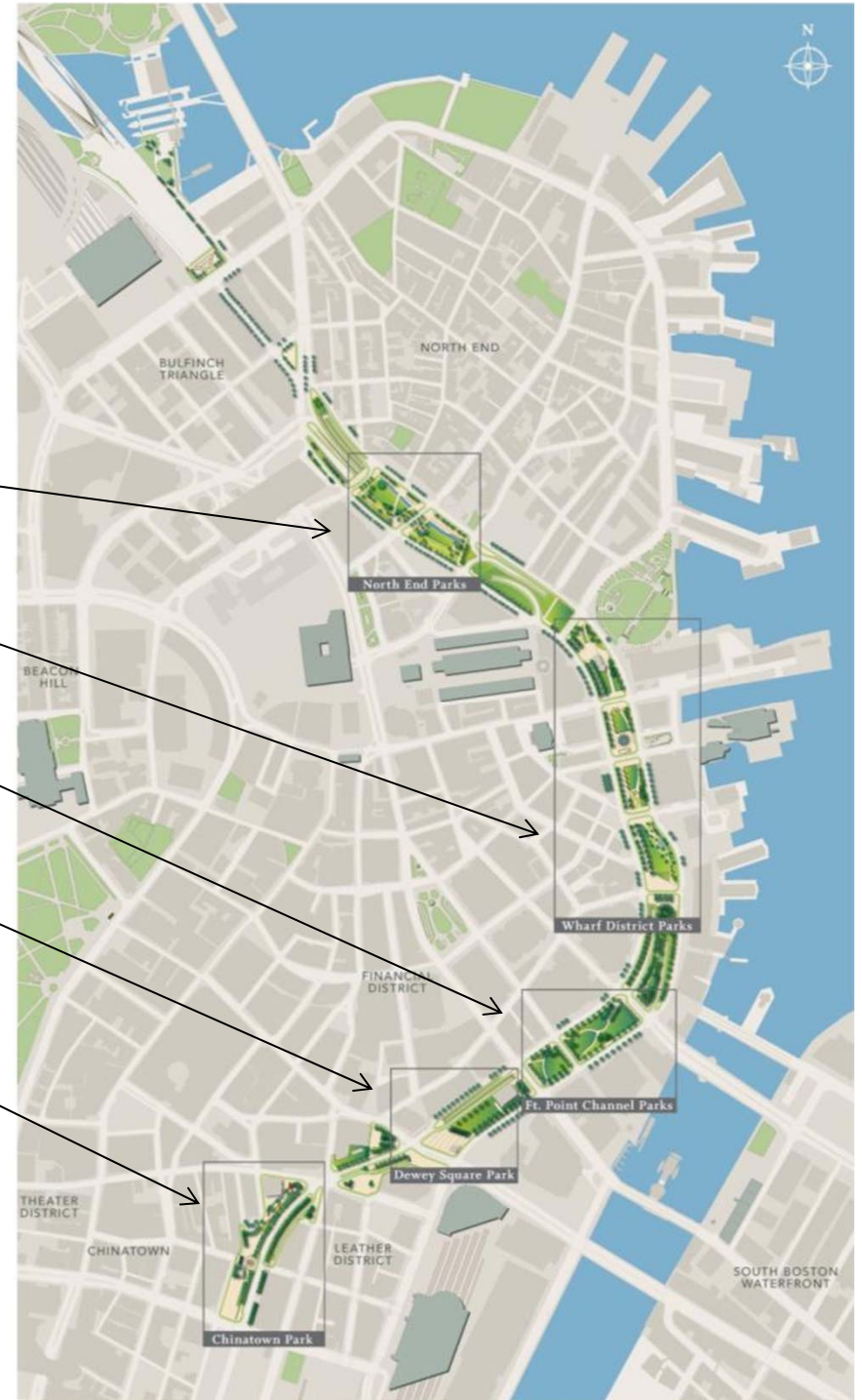
# Greenway-wide Improvements

- Skateboard deterrents
- Park wayfinding signs
- Tables, Chairs, Umbrellas
- Planters
- Distinctive food vending
- Winter Lights



# Progress in each of the five Greenway parks

- The North End Parks
- The Wharf District Parks
- Ft Point Channel Parks
- Dewey Square Park
- Chinatown Park





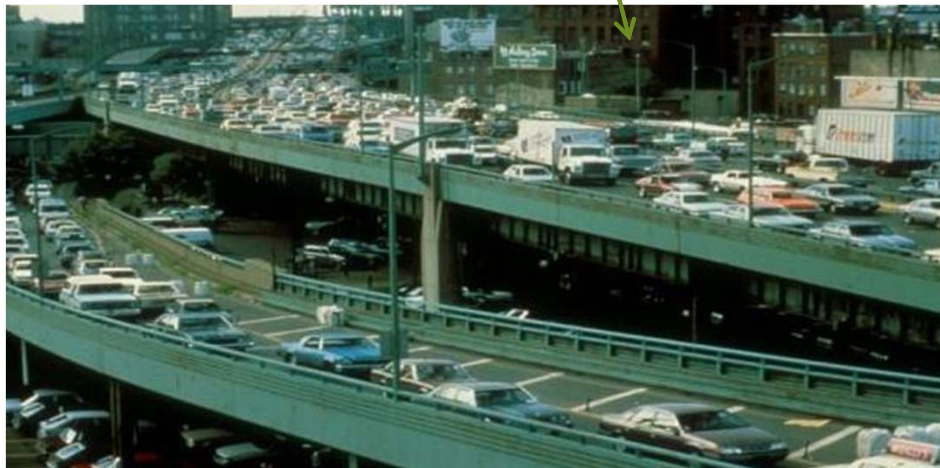
# Enjoyment For All. Active/Passive Choices





# The North End Parks: Before & After

61 N. Washington St





# North End Parks



Winter  
Lights





# Wharf District Parks: Before & After

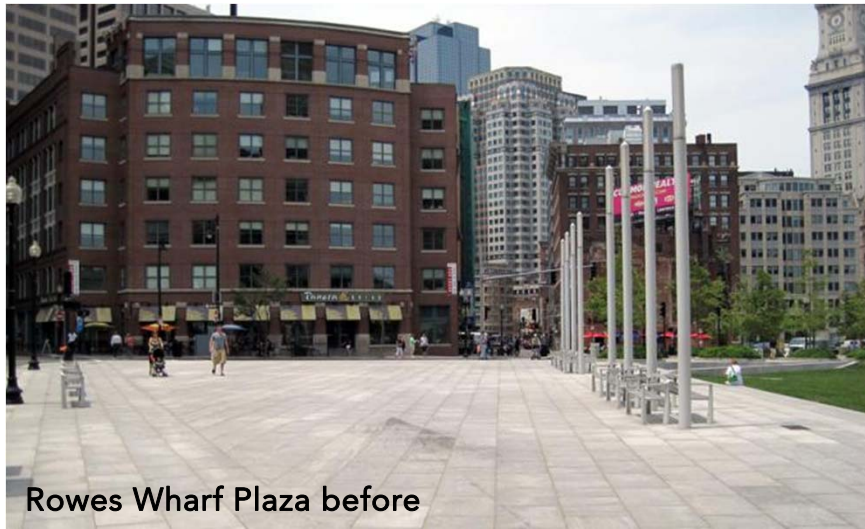
Custom House Tower



Flour and Grain Exchange building



# Wharf District Parks



Rows Wharf Plaza before



After - Plaza with tables & chairs



Rental carousel



Parcel 15 redesign & plantings



# Fort Port Channel Parks: Before & After

Boston Harbor Hotel





# Fort Point Channel Parks



Before remediation project



Urban Garden Exhibition



Chairs



Programs



# Dewey Square Park



Food Vending



Farmers Market



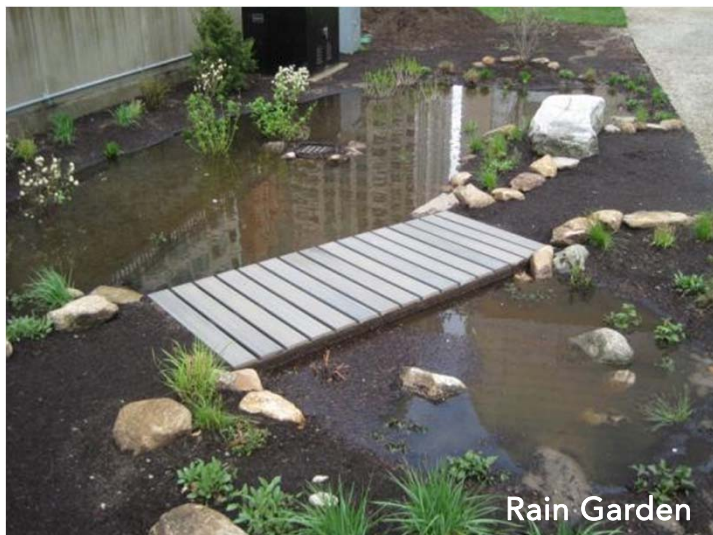
Lawn restoration



Occupy Boston

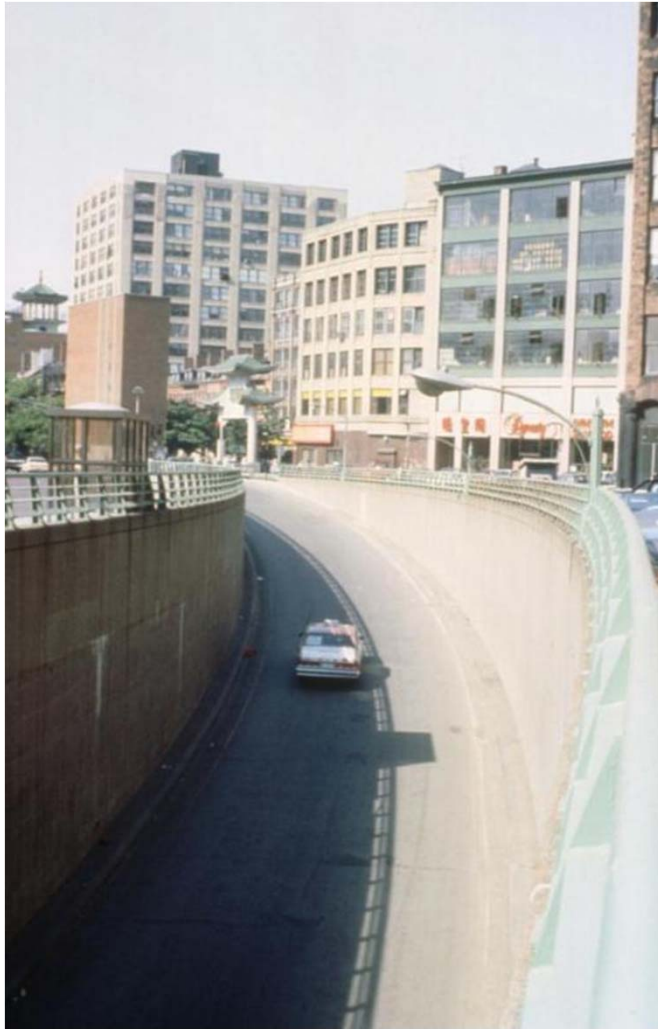


# Dewey Square Park





# Chinatown Park: Before & After



# Chinatown Park





# Chinatown Park



# The Greenway model: Public/Private Partnership

Responsible for successes to date

# Meeting the Expectations for the Greenway - 2004

## Greenway Conservancy

- Created in 2004 after design decisions made & during active debate about how to pay for parks;
- Model chosen for fundraising and dedicated management;
- But annual expenses - maintenance, program and operating costs - still unknown.

## Memorandum of Agreement – Conservancy created by State, MTA, City, & Kennedy family

- “ The Public Parties have agreed...that the creation of a private, charitable corporation to serve as a conservancy for the Greenway is the most effective way to ensure a **true private-public partnership...**”
- Term of MOA - July 15, 2004 to June 2012/13;
- Develop “a **long-term business plan** for the Conservancy and identifying **all sources of funding** sufficient to fulfill the requirements of the Long-Term Operations and Maintenance Plan, Security Protocol, the Events Plan and Budget for the Greenway” (costs projected as park construction ended and wrapped into 2008 Greenway Business Plan)



# Meeting the Expectations for the Greenway - 2008

## Business Plan

Expense projections FY09-12:

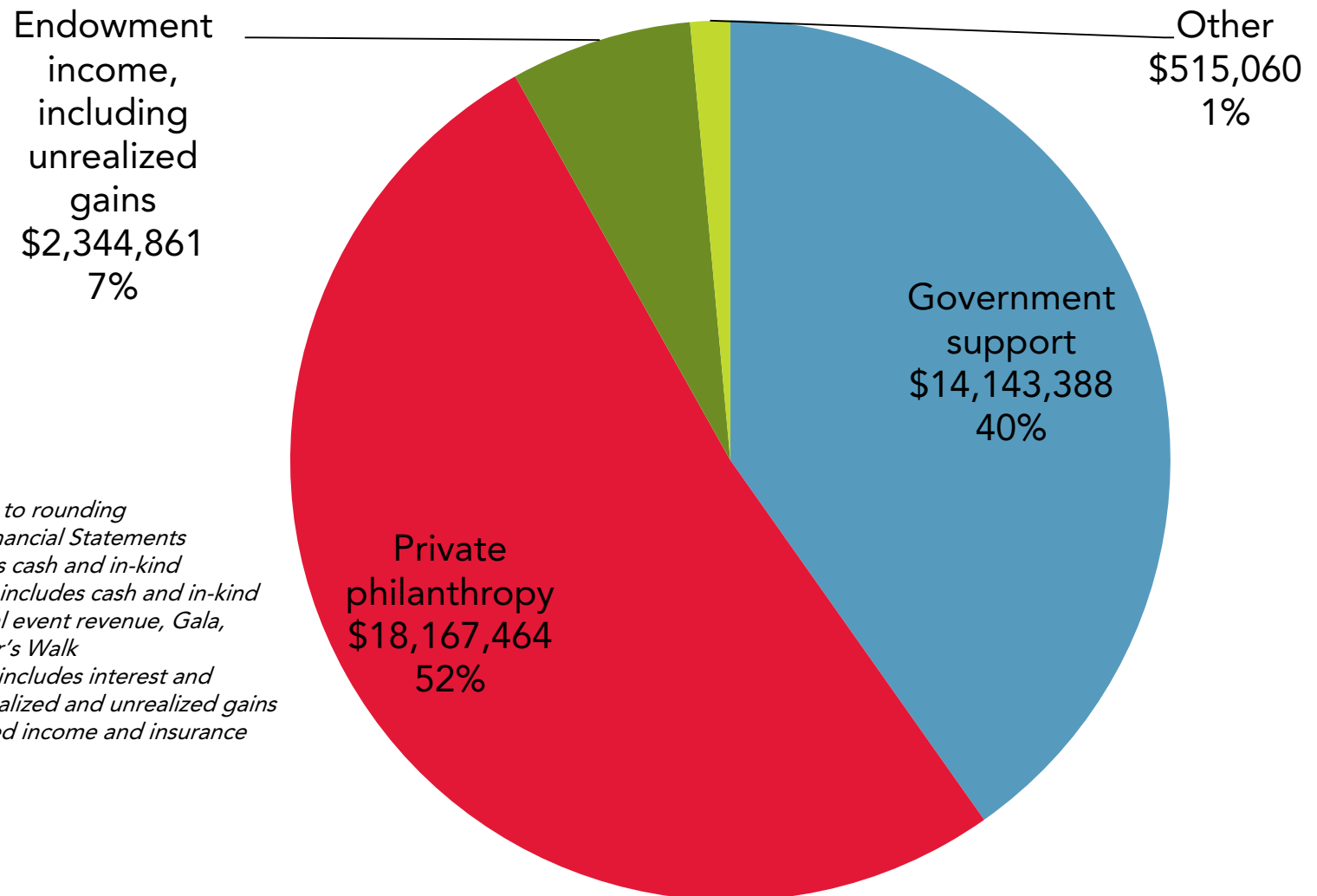
- Core Operating - \$6-6.5M
- Special projects/improvements
- Capital investment in maintenance facility, park equipment

## Chapter 306/Laws of 2008: Confirmed public/private partnership

- “The conservancy shall be...dedicated to ensuring that the greenway is operated, maintained, managed and **actively programmed, financed and improved to the highest standards.**” Section 8
- “Nothing in this act shall be construed as establishing the conservancy as a governmental body.” Section 1
- Five-year renewable lease with MassDOT through June 2013
- State contribution of 50% toward operating and capital expenses – up to a cap of \$5.5M

# The public-private model: government (40%) has leveraged other support (60%)

Total Conservancy revenue and support since inception  
Total FY05-FY11 revenues and support = \$35.2M

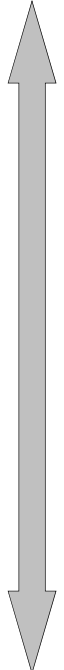


*Notes:*

- Numbers may not sum due to rounding
- Figures from FY05-FY11 Financial Statements
  - "Government" includes cash and in-kind
  - "Private philanthropy" includes cash and in-kind contributions, Inaugural event revenue, Gala, Annual Fund, & Mother's Walk
  - "Endowment income" includes interest and dividends, as well as realized and unrealized gains
  - "Other" includes earned income and insurance recoveries

# Conservancy's operating approach

## The Conservancy's mixed model for M+H of both staff and contractors provides numerous advantages

<i>In-house</i>  <i>Outsourced</i>	<b>Staff</b>	<ul style="list-style-type: none"><li>• Maintenance: 5.5 FTEs + 1 PT seasonal</li><li>• Horticulture: 4.5 FTEs + 4 seasonal staff</li><li>• Supplemented by Green and Grow youth development program</li></ul>
	<b>Volunteers</b>	<ul style="list-style-type: none"><li>• 377 volunteers contributed 1,113 hours in 2011</li><li>• Targeting 400+ volunteers contributing 1200+ hours in 2012</li></ul>
	<b>WORK Inc.</b>	<ul style="list-style-type: none"><li>• Basic "mow, blow and snow" care – e.g., trash, lawns, snow removal</li><li>• 2-3 people in parks from 7AM-11PM every day</li><li>• Selected via competitive procurement</li><li>• Non-profit providing vocational services for individuals with disabilities</li></ul>
	<b>Specialty contractors</b>	<ul style="list-style-type: none"><li>• E.g., WET Care, designers of Rings Fountain (and Bellagio fountain!)</li><li>• E.g., Organic consultant from Battery Park City Parks</li><li>• E.g., Contracted lighting installation for <i>Botanica</i> (temporary art piece)</li></ul>



- ✓ Committed, welcoming in-park presence 17 hours/day, 365 days/year
- ✓ Deep and growing technical knowledge of the parks
- ✓ Flexibility to buy necessary expertise
- ✓ Costs managed via bidding









Volunteers



Green and Grow youth workforce development program

# One park illustrates the Conservancy's mixed approach for horticulture and maintenance work

## HORTICULTURE

### Lawn

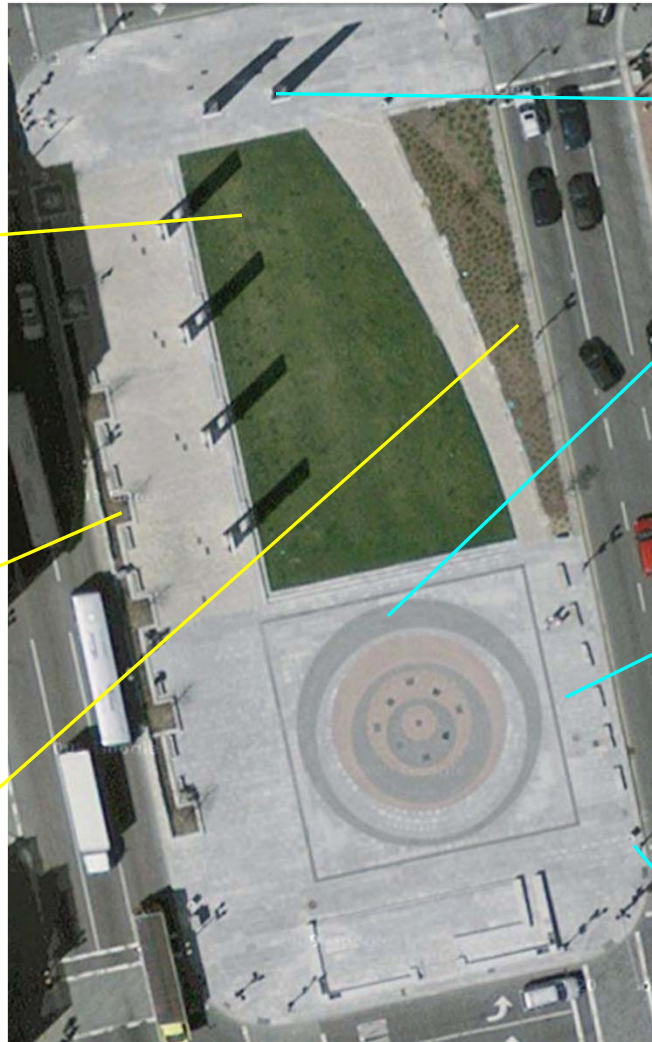
- Aeration by staff
- Mowed by WORK Inc.
- Organic advice from specialty consultant

### Trees

- Care by staff

### Beds

- Plantings and care by staff (and volunteers)



## MAINTENANCE

### Light Blades

- Programmed by staff
- Repairs by specialty consultants

### Rings Fountain

- Troubleshooting by staff
- Filter baskets cleaned by staff
- Repairs by specialty consultants

### Hardscape

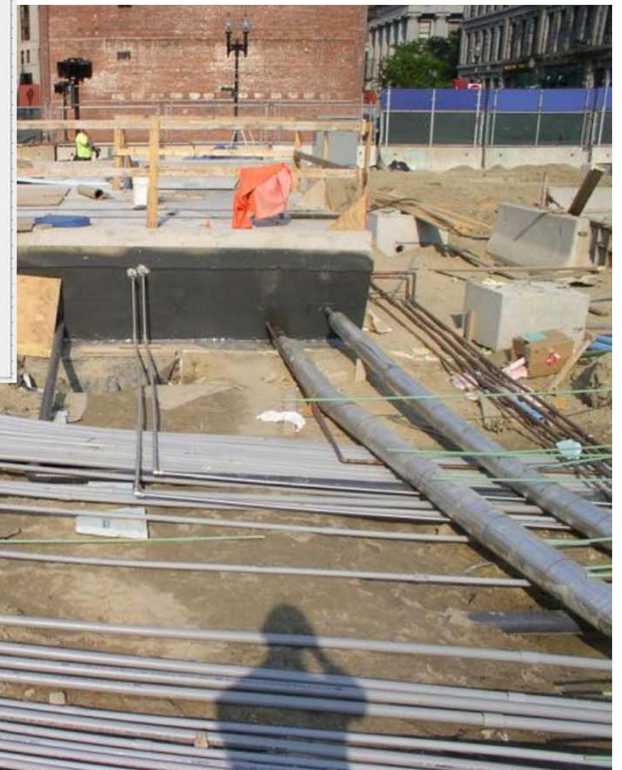
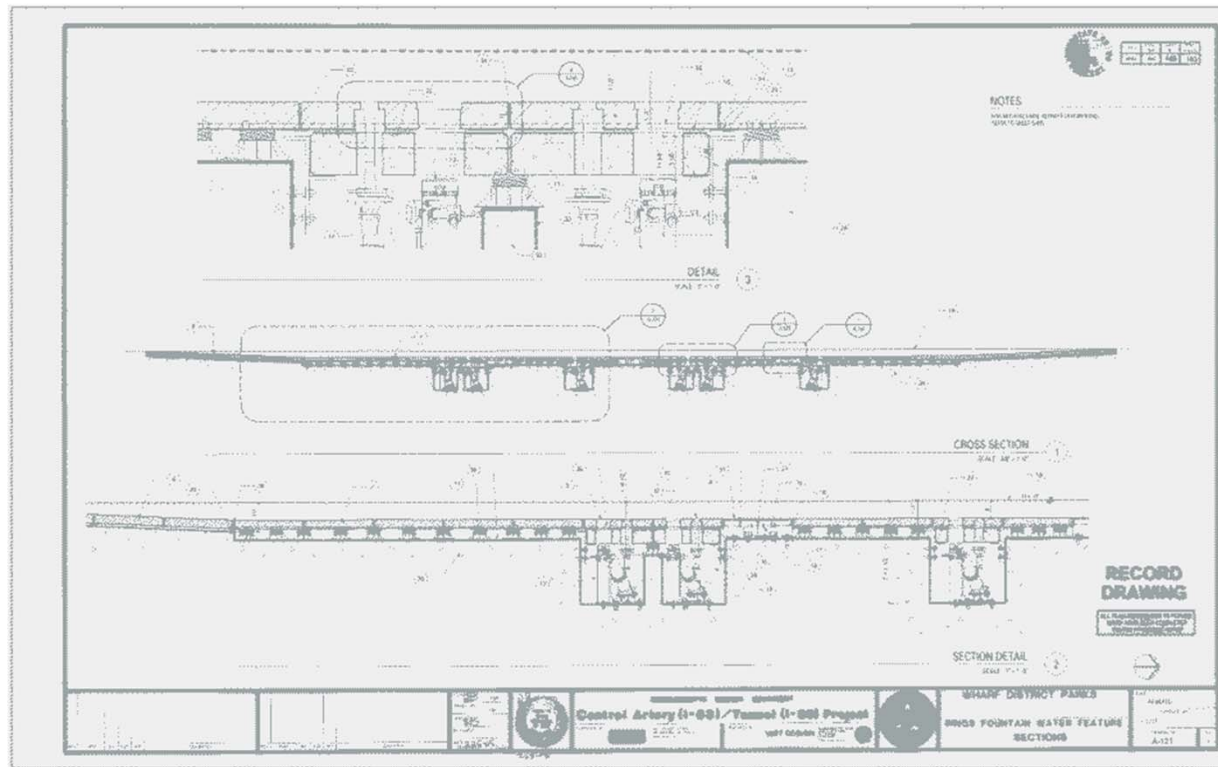
- Masonry work by staff
- Power-washing by WORK Inc.
- Skate deterrents installed by specialty consultants

### Trash + litter

- 2x (or more) daily by WORK Inc.

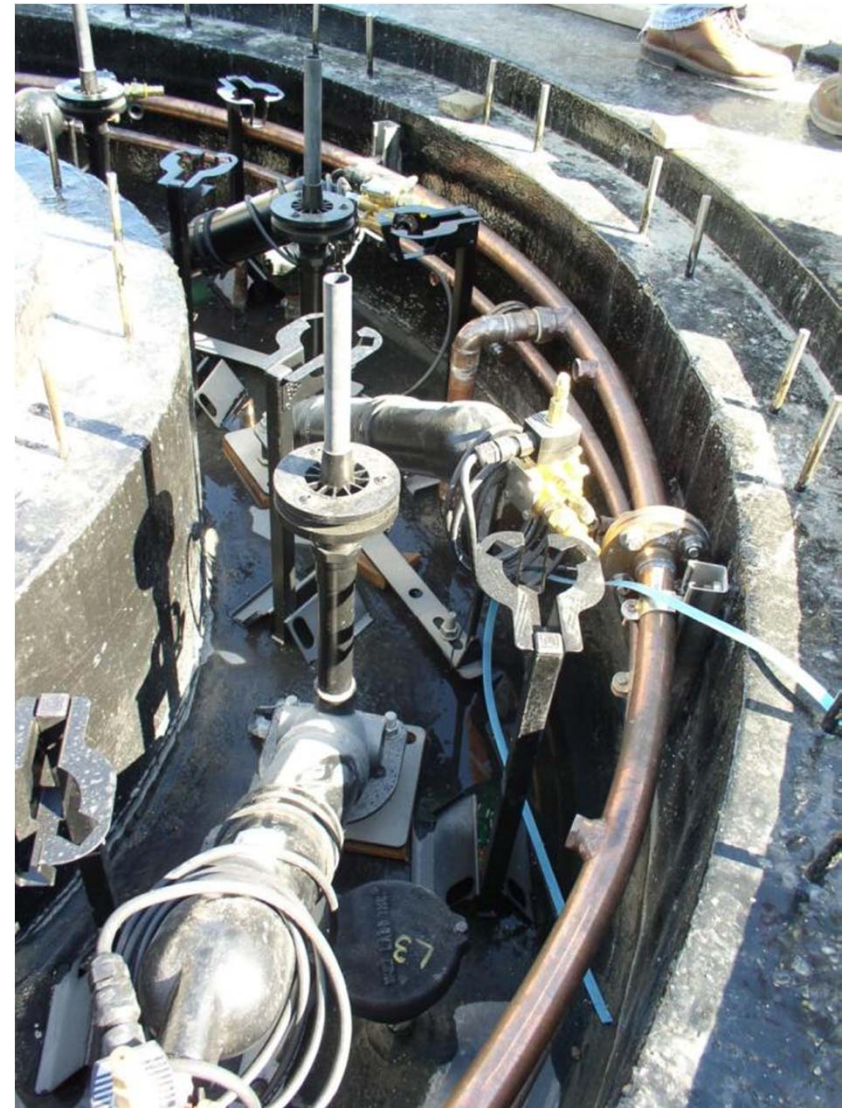


# Complexity of the Rings Fountain (I)





## Complexity of the Rings Fountain (II)





# Rings Fountain:

“the most unconditionally happy spot in all of Boston”



# APPENDIX



# Charity Navigator: \$179K median salary for Northeast non-profit CEOs



*Selected as 2011 Best Charity Review Site  
in Kiplinger's Personal Finance Magazine*

*"We know from the conversations taking place in the comment section of our charity ratings pages that many donors continued to be concerned by what they believe to be excessive charity CEO pay. Many donors assume that charity leaders work for free or minimal pay and are shocked to see that they earn six figure salaries. But these well-meaning donors fail to consider that these CEOs are running multi-million dollar operations that endeavor to change the world. Leading one of these charities requires an individual that possesses an understanding of the issues that are unique to the charity's mission as well as a high level of fundraising and management expertise. Attracting and retaining that type of talent requires a competitive level of compensation as dictated by the marketplace. "*



- August 2010 study of 3,005 charities using 2008 compensation
- \$185,000 = median salary for 645 charities in the Northeast
- \$178,620 = median salary for 246 medium-sized charities in the Northeast