

**Rose Kennedy Greenway Conservancy
Finance, Audit & Risk Management Committee Meeting
Tuesday, September 8, 2020– 12.00 p.m.**

DRAFT Meeting Minutes

Committee Members Present in Person: N/A (This meeting was available by Zoom conferencing due to suspension of the provision of the Open Meeting Law requiring an in-person quorum by an order signed by Governor Charles Baker on March 12, 2020 due to COVID-19.)

Committee Members Present: Mark Boyle, Deniz Johnson, Karen Johnson (Co-chair), Bud Ris (Co-chair), Linda See, David Wilkinson

Committee Members Absent: Rosalind Gorin

RFKGC Staff Present: Jesse Brackenbury, Tracey Cooke, Srivi Radhakrishnan

Non-Committee Members Present: Conor Finley

Open Session

Co-Chair Karen Johnson called the meeting to order in Open Session with a quorum present at 12:05 p.m.

1. Upon a motion made by Ms. Johnson and seconded by Mr. Boyle, the minutes from the July 7, 2020 meeting were unanimously approved.

Mr. Brackenbury introduced Board Member Conor Finley, who will be proposed at the September Board meeting to join the Finance, Audit and Risk Management Committee, as a replacement for Mr. Ris who would step off the Committee.

2. At 12:10 p.m. Mr. Brackenbury presented the Conservancy's preliminary proposed budget for 2021. He said that 2020 was forecasted to be near-balanced because of the funds received from the Paycheck Protection Plan (PPP) and higher than estimated philanthropic success. He mentioned that due to PPP the Conservancy would be able to roll over ~\$0.15M of Business Improvement District (BID) and Massachusetts Department of Transportation (MassDOT) funds into 2021. He presented a budget with \$4.7M in revenue and \$5.3M in expenses resulting in a \$0.6M deficit to be covered with reserves. He highlighted that this budget was prepared under the assumptions that Earned revenue and Philanthropic revenue would equal the 2020 Forecast and the reserves used were equivalent to funds

received in 2020 from the PPP. Included in this budget was ~\$0.23M in layoffs and other personnel cost savings. This budget, while ensuring that the general care and maintenance of the Greenway would be uncompromised, included minimal unfunded capital expenditures, a thinned programs slate, and reduced Public Art displayed on the Greenway.

He then presented the breakdown by category-expenses and revenue and highlighted “wish list” expenses that were currently not in the proposed budget. He said that the Conservancy was planning on approaching the BID to understand where the BID would like to direct spending of the BID Enhancement money – support to the operating budget, wish list items, and/or capital projects.

He explained that the Conservancy’s approach to personnel reductions will be based on guidance from Goulston and Storrs, members of the Conservancy’s Board and best practices. He said that this could potentially include laying off staff and salary reductions for management personnel. He then gave a timeline of the next steps in the budgeting process, and summarized the budget and the key questions for the Committee’s discussion.

Mr. Wilkinson mentioned that while the BID had not yet made any decision on how to spend the Enhancement money, he was leading a conversation about providing some general support toward 2021’s operating budget. Committee members questioned whether vacancies in BID properties and reduced valuation might pose a risk in collection and remission of BID funds to the Greenway to which Mr. Brackenbury and Mr. Wilkinson responded that there was minimal risk in the immediate future.

Committee members had questions on the State of Good Repair study. Mr. Brackenbury responded that the study was nearly complete and had come to the conclusion that the Greenway is in a relatively good state. They would be presented with a detailed report when available.

Committee members then discussed potential layoffs including departments that might be affected, timing and staggering the layoffs, having key conversations with staff regarding this and ramifications of layoffs once the park was back to operating at full capacity. They advised the Conservancy to seek legal advice during layoffs. Mr. Brackenbury thanked them for their input and said that this

discussion would be continued during the next Committee meeting to be held on October 20, 2020.

3. At 1.20 p.m. Ms. Cooke said that the current auditors, AAFCPAs had proposed a significant increase in the audit costs because of the complexity of the audit. She explained that given the timing and with reduced administration staff, additional work related to replacing the accounting system, PPP loan and COVID-19, it would be difficult for the Conservancy to seek alternative proposals and replace its auditors for the 2020 audit, and hence we were planning on retaining our current auditors, AAFCPAs for another year. Ms. Cooke said that the negotiations with the auditors were underway and they would come back with the final proposal at the next meeting.
4. No Members of the public were present.

Upon a motion made by Ms. Johnson. and seconded by Mr. Ris, The Finance, Audit and Risk Management Committee of the Rose Kennedy Greenway Conservancy Board of Directors was unanimously adjourned at 1:30 pm.