

MHLS Finance Committee Meeting

February 26, 2019 | 9:00am

Agenda

1. Roll Call

- ✓ Barry Ramage, Chair (D)
- ✓ Rebekkah Smith Aldrich (Staff Liaison)
- ☐ Kenneth Goldberg (U) (*excused*)
- ✓ Linda Vittone (Staff Liaison)
- ✓ Lynne Ridgeway (U)
- ✓ Richard Swierat (D)
- ✓ Mark Wilson (C) (*ex officio*)

2. Mr. Ramage called the meeting to order and the agenda was approved.

3. Review of RFP for Delivery Service Evaluation Progress & Background Information

- a. Rebekkah provided an overview of:
 - i. The Request for Proposal (RFP) Process utilized in our efforts to identify a vendor to work with for our next three-year Delivery Services contract.
 - ii. The current revenue sources that underwrite the Delivery Service Contract.
 - iii. The timeline for a decision to be made about a new Delivery Service Contract.
 - iv. A discussion of the projected gap between currently available funds in the MHLS Operating Budget and projected costs of a new delivery service contract.

4. Review of Financial Options Related to the Delivery Service Contract Forecast

- a. The Committee reviewed the list of fiscal conservation efforts undertaken by MHLS in the past six months to achieve the cost savings to put towards an anticipated increase in the cost of the new delivery service contract. These actions included:
 - i. Elimination of a full-time administrative position
 - ii. Creation of a new position, at a lower salary, to cover many state mandated activities
 - iii. Efforts to negotiate a new ILS contract that keeps our current costs flat and decrease the annual increases over the life of the contract.
 - iv. Renegotiation of mission critical items such as our broadband service (50% reduction in cost achieved); phone system (50% reduction in cost achieved); office productivity framework (40% reduction in cost achieved)
 - v. Negotiation of a new 3-year CSEA contract
 - vi. Activities related to the pursuit of the Sustainable Library Certification
- b. **Recommendation:** The Committee reviewed the three board-approved reserve funds: the Capital fund, Operating Contingency Fund and Operating Reserve Fund and finds them to be appropriate and recommends that stated targets in those policies should not be reduced. (Motion made by Mr. Sweirat and seconded by Ms. Ridgeway, passed unanimously)

5. Next Steps:

- a. The Committee endorsed the proposed action by MHLS staff to speak with the System Services Advisory Committee on March 6th and Central Library/Collection Development Advisory Committee on March 20th to provide the same information the MHLS Finance Committee has received and to solicit their input on a path forward to address the financial gap between the current cost of delivery services and projections for a new delivery service contract.

6. Other:

- a. The Committee directed Rebekkah to review the contents of this meeting with excused trustee Ken Goldberg within the week for his input.

7. The meeting was adjourned at 10:20am