

Finance Committee

Monday, December 5, 2022 | 11:30am

1. Roll Call

- ✓ Mark Wilson, Chair (C)
- ✓ Richard Swierat (D) (ex officio)
- Peter Carey (P)
- ✓ Rebekkah Smith Aldrich (Staff Liaison)
- ✓ Kenneth Goldberg (U)
- ✓ Saran Camara (Staff Liaison)
- Alexandra Prince (G)
- ✓ Barry Ramage (D)
- ✓ Lynne Ridgeway (U)

2. Chair's Comments: Chair Mark Wilson noted this would be his final meeting as chair of the Finance Committee as he will end his term as Board Treasurer at the end of 2022. Mark thanked Ric, Saran and Rebekkah for their partnership in the oversight of the finances and for their assistance in the navigation of challenging financial times during the pandemic.

3. Executive Director Aldrich provided updates including:

- a. Budget forecast information from the Office of the State Comptroller and the New York Library Association.
- b. Grants: Aldrich provided an update on the status of the American Rescue Plan Act (ARPA) grant, which is going as planned and on the original timeline. The final report for the State Aid for Library Construction Program that helped to underwrite the Delivery Area Renovation project has been submitted, which will release the final 10% of grant funds upon approval. Initial talks for a third year of [The Library of Local Project](#) are in the works.

4. Update on Redesign of the Chart of Accounts: Saran Camara, MHLS Finance Manager & Personnel Officer has redesigned the Chart of Accounts using a methodology that:

- a. Uses the standard system for classifying and coding accounting transactions as per the Office of the State Comptroller recommendations
- b. Ties revenues and expenditures to the Annual Report to the State and the AUD, the annual financial report to the Office of the State Comptroller
- c. Will enable the business office to provide reports to the board directly from the accounting software
- d. Will enable the business office to provide reports to supervisors at the team and project level directly from the accounting software

This project has been enacted and the draft budget provided for the board's consideration this month uses the new account codes:



5. 2023 Budget

- a. The Committee reviewed budget planning assumptions and staff confirmed these have been respected in the draft budget presented:
 - i. 2023 operating revenue projections are based on 2022 operating revenue levels
 - ii. Acknowledgement of CSEA Contract parameters
 - iii. Address all full-time staff being paid a living wage as per the Sustainable Library Certification Program
 - iv. \$0 unassigned funds
 - v. Reserve Funds
 1. Operating Reserve Fund 100% funded for 2023
 - a. MHLS Operating Reserve Fund Policy: “The Reserve Fund goal will be to achieve and maintain no greater than 86% of the costs of funding services and operations as defined in Section IV.”
 - b. Operating Contingency Fund: Continuously working towards meeting the state goal of 10%
 - i. “The Contingency Fund goal will be to achieve an annually maintain in reserve ten percent (10%) of program funding and operating costs as defined in Section III.”
 - c. MHLS Capital Funds: Target will be aligned with Facilities Committee recommendations.
 - i. **ACTION:** Chair Wilson moved, and Lynne Ridgeway seconded, a motion to recommend to the board that up to \$50,000 be transferred from the fund balance to the MHLS Capital Fund. The motion passed unanimously.
 - d. Employee Accrued Benefit Liability Fund: We have just completed the first year of this funds’ existence. To comply with the board approved policy that oversees this fund, an annual transfer may be necessary to comply with the current projection of liability. Therefore:
 - i. **ACTION:** Chair Wilson moved, and Lynne Ridgeway seconded, a motion to recommend to the board that up to \$22,000 be transferred from the fund balance to the MHLS Employee Accrued Benefit Liability Fund. The motion passed unanimously.

- b. Of note: Invests in a “Library Road Trip Program” modeled after the [Mid York Library System’s program](#) that will be created in partnership with the MHLS Directors Association.
 - c. **ACTION:** Chair Wilson moved, and Barry Ramage seconded, a motion to recommend to the board that Executive Director Aldrich be authorized to sign a one year contract extension with Valley Courier, the current MHLS delivery vendor. The motion passed unanimously.
 - d. **ACTION:** Chair Wilson moved, and Barry Ramage seconded, a motion to recommend to the board that the proposed 2023 budget be adopted by the full board at the December meeting. The motion passed unanimously.
- 6. MHLS Government & Community Relations Working Group Update:** Board President Ric Swierat reported on the activities of the working group noting the completion of the request for proposal (RFP) process to identify a public relations consultant to help the system with messaging to key stakeholders and the successful grant application to the Dyson Foundation to help underwrite the cost of this consultant. The Executive Committee authorized the Executive Director to accept this grant on behalf of the organization given the timing requirements from the funder.
- a. **ACTION:** Chair Wilson moved, and Barry Ramage seconded, a motion to recommend that the board authorize the executive director to sign a contract with Impact PR & Communications for an amount not to exceed \$20,000 that will be paid for with the \$15,000 grant from the Dyson Foundation, with the remaining \$5,000 to come from the donations given to MHLS by MHLS board members. No member funds or state funds will be used for this project. The motion passed unanimously.
- 7. Other**
- a. Aldrich reported on a recent check fraud that was uncovered. A check sent to a vendor was deposited by an unauthorized third-party. The staff are working with the bank to institute a new procedure which would prevent this from happening again. The funds are expected to be reimbursed by the bank.
 - b. An update was provided on the search for a new Financial Assistant.

The meeting was adjourned at 1:02pm.