

Finance Committee

Friday, July 25, 2025 | 10:00am

1. Attendance

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| ✓ Stuart Auchincloss, Chair (U) | ✓ Barry Ramage, Ex Officio (D) |
| ✓ Kevin Finnegan (P) | ✓ Rebekkah Smith Aldrich (Staff Liaison) |
| ✓ Rajene Hardeman (D) | ✓ James Coyle (Staff Liaison) |
| ✓ Jill Leinung (C) | |
| <input type="checkbox"/> Thomas Silvius (G) | |

2. **Chair's Comments:** Chair Stuart Auchincloss commented on the challenging amount of information coming out of Washington D.C. and Albany as to how federal budget decisions could impact state aid in the future. Given the lack of clarity at this time, Auchincloss urged the committee to keep that in mind during conversations about the finances of the organization.

3. The Committee members reviewed its charge and recommend no changes to it.

- a. **Committee Charge:** Always keeping in mind the Triple Bottom Line (as outlined in the board approved [Sustainability Policy](#)), this committee reviews the system budget for the forthcoming year, makes modifications to the current year, and monitors financial performance. Preferably at least one trustee from each county.

4. The Committee members reviewed the **mid-year budget adjustments** (attached)

- a. Discussion items included how we represent expenses incurred in the previous year but paid out in the current fiscal year; necessary transfers from reserve funds to cover payout expenses for a retiring employee and grant funds that were received last year but will be used this year.
- b. **ACTION:** Kevin Finnegan moved, and Jill Leuning seconded, a motion to accept and recommend the mid-year budget adjustments to the board for their approval. The motion passed unanimously.

5. Fiscal Policies Review

- a. **ACTION:** Kevin Finnegan moved, and Rajene Hardeman seconded, a motion to **amend the MHLS fiscal policies** (attached) as follows:
- Update the Electronic Funds Transactions/Online Banking Policy to clarify the permissions to use ACH transfers for payments to member libraries, contractual obligations and utility payments.
 - Update the Investment Policy to reflect the board's vote to use NYCLASS (formerly NYLAF) to invest system funds.

The motion passed unanimously.

6. **Review of 2026 Budget Planning Assumptions:** Kevin Finnegan moved, and Jill Leinung seconded, a motion to authorize the staff to move forward with drafting the 2026 budget using the following assumptions:

- a. 2026 operating revenue projections will be based on 2025 operating revenues levels
- b. Acknowledge
 - i. new delivery services contract for 2026
 - ii. uncertain financial outlook (please see item 8)
- c. \$0 unassigned funds
- d. Reserve funds:
 - i. Operating Reserve Fund: 100% funded for 2026
 - 1. MHLS Operating Reserve Fund Policy: “The Reserve Fund goal will be to achieve and maintain no greater than eight (8) months plus an additional 20% (86%) of the costs of funding services and operations as defined in Section IV.”
 - 2. Operating Contingency Fund: Continuously working towards meeting the stated goal of 10%
 - a. “The Contingency Fund goal will be to achieve and annually maintain in reserve ten (10%) of program funding and operating costs as defined in Section III.”
 - 3. MHLS Capital Funds
 - a. Target will be aligned with Facilities Committee recommendations

7. Financial Outlook

- a. The staff and Committee Members discussed the recent budget reconciliation process in Washington and subsequent bills being introduced to course correct decisions made through that process and the potential impact on state finances and therefore state aid for MHLS. As a result of this reported uncertainty, staff have been engaged in scenario planning.

8. Government & Community Relations Working Group Report: Executive Director Aldrich and Working Group Chair Jill Leining reported on efforts to create a more formal development effort at MHLS to diversify revenue sources and protect against potential decreases in state aid. The working group will convene an in-person retreat to discuss the tactics to do so.

The meeting was adjourned at 11:01am.