

Finance Committee

August 11, 2023 | 10:30am

1. Roll Call

- ✓ Richard Swierat, Chair (C)
- ✓ Heather Blakely (U)
- ✓ Peter Carey (P)
- ✓ Kenneth Goldberg (U)
- ✓ Jill Leinung (C)
- ✓ Barry Ramage, Ex Officio (D)
- ✓ Rebekkah Smith Aldrich (Staff Liaison)
- ✓ James Coyle (Staff Liaison)

2. Chair's Comments: Committee Chair Richard Swierat thanked James Coyle, MHLS Finance Manager & Personnel Officer for his work to quickly learn the budget, budget codes, and address necessary mid-year budget adjustments.

3. Review of the Committee Charge: The committee's charge was reviewed: "Reviews the system budget for the forthcoming year, makes modifications to the current year, and monitors financial performance. Preferably one trustee from each county." No changes were recommended.

4. Mid-Year Budget Review & Recommendation to the Board (attached)

- a. Executive Director Aldrich provided an overview of the broad financial status of the system's finances mid-year. Aldrich also provided details on notable proposed adjustments including the planned contract with Visions HR, a consulting firm that will review MHLS' personnel policies, provide support to the MHLS Finance Manager & Personnel Officer, and ensure MHLS is in compliance with state and federal employment laws.
 - i. Chair Swierat moved, and Kenneth Goldberg seconded, motion to endorse the contract with Visions HR. The motion passed unanimously.
 - ii. **ACTION:** Chair Swierat moved, and Peter Carey seconded, a motion to recommend the approval of the mid-year budget adjustments to the full board at their September meeting. The motion passed unanimously.
- b. Digital Navigators of the Hudson Valley contribution: Executive Director Aldrich reported that the Southeastern Library Resources Council has approached both MHLS and the Ramapo Catskill Library System to help underwrite the gap in funding for a new cohort of Digital Navigators of the Hudson Valley. Given that addressing the digital divide is one of the top five themes identified among our stakeholders that influenced our Plan of Service, the committee agreed that funds from the Operating Contingency Reserve Fund would be well implemented to help keep this project going for another year.
 - i. **ACTION:** Peter Carey moved, and Jill Leinung seconded a recommendation to the board that up to \$35,000 from the MHLS Operating Contingency Reserve Fund be earmarked for the Digital Navigators of the Hudson Valley program pending further investigation of project costs and possible alternative funding sources. The motion passed unanimously.

5. Fiscal Policies Review: No policies changes are recommended at this time.

6. 2023 Investment Strategy: The Committee reviewed the current investment strategy which involved two rotating certificate of deposits (CD) of \$1 million. These CDs are laddered to come due at alternating times, thereby never tying up more than one CD at a time. At this time, the Committee feels interest rates are high and these investment opportunities should be maximized. Aldrich and Coyle will document the current strategy against projected cash flow needs.

7. Review of 2024 Budget Planning Assumptions

- a. 2024 operating revenue projections will be based on 2023 operating revenues levels
- b. Acknowledge: 2024 will bring the renegotiation of three important contracts: CSEA, Delivery, and ILS. Increases to all three will need to be expected.
- c. \$0 unassigned funds
- d. Reserve funds:
 - i. Operating Reserve Fund: 100% funded for 2024
 - 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 state goal of 10%
 - a. “The Contingency Fund goal will be to achieve an 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

8. Government & Community Relations Working Group Report:

- a. Working Group Chair Swierat and Aldrich reported on the implementation of recommendations from the PR Consultant’s report including plans to redesign the MHLS web site, keeping in mind stakeholders beyond the immediate member library community; the changes being made to the MHLS Library Sustainability Associate position description to better carry out recommendations from the PR Consultant’s report; and the development of a PR Plan for 2024 using the template provided by the PR Consultant.
- b. Aldrich reported that the final paperwork from NYS approving the dissolution of the Foundation for Hudson Valley Libraries has been received.
- c. Swierat reported on plans to gather former MHLS board members for an “alumni” meeting to discuss opportunities to help broaden our advocacy outreach with legislators.

9. Other

10. Adjourn