

## Finance Committee

May 11<sup>th</sup> 2020 | 1:30 – 2:30pm

### Agenda

#### 1. Roll Call

- |   |   |
|---|---|
| ✓ Mark Wilson, Chair (C)                        | <input type="checkbox"/> Richard Swierat (D) ex officio |
| ✓ Kenneth Goldberg (U)                          | ✓ Rebekkah Smith Aldrich (Staff Liaison)                |
| <input type="checkbox"/> Priscilla Goldfarb (P) | ✓ Linda Vittone (Staff Liaison)                         |
| ✓ Debra Klein (G)                               |   |
| <input type="checkbox"/> Barry Ramage (D)       |   |
| ✓ Lynne Ridgeway (U)                            |   |

2. **Chair's Comments:** Mr. Wilson thanked the committee for meeting on short notice to check in on the system's finances and noted the efforts of MHLS Executive Director, Aldrich and Financial Manager, Vittone for their work in the challenging fiscal climate we find ourselves in. Mr. Wilson noted the committee will need to meet more frequently than our original schedule to address shifts in state aid throughout the year.

#### 3. Updates

- a. **State Aid:** Ms. Aldrich provided a report on the status of state aid. While the first measurement period has ended there has been no formal announcement of further cuts. It is reported this information will come out from the Division of Budget (DOB) later this week. This announcement will be followed by a 10 day period in which the state legislature can put forth an alternative plan. If the legislature does not act, the DOB plan will go into effect.
- b. **Paycheck Protection Program (PPP):** Ms. Aldrich and Ms. Vittone reported that with the MHLS Executive Board's approval MHLS accepted a forgivable loan through the Paycheck Protection Program, part of the CARES Act package passed in response to the COVID-19 crisis. This loan is for \$214,747. In order for the loan to be forgivable MHLS may only spend these funds on payroll and utilities and for an eight-week period MHLS must guarantee all staff positions, hours and salary levels
- c. **Staff Actions**
  - i. Ms. Aldrich reported on the actions taken since the last Finance Committee meeting, which, combined with the PPP loan has resulted in \$321,922 in savings and revenue. This would prepare the system to absorb a 18.6% cut.
  - ii. Staff continue to research and develop further solutions given concerns over unprecedented cut projections and cash flow challenges should the state aid that is approved is delayed. Potential sources include government programs and foundation support.
  - iii. A grassroots conversation among member library directors' has begun to address the Members' Assessment levels for 2020 and 2021. This will be addressed at the May 29 System Services Advisory Committee meeting with a recommendation to be made to the MHLS Directors Association at their June meeting.

#### 4. Delivery Contract Review:

- a. The Committee reviewed the existing condition with the Memos of Understanding with our delivery contractor which have been negotiated to both reduce payment level while retaining the infrastructure necessary to restart the MHLS delivery service. The Committee endorsed the path of the current MOU to be extended for a time period to be determined in light of the news coming later this week about regional reopening patterns in our area.
- b. "SECTION 9 – PERFORMANCE REVIEW AND FORCE MAJEURE AND CONTRACT RENEWAL...9.2 Neither party shall be liable for delays in performance or non-performance due to any acts or events beyond their reasonable control, including but not limited to acts of God, inclement weather conditions, acts of war or terrorism, floods, earthquakes, vehicle accidents, or governmental orders of any kind."

- 5. **COVID-19 Response & Recovery Working Group:** Mr. Wilson reported on outreach efforts to former MHLS trustees to grow our group of internal advocates working on solutions to the financial challenges faced by MHLS during this period.
- 6. **Other:** Ms. Aldrich provided an update on conversations with "The Boatbuilders" a collective borne out of the Local Economies Project of The New World Foundation. She is in the early stages of developing a project that would result in "Resilience Hubs" being created in partnership with member libraries to increase access to education on topics related to building community resilience throughout the Hudson Valley.