

## Finance Committee

August 19<sup>th</sup>, 2019 | 2:00pm

### Agenda

#### 1. Roll Call

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

2. **Chair's Comments:** Mr. Ramage began the meeting by thanking Linda and Rebekkah, noting that the mid-year forecast shows that we are in good shape.

#### 3. Review Committee Charge

- a. Current Charge: "Reviews the system budget for the forthcoming year, makes modifications to the current year, and monitors financial performance. Preferably one trustee from each county"
- b. No changes to the committee's charge were recommended.

#### 4. Annual Review of Fiscal Policy Handbook

- a. The Committee reviewed the MHLS Fiscal Policy Handbook and have no changes to recommend.

#### 5. Mid-Year Budget Review & Recommendation to the Board

- a. The Committee reviewed the proposed 2019 Mid-Year Budget Adjustments. Two items of note:
  - i. In an effort to increase transparency and accountability the tech support contract adjustments were made to discontinue an annual pattern that was causing member libraries to purchase visits they were not using.
  - ii. The MHLS Capital expenses are expected as the payments to vendors to complete the third phase of the auditorium project did not come in until early 2019, rather than 4<sup>th</sup> quarter 2018, and the board approved the Facilities Committee's recommendation to replace the 2<sup>nd</sup> floor HVAC units this year.

**ACTION:** The Committee recommends that the MHLS Board approves the 2019 Mid-Year Adjusted Budget as presented.

#### 6. Review of 2020 Budget Planning Assumptions

- a. Committee members reviewed planning assumptions for the 2020 budget and endorsed the MHLS staff proceeding with drafting the MHLS 2020 Budget based on the following assumptions:
  - i. 2020 operating revenues will be based on 2019 operating revenues
  - ii. \$0 unassigned funds
  - iii. Reserve funds:

1. Operating Reserve Fund – 100% funded in 2020
  - a. MHLS Operating Reserve Fund Policy: “The Reserve Fund goal will be to achieve and maintain no greater than eight (8) months (66%) of the costs of funding services and operations as defined in Section IV.”
  - b. Operating Contingency Fund: Continuously working towards meeting the stated goal of 10%.
    - i. “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.”
  - c. MHLS Capital Funds
    - i. Target will be aligned with Facilities Committee recommendations
      1. It was recommended to MHLS staff that a new quote to replace the roof be obtained.

**7. Introduction to Section K: Financial Sustainability section of the NYLA Sustainable Library Certification Program**

- a. Rebekkah provided an introduction to the financial sustainability section of the NYLS Sustainable Library Certification program.
- b. MHLS is well on its way to completing this section because:
  - i. The Finance Committee has analyzed the financial position of the System and projected the level of income needed for MHLS to adequately serve its members.
  - ii. MHLS staff and the Finance Committee have done an analysis of System cash flow needs to determine the fund balance needed to adequately serve the membership.
  - iii. The former administration undertook the Moving Forward project to demonstrate multiple quantifiable measures of return on investment to the membership. [Learn more about Moving Forward here: <https://midhudson.org/topics/statistics-research/moving-forward/>]
  - iv. The System’s internal financial controls are up to date in the form of our fiscal policies handbook and a good audit from the Office of the State Comptroller.
  - v. We provide health insurance and access to a pension system for full time employees.
    1. The Planning & Personnel and Finance Committee are recommending the inception of a Health & Wellness program for part-time employees in the 2019 mid-year budget adjustments.

**8. Adjourn**