Finance Committee
August 19th, 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.

   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 4th quarter 2018, and the board approved the Facilities Committee’s recommendation to replace the 2nd 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