

## Finance Committee

April 7<sup>th</sup>, 2020 | 3:00 – 5:00pm | Online

### 1. Roll Call

- ✓ Mark Wilson, Chair (C)
- ✓ Kenneth Goldberg (U)
- ✓ Priscilla Goldfarb (P)
- ✓ Debra Klein (G)
- ✓ Barry Ramage (D)
- ✓ Lynne Ridgeway (U)
- ✓ Richard Swierat (D) ex officio
- ✓ Rebekkah Smith Aldrich (Staff Liaison)
- ✓ Linda Vittone (Staff Liaison)

2. **Chair's Comments:** Mr. Wilson expressed his gratitude to committee members and MHLS staff for their efforts during the COVID-19 crisis.

### 3. State Budget

- a. Ms. Aldrich reviewed the outcome of the FY2020 state budget which has a starting amount of \$94.1 million for library aid, a 2.6% cut.
- b. Unique to this year are three "Measurement Periods" which can result in an adjustment of the starting amount. This is a result of the drastic impact on the state economy due to the stay-at-home orders from the Governor to "flatten the curve" and help minimize the impact on the healthcare system.
  - i. The approved budget bill authorizes the state budget director to make change to the budget if new revenue estimates make the budget unbalanced.
  - ii. The reassessments will take place at three points during 2020. The first "Measurement Period," also called a "circuit breaker," runs April 1-April 30, the next May 1-June 30 and the final from July 1-December 31.
  - iii. The bill language gives the state Legislature 10 days to respond to cuts from the executive branch. The Legislature can then approve an alternative plan through a concurrent resolution. Or, if they don't act, the Division of Budget's plan takes effect automatically.

### 4. Proposal to Manage State Budget Environment for 2020-2021

- a. The staff proposed a phased plan that is centered in ensuring the preservation of core services highly ranked by MHLS stakeholders which utilizes the following planning assumptions:
  - i. We must immediately prepare to be cut further than the currently stated 2.6% cut to library aid.
  - ii. Our goal is to fully preserve our Operating Reserve Fund for cash flow purposes in coming years to avoid the need for a line of credit.
    - 1. The Committee reviewed all three of the MHLS Reserve Funds, both their funding levels and the policy for each and have no recommendations to alter them at this time.
  - iii. Staff layoffs are a last resort.
- b. Phase I of this plan will entail cutting expenditures for the year by 6%+ in preparation for future cuts. The committee was presented with an itemized list of cuts and discussed pros and cons of each line item. Staff will proceed with the cuts as presented with the understanding that they will be revisited at the end of each

of the state's "measurement periods" in acknowledgement that the full extent of necessary cuts will be unknown until the end of the MHLS fiscal year.

- i. As part of this plan the Committee recommends to the Facility Committee that no capital project be pursued through the State Aid for Library Construction Program in 2020.
- ii. As part of this plan the Committee will follow through on the Incentives Committee recommendation to suspend the NYLA Scholarship program for 2020 in light of the projected cuts.

**5. Delivery Contract Review:**

- a. The Committee reviewed the contract and current state of the memo of understanding with Valley Courier which ensures drivers are paid their regular rate and drivers are available with 24-hours notice upon MHLS request during the COVID-19 crisis. The Committee authorized Ms. Aldrich to extend this arrangement through the end of April. This will be revisited in early May to confront the realities of the status of the work-from-home order and the economics of our situation.

**6. CARES Act**

- a. The Committee reviewed the Payroll Protection Program (PPP) and authorized and directed MHLS staff to pursue an application for this program with guidance from our Certified Public Accounting firm as necessary.

**7. Working Group Formed:** The Committee formed a working group to explore the eligibility and level of risk for MHLS to pursue other aspects of the CARES Act, private and community foundation grants.

**8. The Committee agreed to alter their meeting schedule for the year** to at least align with the "measurement periods" and acknowledged there may be a need to meet more frequently as determined by the committee chair, board president, and executive director.