

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. Status Reports:

- a. Executive Director Aldrich provided a report on state budget predictions and state-level advocacy efforts, stressing the need for immediate advocacy activity to influence the outcome of library aid in the Governor's proposed Executive Budget.
- b. Projected needs in the Capital Plan were reviewed to demonstrate that the current Capital Fund is adequately funded.
- c. Aldrich reported on:
 - i. the recent submission of a Building Decarbonization grant from the Partners for Climate Action Hudson Valley. Grants will be announced in February 2024;
 - ii. the pursuit of an additional \$3,000 from the Dyson Foundation for graphic design work related to the planned web site upgrade in 2024; and
 - iii. an amendment of scope to the State Aid for Library Construction Program EV Charger Project to cover some of the costs related to the new pollinator garden.

3. 2023-2024 Investment Strategy

- a. MHLS Finance Manager & Personnel Officer, James Coyle, reported on calculations to review cash flow patterns over the past two years to confirm the current laddering strategy being used to earn interest on two CDs is a healthy way to proceed.
- b. For 2024, it was agreed that the current strategy can work barring any major cuts from New York State. This will be reassessed after the Executive Budget is released in January.

4. 2024 Budget & Recommendation to the Board (attached)

- a. Budget Planning Assumptions
 - i. 2024 operating revenue projections will be based on 2023 operating revenues levels
 - ii. Acknowledge: 2024 will bring the renegotiation of three important contracts: CSEA, Delivery, and ILS. Increases to all three will need to be expected.
 - iii. \$0 unassigned funds
 - iv. Reserve funds:
 - 1. Operating Reserve Fund: 100% funded for 2024

- a. 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
- b. Budget Development Findings: Long-term stagnation of state aid and record-setting inflation are taking their toll on the MHLS budget. For the coming year, healthcare and state retirement costs along with the projections related to three major contract negotiations are driving a projected deficit should there be no increase in revenue from New York State and other sources. A short term solution will be to use our reserves to bridge the projected gap if revenues do not increase. Long-term solutions will need to be achieved through contract negotiations and revenue diversification to avoid service cuts.
- c. **ACTION:** Chair Swierat moved, and Peter Carey seconded, a motion to recommend to the board that the proposed 2024 budget be adopted by the full board at the December meeting. The motion passed unanimously.

5. Government & Community Relations Working Group Report: Chair Swierat reported that the worked group is meeting December 1 and continues to find-tune plans for advocacy and fundraising efforts.

The meeting was adjourned at 2:44pm