

Board Meeting 21 June 2018

## MINUTES

### ORDINARY MEETING GOULBURN VALLEY REGIONAL LIBRARY CORPORATION

Held on Thursday 21 June 2018  
Commenced at 2:00pm  
Finished 4:05pm  
At 79 Benalla Road Shepparton

#### **BOARD MEMBERS in attendance**

Cr Seema Abdullah, Chairperson, Greater Shepparton City Council

Cr Gary Cleveland, Deputy Chairperson, Moira Shire Council

Ms Sally Rice, Moira Shire Council

Mr David Roff, Strathbogie Shire Council

Ms Amanda Tingay, Strathbogie Shire Council

Mr Derek Poulton, Greater Shepparton City Council

Chief Executive Officer – Kevin Preece

#### ***Vision***

*Contemporary libraries that connect, empower and inspire our communities.*

Meeting opened at 2:00 pm

## 1.0 Acknowledgement

The Chairperson read the acknowledgement of traditional owners.

“We acknowledge the traditional owners of the land where we now meet and pay respect to their elders past and present.”

## 2.0 Apologies

Cr Debra Swan, Alex Monk and Kaye Thomson submitted apologies for the meeting.

## 3.0 Confirmation of Minutes

**Moved : Gary Cleveland**

**Seconded : Derek Poulton**

That the Draft Minutes of the Board Meeting held on 26 April 2018, as circulated, be confirmed.

**Carried**

## 4.0 Business arising from the previous meeting Minutes

### 4.1 Board Meeting Action List

The Board action list was reviewed and has been updated.

No	Meeting	Action	Responsibility	Status
1	20 Nov 17	Collection data and depreciation rates to be reviewed by external expert to advise on appropriate depreciation rates for each category to be applied in 2018/19.	CEO	November
2	21 June 18	Provide a suggested scoring system to the Board for review and adoption as part of the CEO Performance Review.	CEO	29 June 18

## **5.0 Declaration under acts, regulations, codes or local laws & declaration of any interest or conflict of interest**

### **5.1 Meeting Declaration**

The meeting declaration was read. No interests were declared.

The CEO advised Board members of the need to complete an Ordinary Declaration of Interest Returns before 8 August 2018.

The CEO also advised Board members of the need to also complete Key Management Persons disclosures of any related parties. All members in attendance completed a declaration at the meeting.

## **6.0 Correspondence**

The Board noted the correspondence directly to and from the Board and / or of relevance to Board governance listed.

The CEO also advised of a late correspondence item from VAGO being the Interim Management Letter regarding the 2018 financial audit. The letter highlighted two issues that are being dealt with by our financial contractor the Greater Shepparton City Council. These issues were highlighted and discussed.

**Moved : David Roff**

**Seconded : Gary Cleveland**

That the Correspondence inwards and outwards be received.

**Carried**

## **7.0 CEO Report**

The CEO provided a report on activities of the CEO and any salient items of specific operational and strategic interest that the CEO deemed to be relevant not covered elsewhere in the Agenda.

This included specifically;

- CEO Activities and priorities.
- An update on the progress and outcomes with Enterprise Bargaining 2018.
- An update on the completed CIT review.
- A proposal to enable completion of the CEO Performance Review.

**Action : Provide a suggested scoring system to the Board for review and adoption as part of the CEO Performance Review.**

**Moved : Sally Rice**

**Seconded : Derek Poulton**

That the CEO report be accepted.

**Carried**

## 8.0 Financial Report

### Report to 31 May 2018

The financial statements show that with 92% of the year completed we have expended 93% of the recurrent expenditure budget to be \$39k over YTD.

The primary drivers of the over expenditure YTD is; an increase in Training expenses (\$14k) as part of the Training and Development program, Audit expenses (\$9.6k) incurred in May ahead of budget, additional Workcover expenses (\$5k) offset by Revenue.

All other costs are within reasonable variances for this time of year.

Revenue is on track with all instalments from member councils received and all of the State Government Grant received. We have received additional revenue from the Shepparton Friends for the purchase of the SCANPRO for the Shepparton Library. User fees are also ahead of budget in all areas.

Capital expenditure is over YTD by \$42.2k. This is primarily due to the bringing forward of the changeover of the iLoad Van into this financial year (\$35.9k) and deferring the changeover of one of the smaller vehicles (\$25k budget).

We have also expended an unbudgeted \$27k on the replacement of our outdated WiFi infrastructure at all libraries with a new system with better customer access and improved management tools.

The expenditure of \$18k for the purchase of a SCANPRO microfilm reader printer has been capitalised. This is directly offset with revenue from a donation.

Bookstock and resources are under expended by \$15.5k for this time of year, however we are on track to expend the budget.

The CEO advised that he expects the over expenditure of \$39k YTD to correct by end of FY as there are additional budget allowances in the June month where expenditure has already been incurred or will not be incurred. This will bring the result closer to budget and may produce a minor surplus or deficit.

The CEO also advised that a Balance Sheet error in the March statements that seemed to show a higher cash position @\$200k was corrected by the finance contractor. This error was caused by the non deduction of Trade and other payables from the Cash accounts. This has now been corrected and the final cash position is expected to be close to budget.

**Moved : David Roff**

That the Board approve the Financial report.

**Carried**

**Seconded : Amanda Tingay**

## 9.0 Adoption of 2018/19 Budget

The Board adopted a preliminary draft budget at the meeting of 26 February 2018.

A draft Revenue and Expense budget and Balance Sheet budget was prepared and endorsed at the 26 April 2018 Board meeting for public review.

### 9.1 Public review

- Public notification of adoption of the draft Budget was made by placing of Newspaper advertisements in the Public Notice section of the Shepparton News and Country News.
- Notice was also placed on the GVL website and made available for download via the website.
- Copies were placed at the GV Libraries Administration office.
- Closing date for feedback was 5pm, 19 June 2018.
- Any person may make a submission on a proposal contained in the draft Budget under section 223 of the Local Government Act.
- No feedback from the community was received in any form by the due date.

**Moved : Gary Cleveland**

That the Board adopts the 2018/19 Budget.

**Carried**

**Seconded : Amanda Tingay**

## Adopted 2018/19 Budget

### Income Statement

	Adopted Budget 2017/18	Adopted Budget 2018/19	2018/19 Change
<b>Revenue</b>			
User Fees	45,200	49,200	8.85%
Grants (Operating)	824,884	835,607	1.30%
Contributions (Monetary)	2,579,398	2,637,435	2.25%
Other Income	57,222	55,000	-3.88%
Gain (Loss) on Sale of Plant	500	500	0.00%
<b>Total Revenue</b>	<b>3,507,204</b>	<b>3,577,742</b>	<b>2.01%</b>
<b>Expenses</b>			
Employee Costs	2,306,980	2,233,162	-3.20%
Materials and Services	700,406	827,963	18.21%
Depreciation	443,873	452,597	1.97%
Borrowing Costs	5,300	4,000	-24.53%
Other Expenses	57,640	59,172	2.66%
	<b>3,514,199</b>	<b>3,576,894</b>	<b>1.78%</b>
<b>Surplus (Deficit) for the Period</b>	<b>(6,995)</b>	<b>848</b>	

### Capital Expenditure

<b>Book stock &amp; resources</b>			
Physical Books and resources	233,000	233,000	0.00%
PRC books and resources	27,000	27,000	0.00%
eBooks & eAudiobooks	55,000	60,000	9.09%
DVD's	49,000	47,000	-4.08%
Audiobooks	35,000	33,000	-5.71%
CD's	1,000	0	-100.00%
<b>Vehicles</b>	25,000	25,000	0.00%
<b>Equipment &amp; furniture</b>	10,000	5,000	-50.00%
<b>CIT</b>	30,000	30,000	0.00%
<b>Total Capital Expenditure</b>	<b>465,000</b>	<b>460,000</b>	<b>-1.08%</b>

## Balance Sheet

	Adopted Budget 2017/18	Adopted Budget 2018/19
		\$
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	1,001,519	1,053,686
Trade and Other Receivables	2,500	10,669
<b>Total Current Assets</b>	<b>1,004,019</b>	<b>1,064,355</b>
<b>Non-Current Assets</b>		
Cash and Cash Equivalents		
Property, Plant, Equipment and Infrastructure	<i>7,647,809</i>	8,665,018
<b>Total Non-Current Assets</b>	<b>2,242,213</b>	<b>2,273,062</b>
<b>TOTAL ASSETS</b>	<b>3,246,232</b>	<b>3,337,417</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and Other Payables	50,000	136,937
Provisions	633,620	633,620
Interest-bearing Loans and Borrowings	14,875	16,145
<b>Total Current Liabilities</b>	<b>698,495</b>	<b>786,702</b>
<b>Non-Current Liabilities</b>		
Provisions	46,962	46,962
Interest-Bearing Loans and Borrowings	37,949	16,275
<b>Total Non-Current Liabilities</b>	<b>84,911</b>	<b>63,237</b>
<b>TOTAL LIABILITIES</b>	<b>783,406</b>	<b>849,939</b>
<b>NET ASSETS</b>	<b>2,462,826</b>	<b>2,487,478</b>
<b>EQUITY</b>		
Accumulated Surplus / Deficit	(442,921)	(418,269)
Member Contributions	2,905,747	2,905,747
<b>TOTAL EQUITY</b>	<b>2,462,826</b>	<b>2,487,478</b>

## 10.0 Adoption of Library Plan and Strategic Resource Plan 2018-22

The Board held its Strategic Workshop on 26 February and reviewed the organisational Vision, Mission, Values and Strategic Objectives.

These were then reviewed by the leadership, socialised with staff and further consultation held on potential actions to meet the objectives have been developed.

A draft Library Plan and Strategic Resource Plan 2018-22 was adopted for public review at the Board meeting of 26 April 2018.

### 10.1 Public Review

- Public notification of adoption of the draft Library Plan and Strategic Resource Plan 2018-22 was made by placing of Newspaper advertisements in the Public Notice section of the Shepparton News and Country News.
- Notice was also placed on the GVL website and made available for download via the website.
- Copies were placed at the GV Libraries Administration office.
- Closing date for feedback was 5pm, 19 June 2018.
- Any person may make a submission on a proposal contained in the draft Budget under section 223 of the Local Government Act.
- No feedback from the community was received in any form by the due date.

Derek Poulton advised that the plan should be more specific that it is for Financial year from 1 July 2018 to 30 June 2022.

He also advised of an error in the KPI descriptors for Staff EFT and numbers of PC's and devices.

These will be amended for the final document and distributed for information prior to finalisation.

**Moved : Gary Cleveland**

**Seconded : Derek Poulton**

That the Board adopts the Library Plan 2018-22 and Strategic Resource Plan with suggested amendments.

**Carried**



## 11.0 Business Operations Report

The board reviewed the Business Operations Report that provides an update on all salient Operational Activity of the Goulburn Valley Libraries for the period to date.

The Board noted the upcoming library events such as the Poetry Slam at Nagambie and the Anne Frank travelling exhibition to be held at the Shepparton Library from December 2018.

The Board noted eResource use and website traffic since the web site upgrade.

**Moved : Gary Cleveland**

**Seconded : David Roff**

That the Business Operations Report be accepted.

**Carried**

## 12.0 Procurement Policy Review

The Board reviewed the draft procurement policy.

The main elements of the policy that were changed were the quotation thresholds. These have been generally increased to enable more efficient and timely procurement.

David Roff also suggested an amendment to the wording of section 2.1.6 Gifts and hospitality, where wording in the first sentence seemed to conflict with the rest of the paragraph and intent of the clause. It was agreed to omit the word “or accept” from the first sentence.

**Moved : David Roff**

**Seconded : Gary Cleveland**

That the Board adopts the revised Procurement Policy with suggested amendments.

**Carried**

## 13.0 Risk Register Review

At the Board Meeting of February 2017 the Board adopted the Risk Matrix and Framework and requested that the existing register be reviewed. The complete Risk Register was provided attached for information and the proposed treatments for the High and Moderate Risks identified were presented at the 22 June 2017 Board meeting.

The Board agreed that the High and Moderate Risks Management Plans status will be reported to the Board annually together with any significant changes in status of current or new risks.

The Board reviewed the register of High and Moderate Risks and actions towards the mitigation strategies.

The Board advised that the review of this register should be a standing item on the Finance and Audit committee and reviewed by the Board mid year.

The Board noted that the EBA should be a financial risk to expenses growing greater than budget. The CEO advised that this risk was included in the register but was not rated a High or Moderate Risk.

The Board noted the progress with developing emergency management procedures for staff working alone and discussed some of the measures being used by Councils that could be adapted by the Library.

<b>Moved : Gary Cleveland</b> That the Board notes the Risk Register review and status of High and Moderate Risks. <b>Carried</b>	<b>Seconded : Derek Poulton</b>
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## 14.0 Library Projects

A report was provided on all current major Library project proposals, including Yarrawonga Library and Tatura Library.

### Yarrawonga Library

The three site options have been the subject of a Community Consultation process by the Moira Shire to gain input into the proposals at the Town Hall precinct site.

Sally Rice reported that Option A – Greenfield site behind the Town Hall was the option that was most favoured at this stage. Most comments were generally positive around the need for a new Library at the precinct.

The Moira Shire will now move to develop a detailed Master Plan and Business Case for the Library with a view towards an application for Living Libraries funding application in June 2019.

### Tatura Library

Council have completed and submitted an application to the Living Libraries Infrastructure fund on 14 June 2018 for a grant of \$750,000 towards the upgrade and extension of the Tatura Library.

It expected that the government will announce successful applications in August 2018.

<b>Moved : Sally Rice</b> That the Board notes the Library projects report. <b>Carried</b>	<b>Seconded : Gary Cleveland</b>
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## 15.0 Information Items

The Board noted the items of interest provided including:

- Yarrawonga Library Community Survey responses
- An Age article on the opening of Libraries at night as an option for people who may go to Pokie venues.

<b>Moved : Gary Cleveland</b> That the Information Items Report is noted. <b>Carried</b>	<b>Seconded : David Roff</b>
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## 16.0 Motions on Notice

There were no Motions on Notice received at least 7 days prior to the meeting, accepted by the Chairman and circularised to all board members.

## 17.0 Other Business

There were no items raised by board members and accepted for discussion by the Chairperson.

## 18.0 Next Meeting

The next ordinary meeting of the GVRLC Board will be held on 20 September 2018 commencing at 2pm at the Shepparton Library.

### Board Meeting Planner

Date	Meeting	Agenda Items
13 September 2018	Finance & Audit Committee	Review Annual Report & Financial Standard Statements
20 September 2018	Board	Consider and adopt Annual Report & Financial Standard Statements Consider CEO Performance Review
15 November 2018	Finance & Audit Committee	
22 November 2018	Board – Location to be determined	Confirmation of chair, deputy, committees Review Code of Conduct
14 February 2019	Finance & Audit Committee	
21 February 2019	Board	Draft Budget
18 April 2019	Finance & Audit Committee	
25 April 2019	Board	Approve Budget for public review
13 June 2019	Finance & Audit Committee	
20 June 2019	Board	Approve Budget Review Risk Register

**Meeting closed at 4:05pm**

Kevin Preece  
Chief Executive Officer  
25 June 2018