

Board Meeting 28 February 2019

MINUTES

ORDINARY MEETING GOULBURN VALLEY REGIONAL LIBRARY CORPORATION

Held on Thursday 28 February 2019
Commenced at 2:04pm
Finished 4:20pm
At 79 Benalla Road Shepparton, Victoria. 3630

BOARD MEMBERS in attendance

Cr Seema Abdullah, Greater Shepparton City Council, Chairperson
Cr Gary Cleveland, Moira Shire Council, deputy Chairperson
Cr Kate Stothers, Strathbogie Shire Council
Mr David Roff, Strathbogie Shire Council
Ms Sally Rice, Moira Shire Council – remote attendance
Mr Derek Poulton, Greater Shepparton City Council
Ms. Alex Monk, Moira Shire Council

Chief Executive Officer – Kevin Preece

Vision

We connect, empower and inspire our communities.

Meeting opened at 2:04 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.”

The Chairperson welcomed Cr Kate Stothers to her first Board meeting.

2.0 Apologies

Apologies were received from Kaye Thomson and Amanda Tingay.

3.0 Confirmation of Minutes

Moved : Gary Cleveland That the Draft Minutes of the ordinary Board Meeting held on 22 November 2018, as circulated, be confirmed. Carried	Seconded : David Roff
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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	Feb 2019	Review the proposed meeting room fee schedule and process to simplify for community organisations.	CEO	April 2019
4				
5				
6				

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 confirmed that all Ordinary Returns have been received for February 2019.

6.0 Correspondence

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

Moved : David Roff That the Correspondence inwards and outwards be received. Carried	Seconded : Alex Monk
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7.0 Board Office Bearers and Committee Membership

Deputy Chairperson appointment

At the 22 November 2018 Board meeting the Board resolved that Cr Gary Cleveland remain as Deputy Chairperson until the February 2019 Board meeting.

This action was taken so that Cr Kate Stothers could have the opportunity to express interest in filling the role or otherwise before making an appointment until November 2019.

Cr Stothers advised that she would prefer to have a bit more experience on the Board before taking an executive role.

Cr Cleveland advised that he would be happy to remain in the deputy Chairperson position.

The Board agreed by consensus that Cr Gary Cleveland would remain in this role.

The Board reviewed the proposed Committee membership for 2019.

Finance and Audit Committee

Current membership	Proposed membership
David Roff (Chairperson)	David Roff
Kaye Thomson	Kaye Thomson
Sally Rice	Sally Rice

CEO Employment Matters Committee

Current membership	Proposed membership
Seema Abdullah (Chairperson)	Seema Abdullah
Gary Cleveland	Gary Cleveland
David Roff	David Roff

Moved : Alex Monk

That the Board appoint Gary Cleveland as Deputy Chairperson.

Carried

Seconded : Kate Stothers

Moved : Gary Cleveland

That the Board confirm the committee membership.

Carried

Seconded : Derek Poulton

8.0 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;

- Staff performance assessments

- Library projects
- Budget review and development
- Policy updates
- 2019 Audit requirements

The CEO advised that Cobram Library has been shortlisted (final four) for the Public Library section of the ALIA Library design awards and his intention to attend the one day Library Design conference and Awards dinner held on 14 March 2019 in Brisbane and take three days leave to have a break on the Gold Coast/Brisbane from 12-15 March inclusive either side of the conference.

The CEO advised that the new Enterprise Agreement 2018 was approved by the Fair Work Commission on 19 December 2018. Pay increases under the award commenced 1 July 2018.

The CEO advised of a workplace incident involving a Goulburn Valley Libraries employee at Nathalia Library and a Moira Shire employee at the Barmah Heritage Centre that occurred on 19 December 2019. The incident resulted in both people lodging complaints against each other with their respective employers for bullying and harassment.

Moira Shire and GVL agreed to conduct a joint investigation engaging an experienced independent consultant. The investigation could not substantiate bullying or harassment by either party but did find that both parties engaged in inappropriate workplace behaviours.

GVL and Moira are now working to develop clear guidelines for the operation of the shared use facilities at the Barmah heritage Centre and Library complex.

The CEO advised of meetings held at the industry level in regard to the LGPRF indicators that were the subject of our correspondence to DEWLP.

1. Involved a PLVN sub committee charged with reviewing the indicators – 10 Jan 19
2. Involved the PLVN sub committee and the DEWLP representatives who manage the LGRF – 13 Feb 19.

The main outcome of the meetings has been;

1. A unified approach across the Victorian library sector on the LGRF indicators and what needs to improve/change.
2. Clarity on DEWLP's changes for 18/19 and 19/20 reporting.
3. DEWLP's willingness to engage with the sector to improve reporting to better reflect modern libraries.
4. Clarity on communication and engagement lines between DEWLP and the sector.

The CEO discussed proposed organisational changes and outlined options for potential management restructuring that could achieve productivity savings.

Moved : Gary Cleveland

Seconded : Derek Poulton

That the Board provide the CEO with the endorsement to implement productivity initiatives at the Management and Administration functions through a change management process.

Carried

Kate Stothers abstained from this vote.

Moved : Gary Cleveland

That the CEO report be accepted.

Carried

Seconded : Derek Poulton

9.0 Financial Report

January 31 2019 financial reports

The Finance and Audit Committee met on 20 February and reviewed the Financial Statements to 31 January 2019..

Signed Financial Statements to 31 January 2019 have been received from our finance contractor, GSCC and reports are attached.

A revised forecast and revised phasing has been completed and included as part of the reports.

The original adopted budget and phasing was based on productivity initiatives that have now been delayed, resulting in higher employee expenses that originally budgeted.

The revised budget projects a \$53.7k deficit for the year.

The statements show that with 58% of the year completed we have expended 62% of the adopted expenditure budget and are \$21.6k over YTD.

The adopted annual Depreciation expense budget of \$435k has been revised by our Finance contractor to an expected \$463.3k (\$28.2k variance from adopted annual budget).

Employee costs are \$24.6k over revised budget YTD due to additional costs required to replace staff on Workcover, TAC injury, extended sick leave and other leave.

Revenue is ahead of budget YTD by \$6.6k due to income received from donations and grants for various library items and programs and payments for an employee on Workcover.

At this stage, Capex is \$5.5k under YTD based on the revised forecast. The replacement of a vehicle \$25k has been deferred to 2019/20 to ensure budget is achieved.

Moved : David Roff

That the Board approve the Financial report.

Carried

Seconded : Gary Cleveland

10.0 Preliminary 2019/20 Budget

The Board reviewed two preliminary 2019/20 budgets for all activities of Goulburn Valley Libraries.

A **Business as Usual** preliminary draft Revenue and Expense budget was reviewed.

The key influences and assumptions in relation to the draft BaU budget are;

1. Increased revenue requirement from each Municipality of 2.5%.
2. Assumed increase in State Govt grant revenue of 1.3%.
3. No increase in Book stock purchase. – remains at \$400k
4. Employee benefits increase by 1.5% (EBA 2018 approved.).
5. Maintain existing levels of staffing.
6. Increase in depreciation expense of 2% due to increased capital purchases for book stock.
7. Increased investment in CIT systems \$20k recurrent.
8. Maintaining existing opening hours and programming activity.

This Business as Usual budget produces a **deficit of \$71.1k**

A **Balanced Productivity Budget** has also been prepared.

The Balanced Productivity budget assumes savings of \$72k in employee expenses that could be achieved with a Management and Administration restructure.

Balance sheet budgets have not been prepared yet, but the impact on the balance sheet of the Business as Usual budget will be a cash impact equivalent to the deficit of \$71.1k.

This is the lower end of savings that could be made through a re structure.

The Balanced Productivity budget provides a realistic budget, based on Business as Usual services that can be achieved with moderate productivity initiatives.

The Finance and Audit Committee supported the Balanced Productivity Budget

Moved : David Roff

Seconded : Gary Cleveland

That the Board notes the preliminary 2019/20 Budget and proposed revenue requirements from each Council.

Carried

Income Statement - Balanced Productivity

Income Statement

	Adopted Budget 2018/19	Revised Forecast 2018/19	Draft Budget 2019/20	2019/20 Change
Revenue				
User Fees	46,200	54,200	50,320	8.92%
Grants (Operating)	838,003	838,003	848,897	1.30%
Contributions (Monetary)	2,637,435	2,637,435	2,703,371	2.50%
Other Income	55,604	48,100	50,000	-10.08%
Gain (Loss) on Sale of Plant	500	0	500	0.00%
Total Revenue	3,577,742	3,577,738	3,653,088	2.11%
Expenses				
Employee Costs	2,281,206	2,391,369	2,325,491	1.94%
Materials and Services	799,854	716,598	794,185	-0.71%
Depreciation	435,034	463,270	472,535	8.62%
Borrowing Costs	4,000	4,000	2,500	-37.50%
Other Expenses	56,800	56,236	57,936	2.00%
	3,576,894	3,631,473	3,652,648	2.12%
Surplus (Deficit) for the Period	848	(53,735)	440	

Capital Expenditure

Book stock & resources				
Physical Books and resources	233,000	217,000	233,000	0.00%
PRC books and resources	27,000	27,000	27,000	0.00%
eBooks & eAudiobooks	55,000	64,000	60,000	9.09%
DVD's	49,000	45,000	47,000	-4.08%
Audiobooks	35,000	47,000	33,000	-5.71%
CD's	1,000	0	0	100.00%
Vehicles	25,000	0	25,000	0.00%
Equipment & furniture	10,000	6,000	5,000	-50.00%
CIT	30,000	44,000	30,000	0.00%
Total Capital Expenditure	465,000	450,000	460,000	-1.08%

11.0 Depreciation Rates Review

The Board considered a report on the Depreciation Rates Review.

Following the completion of the stocktake of all library stock materials in 2017, the Board determined that the current depreciation rates that were being applied be reviewed independently to ensure that they reflect the current asset categories, values and lives.

Ross Opie Accounting (RPA) was engaged to conduct the review. RPA were recommended by GSCC as a consultant who regularly does accounting and audit work for council and would have the skills and ability to conduct the review.

The report recommends changes to the asset category names to reflect current use and a new eResource category. Useful lives for each category have been reviewed and recommendations made for each category.

The current method via which the library allocates the cost of the collection is based on the following categories and depreciation periods:

Category	Useful Life
Books	12 years
Audio Tapes	5 years
Video Tapes	5 years

Recommended Categories and Useful lives

Category	Useful Life
Books	12 years
Digital Media	5 years
eResources	4 years

Moved : David Roff

Seconded : Sally Rice

That the Board notes the Depreciation Rates Review and approves the proposed categories and Useful Life's for depreciation purposes.

Carried

12. 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 decline in Memberships in January. The CEO advised that this was a result of the decision to remove Overdue Fees and forgive past debt. Several members were being retained in the database as long term debtors beyond the normal three year term without transacting. Membership is still higher than the commencement of the year.

The Board noted the continued increases in eBook and e Audiobook use.

Moved : Derek Poulton

Seconded : Gary Cleveland

That the Business Operations Report be accepted.

Carried

13.0 Joseph Furphy Literary Awards

The Board reviewed a report that flagged a change in direction for the Joseph Furphy Literary Awards.

The JFLA have been operating for 26 years in a largely unchanged format, facilitated and supported by Goulburn Valley Libraries and supported by the Furphy family through the Furphy Foundary.

Goulburn Valley Libraries have been approached by representatives of the Furphy family who are interested in growing the writing awards from a low level regional competition to a National competition and regional event supported by corporate and Council sponsorship.

The CEO has met with Sam and Adam Furphy , Peter Harriot and Kaye Thomson on 18 January 2019 to discuss and progress the proposal.

The Board noted that reputational risks associated with the potential sponsorship of the open section by Furphy beer will need to be addressed and separation of the junior awards from this sponsorship must be maintained.

Moved : Alex Monk

Seconded : Gary Cleveland

That the Board notes the proposal and direction with the Joseph Furphy Literary Awards.

Carried

14.0 Meeting Room Fee Schedule

The Board reviewed a paper recommending a new meeting room fee schedule for all libraries.

Community Meeting Rooms are available for use at Shepparton, Cobram and Euroa Libraries and managed by Goulburn Valley Libraries. There is potential for this to expand with the Tatura and Yarrawonga Library projects each including community meeting rooms or like facilities. Bookings, access and use are managed at each Library by the local coordinators.

The Board provided feedback with regards to the definitions and categories of Community organisations, fees for community groups and that business and for-profit organisations could incur a high fee that is more commercial but competitively neutral.

It was also reported that the booking process is cumbersome and could be improved.

Moved : Derek Poulton

Seconded : Gary Cleveland

That the Board note the proposed new meeting room Fee Schedule and request the CEO review the proposed schedule and process.

Carried

Action : Review the proposed meeting room fee schedule and process to simplify for community organisations. – CEO

15.0 Travel and Expenses Policy

A draft Travel and Expenses Policy was reviewed by the Board.

Goulburn Valley Libraries has travel and expense rates built into the Enterprise Agreement 2018 but no policy exists to provide direction on how these are to be managed or applied.

This policy has been prepared so that there is guidance on how this would apply to the Board.

It was suggested by Sally Rice that the maximum rates could be limiting, particularly in relation to city accommodation.

It was suggested that a note should be added to allow for variations to the maximum rates could be approved by the CEO or Chairperson.

Moved : Derek Poulton

Seconded : Sally Rice

That the Board approves the Travel and Expenses Policy with amendments suggested.

Carried

16.0 Improved Library Services to Small Communities project

At the Board meeting of 22 November 2018 the Board approved a Project Plan for the Improved Library Services to Remote Communities project. The initial step in this plan was the collation of relevant data to inform the review.

The Board reviewed data presented that showed the costs per loan, visit and member of the mobile library in comparison to other branch libraries.

Data showing the patronage at each mobile library stop was also presented.

It was noted that the most patronage occurred at Avenel, Murchison and Tungamah.

The next steps include further data analysis at the Stop level to ascertain usage patterns.

A user survey will be developed to provide responses and data on current usage, future requirements and feedback on potential service improvements.

Moved : Gary Cleveland

Seconded : Derek Poulton

That the Board notes the progress report into the Improved Library Services to Small Communities project.

Carried

17.0 Library Plan 2018/19 - mid year status report

A report was provided that provided a six monthly update on status of the Goulburn Valley Libraries, Library Plan 2018 -2022 that was adopted at the Board meeting of June 2018.

The Library Plan implementation progress are reviewed every six months and reported to the Board.

Objectives, Goals and Actions with a status report were provided for review.

Moved : Kate Stothers

Seconded : Derek Poulton

That the Board note the Library Plan 2018/19 mid year status report.

Carried

18.0 Library Projects

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

Yarrawonga Library

Following community consultation on 3 developed options for the Library and Town Hall precinct a further option 4b was developed that attempted to address community concerns.

Another round of consultation with the community reference committee will be undertaken when this is developed.

While the options have been addressing the needs of the users, it is apparent that there is a small and vocal group who are resistant to any option that sees the demolition of the Community Hall. This is an ongoing concern for Council and unless resolved through the consultation process could create risks to a successful grant application.

Tatura Library

Greater Shepparton City Council has been assessing tenders from Architects for the detailed design and consultation for the Tatura Library project and an announcement is expected soon.

No action has been taken on Community fundraising yet – this is pending an adopted design and budget for the project.

It is expected that construction at the site will commence in mid 2019.

Moved : Gary Cleveland

Seconded : Amanda Monk

That the Board notes the Library projects report.

Carried

19.0 Information Items

The Board noted the items of interest provided including:

- LGPRF Strategic Directions Paper – extract
- Bibliotecha Open + brochure

The CEO commented on the Open Library concept and preliminary discussions with Bibliotecha in relation to Tatura Library.

Moved : Derek Poulton

Seconded : Kate Stothers

That the Information Items Report is noted.

Carried

20.0 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.

21.0 Other Business

Kate Stothers advised that she was listening to a relevant Podcast on Libraries called – Room of Requirement and recommended this to Board members.

22.0 Next Meeting

This was agreed by those in attendance.

The next ordinary meeting of the GVRLC Board will be held on 9 May 2019 commencing at 2pm at the Shepparton Library.

Board Meeting Planner

Date	Meeting	Agenda Items
2 May 2019	Finance & Audit Committee	Draft Budget review
9 May 2019	Board	Approve Draft Budget for public review
20 June 2019	Finance & Audit Committee	Budget Risk Register
27 June 2019	Board	Approve Budget Review Risk Register
12 September 2019	Finance & Audit Committee	Annual Report
19 September 2019	Board	Annual Report
24 October 2019	Special Meeting	Consider the Annual Report
21 November 2019	Finance & Audit Committee	
28 November 2019	Board – Location to be determined Board Lunch	Confirmation of chair, deputy, committees Review Code of Conduct

Meeting closed at 4:20pm

Kevin Preece
Chief Executive Officer
17 April 2019