

Board Meeting 9 May 2019

MINUTES

ORDINARY MEETING GOULBURN VALLEY REGIONAL LIBRARY CORPORATION

Held on Thursday 9 May 2019

Commenced at 2:00pm

Finished 4:02pm

At Shepparton Library, 41-43 Marungi Street 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

Ms Kaye Thomson, Greater Shepparton City Council

Mr David Roff, Strathbogie Shire Council

Ms Sally Rice, Moira Shire Council

Ms Amanda Tingay, Strathbogie Shire Council

Mr Derek Poulton, Greater Shepparton City Council

Chief Executive Officer – Kevin Preece

Vision

We 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

An apology was received from Alex Monk.

3.0 Confirmation of Minutes

Moved : Gary Cleveland	Seconded : David Roff
That the Draft Minutes of the ordinary Board Meeting held on 28 February 2019, 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	May 2019	Review the meeting room process.	CEO	June 2019
2	May 2019	Provide a presentation on SWIFT LMS Tender and Governance	CEO	June 2019
3	May 2019	Investigate services that may be put in place to support staff and to provide an assessment of the current staff situation and report to the Board.	CEO	June 2019

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.

6.0 Correspondence

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

Late correspondence was received from VAGO auditors, being the Audit Engagement letter and advice of Audit fees.

Moved : Kaye Thomson	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;

- Staff illness and injury update
- Budget review and development
- SWIFT LMS Tender and Governance
- 2019 Audit requirements
- Attendance at ALIA Library design awards where Cobram Library was shortlisted and highly commended.
- CEO Contract expiry

Action : Provide a presentation on SWIFT LMS Tender and Governance. - CEO

The CEO provided an update on staff movements, in particular illnesses and injuries that have affected organisational capacity over the past six months. There has been a series of injuries at work and at home, illnesses to individuals and partners that have impacted attendance. There does not seem to be a common factor other than general health and bodily decline due to age or wear and tear over time. Although the two workcover injuries have occurred in relatively young staff members.

The Board expressed concern at this information and requested that management provide some sort of counselling services to staff and an assessment to see what are the causes and what remedies may be put in place.

Moved : Kate Stothers	Seconded : Gary Cleveland
That the Board note and empathise with staff in relation to the current health issues impacting staff, and request the CEO investigate services that may be put in place to support staff and to provide an assessment of the situation and report to the Board.	
Carried	

Action : Investigate services that may be put in place to support staff and to provide an assessment of the current staff situation and report to the Board. - CEO

The CEO advised that the staff absences and injuries have resulted in a delay in implementing a Management and Administration restructure due to increased risk. The need to cover staff who have been absent has also impacted the employment costs in the current year.

The CEO also advised that his current contract expires on 31 March 2020 and advised the Board of the options and requirements that will need to be considered by himself and the Board prior to this time.

Moved : Gary Cleveland

Seconded : Kaye Thomson

That the CEO report be accepted.

Carried

8.0 Financial Report

31 March 2019 financial reports

The Finance and Audit Committee has met on 2 May and reviewed the Financial Statements to 31 March 2019.

Signed Financial Statements to 31 March 2019 have been received from our finance contractor, GSCC and reports were reviewed by the Board.

A revised forecast and revised phasing was completed in January 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 than originally budgeted.

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

The YTD deficit is \$10k on the revised forecast.

To ameliorate the impact a review of essential expenditures has occurred and this will result in reducing the end of year forecast deficit.

The statements show that with 75% of the year completed we have expended 78% of the adopted expenditure budget and are \$10k over YTD on the revised forecast.

Employee costs are \$13.8k over revised budget YTD due to additional costs required to replace staff on Workcover, TAC injury, extended sick leave and other leave. This is the main issue impacting the budget.

We have incurred some additional materials expense to purchase items funded from additional revenues.

Revenue is ahead of budget YTD by \$8.5k 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 \$6.9k under YTD based on the revised forecast. The replacement of a vehicle \$25k has been deferred to 2019/20 to ensure Capex budget is achieved.

VAGO Audit 30 June 2019

The CEO provided an update on progress in addressing issues that were raised in the Initial Management Letter including;

- Protected Disclosures Policy (need to update current Whistleblowers policy) – this has now been completed.
- Lack of Credit Card holder agreements – these have now been completed.
- Lack of performance reviews for 2 staff – these have been completed and new EBA provides for a deadline for completion.

Moved : David Roff

Seconded : Sally Rice

That the Board approve the Financial report.

Carried

9.0 Draft 2019/20 Budget

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

A revised Income Statement and Balance Sheet were presented based on feedback received at the Finance and Audit Committee meeting.

The revised option provided a more realistic balance between employee costs and materials and services based on the current years forecast and the previous years result.

The CEO advised that while this budget still is dependent on some level productivity being achieved, this could be achieved by expense deferral and reduction in contract expenditure. The CEO advised that a balanced budget result will be tight and further employee expense increase such as has been experienced in 2018/19 due to employee illness and injury could impact this result.

The key influences and assumptions in relation to the draft 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. Minor productivity in materials and services.
7. Increase in depreciation expense of 2% due to increased capital purchases for book stock.
8. Increased investment in CIT systems \$20k recurrent.
9. Maintaining existing opening hours and programming activity.

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 : Derek Poulton

Seconded : Gary Cleveland

That the Board adopts the Revised 1 – Balanced Productivity Budget draft 2019/20 Budget for public review.

Carried

Budget 2019/20

Income Statement - Balanced Productivity

Revision 1 – re balance Employee costs / Materials and Services

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	2,400,617	5.23%
Materials and Services	799,854	716,598	719,060	-10.10%
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	35,000	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	470,000	-1.08%

Budget 2019/20 Balance Sheet

	Adopted Budget 2018/19	Draft Budget 2019/20
	\$	\$
ASSETS		
Current Assets		
Cash and Cash Equivalents	1,053,686	955,213
Trade and Other Receivables	10,669	9,849
Total Current Assets	1,064,355	965,062
Library stock, plant and equipment	2,273,062	2,274,003
Total Non-Current Assets	2,273,062	2,274,003
TOTAL ASSETS	3,337,417	3,239,064
LIABILITIES		
Current Liabilities		
Trade and Other Payables	136,937	133,975
Provisions	633,620	650,374
Interest-bearing Loans and Borrowings		
Total Current Liabilities	770,557	784,349
Non-Current Liabilities		
Provisions	46,962	35,748
Interest-Bearing Loans and Borrowings	32,420	19,098
Total Non-Current Liabilities	79,382	54,846
TOTAL LIABILITIES	849,939	839,195
NET ASSETS	2,487,478	2,399,869
EQUITY		
Accumulated Surplus / (Deficit)	(418,269)	(505,878)
Member Contributions	2,905,747	2,905,747
TOTAL EQUITY	2,487,478	2,399,869

Budget 2019/20 program

Draft Budget approved	– 9 May Board Meeting
Incorporate feedback	- up to 15 May
Public Review	– 17 May – 17 June
F & A Committee review	– 20 June
Approve Budget	– 27 June Board Meeting

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 continuing increase in memberships and good loan performance. Visits were down for the same time last year.

The Board again raised concerns with the Active Membership performance indicator in the Know Your Council reporting that continues to paint a poor picture for library performance.

The Board noted the current staffing situation with illnesses and injury that is causing difficulties in operations.

The Board noted the efforts to secure a junior shelver at Nagambie through traditional advertising and suggested we use social media as an alternative.

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

Moved : Kaye Thomson

Seconded : Gary Cleveland

That the Business Operations Report be accepted.

Carried

12.0 Joseph Furphy Literary Awards

At the February Board meeting the Board were advised of a proposal to expand the Joseph Furphy Literary Awards from a low level regional competition to a National competition and regional event supported by corporate and Council sponsorship.

Greater Shepparton City Council have since advised the Furphy's that a July event would suit their calander of events. This timing would be too soon to organise for 2019 and so we will proceed with the standard format competition for 2019 with a view to develop the new competition and events based on July 2020 timing.

Moved : Kaye Thomson

Seconded : Gary Cleveland

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

Carried

13.0 Meeting Room Fee Schedule

The Board considered a paper proposing options for a revised 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.

In general the two options considered were;

Option 1

Library Associates – Free of charge

Community Groups/Organisations – \$10/hr

Business/For Profit Organisations – \$40/hr

Option 2

Library Associates – Free of charge

Community Groups/Organisations – Free of charge

Business/For Profit Organisations – \$40/hr

Various views were expressed by Board members including;

- Community groups should not pay a fee to encourage use and participation
- A small nominal fee should be charged for community groups to reflect value and costs associated with operation of the rooms
- A council could adopt a different charge if it wished however the need for consistency was also a view that was supported
- Derek stated that in his experience he believed the process to book at Shepparton was too cumbersome and that the need to provide a public liability insurance certificate was an onerous and unnecessary imposition.

The CEO advised that the application and approval process will be reviewed separately and the issue of Public Liability insurance will be included in this review.

Moved : Kate Stothers

Seconded : Amanda Tingay

That the Board approves Option 2 as the Fee Schedule for GVL managed meeting rooms and that the adopted schedule be reviewed after 6 months of implementation.

Carried

Derek Poulton abstained from voting.

13.0 Protected Disclosures Policy

A draft Protected Disclosures Policy was reviewed by the Board.

Goulburn Valley Libraries has an existing Whistleblowers Protection Policy. This policy was based on the previous legislation Whistleblowers Protection Act 2001. This Act has been superseded Protected Disclosures Act 2012.

Following the initial visit by VAGO appointed auditors RSD Audit, they advised that the existing policy should be updated to reflect the new Act and requirements.

The Board suggested amendments to;

- 1(d) to ensure that disclosures relating to the CEO can be reported directly to the Board Chairperson and,

- 2 (c) to ensure that in cases relating to the CEO the Board Chair would approve the level of support provided to someone making a disclosure.

Moved : Kaye Thomson

Seconded : David Roff

That the Board approves the Protected Disclosures Policy with amendments suggested by the Board.

Carried

14.0 Improved Library Services to Small Communities project

The Board noted the status with the Improved Library Services to Remote Communities project.

At the Strathbogie Shire Council briefing the CEO was advised that members of Avenel township expressed interest in a stand alone library. The CEO is awaiting a formal expression of interest and advised an investigation into the feasibility of this could provide an example of what could be implemented in the larger centres.

Next steps will include ;

- Undertake user survey.
- Continue data development.
- Examine Avenel options.

It was suggested that targeted focus groups could support the user survey.

Moved : Derek Poulton

Seconded : Amanda Tingay

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

Carried

15.0 Library Projects

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

Yarrawonga Library

The Board were advised that Moira Shire has paused further development on plans for the new Library. The Council has begun a consultation process with the Community on the plans developed to date and will investigate the potential availability and practicality of the existing old School site that has been touted by members of the community.

The level of community unrest increases the risk of not meeting timelines to seek a Living Libraries grant and a successful application.

I have received advice that the next round of Living Libraries Infrastructure Program grants will likely open in July and close in September 2019.

Tatura Library

The Board were advised that work is progressing well on the design and d

Latest draft plans were provided for information.

Moved : Kaye Thomson

Seconded : Sally Rice

That the Board notes the Library projects report.

Carried

16.0 Information Items

The Board noted the items of interest provided including:

- Tatura Library Schematic Design
- Yarrawonga Library consultation brochure.
- Abstract for Victorian Library Conference : Furphy

Moved : Gary Cleveland

Seconded : Kaye Thomson

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

There was no other business raised and accepted by the Chairperson for discussion.

22.0 Next Meeting

The next ordinary meeting of the GVRLC Board will be held on 27 June 2019 commencing at 2pm at the Shepparton Library.

Board Meeting Planner

Date	Meeting	Agenda Items
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 4:02pm

Kevin Preece
Chief Executive Officer
14 May 2019