

Board Meeting 27 June 2019

## DRAFT MINUTES

### ORDINARY MEETING GOULBURN VALLEY REGIONAL LIBRARY CORPORATION

Held on Thursday 27 June 2019

Commenced at 2:01pm

Finished 4:21pm

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 2:01 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.”

Kaye Thomson entered the meeting at 2:05pm.

## 2.0 Apologies

An apology was received prior from Alex Monk.

Gary Cleveland relayed that Alex would probably miss the next meeting also due to her partners illness but she is still keen to participate after that.

The CEO advised that as she was a representative nominated by Moira Shire that she should write to council advising of the circumstance and requesting a leave of absence.

**Action : Gary Cleveland to discuss action with Moira Shire and contact Alex Monk.**

## 3.0 Confirmation of Minutes

**Moved : David Roff**

**Seconded : Derek Poulton**

That the Draft Minutes of the ordinary Board Meeting held on 2 May 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	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	September 2019
2	June 2019	Gary Cleveland to discuss action with Moira Shire and make contact with Alex Monk.	Gary Cleveland	September 2019
3	June 2019	Develop a suitable staff survey and program.	CEO	September 2019
4	June 2019	Review Risk Framework and appetite.	CEO	November 2019
5	June 2019	Provide a presentation on the Collections Policy	CEO	November 2019
6	June 2019	Investigate the difference in Contributions from Income Statement to Cash Flow Statement. <i>The Finance team have advised that this difference on</i>	CEO	September 2019

		<i>the Cash Flow statement is due to movements in various balance sheet accounts due to actual cash being received rather than being accrued on the Income Statement.</i>		
7	June 2019	Investigate Jinderra Library model and report to Board	CEO	September 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.

The CEO gave a presentation of the requirements for Key Management Personnel declarations for financial year 18/19. The requirements to include any organisation that Key management Personnel and Related Parties have a potential controlling influence was highlighted.

These declarations are required by 12 July 2019 to enable our finance contractor to do checks prior to including information in the financial statements prior to audit.

The CEO also advised of the need to complete 6 monthly Declarations of Interest - Ordinary Returns by 8 August 2019.

## **6.0 Correspondence**

There was no correspondence directly to and from the Board and / or of relevance to Board governance listed.

## **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, injury and potential Workplace Health programs
- Budget review and development
- SWIFT LMS Tender and Governance
- Incident and complaint management

The CEO advised that he was working with a potential provider for a Workplace Health Program.

The CEO discussed an incident with a customer on 21 May at the Shepparton Library that resulted in a formal complaint, threats and response, further correspondence and a complaint and threat to Greater Shepparton City Council as a result of excessive loud mobile phone use and the patrons response to requests to quieten down.

A question was raised that perhaps the Library should go Mobile Phone Free as was mooted at secondary schools in Shepparton. The CEO advised that this would be contrary to the practical use of phones in libraries by many patrons and that the key determinant should be if the use impacts on the enjoyment of the library by other users. No action was proposed.

The CEO proposed a CEO Performance Assessment process and timetable for 2018/19 that was agreed to by the Board.

The CEO advised the Board that the Local Government Bill will be re introduced into Parliament in 2019. The provisions that impact Regional Library Corporations will be included in the new Bill. When this Bill is enacted we will have 10 years to transition to another supported governance arrangement.

**Moved : Gary Cleveland**

That the CEO report be accepted.

**Carried**

**Seconded : Kaye Thomson**

## **8.0 Financial Report**

### **31 May 2019 financial reports**

The board reviewed the Financial Statements to 31 May 2019.

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

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.

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

We currently show a YTD surplus of \$67.7k on the revised forecast.

The statements show that with 92% of the year completed we have expended 92% of the adopted expenditure budget and are therefore on track to finish close to or under the revised forecast deficit.

Employee costs are \$52.5k under revised forecast. There will be some late adjustments for employee leave provisions and catch up payments that will come in the final period.

Employee costs have generally been over budget 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 \$20.7k due to income received from donations and grants for various library items and programs and payments for employees on TAC and Workcover. Interest revenue will be down by \$9k due to lower achieved interest rates and reduced cash at bank.

At this stage, Capex is \$5.7k under YTD based on the revised forecast. The replacement of a vehicle \$25k has been deferred to 2019/20 to ensure budget is achieved.

Seema queried the difference in Contributions \$2.639m in the Income Statement to the \$2.615m shown in the Cash Flow statement, ~\$24k.

**Action : Investigate the difference in Contributions from Income Statement to Cash Flow Statement. - CEO**

**Moved : David Roff**

That the Board approve the Financial report.

**Carried**

**Seconded : Gary Cleveland**

## 9.0 Adoption of 2019/20 Budget

The Board reviewed the draft 2019/20 budgets for all activities of Goulburn Valley Libraries that was endorsed at the 9 May 2019 Board meeting for public review.

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. Maintaining existing opening hours and programming activity.

### 9.1 Communications

- 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.

### **9.2 Feedback and submissions**

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.

### **9.3 Amendments to draft**

No amendments to the draft budget are proposed.

Seema Abdullah raised a question about how we fund our capital expenditure. The CEO advised that all Capex planned in this budget will be self funded through our cash reserves. Our budget depreciation expense at around \$472k is very close to our proposed Capex of \$470k. Therefore if we meet budget there will be no net cash impact.

We currently have one loan, being the remainder of the Mobile Library loan. This is close to finishing and we have a \$2.5k borrowing cost included.

It was requested that we include a note on how we fund capital expenditure in the budget documents.

**Moved : Gary Cleveland**

That the Board adopts the 2019/20 Budget.

**Carried**

**Seconded : Kaye Thomson**

## 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
<b>Revenue</b>				
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%
<b>Total Revenue</b>	<b>3,577,742</b>	<b>3,577,738</b>	<b>3,653,088</b>	<b>2.11%</b>
<b>Expenses</b>				
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%
	<b>3,576,894</b>	<b>3,631,473</b>	<b>3,652,648</b>	<b>2.12%</b>
<b>Surplus (Deficit) for the Period</b>	<b>848</b>	<b>(53,735)</b>	<b>440</b>	

#### Capital Expenditure

<b>Book stock &amp; resources</b>				
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%
<b>Vehicles</b>	25,000	0	35,000	0.00%
<b>Equipment &amp; furniture</b>	10,000	6,000	5,000	-50.00%
<b>CIT</b>	30,000	44,000	30,000	0.00%
<b>Total Capital Expenditure</b>	<b>465,000</b>	<b>450,000</b>	<b>470,000</b>	<b>-1.08%</b>

#### Notes

1. User fees – Overdue fees, Copy and print charges
2. Grants – State Government recurrent grant, Premiers Reading Challenge
3. Contributions – Council contributions for service
4. Other Income – Investment interest, Misc Grants, Donations, Diesel rebate, Book Club receipts
5. Employee costs – Salaries and wages, Superannuation, Leave Loading, WorkCover premium, FBT
6. Materials and services – Shared admin and IT costs, Accommodation, utilities, training costs, periodicals and subscriptions, Vehicle expenses, Equip servicing, rubbish removal, IT Maintenance
7. Depreciation – Vehicles, Book stock, Furniture and Equipment
8. Borrowing costs – Interest payments on loans
9. Other expenses – Rental on administration building
10. Capital Expenditure funding – All Capex in this budget is funded through cash reserves.

# Budget 2019/20

## Balance Sheet

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

## 10.0 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 imminent retirement of Claire Flett at Tatura and requested that the CEO convey the thanks of the Board to her.

The Board discussed a couple of incidents at Shepparton Library and also a recent incident at Euroa where there was some disruptive patrons who were causing discomfort to staff and patrons. The Board re iterated the need for staff to report these incidents.

The Board also asked what Customer Satisfaction surveys are undertaken. The CEO advised that we have recently participated in a Regional Library Corporation network survey and we will also be conducting our own survey in the next 3 months that will support the Improved Services to Small Communities project.

The Board also asked if we undertake any staff satisfaction surveys? The CEO advised that in his time this has not been undertaken. The Board requested that it may be appropriate to conduct a suitable survey, given the current staff health issues to gain a baseline for future surveys.

**Action : Develop a suitable staff survey and program. CEO**

**Moved : Amanda Tingay**

That the Business Operations Report be accepted.

**Carried**

**Seconded : Derek Poulton**

## 11.0 SWIFT LMS Tender and Governance

The Board received a report into the current SWIFT Tender process and future governance arrangements for SWIFT.

Goulburn Valley Libraries is a member of the SWIFT library consortium. SWIFT libraries use a common Library Management System (LMS) currently provided by Sirsi Dynix. SWIFT libraries also share a common library catalogue and share physical library resources. (books, mags, DVD's.)

SWIFT was established in 2006 and is facilitated by the Municipal Association of Victoria (MAV).

The MAV has an agreement with Sirsi Dynix for the supply of an LMS and each library service has a back to back agreement with the MAV.

The current contract for provision of a shared LMS expired three years ago and has been extended on an annual basis while the MAV have undertaken a procurement tender process to seek a new provider for a statewide LMS for the next five years.

The winning bidder has finally been announced as Sirsi Dynix and a new contract is being finalised by the MAV.

The contract will allow non SWIFT libraries to access the tender without sharing of resources.

A new governance model has been developed to ensure SWIFT and non SWIFT libraries can access the contract and all libraries can choose to participate in resource sharing and other potential services that may be facilitated.

Under this model it is expected that GVL equivalent SWIFT service costs will reduce from \$63k to \$40k per annum.

It is proposed that Public Libraries Victoria will facilitate a rebranded service from SWIFT to a more statewide inclusive brand to reflect the services enabled.

The proposed model will allow;

- The continuation of the current SWIFT type service,
- New libraries to take advantage of the new contract,
- New libraries to opt in to share resources,
- Development of future opt in shared services i.e. central distribution, software development etc

It is anticipated that moves to the new governance arrangement and price benefits will commence in the next financial year.

**Moved : Kaye Thomson**

**Seconded : Gary Cleveland**

That the Board notes the status and direction with SWIFT LMS Tender and governance. Awards.

**Carried**

## 12.0 Meeting Room Application and Conditions of Use

At the 28 February Board meeting the Board considered a proposal to adopt a uniform Fee Schedule for Library managed community meeting rooms due to inconsistencies being applied in the fees charged to various groups using the facilities.

At the 9 May 2019 meeting the Board endorsed a new fee structure and requested that the CEO review the meeting room (booking) procedures particularly in relation to the need for groups to hold Public Liability Insurance.

The Board considered a paper proposing a new Application and Conditions of Use form.

Advice has been received from our insurers and a new simplified approach has been proposed that will see PL insurance only requested for high risk activities.

The Board noted that this has been a practical outcome.

**Moved : Derek Poulton**

**Seconded : Amanda Tingay**

That the Board endorses the revised Meeting Room Application and Conditions of Use.

**Carried**

## 13.0 Risk Register Review

The Board reviewed the current Risk Register and summary of High and Moderate Risks.

The Board noted the inclusion of 2 new risks.

2.8 Financial loss due to Organisation restructure failure – C3 Moderate to B3 Low.

2.9 Loss due to cash handling – C1 Low

The Board questioned the Consequences of Risks 6.9 and 6.10 noting that these could be higher than rated.

The Board discussed reviewing the Risk Appetite of the Board and reflecting this in the Risk Framework. The CEO advised that this has not been done for about three years.

### **Action : Review Risk Framework and Risk appetite.**

The Board agreed that the Risk Framework and Appetite should be reviewed by the Finance and Audit Committee before bringing to the full Board

**Moved : Gary Cleveland**

**Seconded : Derek Poulton**

That the Board notes the current status of the Risk Register and treatment plans.

**Carried**

## 14.0 Collections HQ

The Board received a presentation and demonstration of Collections HQ.

Cindy Decker, Acting Manager Technical Services attended the meeting for this item.

CollectionsHQ is a software package that operates with our Library Management System data. It is purchased on an annual subscription basis and delivered over the internet.

CollectionHQ consists of a suite of highly-integrated modules, providing a full set of powerful tools that support the collection management and development process in public libraries.

Collections HQ will be available to the Collections Manager and to each Branch Library Coordinator to better manage local collections. Collection HQ is purchased on a subscription basis over a three year contract. The annual cost is \$13,050 per annum.

The Board queried what drives the selection process and purchasing decisions. The CEO advised that this is undertaken in accordance with our Collections Policy.

### **Action : Provide a presentation on the Collections Policy.**

**Moved : Derek Poulton**

**Seconded : Kaye Thomson**

That the Board notes the report and presentation on Collections HQ.

**Carried**

## 15.0 OHS Policy Statement

The Board reviewed the existing OHS Policy Statement. The policy statement sets the direction and articulates our over riding commitment to OHS in the workplace.

The Board requested that this policy should be reviewed annually.

The Board also asked about the review of other policies. The CEO advised that we retain a Policy Register and the review of this is now part of the Finance & Audit Committee internal audit plan.

**Moved : Kaye Thomson**

**Seconded : Gary Cleveland**

That the Board adopts the OHS Policy Statement, including an annual review date and authorises the Chairperson to sign the statement.

**Carried**

## 16.0 Library Projects

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

### Yarrawonga Library

Gary Cleveland reported that the Community Consultation on the existing plans had been completed with over 200 responses, about 60% favouring the Town Hall site.

This will be going to a Council meeting in July with the outcomes from the investigation into the old school site.

### Tatura Library

The Board were advised that work is progressing well on the design and Council were also looking at expanding the parking available at the site.

### Improved Library Services for Small Rural Communities project

No progress was reported. Derek Poulton informed the Board that he has heard that Jinderra in NSW had implemented a community library.

Action : Investigate Jinderra Library model and report to Board. - CEO

**Moved : Kaye Thomson**

**Seconded : Kate Stothers**

That the Board notes the Library projects report.

**Carried**

## 17.0 Information Items

The Board noted the items of interest provided including:

- Nexis Regional Library Corporation Community Survey 2019

**Moved : Kaye Thomson**

**Seconded : Derek Poulton**

That the Information Items Report is noted.

**Carried**

## **18.0 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.

## **19.0 Other Business**

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

## **20.0 Next Meeting**

The next ordinary meeting of the GVRLC Board will be held on 19 September 2019 commencing at 2pm at the Shepparton Library.

### **Board Meeting Planner**

<b>Date</b>	<b>Meeting</b>	<b>Agenda Items</b>
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 4:21pm**

Kevin Preece  
Chief Executive Officer  
5 July 2019