

**COTTESLOE - PEPPERMINT GROVE - MOSMAN PARK COMBINED LIBRARY
FINANCIAL STATEMENT FOR THE PERIOD ENDED 29 FEBRUARY 2012**

OPERATING	BUDGET 2011/12		ACTUAL TO 29/02/2012		ESTIMATED 2011/12		BUDGET 2012/13	
	INCOME	EXPENSE	INCOME	EXPENSE	INCOME	EXPENSE	INCOME	EXPENSE
Salaries		678,228		401,059		643,828		662,937
LSL/Annual Leave Accrual		3,000		0		3,000		3,000
Superannuation		80,677		39,261		65,000		75,154
Postage & Freight		5,800		4,469		7,000		5,000
Telephone		3,630		1,588		3,000		2,500
Equipment Maintenance		5,530		3,770		5,530		6,000
Library Board Van Charge		2,024		1,840		1,840		2,000
Advertising		3,000		425		2,000		2,000
Printing		8,500		2,944		6,000		6,000
Stationery - Childrens Library		1,000		177		177		0
Stationery - General		10,000		6,218		9,000		9,500
Audit Fees		3,000		0		3,000		3,000
Photocopier		8,364		6,028		9,500		8,490
Sundries		5,244		7,556		6,500		4,090
Cleaning		43,000		28,133		43,000		65,510
Electricity		36,000		29,549		40,000		42,000
Water		3,000		2,591		6,000		6,000
Building Maintenance		21,700		37,347		60,000		76,351
Insurance		38,036		43,942		43,942		40,600
New Library Materials - Adult		33,730		12,674		25,000		25,000
New Library Materials - Children		13,270		4,830		8,682		10,000
Magazines & Newspapers		16,682		16,518		30,000		10,000
Non-book resources		0		27		27		6,000
E-Resources		0		0		0		11,825
Lost Books		5,000		2,564		5,000		5,000
Minor Equipment		4,000		17,230		20,000		4,000
Events & Programs		6,600		6,411		6,800		7,000
Childrens Book Week		2,450		2,166		2,167		2,000
Conferences - Staff Training		9,000		5,243		12,000		9,000
Computer Maintenance/Operation		52,300		30,577		52,300		56,000
Computer System Enhancements		3,000		505		3,000		3,000
Computer Lease Costs		58,972		42,652		58,972		58,972
Vehicle Operating Costs		3,535		5,227		8,535		3,700
Administration Charges - 5% of Operating Expenses		61,652		41,094		61,652		64,965
Regionalisation Activities		2,750		1,506		2,750		0
Fringe Benefits Tax		9,200		2,439		9,200		9,200
Consultancies		4,000		1,440		4,000		3,500
Media applications		2,180		1,458		2,180		3,363
Internet/Public Access Costs		8,670		3,524		8,670		9,120
Local History Materials		3,000		484		3,186		500
Depreciation expense (building, vehicle and equipment)		42,000						42,000
Public E-Mail	1,500		1,597		2,500		2,000	
Lost Books	4,500		3,375		4,500		4,500	
Photocopier	9,000		9,085		12,000		10,000	
Fines - Late returns	5,000		5,479		7,000		6,000	
Grants	935		0		935		1,162	
Other income	62,285		3,399		34,000		2,000	
Donations	100		10,890		10,900		0	
TOTAL OPERATING	83,320	1,301,724	33,825	815,466	71,835	1,282,238	25,662	1,364,277
CAPITAL	BUDGET 2011/12		ACTUAL TO 29/02/2012		ESTIMATED 2011/12		BUDGET 2012/13	
	INCOME	EXPENSE	INCOME	EXPENSE	INCOME	EXPENSE	INCOME	EXPENSE
Equipment & Software								
Library Vehicle	20,000	30,000	-	-	20,000	30,000	-	-
Replacement Bore								
Replace boundary wall								
TOTAL CAPITAL	20,000	30,000	0	0	20,000	30,000	-	-
TOTAL INCOME/EXPENDITURE	103,320	1,331,724	33,825	815,466	91,835	1,312,238	25,662	1,364,277

CONTRIBUTION STATEMENT								
	BUDGET 2011/12		ACTUAL TO 29/02/2012		ESTIMATED 2011/12		BUDGET 2012/13	
	INCOME	EXPENSE	INCOME	EXPENSE	INCOME	EXPENSE	INCOME	EXPENSE
Balance B/F	0		0		0		0	
ADD Total Income	103,320		33,825		91,835		25,662	
Total Expenditure	(1,331,725)		(815,466)		(1,312,238)		(1,364,277)	
ADD - Non Cash Items	3,000		3,000		11,000		3,000	
- Depreciation	42,000		31,240		42,000		42,000	
- Funds From Reserve	10,000		6,950		35,000		25,000	
LESS - Funds to Reserve	(5,510)		0		(4,504)		(29,132)	
		(1,282,234)		(774,276)		(1,228,742)		(1,323,409)
NET INCOME(EXPENDITURE)		(1,178,914)		(740,451)		(1,136,907)		(1,297,747)
COMMUNITY CENTRE OPERATING								
Community Centre	BUDGET 2011/12		ACTUAL TO 29/02/2012		ESTIMATED 2011/12		BUDGET 2012/13	
	INCOME	EXPENSE	INCOME	EXPENSE	INCOME	EXPENSE	INCOME	EXPENSE
	23,285	87,628	1,405	31,538	78,104	83,628	19,900	107,443
		(64,343)		(30,133)		(5,524)		(87,543)
NET INCOME(EXPENDITURE)								
LIBRARY AND COMMUNITY CENTRE								
		(1,243,257)		(770,584)		(1,142,431)		(1,385,290)
Contribution- Town of Cottesloe (42.74%)	529,365		372,622		496,713		588,264	
Contribution- Town of Mosman Park (48.29%)	600,996		423,622		564,829		668,931	
Contribution- Shire of Peppermint Grove (9.25%)	115,001	1,245,362	115,001	911,245	109,518	1,171,060	128,095	1,385,290
Closing Balance Surplus (Deficit)		2,105		\$ 170,794		\$ 28,629		0
2012/13 additional expenditure and funding on an equal share basis for funding of \$7,000 from each Council								
	BUDGET 2011/12		ACTUAL TO 29/02/2012		ESTIMATED 2011/12		BUDGET 2012/13	
	INCOME	EXPENSE	INCOME	EXPENSE	INCOME	EXPENSE	INCOME	EXPENSE
Oral history project		9,000		2,153		9,000		9,000
Combined Councils' Literature Prize		12,000		5,413		12,000		12,000
Launch of new Library		7,500		0		12,090		
Contributions to Special Projects	28,500		10,500		28,500		21,000	
	28,500	28,500	10,500	7,566	28,500	33,090	21,000	21,000
TOTAL CONTRIBUTION								
Contribution - Town of Cottesloe	538,865		376,122		506,213		595,264	
Contribution - Town of Mosman Park	610,496		427,122		574,329		675,931	
Contribution - Shire of Peppermint Grove	124,501		118,501		119,018		135,095	
TOTAL CONTRIBUTION	1,273,862		921,745		1,199,560		1,406,290	
Note 1								
RESERVES	2010/11		2011/12		2011/12		2012/13	
	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET
	\$	\$	\$	\$	\$	\$	\$	\$
a) Library Staff Leave Reserve								
Opening Balance	47,213	41,605	41,605	41,605	41,605	41,605	7,846	
Transfer to Reserve	1,342	1,141	1,141	1,141	1,141	1,141	20,000	
Transfer to Reserve (interest estimate for March to June)	0	0	0	0	100	100	0	
Transfer from Reserve	(6,950)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(25,000)	
	<u>41,605</u>	<u>7,746</u>	<u>7,746</u>	<u>7,746</u>	<u>7,846</u>	<u>7,846</u>	<u>2,846</u>	
b) Library Infrastructure Reserve								
Opening Balance	111,185	114,347	114,347	114,347	114,347	114,347	119,452	
Transfer to Reserve	3,162	4,085	4,085	4,085	4,085	4,085	9,132	
Transfer to Reserve (interest estimate for March to June)	0	0	0	0	1,020	1,020		
Transfer from Reserve	-	(10,000)	(10,000)	(10,000)	-	-	-	
	<u>114,347</u>	<u>108,432</u>	<u>108,432</u>	<u>108,432</u>	<u>119,452</u>	<u>119,452</u>	<u>128,584</u>	

See Note 1 Above - **Total transfers to** reserves of \$ 29,132.00 for 12/13 includes:

- (a) - \$5,132 payment by PG to library to cover 5% share of Library manager's salary to compensate for Community development duties solely for Peppermint Grove.
- (b) - \$4,000 interest earned.
- (b) - \$20,000 Leave Reserve.

Transfers from reserves of 25,000 for 12/13 are

- (a) - \$25,000 LSL payments.



MINUTES OF THE

**LIBRARY MANAGEMENT COMMITTEE
MEETING**

THURSDAY 5 APRIL 2012

TOWN OF COTTESLOE - TOWN OF MOSMAN PARK - SHIRE OF PEPPERMINT GROVE

Thursday 5 April 2012

TABLE OF CONTENTS

Item	Subject	Page
1.	CONFIRMATION OF MINUTES OF PREVIOUS MEETING	3
2.	BUSINESS ARISING FROM THE PREVIOUS MINUTES NIL	3
3.	REPORTS - MANAGER OF LIBRARY SERVICES	3
4.	PRESENTATION OF BUDGET PAPERS	8
5.	OTHER REPORTS NIL	10
6.	NEXT MEETING – May 18 2012	
7.	CLOSURE	10

AGENDA

Delegates:

Town of Cottesloe Cr S (Sally) Pyvis
Matt Humphrey, Manager Corporate and Community Services

Shire of Peppermint Grove Cr K (Karen) Farley (Presiding)
Anne Banks-McAllister, Chief Executive Officer
Debra Burn, Manager Library Services
John Roberts, Manager Corporate Services

Town of Mosman Park Cr M (Maureen) Harcombe
Andries Gertenbach – Executive Manager Corporate Services

Apologies: Cr P (Peter) Jeanes; Cr Z (Zenda) Johnson

1 CONFIRMATION OF MINUTES OF PREVIOUS MEETING**RECOMMENDATION**

1. That the Minutes of the Library Management Committee Meeting held on Friday 17 February 2012 be confirmed as a true and accurate record of proceedings.

As no sitting Committee members were present at the previous meeting, the Chair deferred this item to the next meeting.

2. BUSINESS ARISING FROM THE PREVIOUS MINUTES

NIL

3. REPORTS - MANAGER OF LIBRARY SERVICES**3.1 COMPARATIVE STATISTICS****3.1.1. Current Library Memberships:**

	Members as at February 2012	% of current members (Excluding non-residents)	% of resident population who are members
Cottesloe	3,342	45.33	46.05
Peppermint Grove	652	8.84	41.26
Mosman Park	3,378	45.82	40.94
	7,372		
Non-resident	1,500		
Total M'ship	8,872		

3.1.2 Change in total active membership:

2007-08	2008-09	2009-2010	2010-2011	Current
7,256	7,620	7,572	8,956	8,872

Total active membership is dynamic, with non-active members (who have not borrowed any items using their membership card for two years, even though they may be using on-line or in-house services,) purged automatically. Membership is also understated due to parents and partners often utilizing one membership for loans for the whole family. Total active membership increased by 17% in the year the new library opened, and has remained steady through 2011-12.

Assuming the current population of the three local authorities is now 19,411 (the most recent estimate available from the ABS ahead of the 2011 Census figures), resident membership is 46% of total population, which is close to the national average for library membership (45%). Non-resident membership has trended at approximately 20% of total membership for a number of years. As citizens of Western Australia may join any public library in the state, cross-subsidization of library services is a well-accepted fact of library service provision for all local authorities, and in the metropolitan area, it is assumed that the net effect is roughly equal across libraries.

Membership is only loosely correlated to demand for services and workload, as some members use the library frequently and borrow a lot, while others visit infrequently and/or access predominantly on-line or in-house services or events, rather than borrowing physical resources.

3.1.3 Loans of physical resources

2007-08	2008-09	2009-2010	2010-2011	Half-year Jul-Dec 2011
191,370	202,962	190,126	225,780	136,185

If the current trend continues into the second half of the year, loans for 2011-12 will increase by 20% over 2010-11, on top of a 19% increase over 2009-10. With memberships remaining steady at a higher plateau, this would seem to indicate that members and their families are borrowing more items more frequently. The likely impact of the reopening of the Claremont library on usage levels at the Grove Library is unknown at this stage.

3.1.4 Use of on-line and electronic resources

On-line and electronic resources include a diverse range of offerings from many different suppliers. Unlike loans of physical items, there is no standard method of enumerating usage of electronic resources, and in some cases, such measures are difficult to extract, are inconsistent, and/or are difficult to interpret. Standards for the meaningful evaluation of electronic resources provided through libraries are yet to be developed for the library industry.

Some on-line services are provided as part of the Western Suburbs consortia (for example, YourTutor, e-audio books, and on-line language tutoring); and some are provided by the State Library of Western Australia, with the Grove providing an access portal, for example, to Ancestry.com.

On-line services and resources which are offered via the Grove include:

Service	Measures	Half-year Jul - Dec 2011
In-house use of PCs for internet and applications such as word processing	Sessions	12,844
Wifi connection to the Internet	Logins	Approx. 10,000
Unique visitors to library website	Unique visitors	14,404
Unique visits to library website	Unique visits	23,978
YourTutor service for students	Individual live sessions between students and tutors	122
E-Audio Books	Downloaded titles	271
Language online	Logins	45
Britannica Online	Sessions	113
EBSCO Databases	Searches	1,287
Thompson Gale Databases	Searches	1,929

3.1.5 Library visits

A people counter at the main library door enumerates approximate visitation numbers by counting all entries and exits, and halving the result. It is not 100% accurate, as people entering together may only be counted as one; and visitors may pass in and out several times on one visit. However, taking these factors into account, the reading can be used as a useful comparative measure of assumed activity over time:

2007-08	2008-09	2009-2010	2010-2011	Half-year Jul-Dec 2011
119,191	127,133	115,910	172,416	101,748

There are significant virtual visits to the library website, to access the catalogue and on-line products and services, and to find out about events. The Precinct website is also visited by those interested in the ESD features of the building.

Virtual visits

	Half-year Jul – Dec 2011
Unique visitors to library website	14,404
Unique visits to library website	23,978
Unique visitors to Precinct website	1,339
Unique visits to Precinct website	1,594
Views of the Virtual Tour with Josh Byrne	1,158

Home Delivery Service

The Grove continues to provide a fortnightly or monthly home delivery service to 42 frail aged or people with disabilities who are unable to visit the library.

3.1.6 Library Programming

Library programming activates the library space, and promotes reading and digital literacy for education, information seeking and cultural enjoyment. Many library programs bring people with similar interests together, thus building social cohesiveness. Programs range from author talks, book groups, technology training, lectures, to children's story times and school holiday activities.

	Half-year Jul – Dec 2011
Number of programs for adults	42
Attendance at adult programs	591
Number of programs for children	85
Attendance at children's programs (including adult carers)	2,485

Community History is a special area of library programming which is growing in demand as the collection expands through acquisitions and digitization. The Community History Librarian responded to 26 in-depth research requests from locals as well as visitors and requestors by email in the period July to December 2011.

3.1.7 Staffing Levels – Library

Position	FTE
Manager	.95
Operations Coordinator	1
E-Services Librarian	1
Youth Services Librarian	1
Community History Librarian	.79
Total professional staff:	4.74
Customer Service Officers	5.05
Total Full-time Equivalent:	9.79

Staff Workload Indicators

	2010-11
Library members per staff member FTE	906
Physical visits per staff member FTE	17,611
Loans per customer service officer FTE	44,708

3.1.8 Community Centre Usage

As a new facility, the Community Learning Centre has achieved almost full occupancy during week days, with hiring also increasing for evenings and weekends. A number of spaces in the library, the Shire Offices, and the courtyard and the grounds, have also frequently been utilized for community uses such as meetings, seminars, and events.

Group	Total attendances 16 September 2010- 30 June 2011	Total Attendances Half-year July – Dec 2011
West Coast Community Centre	2,103	1674
Other community groups	1530	1200
Other community uses – workshops, seminars, events	1210	346
Council sponsored events	275	362
Private hirers	460	284
Child health seminars	n/a	274
Total	5,578	4,140

3.1.9 Comparative expenditure per head of population – Library services

Compared to neighbouring Western Suburbs libraries, comparative operational cost per head of population (based 2006 census) has been:

Year	Cottesloe/SPG/Mosman Park cost per capita	Western Suburbs Libraries cost per capita
2008-09	\$49.47	\$65.62
2009-10	\$51.18	\$66.62
2010-11	\$66.76	\$67.62
2011-12 (Budgeted)	\$68.99	n/a
2012-13 (Proposed)	\$75.95	n/a

RECOMMENDATION

That the information be received.

Moved: Harcombe
Seconded: Pyvis

That the information be received.

CARRIED UNANIMOUSLY

4. PRESENTATION OF BUDGET PAPERS

File Ref: LIB1/LIB114
Author: Manager of Library Services
Date: 5 April 2012

4.1 Budget Process

The Project Management and Construction Agreement between the three Councils sets out the budget process as follows (Library by definition in the Agreement includes the Community Learning Centre):

15.3 Preparation of draft budget

The Library Management Committee must prepare a draft budget in respect of Library Operating Expenditure and Library Capital Expenditure for each financial year and submit that draft budget to each Participant in April each year.

15.4 Amendments to draft budget

Each Participant's comments on the draft budget will be referred to the Library Management Committee which shall take those comments into account and then prepare a final draft budget.

15.5 Ratification of budget

The final draft budget shall be submitted to all Participants for ratification. Each Participant must notify the Manager of the ratification (or otherwise) by 31 May. All Library Capital Expenditure must be unanimously ratified by the Participants. Library Operating Expenditure is approved if ratified by a majority of the Participants.

4.2 Draft Budget for 2012-13

The budget estimates for 2012-13 are presented in the attachment, Combined Library Financial Statement.

4.2.1 Commentary

Given the steep rise in contributions from each Council in 2011/12 for library operations, this budget seeks to hold net expenditure at a level which achieves an operating plateau only, with no new initiatives proposed.

The costs of running and maintaining the new building have now been largely ascertained, so that this year's budget can be set with more certainty than that of 2011/12. A comprehensive Asset Register has been compiled, and a Maintenance Schedule is nearing completion. However, given that the building has just emerged from the warranty period, there may still be ongoing contingencies yet to be identified.

Proposed cost increases are therefore limited to:

- Substantial additional building maintenance costs. These include a number of new costs which did not apply while the building was new and/or in the warranty phase, but are now required, including
 - High cleaning and window and roof cleaning
 - Carpet and upholstery cleaning
 - Hard surface stain removal and resealing

- Maintenance of the hydraulic and photovoltaic ESD systems
 - Maintenance and adjustment of the waste water recycling systems
 - Regular servicing of louvres, fans, filters and audio visual equipment
 - Sampling and testing water systems
-
- The obligation to increase base salaries by 3.5% as per the 2011 Shire of Peppermint Grove Employee Collective Agreement
 - Cost increases as reflected in the Perth Consumer Price Index; the latest advice from the ABS being that the Perth CPI from December 2010 to December 2011 was 2.9%; with higher rises forecast an assumption of 3.5% has been applied.
 - Some sectors have exceeded the CPI, notably insurance, and these estimates have been adjusted accordingly.
 - Corrections of under- and over-budgeting in the previous budget which have become apparent, most notably an over-estimation of library staff salaries in the 2011-12 budget. This was balanced by the under-estimation of building maintenance costs in 2011-12, allowing the delivery of a balanced final result for 2011-12.

Given the need to find efficiencies where possible to offset these additional costs, cost savings have been applied in the 2012-13 draft budget in administrative areas such as stationery, postage, printing and advertising. The impact of these efficiencies will need to be monitored carefully to ascertain whether they have a detrimental impact on the delivery of core library services.

Non-discretionary budget items which represent fixed costs and utilities such as leases, computer maintenance contracts, insurance, power and water, have been estimated at as close to true cost as possible.

Budget items which are fundamental to the purpose of the library and community centre, such as expenditure on new resources (books, audiovisual materials and on-line resources and access) and programs (such as author talks, events, and children's activities) have been retained at current levels. Reduction of budget to these items would result in direct reductions to customer service levels.

In terms of expected income, it should be noted in particular that the Town of Claremont contribution for housing their library stock and staff during 2011 was a major income item in the 2011-12 budget, and its absence in this budget means a corresponding need to increase contributions to maintain operations at the same service levels as 2011-12. Apart from this, estimated income from such sources as room hire, library fees and fines, and small grants, is estimated at a similar quantum to the previous year.

4.2.2 Contributions to Special Projects

Special projects are funded on an equal share basis, and are not subject to the cost sharing ratios included in the Agreement.

Oral History Project. - Total Cost \$9,000 – cost to each Council- \$3,000

This project has now been funded for 6 years on an equal basis. During 2011-12, all previous oral histories were digitised, allowing an accurate final count of 115 histories. Each interview varies between one and six hours and all include detailed synopses. Segments from several oral histories have been uploaded onto a mobile application, with more potential for their utilization in future projects including heritage walks, virtual heritage walks, and mobile applications.

It is proposed that this valued program be continued, and that 14 interviews be completed in the 2012-13 financial year at an average cost of \$643 per interview.

2011-12 Literature Prize: Now & Then - Total Cost \$12,000 – Cost to each Council \$4,000

This competition is a cultural event of local significance, and provides an outlet for creative writing, as well as raising awareness about the local history of the three Council areas amongst students and the general public. The Library Committee has flagged that a review of this program be undertaken prior to setting the budget for 2013-14.

4.2.3 Financial Summary

Under the *Project Construction and Management Agreement* signed in 2009 the contributions are proportionate to population as per the 2006 Census figures.

The total net expenditure for 2012-13 of the combined Library and Community Centre, including Special Projects, is estimated at \$1,406,290, which represents an increase of 10.4% over 2011-12. The impact on each Council is shown in the following table:

Library and Community Centre	% Contribution	\$ Contribution 2010-11	\$ Contribution 2011-12	\$Contribution 2012-13
Cottesloe	42.47	469,549	538,865	595,264
Mosman Park	48.29	533,937	610,496	675,931
Peppermint Grove	9.25	102,245	124,501	135,095
Total		1,105,731	1,273,862	1,406,290

RECOMMENDATION

That the draft budget as presented be endorsed by the Library Management Committee for submission to participant Councils.

Moved: Farley
Seconded: Harcombe

That the draft budget as presented be endorsed by the Library Management Committee for consideration and discussion by participant Councils.

CARRIED UNANIMOUSLY

5. OTHER REPORTS

NIL

6. NEXT MEETING – May 18 2012

7. CLOSURE