

## MINUTES

### ORDINARY MEETING GOULBURN VALLEY REGIONAL LIBRARY CORPORATION

Held on Thursday 20 February 2020  
Commenced at 2:00pm  
Finished 3:50pm  
At the Meeting Room, Shepparton Library  
41-43 Marunji Street, Shepparton, Victoria 3630

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

Cr Gary Cleveland, Moira Shire Council, Chairperson  
Cr Bruce Giovanetti, Greater Shepparton City Council, Dty Chairperson  
Cr Alistair Thomson, 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  
Ms. Alex Monk, Moira Shire Council

Chief Executive Officer – Kevin Preece

#### ***Vision***

*We connect, empower and inspire our communities.*

Meeting opened at 2:00 pm

Sally Rice and Alex Monk attended by telephone.

## 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

No apologies were received.

## 3.0 Confirmation of Minutes

<b>Moved : David Roff</b> That the Draft Minutes of the ordinary Board Meeting held on 28 November 2019, as circulated, be confirmed. <b>Carried</b>	<b>Seconded : Derek Poulton</b>
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Kaye Thompson arrived at 2:07pm.

## 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	Health and Wellbeing program developed. Implementation pending.
2	June 2019	Review Risk Framework and appetite. Further comments received to be incorporated.	CEO	Draft developed. April 2020
3	June 2019	Provide a presentation on the Collections Policy	CEO	Deferred to April 2020
4	Sept 2019	Develop a regular eNewsletter and link from website. Ensure newsletter is distributed to stakeholder and member councillors.	CEO	Newsletter developed, first issue March 2020. Complete
5	Nov 2019	Engage lawyers to develop a new draft Employment Contract, convene the CEO Employment Matters Committee to negotiate with the CEO and make a recommendation to the Board to re-	Chairperson	Complete

		appoint.		
6	Nov 2019	CEO to engage with GSCC to determine alternate service locations and risk sharing for any proposed community fundraising for Tatura Library project.	CEO	Complete
7	Nov 2019	CEO to meet with GOTAFE CEO to discuss potential collaboration opportunities. Discussions commenced.	CEO	April 2020
8	Feb 2020	Provide an analysis of traffic on Sundays and costs to increase opening hours for consideration	CEO	April 2020

## 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 conflicts were declared.

The CEO thanked all Board members for providing their Ordinary Returns by 9 February 2020.

## 6.0 Correspondence

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

**Moved : Bruce Giovanetti**

**Seconded : Derek Poulton**

That the Correspondence inwards and outwards be received.

**Carried**

**Alex Monk joined the meeting by phone at 2:15pm.**

## 7.0 Board and Committee membership

### 7.1 New Board members

Greater Shepparton City Council has nominated Cr Bruce Giovanetti to the Board to replace Cr Seema Abdullah.

Strathbogie Shire has nominated Cr Alistair Thomson to the Board to replace Cr Kate Stothers.

**Moved : David Roff**

**Seconded : Kaye Thomson**

That the Board accept the nominations of Cr Bruce Giovanetti and Cr Alistair Thomson to the Board.

**Carried.**

## 7.2 Office Bearers

The Board discussed the filling of the Deputy Chairperson position.

GVRLC Board convention dictates that the Chairperson and Deputy Chairperson is held by Councillors and that the Chairperson position is rotated between Councils and the Deputy Chairperson would normally be the next incumbent to the Chair. (This convention is predicated on the proposed new Chairman and Deputy accepting the roles.)

Both Cr Giovanetti and Cr Thomson indicated that they will probably be retiring from Council at the end of the current term.

Nominations were called and Cr Bruce Giovanetti was nominated and accepted the nomination.

**Moved : Alistair Thomson** **Seconded : Amanda Tingay**  
That the Board appoint Cr Bruce Giovanetti as the Deputy Chairperson.  
**Carried**

## 7.3 Committee positions

The Board considered membership of the Finance and Audit Committee and the CEO Employment Matters Committee.

### Finance and Audit Committee

<b>Current membership</b>	<b>Proposed membership</b>
David Roff (Chairperson)	David Roff
Kaye Thomson	Kaye Thomson
Sally Rice	Sally Rice

Convention dictates that this committee is usually made up of the senior officer representatives from each member council.

### CEO Employment Matters Committee

<b>Current membership</b>	<b>Proposed membership</b>
Seema Abdullah (Chairperson)	Gary Cleveland – (Chairperson)
Gary Cleveland	Bruce Giovanetti
David Roff	David Roff

Convention dictates that this committee is usually made up of the current Board Chairperson and Deputy Chairperson and a senior officer representative to ensure representation from each council.

**Moved : Derek Poulton** **Seconded : Amanda Tingay**  
That the Board confirm the committee membership as proposed.  
**Carried**

Derek Poulton advised that he believed that the position of Community representative for Greater Shepparton City Council should be advertised at the end of this Council term.

## 8.0 CEO Employment Agreement

Kevin Preece left the meeting.

On 6 November 2019 and in accordance with section 94(4)(b) of the Act, the Board gave public notice of its intention to put a resolution on 28 November 2019 that it reappoints the Kevin Preece as its Chief Executive Officer for a further maximum term of two years without the position being advertised.

On 28 November 2019 the Board passed the following resolution.

*“That the Board intend to re-appoint Kevin Preece as Chief Executive Officer without the position being advertised, and that the Board authorise the employment matters committee to negotiate a new two year CEO employment contract to commence 1 April 2020.”*

The Board asked the Chairperson to engage lawyers to develop a new draft Employment Contract, convene the CEO Employment Matters Committee, negotiate with the CEO and make a recommendation to the Board.

The Chairperson has since completed this task with the Employment Matters Committee, negotiated the Agreement with Kevin Preece ready for execution.

The Agreement has been circulated to the Board for review.

Kevin Preece has agreed to accept such appointment subject to the terms and conditions of this Agreement.

The Board discussed the new agreement and recommendations from the CEO Employment Matters Committee.

**Moved : David Roff**

**Seconded : Bruce Giovanetti**

That the Board re appoints Kevin Preece as CEO for a further maximum term of 2 years and approves the negotiated employment agreement to commence 1 April 2020 and authorises the Chairperson and Deputy Chairperson to execute the agreement .

**Carried**

Kevin Preece re entered the meeting and was advised of the motion.

Kevin thanked the Board and the committee for their consideration and confidence shown and that he looked forward to continuing to work for GV Libraries over the next two years.

The new CEO Employment Agreement was executed by the Chairperson, Deputy Chairperson and CEO at the meeting.

## 9.0 CEO Report

The CEO reported on significant activities of the CEO and any salient items of specific operational and strategic interest.

Activities and priorities included;

- Annual reporting
- Library projects – Tatura close and relocation, fundraising planning

- Organisation re structure
- Auditor visit
- Public Libraries Victoria executive

The CEO reported on his role on the executive of Public Libraries Victoria and the functions of the organisation..

The CEO advised that he was participating on the Board of the revitalised Furphy Writing Awards and that these awards have commenced and a presentation date of 25 July 2020 at Shepparton has been selected.

The CEO advised the Board that he has commenced a Management and Administration re-structure and has advised the affected employees in accordance with the Enterprise Agreement.

## 10.0 Financial Report

The Finance and Audit Committee met on 13 February 2020.

The Board reviewed the signed Financial Statements to 31 January 2020 received from our finance contractor, GSCC and variance reports.

The statements show that with 58% of the year completed we have expended 61% of the recurrent expenditure budget and are \$58.6k over YTD.

Employee costs are over \$40.5k YTD primarily due to final Long Service and Leave payments to a retiring employees, \$14k and casual coverage of leave absences and additional external funded program expenditure. Long Service and Annual Leave usage is tracking better this year resulting in higher casual coverage costs.

Insurance costs have been \$13k higher than budget this year and a timing issue with GSCC payments, \$12k has also impacted results YTD.

A summary of our insurance costs showing year on year increases was reviewed. It was noted that our \$600m Public Liability insurance limit could be too high and should be reviewed. The Board believes that we may achieve a better result by going to quotes to test our insurance costs in the market.

Revenue is ahead by \$14.5k with all major income from Councils and State Government YTD received. User fees, meeting room income, book clubs and lost book income are all ahead YTD. Additional grant revenue for programs \$8k has also been received.

Capex is \$29k under YTD primarily due to delays in equipment and library resources purchases.

We are holding \$1.09m cash with \$500k in short term deposits to maximise returns.

Alistair Thomson questioned the YTD User Fees -\$411,521 on the Cash Flow Statement?

The CEO took this question on notice for later response.

**Moved : David Roff**

That the Board approves the Financial Report.

**Carried**

**Seconded : Derek Poulton**

**CEO note : I queried this with our financial contractor, Greater Shepparton City Council, and they discovered an error in the spreadsheet.**

**The outstanding Trade & Other Receivables balance \$481,239 (from Balance Sheet) should have been deducted from Contributions not User Fees in the Cash Flow Statement, as they are outstanding contributions not user fees as at 31st January 2020.**

**A revised Cash Flow Statement has been provided showing the correct figures, highlighted.**

**The Finance Contractor has apologised for the error and corrected the spreadsheet for future use.**

**Revised Cash Flow Statement**  
for the period ended 31 January 2020

	YTD Actual \$	2019/20 Budget \$
<b>Cash flows from Operating Activities</b>		
User Fees	38,697	50,320
Grants	860,025	848,897
Contributions	1,555,560	2,703,371
Other Income	16,161	50,000
Payments to suppliers	(391,439)	(796,685)
Payments to employees	(1,568,078)	(2,325,491)
Other Expenses	(29,631)	(57,936)
<b>Net cash provided by Operating Activities</b>	<b>481,296</b>	<b>472,476</b>
<b>Cash flows from Investing Activities</b>		
Payments for bookstock, plant and equipment	(321,462)	(470,000)
Proceeds from sale of bookstock, plant and equipment	8,183	500
<b>Net cash used in Investing Activities</b>	<b>(313,279)</b>	<b>(469,500)</b>
<b>Cash flows from Financing Activities</b>		
Proceeds from / (Payments for) Investments	(500,000)	0
Proceeds from interest-bearing loans	0	0
Repayments of interest-bearing loans and borrowings	(8,607)	(17,580)
<b>Net cash provided by Financing Activities</b>	<b>(508,607)</b>	<b>(17,580)</b>
Net Increase in Cash and Cash Equivalents	(340,589)	(14,604)
Cash and Cash Equivalents at the Beginning of the Financial Year	927,149	969,817
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>586,559</b>	<b>955,213</b>

## 12.0 Draft 2020/21 Budget

A preliminary draft Revenue and Expense budget was reviewed by the Board.

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

1. Increased revenue requirement from each Municipality of 2.0%.
2. Assumed increase in State Govt grant revenue of 2.0%.
3. No increase in Book stock purchase. – remains at \$400k Total Capex \$470k
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. Maintaining existing opening hours and programming activity.
8. Achieving a balanced budget.

Other items that could impact the final adopted budget include;

1. Potential employee cost savings through Management and Administration restructure. Full outcomes will only be known later in FY.
2. Additional contract expenses to offset some employee activity (i.e. HR and IT functions).
3. Impact of lost interest revenue due to reduced cash holdings due to restructure costs.
4. Timing of moving to Cloud based IT.

Kaye Thomson advised that the GSCC customer survey produced a lower satisfaction rating with some comments received regarding the limited opening hours of the Shepparton Library on Sundays.

**Action : Provide an analysis of traffic on Sundays and costs to increase opening hours for consideration. - CEO**

**Moved : David Roff**

**Seconded : Amanda Tingay**

That the board note the preliminary budget and request the CEO to investigate the costs of providing additional opening hours and impacts on the draft budget.

**Carried**

## 11.0 Risk Framework Review

The Board reviewed the amended Risk Framework and Draft Risk Appetite statement that was prepared by the CEO and reviewed at the previous Board meeting for consideration.

Further suggestions included;

- that perhaps the very low tolerance for death, permanent disability etc should be zero.
- Tolerance for exposure and loss of customers and personal information could be “very low”.

The CEO will incorporate this feedback into a revised statement document and framework for adoption by the Board.

**Moved : Kaye Thomson**

**Seconded : Derek Poulton**

That the board notes the amended Risk Framework including the Risk Appetite Statements and seeks further feedback by members to the CEO prior to finalisation.

**Carried**

### **13. 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.

**Moved : David Roff**

**Seconded : Bruce Giovanetti**

That the Business Operations Report be accepted.

**Carried**

### **14.0 Collections Development Policy**

The Board were provided with a copy of the Collections Development Policy for review. The Whole of Life Management of our collections is guided by our Collections Development Policy. This new Policy has been developed using our previous “Stock Management Policy” and updated.

**Moved : Kaye Thomson**

**Seconded : Amanda Tingay**

That the Board notes the Collections Development Policy.

**Carried**

### **15.0 Proposed Mobile Library Schedule Adjustments**

The Board reviewed the proposed Mobile Library Schedule Review project plan and communications material and provided feedback.

Derek Poulton expressed some concern with the proposal noting;

- He has no problems with the schedule changes, but the communications approach is a concern.
- We should be using this process as an opportunity to demonstrate some improved services particularly at places like Avenal and Murchison, we could bring these Service depot options forward, this would help in selling potential changes when we consider replacement of the Mobile Library in @ 4 years.
- We should be targeting the discussion to affected communities and have individual conversations rather than a broadcast email as proposed.
- We should delay these communications and develop a more targeted program.
- We could also use the delay to collect some data for before and after comparison of satisfaction levels.

**Moved : Derek Poulton**

**Seconded : Alistair Thomson**

That the Board notes the status of the Mobile Library Schedule Adjustments and requests the CEO develop a revised project and communications plan that is more targeted at the affected communities for consideration before any decision is taken to modify the schedule.

**Carried**

## 16.0 Library Projects

The Board reviewed a report on all current major Library projects, including Yarrowonga Library and Tatura Library.

### Yarrowonga Library

Sally Rice reported that the Moira Shire Council has applied for a State Government Loan to cover the \$3.75m estimated project cost. Council have engaged consultants to start preparing a Planning Permit application for the Town Hall site.

Moira Shire has been offered First Right of Refusal to purchase the old School site and there is a vocal community group advocating for this site for the Library location.

### Tatura Library

The CEO advised that on 24 Dec 2019 we completed negotiations to rent a shop front at 155A Hogan Street for a pop up library while the construction takes place at the Casey Street site. Rental is \$200 / week ex GST plus utilities and rates. GSCC has committed to subsidise this rental by \$100/week. We are receiving a huge discount on the market rates and have agreed to a one week notice to leave if requested.

We closed the Tatura Library on 7 January 2020 and we commenced packing and relocating on 9 January. A big effort was made by many GVL employees to pack up our stock, disassemble and re assemble shelving and relocate furniture to the pop up library.

We opened for business under the existing timetable on Tuesday 17 January.

Construction at the Casey Street site commenced during the week commencing 24 January.

We are finalising an agreement with GSCC on Community Fundraising and risk arrangements for the Furniture and Shelving.

We have commenced activity towards the community fundraising effort and have secured the services of a well known community leader, Carl Walters, to act as Chairperson of the fundraising committee. We have also garnered a committee of 6 other locals who will form the committee.

Planning has commenced for fundraising and a Fundraising Launch will be held at the temporary Tatura Library 155A Hogan Street Tatura at 10am Wednesday 26 February.

**Moved : Kaye Thomson**

That the Board notes the Library projects report.

**Carried**

**Seconded : Bruce Giovanetti**

## 17.0 Information Items

The Board noted the items of interest provided including:.

- GV Libraries Public Survey Results.

**Moved : Sally Rice**

That the Information Items Report is noted.

**Carried**

**Seconded : Alex Monk**

## 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

Gary Cleveland advised that we have prepared and will send thank you letters to Seema Abdullah and Kate Stothers.

## 20.0 Next Meeting

The next ordinary meeting of the GVRLC Board will be held on 30 April 2020 commencing at 2pm at the Shepparton Library.

### Board Meeting Planner

<b>Date</b>	<b>Meeting</b>	<b>Agenda Items</b>
23 April 2020	Finance & Audit Committee	Asset Register Review
30 April 2020	Board	Approve Budget for public review
18 June 2020	Finance & Audit Committee	Review Risk register
25 June 2020	Board	Approve Budget Review Risk Register
17 Sept 2020	Finance & Audit Committee	End of year financial report
24 Sept 2020	Board	Annual report
19 Nov 2020	Finance & Audit Committee	Review of Procurement Policy and delegations
26 Nov 2020	Board	Confirmation of chair, deputy, committees Review Code of Conduct

**Meeting closed at 3:50pm**

Kevin Preece  
Chief Executive Officer