

Board Meeting 23 February 2023

DRAFT MINUTES

ORDINARY MEETING GOULBURN VALLEY REGIONAL LIBRARY CORPORATION

Held on Thursday 23 February 2023
Shepparton Library 41-43 Marungi St, Shepparton and via Zoom
Commenced at 2:04pm
Finished 3:39pm

BOARD MEMBERS in attendance

Cr Julie Brooks, Moira Shire Council (Chairperson)
Mr Derek Poulton, Greater Shepparton City Council
Mr Matt Jarvis, Moira Shire Council
Ms Kym Bailey, Greater Shepparton City Council
Ms Jess Bonaddio, Moira Shire Council

Chief Executive Officer – Kevin Preece

Vision

We connect, empower and inspire our communities.

Meeting opened at 2:04pm

Jess Bonaddio and Kym Bailey attended remotely via Zoom.

1.0 Acknowledgement

The Chairperson read the acknowledgement of the first nation's community.

"We acknowledge the traditional owners of the land where we now meet and pay respect to their elders past and present."

2.0 Apologies

Louise Mitchell, Dawn Bray, Paul Murray, Greg James submitted an apology prior to the meeting.

3.0 Confirmation of Minutes

Moved : Derek Poulton	Seconded : Jess Bonaddio
That the Draft Minutes of the Ordinary Board Meeting held on 24 November 2022, 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	Feb 2022	Ensure further media coverage on LLIP funding for Euroa and Numurkah.	CEO	Waiting for designs and work schedules to be completed. New year.
3	Nov 2022	Library Plan mid year review	CEO	Completed Feb 23
4	Nov 2022	Prepare a briefing paper on the status and options of the Courier Service.	CEO	Completed Feb 23
5	Nov 2022	Surveillance Policy to be revised and brought back to the Board for review.	CEO	Completed Feb 23
6	Nov 2022	Undertake a Cybersecurity review and report to the Board.	CEO	Review initiated with CIT consultants. April 23
7	Feb 2023	Provide a report on the current and past Mobile Library costs.	CEO	April 2023
8	Feb 2023	Provide a report on Website hits and analytics on use.	CEO	April 2023

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

The Board noted the letter from Minister Horne announcing \$58k of new funding for Goulburn Valley Libraries for Digital Literacy for Seniors programs. This funding is for new programs to be completed before 31 December 2023.

7.0 Board membership

On 16 December 2022 Strathobogie Shire Council advised that Cr Paul Murray is to be the nominated Councillor representative on the Board replacing Cr Reg Dickinson.

Councillor Sally Hayes-Burke was nominated as a substitute representative.

Moved : Matt Jarvis

Seconded : Kym Bailey

That the nomination of Cr Paul Murray to the Board and Cr Sally Hayes-Burke as substitute representative be accepted.

Carried

Greater Shepparton City Council has advertised for a new Community representative to replace Derek Poulton on the Board but has not advised who that will be yet.

Derek Poulton advised that this will be his last meeting.

8.0 CEO Recruitment

Kevin Preece left the room.

The Board discussed "In Camera" the status of the CEO Recruitment and the successful appointment of Ms Felicity Macchion to the position of CEO commencing 27 February 2023.

The Board discussed the transitional arrangements to apply from Monday 27 February 2023 to 31 March 2023 and passed the following resolution.

Moved : Louise Mitchell

Seconded : Derek Poulton

1. That the current CEO Employment Agreement between Goulburn Valley Regional Library Corporation (GVRLC) and Kevin John Preece (Mr Preece), dated 24 February 2022, be varied by consent, as follows:

- (a) As from Monday, 27 February 2023, Mr Preece will perform the duties and functions of an Executive Officer, reporting to the new CEO, Felicity Macchion (Ms Macchion), and assisting in the handover of his CEO duties and functions to her;
 - (b) Mr Preece is appointed as Acting CEO will be required to carry out the duties and functions of that position between 13 and 27 March 2023 inclusive, whilst Ms Macchion is taking pre-approved annual leave;
 - (c) On 28, 29, 30 and 31 March 2023, Mr Preece will revert to performing the duties and functions of an Executive Officer assisting in the handover of his CEO duties and functions to Ms Macchion;
 - (d) Mr Preece's remuneration and other entitlements under his CEO Employment Agreement apply to his period of employment as Executive Officer i.e. so that he is "no worse off" than had he been employed as Chief Executive Office during those periods.
2. That Mr Preece's appointment and employment with GVRLC expires with the effect from close of business on 31 March 2023, in accordance with clause 3.1 of his CEO Employment Agreement.
 3. That on the cessation of Mr Preece's employment effective close of business on 31 March 2023, he be paid out his outstanding remuneration, together with his accrued but unused leave entitlements up to and including that date.

Carried

The CEO returned to the room 2:18pm.

9.0 CEO Report

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

Activities the CEO has focussed on in the last period included;

- Euroa and Nurmurkah projects
- Preliminary 2023/24 Budget
- Tatura security
- Establishing the Yarrawonga Fundraising committee

The priorities in the next few months will be:

- Numurkah and Euroa Plans and project commencement
- Tatura Library 7/11/7 implementation
- Yarrawonga Fundraising Committee
- CEO handover

The CEO advised that the visit by the CEO of the State Library Mr Paul Duldig on 20 October was postponed due to floods and has been rescheduled to 16 March 2023.

9.1 Contract outside delegation - Financial and Administration Services Agreement.

Goulburn Valley Libraries contracts Greater Shepparton City Council to undertake Financial and Administrative Services.

This is an efficient and effective arrangement for a small scale organisation such as Goulburn Valley Libraries.

The current Agreement expired on 20 June 2022 and services and payments have continued from this date without a formal agreement.

We have negotiated an update Agreement for approval.

The Agreement includes a cessation of agreement clause that deals with “wind up or transmission of business” during the term.

Year	Cost ex GST	Increase
22/23	\$70,079	1.5%
23/24	\$71,481	2.0%
24/25	\$72,910	2.0%

The term of the Agreement is 3 years from 1 July 2022 to 30 June 2025.

The total cost of the Agreement is \$214,470 over the three year term.

This is outside the CEO delegation for contracts of \$100,000 and is therefore referred to the Board for approval.

Moved : Derek Poulton That the Board approves the negotiated Financial and Administration Services Agreement with Greater Shepparton City Council, 1 July 2022 to 30 June 2025 and authorises the CEO to sign on behalf of the Corporation. Carried	Seconded : Jess Bonaddio
Moved : Matt Jarvis That the CEO Report be accepted. Carried	Seconded : Derek Poulton

10.0 Financial Report

31 January 2023 Financial Statements

The Finance and Audit Committee has met on 20 February 2023 and reviewed the Financial Statements to 31 October 2022. The CEO and Matt Jarvis were the only attendees.

A review of budget phasing has been undertaken to better reflect the timing of Euroa and Numurkah project delivery in the latter part of the financial year but this review has not been reflected in this months reports.

The statements show that with 58% of the year completed we have expended 55% of the recurrent expenditure budget and are \$240.4k under YTD.

Employee costs are under \$39.2k YTD primarily due to reduced workcover premium, reduced employee availability and library closures due to floods.

Materials and Services is under \$169.5k YTD primarily due to delayed expenses for the Euroa and Numurkah refresh projects, \$140k.

Revenue is favourable \$41.7k YTD due to increased Interest earnings, gain on sale of Courier Van ahead of budget \$16.5k and receipt of \$16k donation from the Euroa Friends for equipment purchases.

Capex is underspent \$36.7k YTD primarily due to delays in expenditures for the Euroa and Numurkah re fresh projects, \$22k. This expenditure will now occur later in the financial year.

Book stock purchasing is behind schedule due to critical staff unavailability over the last two months. This will be rectified in coming months.

The CEO advised of a couple of formatting errors in the reports that will be fixed in next months reports.

Matt Jarvis requested that the Operational P&L Report be provided that provides the per Library and function breakup as this adds value to the financial picture of the corporation.

Derek Poulton questioned the Mobile Library costs as it is currently off the road getting repaired. The CEO advised that these would be visible in the Operational P&L report. Derek requested that we look at the historic and current Mobile Library costs as a starting point to a future paper on the issue on Mobile Library replacement options.

Action: Provide a report on the current and past Mobile Library costs.

Moved : Matt Jarvis

That the Board approves the Financial Report.

Carried

Seconded : Derek Poulton

11. 0 Preliminary Draft 2023/24 Budget

The Board reviewed a preliminary draft 2023/24 budget for all activities of Goulburn Valley Libraries prepared by the CEO and based on the following assumptions.

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

1. Return to adjusted normal pre COVID-19 operations.
2. Increased revenue requirement from each Municipality of 2.0%.
3. Assumed increase in State Govt grant revenue of 2.5%.
4. Increase in revenue from Bank deposits.+\$17k
5. Donation revenue from Yarrawonga Library Fundraising will be direct in and out through the financial year and so not included in the budget.
6. Increase in Book stock purchase by 2% from \$457k to \$465k
7. Maintain shelf ready purchases to reduce key personnel risk.
8. Employee benefits increase by 2.0% (EBA 2022)
9. New HR and IT support contracts in place.
10. Increase in depreciation expense of 2% due to increased capital purchases for ebook stock and revised depreciation life.
11. Deficit is in line with library plan projections and based on achieving a balanced budget through the four year library plan period.

The CEO noted that the budget is prudent and noted that the ask from Councils is set at 2%, below the rate cap of 3.5% and this is in accordance with the Library Plan projections.

Bank deposit revenue could be set higher by a further \$15k as the returns being achieved are exceeding previous estimates. This revenue could be added to Consulting costs to support the Future Governance Model project.

A deficit budget of the order of \$10k is in line with Library Plan projections and any deficit is easily supported due to the surpluses achieved through the recent Covid year results.

The additional \$58k digital literacy for seniors funding and related expense will be included in the budget if it arrives and is purposed for 2023/24.

The CEO advised that the draft budget will be included in the April 23 Board Papers for adoption for public review.

Moved : Derek Poulton

Seconded : Matt Jarvis

That the Board notes the Preliminary draft 2023/24 Budget.

Carried

12.0 Library Plan 2022-26 mid year status report

The Board reviewed the Library Plan mid year report.

The Library Plan 2022-26 is the key strategic directions document that guides activity and projects for the Corporation. The Plan was adopted in June 2022.

The CEO advised that the Library Plan is only 6 months in and so many actions are either not commenced or have minimal progress but remain on track. The report also highlights activities and actions that are complete or close to completion. At this stage there are no red flags. The Plan may be revised at the end of Financial Year with the new CEO to reflect her own specific targets and projects and/or changes in priority, operations or funding.

Moved : Jess Bonaddio

Seconded : Kym Bailey

That the Board reviews and notes the Library Plan 2022-26 mid year status report.

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.

The CEO commented on the improvement in our main indicators of Loans, Visits and memberships reflecting the increase in programming activity and the recommencement of the membership retention program.

The Board reviewed the Incidents and Hazards reported and noted the number of reports from staff dealing with difficult patrons and patrons with mental health issues.

The CEO advised that we are doing refresh training for “dealing with difficult people” soon.

The Board also requested that the location be included in the Incidents report.

The CEO reported on the introduction of Newsbank that provides free on line and in library access to most newspapers around Australia including the Age, Herald Sun and Shepparton News.

The Board noted the dip in Website hits. The CEO advised that this was possibly due to the pause in Library Victoria courier and system holds, where patrons would previously access the website to search the catalogue and place holds. The Board requested more analytics on the website use.

Action : Provide a report on Website hits and analytics on use.

Moved : Derek Poulton

Seconded : Matt Jarvis

That the Board approves the Business Operations Report.

Carried

14.0 Surveillance Policy

The Board reviewed the revised Surveillance Policy that was amended following advice from the previous Board meeting.

The CEO advised that Dawn Bray had sent a template that could be used and this was adapted with the current policy to produce this more comprehensive policy.

Moved : Derek Poulton

Seconded : Jess Bonaddio

That the Board approves the GV Libraries Surveillance Policy.

Carried

15.0 Draft Reconciliation Action Plan

This item was held over to next meeting.

16.0 Library Projects

Yarrowonga Library

Construction of the new library has commenced on site but no action has been evident on site. Matt Jarvis reported that Council were dealing with the Architects and the Builders and they were confident that works would recommence on site soon.

Tatura Library

Our security contractor is close to finalising this work however we are frustrated by the delays and are working to get this completed asap.

We are planning to commence operation and promotion of the Open Library in March.

Numurkah and Euroa Re-refresh and modernisation projects

We have ordered some materials and are progressing to final designs to enable procurement of the required materials and contracts.

The plan is to complete these works by the end of the financial year.

17.0 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.

18.0 Other Business

The Chairperson thanked Derek Poulton for his service over 8 years to the Board and a small gift was provided in recognition of this service. Derek thanked all Board members and the CEO and advised he has enjoyed his time on the Board and wished the organisation well for the future.

The Chairperson also thanked the CEO for his service and continuing efforts and was hopeful that the Board could have a lunch on Kevin's last day, 31st March, to mark his time at Goulburn Valley Libraries. To be advised.

19.0 Next Meeting

The next ordinary meeting of the Board will be held on 20 April 2023 commencing at 2pm via Zoom.

Board Meeting Planner

Date	Meeting	Agenda Items
13 April 2023	Finance & Audit Committee	Business Continuity Plan Depreciation Review
20 April 2023	Board	Approve Budget for public review
15 June 2023	Finance & Audit Committee	Review Risk register Review delegations
22 June 2023	Board	Approve Budget Review Risk Register
14 September 2023	Finance & Audit Committee	End of year financial report
21 September 2023	Board	Annual report
16 November 2023	Finance & Audit Committee	Review of Procurement Policy and delegations
23 November 2023	Board	Confirmation of chair, deputy, committees Review Code of Conduct

Finance and Audit Committee meetings will be held at least one week prior to a general Board meeting and scheduled to meet participant's availability.

Meeting closed at 3:39pm

Kevin Preece

Chief Executive Officer