

Investment Subcommittee Minutes

Meeting held in the Whale Bay Room
36 Water Street, Whangārei
on Wednesday 28 November 2018, commencing at 8.30am

Present: Cr John Bain (Chair)
Cr Bill Shepherd
Cr Penny Smart
Geoff Copstick (Independent Financial Member)

In Attendance: **Full Meeting** NRC Chief Executive
GM, Corporate Excellence
Finance Manager
Accounting Assistant, Treasury & Projects
PA, Corporate Excellence (minutes)
Part Meeting Jonathan Eriksen, EriksensGlobal (via phone)

The Chair declared the meeting open at 8.30am

1.0 APOLOGIES

Nil

Secretarial Note: The apology from Cr Rick Stolwerk for non-attendance was noted

2.0 DECLARATIONS OF CONFLICTS OF INTEREST

It was advised that committee members should make any declarations item-by-item as the meeting progressed.

3.0 CONFIRMATION OF MINUTES

3.1 Confirmation of Minutes

ID: A1127642

Report from Dave Tams, Group Manager, Corporate Excellence

Moved (Shepherd / Smart)

That the minutes of the Investment Subcommittee meeting held on 24 October 2018 be confirmed as a true and correct record.

Carried

Secretarial Note: The order of the agenda items was rearranged to allow for other commitments by attendees

8.38am - Jonathan Eriksen joined the meeting

4.0 REPORTS

4.2 Supplementary Item: Performance of council's externally managed funds to October 2018

ID: A1132797

Report from Simon Crabb, Finance Manager

Moved (Bain / Shepherd)

1. That, as permitted under section 46A(7) of the Local Government Official Information and Meetings Act 1987, the following supplementary report be received:
 - Performance of council's externally managed funds to October 2018 (incorporating the EriksensGlobal report 'Northland Regional Council Externally Managed Investment Funds – dated 26 November 2018)
2. That the rate payment due in December 2018 be put onto term deposit, not managed funds, staggered over the periods of 30, 60 and 90 days, and weighted to 90 days.

Carried

Summary of Discussion

- Markets are showing the beginning of a correction, council funds are positioned defensively and EriksensGlobal do not recommend any changes at this time
- EriksensGlobal are comfortable with the performance of the portfolio at present - funds are still returning 1 - 2% more than term deposits and things are expected to improve by the end of the council's financial year
- EriksensGlobal advise council to meet cash needs as they arise, rather than withdrawing cash now and crystallising losses

9.00am - Jonathan Eriksen left the meeting

4.1 Responsible Investment Report

ID: A1127607

Report from Dave Tams, Group Manager, Corporate Excellence

Moved (Shepherd / Smart)

That the report 'Responsible Investment Report' by Dave Tams, Group Manager, Corporate Excellence and dated 12 November 2018, be received.

Carried

Summary of Discussion

- Gambling (1.06%) and Armaments (0.02%), although very minor, are still something council does not wish to be involved with
- Wording needs to be changed to reflect that council's preference is for these percentages to be reduced to zero over time

Agreed Actions

- | | | |
|----|---|------------------|
| 1. | Send a copy of the expected returns for each fund through to DT for distribution with the minutes | Jonathan Eriksen |
| 2. | Report on how achievable it is for council's exposure to be reduced to zero in the areas of gambling and armaments, and over what timeframe, to the February workshop | Jonathan Eriksen |
| 3. | Send FMG Report on ethical investing to DT for distribution with the minutes | Geoff Copstick |

The meeting closed at 9.31am

UNCONFIRMED