

Investment and Property Subcommittee Minutes

Meeting held in the Council Chamber by Zoom
36 Water Street, Whangārei
on Wednesday 26 August 2020, commencing at 1.00pm

Present:

Chairperson, NRC Councillor Rick Stolwerk
Councillor Justin Blaikie
Councillor John Bain
Councillor Colin Kitchen
Ex-Officio Penny Smart

In Attendance:

Full Meeting

Independent Financial Advisor Geoff Copstick
Independent Audit & Risk Advisor Danny Tuato'o
Chief Executive Officer – Malcolm Nicolson
GM Corporate Excellence – Bruce Howse
Finance Manager – Simon Crabb
Property Officer – Nicole Inger
Accounting Assistant – Treasury & Projects - Anan Thiru
PA Corporate Excellence – Judy Graham

Part Meeting

Jenksmax consulting - Ian Jenkins
EriksensGlobal - Jonathan Eriksen

The Chair declared the meeting open at 1.00pm.

Apologies (Ngā whakapahā) (Item 1.0)

There were no apologies.

Declarations of Conflicts of Interest (Nga whakapuakanga) (Item 2.0)

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

Confirmation of Minutes - Investment and Property Subcommittee 27 May 2020 (Item 3.1)

ID: A1350476

Report from Judith Graham, Corporate Excellence P/A

Moved (Bain/Smart)

That the minutes of the Investment & Property Subcommittee meeting held on 27 May 2020, be confirmed as a true and correct record.

Carried

Mount Tiger Forest Quarterly Report April - June 2020 (Item 4.1)

ID: A1351889

Report from Nicole Inger, Property Officer

Moved (Bain/Smart)

That the report 'Mount Tiger Forest Quarterly Report April - June 2020' by Nicole Inger, Property Officer and dated 13 August 2020, be received.

- Additional Mount Tiger Forest report prepared and presented to tie in with Northland Regional Council financial year end.
- Six monthly report to tie in with half year and full year to be issued in December and June.
- Expenditure budget for financial year was \$106,000 achieved what was required in budget and the actual spend was \$81,000 saved \$25,000 last financial year.
- Significant storm event in July, forest suffered extensive damage landslips on the roads. There is a contingency plan in year end 2021 budget for \$15,000. Likely to overspend on earthworks to clean up from the July 2020 storm event.
- Current insurance in place covers fire only, premium's rates will increase significantly if to cover damage caused by storms. Currently self-insured.
- Next lot of harvest due in 2026/2027 additional risk assessment on pre harvest and volatility of site to be completed.
- Six monthly report to have a more comprehensive component on Health & Safety.

Carried

Performance of Council Externally Managed Funds to 31 July 2020 (Item 4.2)

ID: A1355237

Report from Simon Crabb, Finance Manager

Moved (Bain/Smart)

1. That the report 'Performance of Council Externally Managed Funds to 31 July 2020' by Simon Crabb, Finance Manager and dated 21 August 2020, be received.

Carried

Jonathan Eriksen from EriksensGlobal joined the meeting and gave a update on the current investment markets and how Northland Regional Council managed funds are performing in the current market than answered questions from the subcommittee members.

- Market going well since the heavy sell off back in March.

Strategy to De-Risk the Long Term Investment Fund (Item 4.3)

ID: A1354947

Report from Simon Crabb, Finance Manager

Moved (Bain/ Kitchen)

1. That the report 'Strategy to De-Risk the Long Term Investment Fund' by Simon Crabb, Finance Manager and dated 20 August 2020, be received.
2. That the Long-Term Fund asset mix is amended to 60.4% growth assets and 39.6% income assets (broadly 60:40), in line with the attached EriksensGlobal recommendation.

Carried

- Note from finance manager that by de risking to 60/40% will bring down to 5.2% and Northland Regional Council budget is built on 4.9%
- Responsible Investment Report (ESG survey) to be sent to Independent Audit & Risk Advisor Danny Tuato'o
- New 2020 ESG survey from EriksensGlobal expected to be issued next week.
- Chief Executive officer Malcolm Nicolson raised the question over allocation of Quay street, staff confirmed \$2.5 million had been withdrawn from Quay street as working capital subsequent to the EriksensGlobal report being completed.

Business with Public Excluded (Item 5.0)

Moved (Stolwerk /Bain)

Meeting moved into public excluded 1.48pm

1. That the public be excluded from the proceedings of this meeting to consider confidential matters.
2. That the general subject of the matters to be considered whilst the public is excluded, the reasons for passing this resolution in relation to this matter, and the specific grounds under the Local Government Official Information and Meetings Act 1987 for the passing of this resolution, are as follows:

| Item No. | Item Issue | Reasons/Grounds |
|----------|--|---|
| 5.1 | Confirmation of Confidential Minutes - 27 May 2020 | The public conduct of the proceedings would be likely to result in disclosure of information, as stated in the open section of the meeting -. |

3. That the Independent Financial Advisors and Independent Audit & Risk Advisors be permitted to stay during business with the public excluded.

Carried

Conclusion

The meeting concluded at 1.50pm.