

## Investment and Property Subcommittee Minutes

Meeting held in the Council Chamber  
36 Water Street, Whangārei  
on Wednesday 27 May 2020, commencing at 1.00pm

### Present:

Chair, Councillor Rick Stolwerk  
Councillor John Bain  
Councillor Colin Kitchen  
Ex-Officio Councillor Penny Smart

### In Attendance:

#### Full Meeting

Chief Executive Officer - Malcolm Nicolson  
GM Corporate Excellence - Dave Tams  
Strategic Projects Manager – Phil Heatley  
Property Officer – Nicole Inger  
Finance Manager – Simon Crabb  
Independent Audit & Risk Member -Danny Tuato'o  
Independent Financial Advisor Jonathan Eriksen  
Independent Financial Advisor Geoff Copstick

PA Corporate Excellence – Judy Graham  
Business Support – Robyn Valentine

#### Part Meeting

Jalissa Karena-Lange  
Ian Jenkins

The Chair declared the meeting open at 1.03pm.

### Apologies (Ngā whakapahā) (Item 1.0)

#### Moved (Smart / Bain)

That the apologies from Councillor Blaikie for non-attendance be received.

Carried

### 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 - 26 February 2020 (Item 3.1)**

**ID: A1316638**

**Report from Judith Graham, Corporate Excellence P/A**

**Moved (Smart / Bain)**

That the minutes of the Investment & Property Subcommittee meeting held on 26 February 2020 be confirmed as a true and correct record.

**Carried**

### **Mount Tiger Forest Quarterly Report January - March 2020 (Item 4.1)**

**ID: A1315134**

**Report from Nicole Inger, Property Officer**

**Moved (Bain / Kitchen)**

That the report 'Mount Tiger Forest Quarterly Report January - March 2020' by Nicole Inger, Property Officer and dated 12 May 2020, be received.

**Carried**

Ian Jenkins from Jenksmax consulting gave an update on the Mount Tiger forest and advised that no health and safety matters have arisen in the January to March quarter. Operations running on target and under budget with six weeks to go to the end of financial year.

- Two programmes underway – 1. conifer removal programme underway in Awanui and Kaiwi lakes – 2. Working with arborists to increase labour force to take on more of that work.
- Change the frequency of the Mount Tiger quarterly report to six monthly June and December supported and agreed by the Investment & Property subcommittee. Issues will be bought up as they occur within the 6 month reporting period.

### **Responsible Investment Report - as at 31 December 2019 (Item 4.2)**

**ID: A1314443**

**Report from Simon Crabb, Finance Manager**

**Moved (Bain /Kitchen)**

1. That the report 'Responsible Investment Report - as at 31 December 2019' by Simon Crabb, Finance Manager and dated 11 May 2020, be received.

**Carried**

*Secretarial Note:* 1.17pm Jonathan Eriksen from EriksenGlobal joined the meeting.

Jonathan Eriksen addressed the responsible investment report. The report is on investments lined up with socially responsible ideals/goals.

- Industry norm is extraction/processing fossil fuels that are highest -2% is conceded relatively low but some try to get lower if possible, until recently it was between 3-4% globally.

- Tables on page 3 & 4 in the responsible investment report show percentages, Jonathan Eriksen to add dollar value on the next report that is produced twice a year.
- Renewable energy can be profitable depending on costs of fossil fuel.
- Sustainable forestry depends on supply and demand, China opening up again is fuelling the demand. Council to understand if renewable energy is profitable.
- Councillors need to be able to say we invest ethically.

## **Performance of Councils Externally Managed Funds to 30 April 2020 (Item 4.3)**

**ID: A1317688**

**Report from Simon Crabb, Finance Manager**

**Moved (Bain /Smart)**

That the report 'Performance of Councils Externally Managed Funds to 30 April 2020' by Simon Crabb, Finance Manager and dated 19 May 2020, be received.

**Carried**

Jonathan Eriksen gave an update on Northland Regional Council externally managed investment funds. April showed a significant improvement. Government response including spending on welfare/medical etc. assisted in the improvement to the economy.

- Percentages in red – short term performances for one month and three month figures – February /March stock markets fell further/faster than before; market bonds gave negative returns in March. More positive figures coming in since March
- forecast to year end? Currently looking good but can't guarantee returns – the Australian market is looking good as Chinese are buying iron ore again.
- Short term funds are out-performing long term funds; Short term funds are well positioned – long term funds have a higher risk as we expect higher returns. Managers of funds are performing very well but won't know until later in the year what the final performance at year end will be.
- New Zealand stock market is very well sort after – KiwiSaver Managers investing sizable sums in Australasian markets, currently there are more buyers than sellers in New Zealand market.

## **Business with Public Excluded (Item 5.0) 1.48pm**

**Moved (Kitchen /Smart)**

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 - 26 February 2020 | The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to protect information which is subject to an obligation of |

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|     |  | confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest s7(2)(c)(ii).   |
| 5.2 | Kensington Crossing Redevelopment Update               | The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h) and the withholding of which is necessary to enable council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) s7(2)(i).  |
| 5.3 | Leaseholder's Notice of Exit                           | The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h) and the withholding of which is necessary to enable council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) s7(2)(i).  |
| 5.4 | Proposed Sale of a Whangarei CBD Property              | The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h) and the withholding of which is necessary to enable council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) s7(2)(i).  |
| 5.5 | Request for Nil or Low Rent                            | The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h) and the withholding of which is necessary to enable council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) s7(2)(i).  |
| 5.6 | Tenant Request for Rent Relief                         | The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information s7(2)(b)(ii), the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h) and the withholding of which is necessary to enable council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) s7(2)(i). |
| 5.7 | Land and Lease Holders' Easement and Covenant Requests | The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to protect information where the making available of the information would be likely unreasonably to   |

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|     |                                | prejudice the commercial position of the person who supplied or who is the subject of the information s7(2)(b)(ii) and the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h).   |
| 5.8 | Kaipara Service Centre Tenancy | The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h) and the withholding of which is necessary to enable council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) s7(2)(i). |
| 5.9 | Proceeds From Land Sale        | The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h).  |

3. That the Independent Financial Advisor be permitted to stay during business with the public excluded.

**Carried**

## **Conclusion**

**The meeting concluded at 3.29pm.**