

Investment and Property Subcommittee Minutes

Meeting held in the Council Chamber
36 Water Street, Whangārei
on Wednesday 22 February 2023, commencing at 1pm

Tuhinga/Present:

Chairperson, Councillor Rick Stolwerk
Councillor John Blackwell
Councillor Jack Crow
Councillor Geoff Crawford (*from 2.15pm*)
Councillor Peter-Lucas Jones
Councillor Tui Shortland
Independent Consultant Jonathan Eriksen
Independent Financial Advisor Stuart Henderson (*via video link*)

I Tae Mai/In Attendance:

Full Meeting

EriksensGlobal, Investment Consultant - Janibek Issagulov
Tumuaki – Chief Executive Officer – Jonathan Gibbard
Pou Taumatua - GM Corporate Services – Bruce Howse
Strategic Projects and Facilities Manager - Phil Heatley
Finance Manager Simon Crabb
Personal Assistant to Group Manager Corporate Services

Part Meeting

Accounting Assistant Treasury and Projects - Anan Thiru
Property Officer – Maxine Bailey
Property Officer - Donna Cooper
Forestry Manager - George Dodd
Biodiversity Advisor - Stephanie Tong
Argyle, Director - Nigel Powell
Argyle, Development Manager - Gerome Powell

The Chair declared the meeting open at 1.03pm followed by a Karakia by Councillor Shortland.

Ngā Mahi Whakapai/Housekeeping (Item 1.0)

Ngā whakapahā/Apologies (Item 2.0)

There were no apologies.

Secretarial Note: Councillor Crawford had tendered his apology for delayed arrival.

Nga whakapuakanga/Declarations of Conflicts of Interest (Item 3.0)

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

Secretarial Note: The Chair advised that there would be a change to the order of the meeting with all business with the public excluded to be addressed prior to the open meeting. In this manner Item 5.0 Business with Public Excluded and confidential items 5.1 to 5.5 were addressed prior to moving back into open meeting and addressing Items 4.1 to 4.5.

Open Meeting

Moved (Stolwerk / Blackwell)

That the subcommittee resumes in open meeting.

Carried

For Noting Only: Minutes - Investment and Property Sub-committee – 29 June 2022 (Item 4.1)

Report from Margaret Knight, PA to Group Manager Corporate Services

Moved (Stolwerk / Jones)

That the minutes of the Investment and Property Subcommittee held on 29 June 2022 be noted.

Carried

Secretarial Note: Councillor Stolwerk a member of the Investment and Property Subcommittee during the previous triennium confirmed the minutes to be true and correct.

Performance of Councils Externally Managed Funds to 31 December 2022 (Item 4.2)

Report from Simon Crabb, Finance Manager

Moved (Stolwerk / Jones)

That the report 'Performance of Councils Externally Managed Funds to 31 December 2022' by Simon Crabb, Finance Manager and dated 3 February 2023, be received.

Carried

Secretarial Note: Attention was drawn to the fact that the global equity within the long term fund was below its corresponding target range, however due to the volatile nature of the financial markets it was currently deemed to be a prudent level of investment.

Responsible Investment Report - December 2022 (Item 4.3)

Report from Simon Crabb, Finance Manager

Moved (Stolwerk / Jones)

That the report 'Responsible Investment Report - December 2022' by Simon Crabb, Finance Manager and dated 1 February 2023, be received.

Carried

Secretarial Note:

- *It was advised that the bulk of council's investments can be liquidated in five working days.*
- *It was also noted that NRC's five year plan was to get out of investments relating to fossil fuel.*

QuayStreet Income Fund - recommended approach to cashing out investment (Item 4.4)

Report from Simon Crabb, Finance Manager

Moved (Craw / Stolwerk)

1. That the report 'QuayStreet Income Fund - recommended approach to cashing out investment' by Simon Crabb, Finance Manager and dated 3 February 2023, be received.
2. That council's entire investment in QuayStreet Income Fund is withdrawn and reinvested in line with the EriksensGlobal recommendation of:
 - \$255,000 invested into the STF Harbour Income Fund
 - \$250,000 invested into STF Milford Diversified Income Fund
 - \$500,000 invested into 6-month STF Term Deposit
 - with the balance invested into a 1-year STF Term Deposit

Carried

Secretarial Note:

- *it was advised that the motion needed to be amended in light of cashflow requirements. With the approval of the mover and seconder (in accordance with Standing Order 23.4) the motion was replaced with the following:*

QuayStreet Income Fund - recommended approach to cashing out investment (Item 4.4)

Report from Simon Crabb, Finance Manager

Moved (Craw / Stolwerk)

1. That the report 'QuayStreet Income Fund - recommended approach to cashing out investment' by Simon Crabb, Finance Manager and dated 3 February 2023, be received.
2. That council's entire investment in QuayStreet Income Fund is withdrawn and reinvested in line with the EriksensGlobal recommendation of:

- \$255,000 invested into the STF Harbour Income Fund
- \$250,000 invested into STF Milford Diversified Income Fund
- with the balance invested into a six month STF Term Deposit

Carried

Tāika Forest/Mount Tiger Forest Management Plan – Reporting Actual Performance Against Targets 2021/2022 (Item 4.5)

Report from Phil Heatley, Strategic Projects and Facilities Manager and Donna Cooper, Property Officer

Moved (Craw / Blackwell)

That the report 'Tāika Forest/Mount Tiger Forest Management Plan – Reporting Actual Performance Against Targets 2021/2022' by Phil Heatley, Strategic Projects and Facilities Manager and Donna Cooper, Property Officer and dated 26 January 2023, be received.

Carried

Secretarial Note:

- *Attention was drawn to the underspend in 2021/2022.*
- *It was anticipated \$55,000 of unbudgeted expenditure would be spent for a fence to protect the native trees. Currently negotiating with the neighbouring land owner.*
- *It was advised that there had been some storm damage to the forestry block and also a small fire that night. He also advised that weed control was planned and should have been done in the last 6 weeks along Mt Tiger Road.*

Secretarial Note: Following Item 4.5 the Chair advised the subcommittee would return to business with the public excluded to re-address Item 5.5 due to the receipt of new technical advice.

Secretarial Note: The Chair advised that there would be a change to the order of the meeting with all business with the public excluded to be addressed prior to the open meeting. In this manner Item 5.0 Business with Public Excluded and confidential items 5.1 to 5.5 were addressed prior to moving back into open meeting and addressing Items 4.1 to 4.5.

Kaupapa ā Roto/Business with Public Excluded (Item 5.0)

Moved (Craw / Blackwell)

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	For Noting Only: Confidential Investment and Property Subcommittee meeting minutes	The public conduct of the proceedings would be likely to result in disclosure of information, as stated in the open section of the meeting -.
5.2	Update on Council's Current Redevelopments and Other Property Matters	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).
5.3	Proposal for Property Redevelopment	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).
5.4	Future Management of Tāika Forest	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).
5.5	Introduction of Greenmount Capital Co-Investment Fund into the Long-Term Investment Fund	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).

Carried

Secretarial Note: Following Item 4.5 the Chair advised the subcommittee would return to business with the public excluded to re-address Item 5.5 due to the receipt of new technical advice.

Resuming Business with the Public Excluded

Moved (Craw / Stolwerk)

That the subcommittee resumes business with the public excluded to re-address Item 5.5 Introduction of Greenmount Capital Co-Investment Fund into the Long-Term Investment Fund *(the specific grounds under the Local Government Information and Meetings Act 1987 for passing this resolution is detailed in Item 5.0 following).*

Carried

Whakamutunga (Conclusion)

The meeting concluded at 3.59pm with a Karakia by Councillor Shortland.

UNCONFIRMED