



HEART OF AUCKLAND CITY
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**HEART OF THE CITY
Annual General Meeting**

The Nathan Club
51 Galway Street
Britomart
Auckland CBD
22nd October 2014

Minutes

The Chairman Terry Gould declared the meeting open at 6.00pm

1. Apologies

One apology was received from Terry Cornelius.

Terry Gould put the motion that this apology be accepted.

- Motion seconded by Paddy Stafford Bush.
- Motion carried unanimously.

2. Minutes

Terry Gould put the motion that the minutes of the previous AGM held on 30th October 2013 AGM be accepted.

- Motion seconded by Shane McMahan.
- Motion carried unanimously.

3. Chairman's Report

The Chairman's Report was presented by Terry Gould (ref Appendix 1).

4. Financial Report

Jason Copus, Treasurer, spoke to the meeting regarding the Financial Statements for the year end 30th June 2013. Given recent events, the Financial Statements were unable to be completed and therefore unable to be presented to the meeting.

Jason Copus put the motion that:

- the Annual General meeting is unable to approve the Annual Financial Statements in accordance with clause 25.2.3 of the Rules;

- the Executive Committee is directed to seek an extension from the Registrar of Incorporated Societies for filing the Annual Financial Statements; and
- the Executive Committee is directed to convene a Special General meeting, once the Annual Financial Statements have been completed and audited, for the purposes of approving the Annual Financial Statements prior to filing.
 - Motion seconded by Gary Langsford.
 - Motion carried unanimously.

Approval of 2015/2016 Budget

Jason Copus put the motion that the Annual General Meeting approve that the overall level of funding from the Heart of the City BID Targeted Rate remains at the same level as 2014/2015.

- Motion seconded by Terry Gould.
- Motion carried unanimously.

5. Appointment of Auditor

Terry Gould discussed the proposal that HOTC's audit services for the 2104/2015 financial year should be put up for competitive tender.

Terry Gould put the motion that:

- the Executive Committee is directed to engage in a tender process regarding the supply of audit services and that at least two proposals are received for consideration
- as part of this process, the Executive Committee is directed to make the appropriate final appointment which will best serve the interests of the organisation and its membership
 - Motion seconded by Jason Copus.
 - Motion carried unanimously.

6. Retiring Executive Committee Members

As contained in part 14.5 of our constitution, the following Board members will remain on Heart of the City board as their third anniversary date has not yet been reached:

- Jason Copus
- Gary Langsford

At each Annual General Meeting at least 3 of the Executive Committee members shall retire from office each year, but shall be eligible for re-election at that meeting.

Resignations were received from the following Executive Committee members:

- Chris Cherry
- John Courtney
- Terry Gould
- Sarah Hull
- Allan Matson
- Paddy Stafford-Bush
- Shane McMahon

7. Nominations for Executive Committee

Terry Gould told the meeting that one nomination had been duly received from Mr Regan Hall.

In addition, the seven retiring Executive Committee members had also been nominated for re-election.

Part 14.2 of the constitution states there will be no more than eleven voting members of the Executive Committee. Therefore as eight vacancies and eight nominations had been received, those people nominated were deemed to be duly elected.

8. Terry Gould opened the floor for general business.

Matt Ball (Ports of Auckland) made comment about priorities of HOTC spending, particularly in relation to HOTC's Unitary Plan submissions which affect POAL.

Neil Coutts (Camera & Camera) raised the issues around begging & cleanliness in the city centre.

Meeting was declared closed at 6.25pm

Appendix 1

CHAIR REPORT – 2104 ANNUAL GENERAL MEETING

About 6 weeks ago, my intention for this year's Chair's report was to focus almost entirely on Heart of the City's great work and its many achievements for the 2014 year. The events of the past couple of weeks have obviously changed that, so I will begin by updating you as best I can on current events.

And in doing so, I'm obliged to preface that by saying that because there are both current and possible future court proceedings in hand and also because we are still very much in a knowledge gathering phase, the amount of detail I am able to provide is somewhat limited.

The recent termination of Alex Swney's role as CEO of Heart of the City and the associated revelations and allegations surrounding that termination have clearly been extremely disappointing and gravely concerning, not only for myself and my fellow Board members, but I'm sure also for many members and supporters of Heart of the City.

We had trusted Mr Swney and it seems he has let us down. And whilst the disbelief and questioning and having to come to terms with that is still raw, the Board has nevertheless I believe, moved quickly and decisively in order to protect the organization, to stabilise the situation and above all to ensure continuity of the service that Heart of the City provides to downtown Auckland.

Within a day of learning of the allegations of improper invoicing to Heart of the City, the Board moved immediately to terminate Mr Swney's contract. We also decided to appoint an independent firm of forensic accountants to begin a thorough and wide ranging investigation of Heart of the City's finances and transactions. As a matter of urgency, we also resolved to start the process to appoint an interim CEO who could bring an objective focus to maintaining both the ongoing continuity of Heart of the City business, but also the key relationships with various agencies and stakeholders.

MCGRATH NICOL

Forensic accountancy firm McGrath Nicol have had a team on site at Heart of the City offices since 7 October. Their investigation is focusing on specific areas relating to the suggested allegations and will include a review and comment on Heart of the City's internal policies, procedures and risk management.

This process by its nature is very time consuming and while we urgently need to understand the specifics of the alleged activity, this sort of information must also be deliberately and accurately acquired in order to preserve its evidentiary benefit in any future legal proceedings. While a firm date for completion of the investigation has not yet been determined, I am hopeful that McGrath Nicol will be able to provide a preliminary report within the next coming weeks.

In terms of actions that may arise from the McGrath Nicol investigation, the Serious Fraud Office has been advised of the nature of these investigations and will be taking advice from McGrath Nicol as their investigation proceeds. Should the need arise, there is also the possibility for Heart of the City to take civil action. The Board is taking advice on these matters but will require more information before any final determination can be made.

REVISED BUDGET

Over the past 2 weeks, the Board has continued to be acutely aware of its accountability and responsibilities to both you our members and to our other stakeholders and we realize the absolute importance of maintaining continuity of the work that Heart of the City does on a day to day basis, promoting CBD business.

We have therefore felt it prudent to take a cautionary approach to reviewing the organisation's forward budgets for the balance of the financial year to end of June 2105. We are going through a process of looking at each budget item line by line and adopting a measure of budget restraint, until we can gain a full understanding of the financial situation going forward. We have identified several areas where planned spending can be reviewed, but we also feel that this is a process which should be best carried out under the guidance of the interim Chief Executive.

However, due to timing issues, some immediate decision making has been required, one of which means that the big Santa and his reindeer will not be appearing in his usual place on the Whitcoulls corner on Queen St this coming Christmas. Santa has been the cause of much discussion around the boardroom table now for a number of years as the funding assistance which Heart of the City had traditionally received from other sources, has been progressively withdrawn. This year, the Board has determined that in the best interests of our members and the organization, that sadly Heart of the City simply cannot justify Santa's now significant installation costs of approximately \$180,000. Of course this is just one aspect of Christmas in Queen St and I can confirm that all the other decorations which Heart of the City provides at Christmas will be installed around the CBD as usual.

INTERIM CEO

I have made reference to the appointment of an interm Chief Executive. A little over a fortnight ago the Board instructed a local executive recruitment firm to begin an immediate search for an interim CEO. The initial application stage closed last Friday 17th October and it's fair to say that the fact that 10 very strong applications were received is a testament to the belief that people have in the Heart of the City organization and to its importance in the local business community.

That list of 10 candidates was shortlisted, interviews took place on Monday morning and on Monday afternoon the Board made an appointment. So I am very pleased to be able introduce to you as interim Chief Executive of Heart of the City, Mr David Wright. Mr Wright is a seasoned business professional with good standing in the business community. He has the background, experience and skills which we believe will provide the necessary stability and continuity at Heart of the City over the next 6 months until the position is filled on a permanent basis. And David will introduce himself to you at the end of my report.

ACTIVITIES OVER THE PAST YEAR

And now I would like to change focus to look at some of the many positive things that have happened at Heart of the City this past year – the achievements and the milestones and yes some of the day to day activity which continually helps to make downtown Auckland hum. There are 3 key areas where Heart of the City makes its mark:

1. ADVOCACY or PLACEMAKING

This part of Heart of the City business which is referred to as Advocacy is, in essence, the opportunity to influence "placemaking". This is where Heart of the City can be a voice for

our members across a wide range of planning and policy areas which we believe has a real effect on the sense of place that we all want downtown Auckland to have. It is very process orientated and generally very time consuming but our involvement is essential in influencing city wide planning for future outcomes for our members. Some examples:

Unitary Plan

A major, ongoing piece of work that will shape the future of the city for at least the next 20 years. Our role in this is critical to secure what's best for the city centre. Following a lengthy submission process, it has now entered the increasingly complex throes of the regulatory process.

Parking in the CBD

Parking in the city is a major concern for our members. Aside from getting the pricing right, we have lobbied hard for an increase in the number of short stay parking spaces over commuter parking, incentivising visitation to the city. Our hard work looks set to be adopted into policy over the coming months.

The Waterfront

We continue to advocate for a waterfront that is accessible to Aucklanders and is a key attraction for tourists. This year we have led the advocacy, in partnership with key agencies, for a wider long term strategy for how the Ports of Auckland might look in the future.

City Centre Advisory Board

This Board oversees the expenditure of the City Centre Targeted Rate - money which is paid by central city ratepayers to be spent on improving the central city amenity. Heart of the City sits on this board and is a key influencer.

The submissions process

Unless we engage in the submissions process your voice will not be heard and it's been a busy year for Heart of the City on this front with submissions being made on:

Local Alcohol Policy and Alcohol Bylaw 2014

Draft Arts and Culture Strategic Action Plan 2014

Building Amendment Bill

Proposed Unitary Plan

Parking Discussion Document

Street Trading and Events Bylaw

Signage Bylaw

Auckland Council Annual Plan

The second key area is...

2. CENTRE MANAGEMENT

Just like a suburban shopping mall, we need to manage the "nuts and bolts" aspect of working to keep the central city doing business as usual. In a bustling CBD, this is no mean feat and needs constant attention and this year we have been very busy :

Street and utility upgrades

The Ultrafast broadband rollout has had a big impact on business and the flow of the city.

* These Minutes will be accepted as a true record if no variations are received within 48 hours of distribution

We have worked hard with various parties to make implementation as smooth as possible and reduce disruption to our members.

Safety

Our city must feel safe and be safe. We have worked hard to grow and support our retail and crime prevention projects Storewatch and BarWatch. These are communication networks for retail and late night businesses where we work in with NZ Police. We also continue to work closely with Auckland Council on the CityWatch security guard programme.

Events and filming

The downtown area is a great target for film crews and outside events happening in our patch. We are there to make sure these happen within agreed guidelines so they will not unnecessarily impact on our member businesses.

Monitoring our performance – Pedestrian cameras

We need to measure results and there's no better way than to count the people coming into the CBD. With 17 pedestrian counting cameras across the city, Heart of the City businesses can now freely access our pedestrian count data from our website – invaluable information for our members as well as for those new business thinking about locating here.

3 MARKETING AND EVENTS

This year we took a leap forward in promoting Auckland as a destination. Working in partnership with Council organization ATEED, we led the development of the award winning "AKL - The Show Never Stops" campaign, meaning for the first time there was a single proposition and story for Auckland. We can now leverage and benefit from each other's limited marketing dollars. As a result, Heart of the City continues to show demonstrable returns to our members. Some examples:

Cruise season

This past year, more than 75 ships, with over 186,000 cruise guests, 50,000 of whom received a Heart of the City 'Guide to AKL in one day' - all designed to keep them spending in the city centre.

Winter Campaign – the Show Never Stops

Auckland is such a summer city so winter is when we need to gear up to get people into town. "AKL - The Show Never Stops" was a key feature this winter. Our website received 515,000 visits, and the campaign delivered a 10% increase in spending, year on year, which equates to an additional \$27.2 million in additional spend in downtown Auckland over the 12 weeks in winter.

Where Next App

We launched our "Where Next" smartphone app, which encourages visitors to stay longer and do more. So far we've had over 18,000 downloads, with 72% of people recommending the app to others. If you haven't got it, download it now.

City Deals

A campaign where we ask local businesses to provide special deals that we can offer to the public. This year there were 15,500 deals claimed which is 29% up on 2013.

Restaurant Month

Now in its fourth year, our signature foodie event is a stand out, with more than 100 participating restaurants. This year we saw a 21% increase in spending with participating restaurants, equating to an additional \$2.8million spend in downtown restaurants.

Artweek

A time to celebrate art in the city centre in our art galleries, public spaces and corporate collections. Over 150,000 copies of the Artweek guide distributed and more than 19 free events in the city centre. This is a hugely popular, feel good event.

Sponsored events

And then there are many events which we give cash sponsorship to ...our model is to seed them, grow them then let them stand on their own two feet after that. Some of these will be well known to many of you : Seafood Festival, Buskers Festival, Santa parade, Comedy Festival, NZ Writers Festival, Taste of New Zealand, Lantern Festival, International Film Festival, NZ fashion Weekend to name a few.

These are all things that make a real difference to downtown Auckland and in a recent letter to us just last week, our key stakeholder Auckland Council acknowledged the importance of Heart of the City to its members and to the wider CBD community.

And I'm sure you'll agree that particularly over the past few years, downtown Auckland has been transformed into a truly international, vibrant and exciting destination and I hope you can now see that it hasn't just happened by accident. Heart of the City has been pivotal in making that happen and the Board wants to ensure that continues into the future.

And speaking of future plans, for some time now the Board has been keen to prioritize better engagement with you our membership and we will be looking to make that happen over the coming year. Not only do we want to let you know what Heart of the City is achieving, but we want to get a better understanding of how you see Heart of City's role going forward, so watch this space.

And what has also been pivotal is the skill and dedication and plain hard work by each and every one of the staff at the HOTC office which has been so crucial to making all this come about. Kate, Tania, Jane, Erin, Lily, Sarah, Angela and Riah – these women have been amazing. The events of a fortnight ago have rocked them back on their heels, but to a person, they have pushed aside the shock and disappointment and stepped up incredibly to keep doing for Heart of the City what they have always done so well. Thank you all so much.

And the other group of people I would personally like to thank is my fellow Board members. In very trying recent circumstances your unified commitment, experience and skill has been vital in keeping the heart beating strong in Heart of the City and for that I am very grateful to you all. We will be dealing with the election of Board members in just a moment and while under the Rules, some of our current Board members are ineligible for re-election tonight, all the other the Board members have put their hand up for a place around the next boardroom table. This is a testament to your resolve to maintaining stability and continuity and seeing that the work is done to take Heart of the City through to the next phase.

In conclusion, I will acknowledge that recent events have been a challenging moment for the organisation, but I want to reassure you, our members and stakeholders, that we will be

working hard to ensure that Heart of the City continues to deliver these good outcomes for both businesses and visitors to downtown Auckland now and into the future.

ENDS