



HEART OF THE CITY AGM – 24th October 2012
Minutes

Heart of the City Offices
Level 2, 26 Lorne Street
Auckland CBD

Meeting declared open at 6.50pm

1. Apologies

Apologies were received from

- Allan Matson
- Callum Mallett
- Terry Gould put out the motion that these apologies be accepted.
- Motion seconded by Shane McMahon
- Carried unanimously

2. Minutes

- Terry Gould put the motion that the minutes of the 27th October 2011 AGM be accepted.
- Motion seconded by Jason Copus
- Carried unanimously

3. Chairman's Report

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

4. Financial Report

- The Financial Statements for the year end 30th June 2012 were presented to the meeting by Jason Copus (ref Appendix 2).
 - Jason Copus put out the motion that the financial report be accepted.
 - Motion seconded by Gary Langsford.
 - Motion carried unanimously

5. Appointment of Auditor

- Alex Swney moved that Auditor's, Grant Thornton, be re-appointed for 2012/2013 financial year

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- Motion seconded by Terry Gould
- Motion carried unanimously

6. Election of Executives

- Part 14.2 of the constitution states there will be no more than eleven voting members.
- The existing Board members put themselves forward for re-election. As there were no additional nominations exceeding the maximum permissible (11) these members were declared elected unopposed as per the following rule:

***15.2** If insufficient nominations are received to fill all vacancies, the candidates nominated shall be deemed to be elected.*

7. Constitutional Amendments

- Alex Swney addressed the meeting regarding proposed amendments to the HOTC Constitution.
- Council is seeking to rationalise a template for the Constitutions for its 46 Auckland BID's (Business Improvement Districts).
- The proposed amendments had been previously ratified by the HOTC Board at its June 2012 meeting and was seeking formal approval at the 2012 General Meeting.
- The proposed amendments were presented to the meeting (ref appendix 3).
- Alex Swney moved that the amendments be approved
- Seconded by Paddy Stafford Bush
- Passed unanimously

Terry Gould opened the floor for general business.

There was general discussion about the effect of events on CBD business – in particular the Rugby World Cup and the recently completed World Triathlon Championships.

There was a range of opinions – some accommodation businesses had prospered but a majority had experienced significant disruption and reduction in business.

HOTC is preparing a review that captures pedestrian counts and turnover performance for inclusion in its advocacy position to Council and ATEED for a less imposing location for these events. HOTC also restated its commitment to advocate for a finite number of event related road closures in the CBD.

There being no further general business the
Meeting was declared closed at 9:20am

Appendices

Appendix 1

Chairman's Report – HEART OF THE CITY AGM 2012

Good morning...

My name is Terry Gould. I am Chairman of the HEART OF THE CITY board. On behalf of the Board I welcome you and thank you for being here so bright and early. And now is an excellent time to reacquaint you with our board members : my Deputy Chair and Treasurer Jason Copus, Chris Cherry, Denise Le Strange Corbet, John Courtney , Sarah Hull, Gary Langsford , Callum Mallett , Alan Matson , Shane McMahon, Paddy Stafford-Bush and finally Waitemata Local Board Chair Shale Chambers who has brought some excellent guidance and wisdom to us this past year.

Within my report I intend to cover the activities of the 2011/12 year, share an insight into the work-streams we have underway and bring you up to speed on the direction the board has set for the next year and beyond.

I have just completed my second term as Chairman. Over this time we have continued to evolve this organisation within a changing environment, most notably the settling in of the larger Auckland Council... and an extremely challenging economic environment.

In preparation for this years AGM we have polled our membership and collated a range of data that we are now able to generate and provided a 'score card' for how we as an organisation and the central city are performing.

We invite you to take a copy of this document away with you. I won't go over the details of this right now but I do want to comment on some of the key areas that we are working within and the direction that we have set for the organisation.

First let me say that as members you should take comfort from the fact that HEART OF THE CITY is a professionally run organisation with professional systems in place.

Both I as Chairman and our all our Board members remain focussed on this. We know that if we are going to be representing your interests in a robust way we need to be sure that our own house is in order. We need to be certain that we have good governance principles in place and a strong and skilled management team to carry out our strategic direction and prioritise the projects which we as a Board establish.

In addition we have a highly skilled marketing and events team – Kate, Jane, Natalie, Emma and Erin who together make the 50% of our annual budget work very hard for you.

It is particularly gratifying to be able to report the strong level of support that our marketing efforts attract from our stakeholders and corporate sponsorships. This is undoubtedly the best test of support. It now enables us to maintain a constant year round calendar of events

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and a high level of marketing leverage via the increasingly active Big Little City campaign. We not only sponsor and leverage up other people's events but we initiate our own events. For example last year we had 63 restaurants participate in Restaurant Month and this year American Express approached us to be a major sponsor as the event doubled in size.

We are currently looking to repeat this model with Art Week.

Our social media numbers continue to support the work we do with over 5,000 following us on Twitter and 32,000 Facebook fans of BLC – this represents a 440% increase on the numbers I was reporting last year.

Another of our strategic initiatives is to advocate strongly on issues which we believe are of significant importance to our membership both now and in the future. We have a saying here at Heart of the City that we always need to be "standing on thick ice". So as a result, we make a point of basing all our advocacy work on sound and thorough research. So whenever you see Alex or the organisation speaking out on matters that are stimulating debate on these issues, you can be sure these statements are well founded and credible.

We have another expression that underpins our advocacy and that is, we when we speak out, we should always be "standing in a crowded room."

In other words, we need to make sure the ideas and programs that HEART OF THE CITY develops are not only well researched and 'doable' but just as importantly that they have a currency and relevance that attract a respected and credible range of partners and supporters which reach beyond Heart of the City.

A good example is our work on the Ports of Auckland expansion plans .

HEART OF THE CITY has long advocated for opening up our waterfront to the public with an improved tourism offering and the economic benefits that go with this. The prospect within the Auckland Plan of expanding the size of the Port by 3 times was extremely concerning to us.

Not surprisingly our position on this issue had the potential to create some friction with important partners of ours –not just the Ports company itself, but also the Auckland Council which relies on a substantial dividend from the Port.

We led this work but most importantly in doing so we developed the respect of a wide range of community groups who came on board and supported us. In this case we received support from the Auckland Architecture Assoc, the Urban Issues Grp, the Westhaven Users Grp, the Devonport Residents Assoc ... and many others.

Another issue we have long advocated for is the much vexed problem of inner city parking.

Polling over the years has consistently confirmed that the cost and availability of parking are the greatest deterrent to out of towners visiting the city.

We have undertaken substantial economic modelling and researched a range of international parking options as alternatives. Tania in our office and Greg McKeowen have been exhaustive in this 'debate' with Council which has been single minded in its need to defend parking revenue as a means to offset rates increases.

Resolution of this has required subtle yet constant pressure by both Heart of the City management and successive Boards over the years.

Well this year we can report a breakthrough. The new parking regime will now include

a 10 minute grace period for drop off and pick-ups, an open ended on street parking rate starting at \$4:00 per hour for the first two hours and an off street parking offer of \$3:00 per hour up to a maximum of \$7.50, all of which we believe will offer a much more attractive parking offer to visitors to the CBD.

Of course all of this sounds great ... but then we need to be able to measure any apparent successes in the work we are doing -

And so I am also happy to report that we are now in a position to quantify what success in the city actually looks like.

Jane has been developing a significant step up in monitoring the turnover in the city. From our pioneering days with BNZ Marketview we have now developed a model that provides daily turnover reports against our competition, by area within the city and by business category.

Complementing this is a pedestrian counting system that Tania has been trialling in the city. The trial has been a great success to the extent that it has attracted a \$50k contribution from Council to complete the roll out of 15 high tech pedestrian counters in the city.

In short, we no longer need to guess. We will now not only know the numbers of people attracted to the city by an event but more importantly we'll how much those people actually spent. When we merge these two information sources into the annual retail monitor that we carry out, we have an extremely accurate picture of how and when the city performs. – just another example of "standing on thick ice."

So now we need to take this track record of success and continue to build on it. We are a respected organisation with a growing range of partners and can now accurately quantify what works and what doesn't.

We are in an extremely strong position and will continue to refine our efforts in the areas and events that work best for us.

And of course, there are some areas where we could do better.

Most notably, the extent of the work which Heart of the City does is too often the best kept secret in town. It would never be a major operational focus but the Board feels that an increased recognition of our work amongst both our membership and the public at large would further increase our influence and credibility. Alex has developed a strategy to achieve this and our well established press relationships here will really come into play.

In addition we need to ensure that our destination marketing efforts dovetail into the wider efforts of ATEED (that's the Auckland Tourism Events and Economic Development organisation controlled by Council) . We have long bemoaned the fact that Auckland doesn't

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promote itself well as a destination to New Zealanders. Recently, ATEED has dipped it's toe in the water with its new campaign, you may have seen it on TV , "No Passport Required."

Following this, we are currently at the table with ATEED reviewing the collateral that we both have developed from our respective campaigns. We have been in the market for 4 years longer than they have so have substantially more findings to put into the mix. It's important to us that what we do is complementary to their efforts ... and what they do is complementary to ours, while also delivering on a distinctly urban Auckland proposition.

There is a growing understanding that Auckland cannot rely on our natural offering alone. (ref Lonely Planet). We are intent on playing a key role in the way that Auckland stands up and stands tall as a sophisticated urban city with a calendar packed with events.

This has been an underpinning objective of HEART OF THE CITY. It is with great pride that I report on the substantial progress we have made this past year in meeting this objective...but I caution you... it is a long journey battered by political compromises and mixed agendas and we need to ensure that we are disciplined, reliable, creative, demanding and unrelenting in the way that we promote and advocate for this.

I thank my fellow board members for your continued support and look forward to working with you all over the next year. I thank the team here at HEART OF THE CITY. They are an extremely committed and highly competent group.

It is a real pleasure to be reporting to you as a representative of an organisation that I believe has, and will, continue to make a very positive difference to our city.

Appendix 2

Financial Report Treasurer's Report

Statement of Financial Performance for year ended 30 June 2012

	<u>2012</u>	<u>2011</u>
Operating Revenue	4,490,271	4,555,534
Less Operating Expenses	<u>5,245,224</u>	<u>4,597,952</u>
Net Surplus (deficit)	(754,953)	(42,418)

Statements of Movements in Equity For the year ended 30 June 2012

	<u>2012</u>	<u>2011</u>
Net surplus for the year	(754,953)	(42,418)
Total recognised revenues & Expenses	(754,953)	(42,418)
Equity at beginning of year	<u>1,571,848</u>	<u>1,614,266</u>
Equity at End of year	816,895	1,571,848

Statement of Financial Position

	<u>2012</u>	<u>2011</u>
Cash & deposits	221,528	1,357,457
Repayments & other Receivables	548,023	274,882
Accounts receivable	<u>524,504</u>	<u>28,827</u>
	1,294,504	1,661,186
Accounts payable	459,305	697,167
Income accrued	<u>515,458</u>	<u>32,143</u>
	974,763	729,310
Working Capital	319,292	931,876
Property Plant, Equip & Intangibles	497,603	639,972
Net Assets	<u>816,895</u>	<u>1,571,848</u>
Retained Earnings	816,895	1,571,848

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Appendix 3

Constitutional Amendments

Chapter IV – Committees the wording in clause 13 stated:

- 13.5 **shall be responsible for managing any staff of the Association;**
13.6 shall have the duty of carrying out the financial affairs of the Business District Improvement Programme on behalf of the Association, which includes:
13.6.1 recommending Business Improvement District Programme projects and budgets for approval by the Council;
13.6.2 allocating the Business Improvement District Funding Grant;
13.6.3 overseeing the spending of approved budgets;
13.6.4 monitoring work progress against approved budgets;
13.6.5 establishing any sub-committee to deal with specific projects as the Executive Committee deems appropriate;
13.6.6 reporting to the Council as required;
13.6.7 any other financial matters relating to the Business Improvement District Programme.

The wording has been amended to:

- 13.7 shall carry out the affairs of the Business Improvement District Partnership Programme on behalf of the Association, which includes:
13.7.1 **identifying strategic opportunities;**
13.7.2 **establishing a programme of activities, projects and priorities to further the BID Partnership Programme;**
13.7.3 allocating the Business Improvement District Partnership Funding;
13.7.4 overseeing the spending of approved budgets;
13.7.5 monitoring work progress against approved budgets and performance measures;
13.7.6 establishing any sub-committee to deal with specific projects as the Executive Committee deems appropriate;
13.7.7 **reporting to the Local Board or the Governing Body of the Council as required;**
13.7.8 any other matters relating to the Business Improvement District Partnership Programme.
13.8 **shall be responsible for arranging for the preparation of:**
13.8.1 **each year, a detailed annual plan and budget, showing expected income and expenditure, covering the following 12 month period;**
13.8.2 **a strategic plan covering the following three to five year period;**
13.8.3 **each year, an annual report reviewing the previous year's activities;**
13.8.4 annual audited accounts.

14. Membership of Executive Committee

The Executive Committee shall consist of

14.2.1 at least five full Members of the Association, to be elected by the Association pursuant to Rule 15 (previously four)

14.6 In the event of a casual vacancy occurring in the membership of the Executive Committee, the casual vacancy shall be filled as follows:

14.6.1 in the case of a person elected under Rule 14.2.1, the casual vacancy shall be filled by the Executive Committee (previously the Council)

14.7 The members appointed to fill a casual vacancy under Rule 14.6.1 shall hold office subject to these Rules until the conclusion of the next Annual General Meeting following the date of appointment.

28. Procedure

28.2 Six Full Members present in person constitute a quorum for the transaction of the business of a General Meeting (previously three)