

Laura Bowman

From: Official Information
Sent: Thursday, 22 December 2022 12:03 pm
To: 7(2)(a)
Cc: Official Information
Subject: Final Response - LGOIMA 297157 - 7(2)(a) - HCC Municipal Endowment Fund, Real Estate Assets and current policy for this Fund

Kia Ora,

I refer to your **information request below**, Hamilton City Council is able to provide the following response.

Your request 1:

The list of all current real estate assets, together with the current rental being achieved for each separate asset.

Our Response 1:

Please see the Strategic Property Schedule attached. Please note that some of the information is commercially sensitive, including current estimated market value, rental income and operating expenses, therefore we have withheld this information per [s7\(2\)\(b\)\(ii\)](#) of the Local Government Official Information and Meetings Act (LGOIMA) 1987.

Your request 2:

The Municipal Endowment Fund Policy adopted 26th August 1998 “requires all income and expenditure attributed to the fund should be reported separately to ensure the complete financial performance of the fund is transparent.” Please provide both the current reports together with the reports for years 2018 to 2021.

Our Response 2:

Between 2018 and 30 April 2021 there was no specific reporting on the performance of the Municipal Endowment Fund (MEF). The balance of the MEF was reported in the Annual Plan. Therefore as this information does not exist we are refusing this part of the request per [s17\(e\)](#) of the LGOIMA.

From 30 April 2021 quarterly reports on the performance of the MEF have been provided to the Economic Development Committee. These reports are all available on the Council’s website. You can locate these [here](#) by using the search function and filtering the results by month, year and Council and Committees. They are scheduled below:

Meeting Date	Report Title	Period
11 August 2021	Municipal Endowment Fund – Quarterly Report – Q4 2020/21 FY	30 April – 30 June 2021
24 November 2021	Municipal Endowment Fund – Quarterly Report – Q1 2021/22 FY	1 July – 30 September 2021
1 March 2022	Municipal Endowment Fund – Quarterly Report – Q2 2021/22 FY	1 October – 31 December 2021
24 May 2022	Municipal Endowment Fund – Quarterly Report – Q3 2021/22 FY	1 January – 31 March 2022
11 August 2022	Municipal Endowment Fund – Quarterly Report – Q4 2021/22 FY	1 April – 30 June 2022

The next report will be presented to the Economic Development Committee on 16 March 2023. It will cover the period 1 July – 31 December 2022 (Q1 and Q2 2022/23 FY).

Your Request 3:

A reconciliation of this fund from 1997 to 2021 under the Annual accounts "Restricted Funds" (note to accounts) shows that for many years no interest was credited to this account. Please advise why this was not happening. Clearly interested should have been credited, as there is a legal requirement for the fund to grow.

Our Response 3:

We have been advised that this request was responded to verbally by Hamilton City Council Financial Director at meeting on Friday 16 December 2022.

Your Request 4:

What is the current policy for this fund in relation to interest being credited?

Our Response 4:

We have been advised that this request was responded to verbally by Hamilton City Council Financial Director at meeting on Friday 16 December 2022.

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

Kind Regards,

Laura | Official Information Coordinator
Governance & Assurance Team | People and Organisational Performance
Email: officialinformation@hcc.govt.nz



Hamilton City Council | Private Bag 3010 | Hamilton 3240 | Hamilton City Council

From: 7(2)(a)
Sent: Friday, 2 December 2022 2:48 pm
To: Official Information <officialinformation@hcc.govt.nz>
Subject: HCC Municipal Endowment Fund/ Real Estate Assets/ Current

Please provide

- (1) the list of all current real estate assets, together with the current rental being achieved for each separate asset.
- (2) The Municipal Endowment Fund Policy adopted 26th August 1998 "requires all income and expenditure attributed to the fund should be reported separately to ensure the complete financial performance of the fund is transparent." Please provide both the current reports together with the reports for years 2018 to 2021.
- (3) A reconciliation of this fund from 1997 to 2021 under the Annual accounts "Restricted Funds" (note to accounts) shows that for many years no interest was credited to this account. Please advise why this was not happening. Clearly interested should have been credited, as there is a legal requirement for the fund to grow.
- (4) What is the current policy for this fund in relation to interest being credited?

Kind Regards

7(2)(a)



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Category	Lessee	Land Area (m2)	2022 Valuation (\$)	Income (\$)	Expenses (\$)	Gross Yield (%)	Net Yield (%)
MUNICIPAL ENDOWMENT FUND							
Municipal Endowment							
12 Wiremu Street		830		15,775			
77 and 79 Norton Road		2,284		34,260			
		3,114	2,087,000	50,035	8,839	2.40	1.97
Municipal Investment							
378 Avalon Drive	Security Online	7,655					
39 Forman Road	Move Logistcs	17,112					
58 Masters Avenue	Various	817					
		25,584	23,375,000	1,117,601	258,226	4.78	3.68
Municipal Endowment Reserve		-	31,074,108	-	-	-	-
TOTAL		28,698	56,536,108	1,167,636	267,065	2.07	1.59
DOMAIN ENDOWMENT FUND							
Domain Endowment							
297 Ulster Street		2,046		28,000			
5 Henry Street		795		4,800			
5 Cotter Place		679		3,900			
126 Fox Street		718		15,100			
101 Naylor and 103 Dey Streets		1,457		19,320			
		5,695	3,422,000	71,120	-	2.08	2.08
Domain Endowment Reserve		-	8,327,332	261,978		3.15	3.15
TOTAL		5,695	11,749,332	333,098	-	2.84	2.84
CORPORATE INVESTMENT PROPERTY							
2 Brooklyn Road	Hamilton WOF Station	3,657					
778 Heaphy Terrace - Unit 1	Claudelands Automotive						
778 Heaphy Terrace - Units 2 and 3	Kirikiroa Trust						
		3,657	6,150,000	198,678		3.23	3.23
246 - 254 Victoria Street		1,538					
260 Victoria Street		241					
266 Victoria Street		241					
		2,020	4,775,000	286,235		5.99	5.99
TOTAL		5,677	10,925,000	484,913		4.44	4.44
STRATEGIC DEVELOPMENT PROPERTY							
Artpost (Land Only)		2,709					
Sonning (Land Only)		9,760					
TOTAL		12,469	10,875,000	279,659	-	2.57	2.57
TOTAL HCC STRATEGIC PROPERTY		52,539	90,085,440	2,265,306	267,065	2.51	2.22