

DRAFT 2-20-14

Socially Responsible Investments: Temporary Advisory Committee Proposed Work Plan

On October 9, the Portland City Council passed a resolution (#37036, see attached) creating a temporary five-member advisory committee charged with making recommendations to Council about incorporating socially responsible criteria for the City of Portland's direct investments in corporate securities. Specifically, the resolution charges the committee with considering the cost, effectiveness, and practicality of the following, in addition to other strategies it may identify:

- A standing advisory committee of public members that periodically reviews the list of corporations that meet the City's financial criteria for investment and makes recommendations to Council about companies and/or industries in which the City shall not directly invest its cash assets.
- Hiring a firm with expertise in social and environmental investing to advise the City on managing its corporate investments.

The Mayor will appoint members of the Committee according to the positions defined in the resolution. The committee must submit recommendations to Council not later than July 31, 2014.

Tentative Work Plan and Timeline:

- Early March 2014: First meeting of committee
 - Introductions, overview of committee charge and overview of process
 - Adoption of committee bylaws and work plan
 - Overview of financial markets and market operations, City's current investment policy and process, review of companies that currently meet the City's criteria for investment
 - Outline of City Council's approach to and criteria for socially responsible direct investment:
 - *Overview of social and values-based concerns identified in the resolution.
 - *Why a Council-approved "do not buy" list?
 - Time for questions from Committee members
- Early April 2014: Second meeting of committee
 - Presentation by a firm or firms with expertise in social and environmental fixed income investing about the services they offer, as well as the fees they charge
 - Review of memo about the application of social or values-based criteria to direct investments by other cities nationally, recognizing that different states have different frameworks and laws

- Initial discussion about presentations and identification of outstanding questions
- Late April 2014: Third meeting of committee
 - Presentation of follow up information requested by committee
 - Discussion by the committee to provide feedback about potential recommendations
- April – May 2014: Staff and committee members work to develop draft recommendations based on committee feedback so far; circulate drafts to committee members. Staff will also work with the City Treasurer to send the draft recommendations to the City’s standing Investment Advisory Committee for review and comment.
- May 2014: Fourth meeting of committee
 - Review feedback about draft recommendations received from City’s permanent Investment Advisory Committee.
 - Finalize draft recommendations.
- May - June 2014: Staff work with committee members to incorporate any final comments to draft recommendations. Send temporary advisory committee recommendations to City Council via e-mail; potentially schedule presentation by advisory committee members and standing Investment Advisory Committee at Council. Staff work with the City Treasurer to send final recommendations to the Investment Advisory Committee in case the Investment Advisory Committee would like to prepare comments to Council about the temporary advisory committee’s recommendations.

Staffing

The Office of Commissioner Novick and the City’s Office of Management and Finance Business Operations Division will provide administrative support and facilitation for the temporary committee.