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CITY OF PORTLAND

OFFICE OF MANAGEMENT AND FINANCE

City of Portland
Socially Responsible Investments Committee
Wednesday, September 9, 2015

Committee Members Present: Dave Cutler, Sayer Jones, Robert Landauer, Hyung Nam, Katrina Scotto di Carlo, Kristen Sheeran

City Personnel Present: Kelly Ball, OMF Business Operations; Jennifer Cooperman, City Treasurer; Katie Shriver, Commissioner Novick's Office; Janet Storm, MF Business Operations

Committee Members and City Personnel Absent: Claudia Arana Colen

Guests: Mayor Charlie Hales, Sue Parsons

Welcome

- Kelly Ball welcomed committee members.
- Mayor Charlie Hales thanked committee members and staff for their service.
 - Council will consider adding 200 fossil fuel companies to the Corporate Securities Do Not Buy List on September 24. The resolution will prohibit the City from purchasing any new securities from the 200 fossil fuel companies added to the list; the policy allows currently held securities to stay in the portfolio until they mature.
 - Normally this would have been brought to this committee for review and recommendation.
 - The committee will have an opportunity to review this and make a recommendation next year.
 - Mayor Hales welcomes feedback from the committee. Send any comments to Kelly and she will get them to the Mayor's Office.

Introductions

- Committee members and staff introduced themselves.

History

- Katie Shriver, Commissioner Steve Novick's Office, gave background on how the committee was formed.
- The Socially Responsible Investments Committee was the result of work done by a temporary committee spearheaded by Commissioner Novick's office.
 - The Commissioner was surprised that no values-based criteria had been incorporated into City investment process.
 - His research on socially responsible investing led him to introduce a resolution creating a Do-Not-Buy (DNB) List that must be re-affirmed by Council annually; the existing do DNB List has a single company, Wal-Mart, on it
- As the City Treasury Office is not in a position to make these types of judgment calls, Council wanted recommendations from the community on how the City could incorporate socially responsible investing criteria into its investment process.
- The temporary committee recommended that Council create a permanent committee charged with recommending corporate debt issuers for inclusion on a DNB list in accordance with specific, Council established principles and values.
- The principles are intended to be broad and open to interpretation, and to provide a framework for the committee to evaluate the companies as a whole.

An Equal Opportunity Employer

To help ensure equal access to programs, services and activities, the Office of Management & Finance will reasonably modify policies/procedures and provide auxiliary aids/services to persons

Committee Oath

- Sue Parsons, Auditor's Office, conducted the swearing in of committee members.

Governing Documents

- Kelly Ball reviewed the committee charge and proposed bylaws in detail.
- The committee will not be expected to provide a recommendation in October 2015.
- Conflict of interest forms will be distributed for signatures at the next meeting.
- Committee members must use the principles set forth by Council. However, the committee can make recommendations to Council about the principles.

Decision Making

- The committee agreed that ideally, decisions should be made by consensus.
- If consensus is unable to be reached, the committee will take a vote.
- Minority voices will be included in recommendations in cases of non-consensus.

Proprietary Information

- Jennifer Cooperman, City Treasurer with the Bureau of Revenue and Financial Service, explained that the committee will be using proprietary investment analysis reports from MSCI.
- Per the contract with MSCI, only Public Finance & Treasury Division and the Socially Responsible Investments Committee are authorized to use these reports.
- Information in these reports can and should be used for public discussions at the committee meetings and to conduct committee business.
- How this information can be appropriately incorporated into reports to Council is yet to be determined.
- Committee members will be asked to sign a non-disclosure agreement.
- Committee members are welcome to bring in their own research.

Regular Meetings

- For the first few months, the committee will meet monthly for orientation. Quarterly meetings are expected after that.
- A quorum will consist of a majority of members.
- Input from the public is important and each meeting will include approximately 10 minutes for public comment, although that amount of time can be flexible depending on the circumstance.
- Public comment will also be taken in writing.
- At the beginning of each meeting, committee members will update the other members about any conversations between meetings they have had with media or the public.
- Committee members are individually responsible for their own comments to media or others.
- Treasury will keep the committee and Council apprised of the fiscal impact of their recommendations.

Approval of Bylaws

- The Bylaws of the Socially Responsible Investments Committee were approved.

Next Steps

- Wednesday and Thursday mornings are most convenient for the committee. A meeting request for future meetings will be sent out.
- Jennifer Cooperman handed out the City's investment policy and summary of holdings for the committee to study at home.

Public Comment

- Amanda Aguilar Shank of ENLACE would like the committee to discuss divesting from private prisons.
- Rod Such of Occupation-Free PDX expressed support for the committee and is grateful that the City has been so receptive to public input.
- Charles Johnson of Fossil Free suggested that the City divest from companies that are involved in ALEC, and that the committee should have a mechanism to reward companies for good behavior.