

RESOLUTION No.

37036 As Amended

Create a temporary advisory committee charged with making recommendations to Council about incorporating socially responsible criteria for the City of Portland's direct investment in corporate securities (Resolution)

WHEREAS, the City Treasurer is charged with investing the City's cash assets in accordance with the City's Investment Policy;

WHEREAS, the objectives of the City's Investment Policy are to, in priority order, (1) prudently protect the City's principle sums and ensure the preservation of capital, (2) provide ample liquidity to meet the City's operating needs and cash requirements, and (3) generate a market rate of return;

WHEREAS, the City of Portland's investment portfolio ranges over the course of a year from \$600 million to \$1.2 billion;

WHEREAS, in 2010 the City Council approved a change to the City's Investment Policy allowing up to 35% of the City's investment portfolio to be invested in corporate securities, subject to criteria and in compliance with State law;

WHEREAS, the City's Investment Policy does not currently include any social or other non-financial criteria to guide the City's direct investment in corporate securities;

WHEREAS, socially responsible investment policies include corporate accountability and societal concerns as valid criteria in investment decisions;

WHEREAS, at least one other city in the U.S. has for decades incorporated social and ethical criteria in its investment decisions, and within the last year a larger group of cities across the country have started to consider ways to use their investment policies to advance social goals;

WHEREAS, consistent with its responsibilities to the residents of the City of Portland, the City Council has social and ethical obligations to seek to avoid adding to its portfolio those securities issued by corporations that contradict efforts to create a prosperous, educated, healthy, and equitable City;

WHEREAS, corporations undermine efforts to create a prosperous, educated, healthy, and equitable City when they engage in practices that damage the environment, engage in abusive labor practices, violate basic ethical standards (e.g. engaging in bribery), engage in extreme tax avoidance strategies, or exercise such a level of market dominance as to disrupt normal competitive market forces.

NOW, THEREFORE, BE IT RESOLVED that the Mayor will appoint five public members to an advisory committee charged with making recommendations to Council about incorporating socially responsible criteria for the City's direct investment in corporate securities.

BE IT FURTHER RESOLVED that the committee shall include an individual who represents the environmental community, an individual who represents the labor community, an individual who

represents the business community, an individual with expertise in economics, and an individual with expertise in corporate ethics.

BE IT FURTHER RESOLVED that Council charges the committee with studying the City's current investment policy and processes and making recommendations to Council for how the City could change its investment policy to incorporate social and ethical concerns, including environmental concerns, health concerns including weapons production, concerns about abusive labor practices, concerns about corrupt corporate ethics and governance, concerns about extreme tax avoidance, and concerns about exercise of such a level of market dominance so as to disrupt normal competitive market forces, to the investment of City funds in corporate securities. In addition to other strategies it may identify, the committee must consider the cost, effectiveness, and practicality of 1) a standing advisory committee of public members that periodically makes recommendations to Council about a list of companies and/or industries in which the City shall not invest its cash assets, and 2) hiring a firm with expertise in social and environmental investing to advise the City on managing its corporate investments. The committee's recommendations to Council must include an analysis of at least these two options.

BE IT FURTHER RESOLVED that the Office of Commissioner Novick will provide administrative support to the committee.

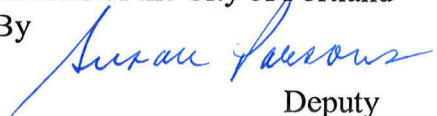
BE IT FURTHER RESOLVED that the committee must submit its recommendations to Council by July 31, 2014, at which point the committee will dissolve.

Adopted by the Council: OCT 02 2013

Commissioner Steve Novick
Prepared by: Katie Shriver

LaVonne Griffin-Valade
Auditor of the City of Portland

By



Deputy

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<p>INTRODUCED BY Commissioner/Auditor: Novick</p>	<p>CLERK USE: DATE FILED <u>SEP 27 2013</u></p>
<p>COMMISSIONER APPROVAL</p> <p>Mayor—Finance and Administration - Hales</p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Novick <i>[Signature]</i></p>	<p style="text-align: center;">LaVonne Griffin-Valade Auditor of the City of Portland</p> <p>By: <u><i>[Signature]</i></u> Deputy</p>
<p>BUREAU APPROVAL</p> <p>Bureau: Commissioner Novick Bureau Head: Chris Warner</p>	<p>ACTION TAKEN:</p>
<p>Prepared by: Katie Shriver Date Prepared: 9/18/2013</p>	
<p>Financial Impact & Public Involvement Statement</p> <p>Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p>	
<p>Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>	
<p>City Auditor Office Approval: required for Code Ordinances</p>	
<p>City Attorney Approval: required for contract, code, easement, franchise, charter, Comp Plan <i>[Signature]</i></p>	
<p>Council Meeting Date October 2, 2013</p>	

<p>AGENDA 1 of 2</p>
<p>TIME CERTAIN <input type="checkbox"/></p> <p>Start time: _____</p> <p>Total amount of time needed: _____ (for presentation, testimony and discussion)</p>
<p>CONSENT <input type="checkbox"/></p>
<p>REGULAR <input checked="" type="checkbox"/></p> <p>Total amount of time needed: 10 minutes (for presentation, testimony and discussion)</p>

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	✓	
2. Fish	2. Fish	✓	
3. Saltzman	3. Saltzman	✓	
4. Novick	4. Novick	✓	
Hales	Hales	✓	