

IMPACT STATEMENT

Legislation title: Create the Socially Responsible Investments Committee charged with recommending corporate issuers in which the City shall not directly invest its cash assets (Resolution).

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Presenter name: Katie Shriver; staff from City Treasurer's office will be available to answer questions

Purpose of proposed legislation and background information:

In October 2013, Council adopted a resolution establishing a temporary committee charged with making recommendations to City Council about incorporating social and values-based criteria for the City's direct investment in corporate securities. The temporary committee met in the spring and early summer of 2014 and presented their recommendation to Council on August 6, 2014. The committee's final report is available online:

<http://www.portlandoregon.gov/omf/article/496831>

This resolution enacts many of the recommendations developed by the temporary committee, including:

- Creates the Socially Responsible Investments Committee, which is a permanent committee charged with recommending corporate issuers for inclusion on, or removal from, the City's Corporate Securities Do-Not-Buy List. The committee is advisory to Council; Council must adopt any changes to the Corporate Securities Do-Not-Buy List.
- Authorizes the City Treasurer to conduct a procurement process and purchase a subscription for company-specific reports from a research firm specializing in providing company-specific information about business practices relevant to social- and values-based criteria. The resolution directs the Socially Responsible Investments Committee to consult these reports in making its recommendations to Council.

Financial and budgetary impacts:

The committee created by this resolution will be supported with existing staff resources. Therefore, creating the committee does not create an additional expense beyond staff time.

Purchasing a subscription for reports from a research firm specializing in providing company-specific information about business practices relevant to social- and values-based criteria is contingent on Council approval of a decision package submitted by Treasury during the FY 15-16 budget process. The decision package is for up to \$25,000 ongoing, and the source of funds will be the City's investment earnings. If approved, the decision package would reduce the amount of investment earnings distributed to all City funds by as much as \$25,000 annually.

Ultimately, the Socially Responsible Investments Committee may recommend additions to, or deletions from, the City's Corporate Securities Do-Not-Buy List. In this case, the City Treasurer

will provide a financial impact statement for City Council to consider along with the recommendation.

Community impacts and community involvement:

This resolution moves forward a process that for the first time incorporates community values in the City's investment program.

Commissioner Novick first began talking about the importance of including social and values-based criteria for the City's investments in 2013. Since then, the community has had several opportunities to provide feedback, including during Council consideration of two resolutions pertaining to this topic in October 2013, at the temporary committee's meetings in spring of 2014, and during Council's consideration and acceptance of the temporary committee's report in August 2014. In addition, we posted online a draft of the resolution now before Council and have worked to incorporate feedback we have received from the community.

Budgetary Impact Worksheet**Does this action change appropriations?**

- ☐ **YES:** Please complete the information below.
☐ **NO:** Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

Novick Amendment
12-17-14

Amendment to #1301: Create the Socially Responsible Investments Committee charged with recommending corporate issuers in which the City shall not directly invest its cash assets (Resolution).

Add the underlined text to the resolution on page 2:

BE IT FURTHER RESOLVED that the Socially Responsible Investments Committee will be made up of at least seven and up to nine public members who are reflective of the diversity of the Portland community and who are confirmed by City Council, including one nominated by each member of City Council and the others nominated by the Mayor. Initial terms of committee members shall be one or two years, regular terms of committee members shall be two years, and any individual may serve no longer than four consecutive years.