

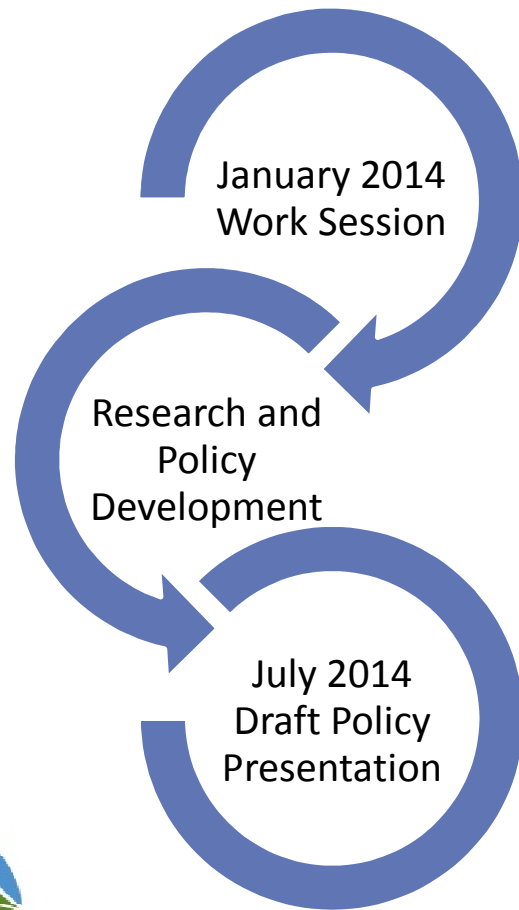
Fossil Fuel Divestment

City Council Work Session

July 16, 2014



Divestment Policy Process



Motion

Move to bring to Council for approval a fossil fuel divestment policy and encourage the PERS Board and Deferred Compensation Committee to divest their portfolios of fossil fuel investment over time and urge the Oregon State Treasurer to do the same. The City should also lobby the State Legislature to specifically allow divestment in fossil fuel investments by State financial institutions

Investment Objectives & Restrictions

Safety

Liquidity

Yield

US
Treasury

Federal
Agencies

LGIP

Bank
Accounts

Municipal
Bonds

Corporate
Indebtedness



Policy Action Summary

City Council

- Policy Prohibiting Direct Investments
- Indirect Investments – Oregon Short Term Fund Board
- Retirement Funds - PERS
- State Legislation – Elected Officials

City Manager

- Direct Investments – Investment Policy
- Deferred Compensation - Deferred Compensation Committee



Direct Investments

Current Practice

The City Currently does not invest in fossil fuel companies

Potential Policy Action

Adopt a policy prohibiting direct investment in fossil fuel companies

Next Steps

The City Manager will amend the investment policy prohibiting direct investment in fossil fuel companies



Indirect Investments

Current Practice

Indirectly exposed through participation in the Local Government Investment Pool

Potential Policy Action

Urge the PERS Board and Oregon Investment Council to divest holding in fossil fuel companies over the next five years

Next Steps

Send the resolution with a cover letter to the chair of the PERS Board



Retirement Funds

Current Practice

Funds invested on behalf of City employees and retirees through PERS are invested, in part, in fossil fuel companies

Potential Policy Action

Urge the PERS Board and Oregon Investment Council to divest holding in fossil fuel companies over the next five years

Next Steps

Send the resolution with a cover letter to the chair of the PERS Board



Deferred Compensation Funds

Current Practice

Fund choices available to plan beneficiaries include investments in fossil fuel companies

Potential Policy Action

The Deferred Compensation Committee could analyze fossil fuel divestment and, if applicable, develop a policy guiding fossil fuel-free investment criteria

Next Steps

The City Manager will direct the Deferred Compensation Committee to work with the plan consultant to analyze the plan and develop investment criteria, if applicable.



State Legislation

Current Practice

To date, legislation in Oregon has not been introduced requiring divestment of statewide retirement funds from fossil fuel companies

Potential Policy Action

Urge State elected officials to enact state legislation requiring divestment of statewide retirement funds (PERS) from fossil fuel companies

Next Steps

Send the resolution with a cover letter to elected officials



Questions?

