



TO: Elizabeth Pauli, City Manager
FROM: Timothy Allen, Retirement Director / Chief Investment Officer
COPY: Government Performance and Finance Committee (GPFC)
SUBJECT: TERS Environmental, Social and Governance (ESG) Considerations
DATE: June 5, 2018

PRESENTATION TYPE:

Informational Briefing

SUMMARY:

The Tacoma Employees' Retirement System Director/Chief Investment Officer has been asked to appear before the GPFC to discuss Environmental, Social and Governance (ESG) issues related to the System's investment portfolio. Specifically, we will discuss the System's exposure to companies involved with the production of fossil fuels.

BACKGROUND:

On May 1, 2018 a local family foundation made a presentation to the GPFC regarding their experience with divestment of fossil fuel related companies. The Chair of the GPFC has requested information from the Retirement Director regarding how the experience of that family foundation may or may not relate to the investment approach utilized by TERS.

ISSUE:

TERS' \$1.7 billion trust fund is maintained to support current and future retirement benefits for the System's 3000 active members and the 3000 deferred/retired members and beneficiaries. The assets are overseen by the TERS Board of Administration, who has a fiduciary duty to act for the exclusive benefit of the plan participants and to administer the plan efficiently and properly.

ALTERNATIVES:

This is an information briefing only. There are no alternatives presented.

FISCAL IMPACT:

This is an information briefing only. There is no fiscal impact.

RECOMMENDATION:

This is an information briefing only. There is no recommendation.