

THE CITY OF PROVIDENCE
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

RESOLUTION OF THE CITY COUNCIL

No. 318

EFFECTIVE ~~Approved~~ July 12, 2013

WHEREAS, The Board of Investment Commissioners ("the Board") has the responsibility of managing the investments that fund the pensions of the City's retirees; and

WHEREAS, The City's retirement fund is currently funded at level less than 45% of the "fully funded" level determined by actuarial analysis; and

WHEREAS, The City has assigned an expected rate of return on the portfolio of 8.25%;
and

WHEREAS, The City's employees agreed to substantial reductions in contractual benefits in order to protect the sustainability of the pension fund; and

WHEREAS, The City's retirees agreed to substantial reductions in future benefits in order to protect the sustainability of the pension fund; and

WHEREAS, The Board has the fiduciary responsibility to ensure that the funds they manage are invested and applied for the maximum benefit of the City's current and future retirees; and

WHEREAS, From time to time, issues arise as to whether the pension portfolio should be divested from certain financial or industry sectors due to public policy concerns; and

WHEREAS, The Board has the expertise and responsibility to balance these public policy concerns against the estimated impact (if any) upon the returns on the City's pension investment portfolio; and

WHEREAS, The Board does not have any policies currently in place to address divestment issues and these different impacts, but instead addresses them on a case-by-case basis; and

WHEREAS, Other major pension funds and endowments develop ethical investment and/or divestment policies to establish parameters for potential.


NOW, THEREFORE, BE IT RESOLVED, That the Providence City Council respectfully asks the Board of Investment Commissioners to consider developing an ethical investment and/or divestment policy.

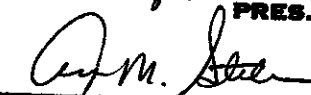
If approved, the City Council directs the Clerk to forward a copy of this resolution to each member of the Board of Investment Commissioners.

IN CITY COUNCIL

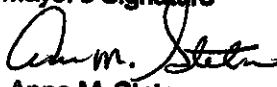
JUL 02 2013

READ AND PASSED


PRES.


CLERK

Effective without the
Mayor's Signature


Anna M. Stetson
City Clerk