



Committee of the Whole Report

For the Meeting of January 23, 2020

To: Committee of the Whole **Date:** December 20, 2019
From: Susanne Thompson, Deputy City Manager/CFO
Subject: MFABC Fossil Fuel Free Bond Fund

RECOMMENDATION

That Council direct staff to write a letter to the City of New Westminster informing them of the previous Council direction to staff to invest in MFA SRI funds.

EXECUTIVE SUMMARY

The City has recently received a letter from the Mayor of the City of New Westminster (Appendix A) requesting that, as part of a commitment to climate action, like-minded municipalities express interest in investing in a new fossil fuel free bond fund being offered by the Municipal Finance Authority of BC (MFABC).

Council has already provided direction to staff to invest in Socially Responsible Investing (SRI) funds provided by MFABC, however this letter presents an opportunity to follow up on the MFABC SRI Survey presented to Council at Committee of the Whole Meetings May 25 and June 15, 2017.

At that time, the MFABC SRI Survey was seeking to determine if there was local government interest in an SRI pooled investment fund offered by MFABC, and if so, what dollar amount each local government would be willing to invest. Council directed staff to provide a positive response to the survey, agreeing to the requirements of participation, and indicating that the City would be willing to invest up to 10% of the City's investment portfolio balance, which was identified as \$15 million at that time.

MFABC determined that a minimum fund balance of \$100 million would be required for the offering to be viable, due to the costs involved with screening such a fund. The results of the SRI Survey informed MFABC that, in the near term, it would not be viable to pursue this type of pooled SRI fund due to low subscribership commitments.

Since that time, MFABC has been working on alternative SRI pooled investment options to offer local governments, and two of these options will be available shortly:

- Fossil Fuel Free Short Term Bond Fund (Appendix B) – launching in the spring of 2020
- Commercial Mortgage Bond Fund (Appendix C) – launching in January 2020

Both of these bond fund options comply with the City's Investment Policy and are in alignment with

Council direction to respond positively to the SRI Survey, therefore a motion providing direction is not required for staff to communicate City support to MFABC. Staff have already communicated to MFABC that the City will be investing in these funds.

Respectfully submitted,




Laurel Westinghouse
Manager, Accounting



Susanne Thompson
Deputy City Manager/CFO

Report accepted and recommended by the City Managers

Date:


Jan 15, 2020

List of Attachments

Appendix A – Letter from the Mayor of New Westminster requesting support for the bond fund

Appendix B – New Westminster Briefing Paper – Request for Municipal Interest in a New MFABC Bond Fund

Appendix C – MFABC Commercial Mortgage Fund