

ACIR Meeting Minutes for September 23, 2013

Current as of: 10.16.13

Attendees (*voting member, #via phone):

Terra Lawson-Remer (Faculty, Chair)**Susan Sawyer (Staff)*****Ian Morlan (Staff)*****Izza Aftab (Student Representative)*****#Bevis Longstreth (Trustee)*****Malcolm Smith (Trustee)****Brandt Weathers (Research Assistant)****Jens Astrup (Research Assistant)**

Topic	Discussion/ Action/ Proposal	Responsibility/Time Frame
1. Last Meeting Minutes	Terra: any amendments? Izza: motion to approve minutes. Ian seconds. Minutes pass, no objections.	J/B: Post minutes online.
2. Strategic Plan for 2013-14	Terra: conversation initiated by Chris that we should try to get clarity on plan and priorities for the year. Bevis called into meeting. Terra explains nature of this agenda topic. Terra suggests ACIR can circle back to this topic. Terra briefly explains to Bevis who is in the meeting. -- Looping back: Terra: my feeling our major goal this year is by February getting CCAP passed and spending March/April capitalizing this victory (lots of media) and thinking through next steps: will it be campaign finance issues? Climate change? etc. Parallel to this, there are lots of interested faculty on this issue, and we should engage them and provide a forum for their ideas. Jens: Spring will also be proxy season.	

	Terra: any other ideas? Ian: can we capitalize on the proxy voting victory? Terra: we need contacts in Financial Press... like Financial Times. That's a lot of work. Don't recommend CEA because they go to their standard lists of contacts but don't establish relationships which we need with media source(s). Maybe we need a meeting with CEA. Another next step: teeing up processes/paperwork with Debevoise. Susan: will be easy once IC and BoT signs off on this.	
2.a Website Update	Brandt: explains current state of website. Terra: ideas for website. It should be reorganized. A section should exist for annual reports. Should have a section for "policy documents", things we've passed. There's nothing clear in terms of what our significant accomplishments, as well as what we've initiated. Current organization with just "links" and "resources" is a poor set up and better presentation of important sections is essential. Susan: would divide a section of 'organizational documents' and a section called 'initiatives' (then have section with outside links clearly listed). Terra likes this idea. Ian: CEA is rolling out new format for website. Izza: 'organizational documents' could be called 'core documents'. Brandt: Ian to send on template of new layout? Ian: Yes. Terra: application to join committee should also be under organizational documents.	J/B: reorganize website into three new sections, incorporating it intuitively with new format. Circulate this as a proposed template for comments. Ian: send J/B new format.

	Susan: there's a better term for this, but cannot remember. Foundational documents? Terra: should also be section for press or media for ACIR. Brandt: twitter account? Terra: No. Malcolm: could we get in touch with Free Press? Terra: we should have press section because they've covered us several times. This is a greater point: someone should be able to get historical sense of ACIR with this website. Needs to be intuitively useful for outsiders. (so three sections have been proposed to be used for new format). Ian: what about what we've done with REC? Terra: I think that should be under initiatives. Ian: anything with TNS Radio? Brandt: never happened. Izza: maybe a section explaining why people joined the ACIR? Terra: maybe, but only if there were a new page linked to it. I would prefer that it just go to personal webpage.	
3. CCAP Update	Terra: Malcolm why don't you update the group on how the meeting went? Malcolm: we had meeting with Steve Bloom (chair of IC) with Terra, Joel Towers, and Bevis. It was very productive. The issue with our responsibility, in giving recommendations, relevant to the points made in our document (5 proposals on Climate Change). The first four were accepted as they stand. The fifth, regarding divestment, raised serious questions in Steve's mind whether he would support it. Not sure where he stood. Terra?	

	Terra: I think he was on board, ready to support #5 (divestment), ready to set up Debevoise to do pro-bono work for committee; but back to the fifth item, it will be up to Board of Trustees. Terra will need to make this argument at their meeting. Terra didn't want it to come from ACIR, should come from IC. Bloom said, no, that they'll take a position at their next meeting, then it can be taken to Board of Trustees. His feeling is that it will be passed. He wants a record of votes for BoT. Again, he said he's on board, personally, but that we need to be clear that there's a financial hit the University will take. Bevis doesn't agree with that logic. Ultimately what was agreed is that the upside is greater than the downside, for the school's reputation, for our branding, for great press for the school, for recruitment, etc, which would outweigh downside of hit to endowment. Steve says we must recognize the costs downside argument. His off the cuff calculations for worst potential costs would be around 1% (2.2 million) per year. Terra disagreed on numbers, but both agreed on the premise, which is we don't know what will take place with future performance of endowment. Huge advantage for TNS to be the "first mover" on this issue. So Terra will meet with IC this week proposing this topic. Malcolm: to be clear, this is a board issue, and we need to get chairman of BoT of this action and make them aware of our work. I think the understanding of the benefits of this action has much more upside than downside. I believe we'll all be on board. Did Bevis get the feeling that Steve was on board? Bevis: yes, in spite of potential costs. I believe we need to keep feeding material to them to make them see the argument for less likely loss or no loss with this action plan item. I think there's a report by Cambridge Associates or APEIO who summarized loss as .13 basis points, which is very small. Goes into some discussion of these research details. Did I send everyone Tom Stars statement? Terra: yes. Bevis: I hope ACIR and IC are able to see this. It's quite a strong statement and there are several like	
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	this. The impression that fiduciaries should move earlier rather than later on divestment is growingly strong in the relevant literature/research. But in terms of pooled vehicles and indirect investments... for example: divest Harvard movement, who make great distinctions, direct being moved immediately, whereas indirect investment will be slower transition over several year. I think this will be the model for Universities in the future. Terra: I think Bevis makes an excellent point. I think this is the way to frame this conversation at the IC. This should be different than the strategy made by Terra to IC (as opposed to Bevis and Malcolm). I think ACIR has clean/clear proposal (relating to moral argument) and nuanced approach can come from M/B. Bevis: one IM operates a separate account for us. This person didn't mind us voting proxies, and I don't think this person will mind divestment. Malcolm? Malcolm: I think we should speak to this person directly. Bevis: I agree. I think all others would probably want delayed execution of divestment, over a period of years. Terra: Chris isn't here, but I personally think that makes a lot of sense. I think we need to set a deadline so it doesn't go on indefinitely. Bevis: I agree. Except where we're involved in a limited partnership, but we have very few of those. Terra: because IC meeting is coming up, I think the ideal would be IC voting for TNS to divest over a period of years for all holdings. But we should have sense of years for transition should be clear. I don't think I'm qualified as much as others to determine number of years to accomplish this. In ask it's important to say asap or set a number of years, and if fund managers don't agree, we get a short and meaningful period of time that this could be workable. Bevis: I think 3 years is a good number.	
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	Malcolm: so the IC has now approved a change in our advisor. I think we should be sure the advisor is aware of this. Terra: next steps - meet with new consultant, meet with Joe (new BoT chair), meet with David Van Zandt and Tim Marshall, present to IC, and then meet at the BoT. There are other pieces (engaging students and faculty), but with decision makers this is what I see. Susan: I would add, in terms of Roy, we need to confer on details with Debevoise, which will be determined at BoT, and recommendation to be made by IC. Ian: we should check into whether TNS is using fossil fuels for daily operations of a campus. Not part of portfolio but important. Bevis: I disagree; we can't vacate our buildings to find solar run buildings, it's not practical. The movement doesn't expect all fossil fuels no longer used, it's the power withheld in taking funds out of securities. Ian: I think we should have a clear answer if we get media attention on this. Terra: I think the answer is clear. Let's continue on with other items. We need to ask best way to move forward with new consultant and Joe. Bevis: what's really should be emphasized is our meeting with Joe. I'll set up time to talk to Joe. Based on details of that meeting, we'll determine when to meet up with other decision makers. Malcolm: I'd be careful with details of these meetings and being aware of who knows who we are meeting with and when. Terra/Bevis: agreed. Terra asks for clarification on time frame. When should the meeting with BoT be? Joe? Malcolm: board has retreat coming up	
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	Susan: but they don't want an agenda during that, there will be a meeting afterwards Terra: maybe it doesn't have to be an action item, but committee can make a 1-2 pager that outlines the case in a concise way. It would be wise to inform everyone about the proposal that everyone is on board before it goes to a vote Malcolm: Talk to Joe about making it something that is discussed at retreat on october 18th Terra: that means we need to meet with joe very soon. We should be prepared to have items ready for joe and retreat. we have the ccap proposal, we need additional specific arguments that looks at tns and why we think the benefits of this will outweigh costs - reputation, recruitment. Looking at new vision statement that incorporates sustainability. Bevis: Definitely focus on enrollment and that the argument that doing this will attract top talent is a perfect argument. this whole movement is coming from students, not faculty or alumni. applicants to come to our university are the ones most likely to be influenced by it. i like the argument, meeting with tim and he seemed very influenced by the argument. Terra: would love to see data, what demographics, this age group applying to college, and what they are concerned most about. Gallup poll that shows they are concerned about climate change and the increase over time. How students should be more involved in making known to the board that this is a real pressing issue and could impact their choice in university. We're at tns because it is progressive. IF tns was falling behind on this issue, they wouldn't have applied. Malcolm: joel was very big on this topic of it being a big draw for new students. stephanie brown might be interested to hear about this and how it would be beneficial to recruitment. Terra: who is that?	
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	Susan: Dean of Lang. Bevis: Milano just hired someone from EPA (Michelle DePass). Terra: how to engage these people? Meeting, letter, etc? How to get their support for our proposal? Bevis: first let's sensitize Tim Marshall to this. Ideally if we could get Tim and DVZ behind this, we get the board onto this issue. Terra: first we need to build the argument that this is good for the TNS, particularly student enrollment. J/B: USS letter to be written, students can visit offices. Bevis: petition? Terra: I think it's a bad idea. Unless you get a majority, which is difficult because without it you'll look weak. Bang for the buck is less useful, personal meetings and letters will be more efficient. Bevis: in terms of Deans, we should enlist Joel. Terra: I don't think he can be too forward leaning on this. Awaits moving forward upon feedback from those are above his position. Bevis: potentially. Moving these people, like Tim, is important. I don't think it would be weird for him to speak to the Lang dean. He has public videos of him advocating online. Terra: I'm convinced. Malcolm: I think establishing a statement with a poll from students would be good. Bevis: don't we have something like that already? We have that in our program paper. Terra: Malcolm's point is good, we need more concrete data beyond our speculative arguments. Will we actually see an increase in enrollment? What	
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	would make me think that? How can one be convinced of this position? We don't want anything long. Malcolm: I think if this is to be part of our rationale, we can't argue along the endowment value, the recruitment argument must be made in some statement. Terra: Joel has great ideas about how to do that. I could talk to him about framing of this, data, arguments, to make 2-page document. Can also ask him to talk with other deans. Malcolm: I would focus on Browner (Lang Dean) because undergrads are who we'll be directing with higher enrollments. Jens: townhall is next Wednesday (general townhall). Benjamin Silverman (or Jens) will speak about supporting divestment. Just FYI it will be discussed at this event. DVZ and Tim Marshall will be there. Terra: do you need something to hand out? Jens: there are two different talks, one for faculty/staff and one for students. Terra: I think asking for those to make opinions heard on this issue to write opinions on notecards in back (to get year, name, college). This will allow us to get amazing quotes. Bevis: one final thing, Jeremy Grantham has two speeches he's making in New York. I'd like to encourage people to go to them, particularly decision-makers. Maybe Lang Dean? They'll be taking place (one at Earth Institute @ Columbia, 6pm Sept 30th) near Columbia Law School... the other at NYPL on Oct 22 @ 7:30am (first open to public, second probably not). I can get anyone on Guest List who wants to join. Arguments made will be very relevant. Malcolm: Lang board of governors will be meeting the afternoon of the Columbia date; I'll mention it to them.	
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	Bevis: great. Maybe we can make it into a party and eat afterwards. Terra: any other thoughts? Should I re-cap for next steps: IC meeting coming up, get endorsement for gradual approach in indirect holdings, need to talk Joe (BoT Chair) and get his next step thoughts, simultaneously Terra to speak with Joel to get couple-pager on enrollment/reputation arguments, then make document from this convo, we'll ask if all this material can be included in Board retreat as a non-action item to expose them early, USS townhall meeting and get student thoughts, Jeremy Grantham event to bring Steve Bloom (Bevis) and Malcolm (Lang Dean) to event and potentially DVZ and Tim Marshall (Bevis), two-pager on fiduciary divestment risks/rewards argument (which is secondary argument to enrollment argument) which Bevis said he can work on.	
4. Updates on Sustainability Day Event	Jens: Gwen Kilvert and sustainability coalition got together to have an event on Sustainability Day in mid/late Oct, four hour long, with several 20 minute presentation from different groups. Brandt: Bill McKibben video to be included as well. Terra: we don't need McKibben video. More important describing what we've done and where we are. Some discussion ensues. We need list of student engagement opportunities to be circulated amongst us, include dates/times, organizers, audiences, format of divestment discussion presented, plan for follow up (such as note card idea earlier), also talk to REC about doing this. Would be great getting student reps involved in presentations. Ian: NSFP? Jens: they know and they've tweeted about it. Also CCAP	
5. Annual	Jens: Some distribution discussion ensues.	

Report Updates		
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