

**Green New Dean Oversight Board (GNDOB)  
Meeting Notes**

<b>MEETING SUMMARY</b>	<b>Date:</b> February 07, 2021 <b>Time:</b> 5:00pm – 6:00pm <b>Location:</b> WebEx	
<b>MEMBERS PRESENT:</b>	Maria Batayola Tomas Madrigal Matt Remle Syris Valentine Andrea Ornelas Ken Workman Kristina Chu	Keith Weir Jess Wallach Steve Gelb Dennis Comer Rachel Heaton Debolina Banerjee Emily Myers
<b>MEMBERS ABSENT:</b>	Deepa Sivarajan	
<b>GUESTS:</b>	Office of Sustainability & Environment: Jose Vasquez, Lylianna Allala, and Lisa Chen Council Central Staff: Eric McConaghy & Tom Mikesell Public: Adam Ziemkowki, Christoph Strouse, David Ramsay, Sulakshana, Ted Virdone, Glen Lee, Keith Ervin, Devon Abdallah, Tom Mikesell, Taemin Um, Adam Ziemkowski, Eric McConaghy, Dan Nolte,	

<b>DECISIONS MADE</b>	<ul style="list-style-type: none"> <li>• Board approved 01/24 meeting minutes</li> <li>• Workgroup established to develop criteria for the proposed legislation, bringing in community input and subject matter expertise.</li> </ul>
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FOLLOW-UP ACTION ITEMS			
#	ITEM	RESPONSIBLE PERSON(S)	TARGET DATE
1			
2			
3			
4			

**Meeting Notes**

*M. Batayola and S. Valentine, GNDOB Co-Chairs, facilitated the meeting  
Notes taken by Lylianna Allala*

**Welcome, introductions, and recap of last meeting**

- Syris started the meeting and offered a land acknowledgement.

## Approval of 01/24 meeting minutes

### Board Action

Motion: Matt

Second: Rachel

Vote: unanimous approval of the minutes with vote of A.

Tomas, Kristina, Matt, Steve, Syris, Emily, Keith, Maria, Andrea, Jess, voted.

- A “Yes, I approve”
- B “Yes, with reservations”
- C “Not voting until we have further discussion”
- D “I don’t approve, but I don’t block”
- E “I block, with serious concerns”
- F “Stand aside. Recuse myself”

## Letter to Incoming Mayor – M. Batayola

- Item was tabled for future meeting

## Introduction to draft legislation regarding financial and insurance services rating by GNDOB – M. Remle & R. Heaton

**Matt Remle:** Noted Sulakshana has been a part of development of legislation with CM Sawant in addition to Matt and Rachel.

This legislation development began 3 years ago (2019) as a part of a global coalition called Ensure Our Future who were focused on the insurance side of business that play a role in the climate crisis. 2 years ago they reached out to Matt and Rachel via Mazaska Talks to join and support.

Legislation seeks to align the GND ideals with financial service contracts. They seek to have the City align GND values and prioritize working with banks who do not support the fossil fuel industry. FPIC comes from the UN Declaration of Rights of Indigenous Peoples starting in Standing Rock in the 70s. It means that for any project that an entity seeks to develop or construct in traditional Indigenous territories, treaty lands, etc. They should engage in meaningful consultation with Tribal governments and Indigenous communities to gain consent to move forward with a project.

Legislation would ask 2 things:

In the RFP process, when such proposals are being put out, the GNDOB would weigh in on looking at how much a bank invests into fossil fuels or not AND if they have an FPIC policy. This would be the only proposed scope that the OB would engage in. As drafted, the legislation would make it optional for the OB to weigh in on the two areas or not. Additionally, it would not come into play when financial services only has one bid on a contract. There would also be time for the GNDOB to develop what the rating process would look like.

Information is easily obtained via public disclosure. Numerous entities compile information on fossil fuel investments making this accessible information.

First SRR presentation was June 22, 2021 this was the same day OB members were confirmed by committee that day. Matt and Rachel kicked off the meeting with a presentation in that meeting. Capacity working on this has solely been as co-founders as Mazaska Talks and not in their board member role.

Legislation was going to come before Council last year but the schedule shifted. A second presentation was done to SRR in January 2022. Matt and Rachel then reached out to Jose Vasquez and Maria Batayola to inquire on the protocol to present this information to the GNDOB.

**Rachel Heaton:** Nothing more to add other than this work stems from previous work that Mazaska Talks has done in Standing Rock and via their divestment work. Divestment work has expanded from banks to insurance companies.

**Briefing from Council re: proposed legislation on financial and insurance services rating by GNDob – Eric McConaghy & Tom Mikesell**

**ERIC:** Slide deck pulled up, mention that video from SRR committee meeting from Friday 2/4 available.

Policy Goals: Accelerate divestment in fossil fuel infrastructure. Promote social responsibility on the part of bidders.

Changes that would happen: Bill changes SMC, add to the duties of the OB to establish criteria to rate bidders for contracts. Rate divestment and adoption of FPIC policies, update best practices as they evolve, file criteria with the city clerk, to use criteria to evaluate bidders for banking and insurance services. Code change for Director of FAS to weight ratings of OB at 20%, (wished by sponsor of the bill). Under these circumstances, partially modify SMC to allow....

**TOM:** Overview of areas with Seattle policy makers have put into code contracting preferences Ordinance 119748, Ordinance 121717, Ordinance 12450, etc.

Other jurisdictions that have done work to pass resolutions to urge insurances and banks to divest, San Francisco, Paris, Boulder, CO, Los Angeles, CA. These are resolutions and do not have the same regulatory restrictions this bill has. This draft bill applies constraints in law to how these contracts are reviewed and awarded. This is important as there is not a good benchmark for this via the resolutions.

Policy Considerations: Potential workplan implications, alignment of available meetings with procurement process, OSE & Board technical expertise and capacity. OB's mandate is to focus on budget recommendations. This policy was not contemplated and is a new scope of work that the Board does not already have capacity for built into their mandate. The ordinance tasks the Board with developing criteria and does not provide clear info on how the criteria is developed and used in the deliberation process. No clear direction on how criteria is administered.

How does this bill impact Financial and Operations at the City: Criteria are unknown, difficult to know what we are talking about and how criteria would be used in RFP scoring. It is impossible to know how the marketplace would respond at this point. A direct cause and effect between provisions cannot be drawn and a future unsuccessful procurement process in any line of financial services cannot be established. Policy change is proposed in an already market constrained area of essential government services.

Services that are potentially covered by bill:

Banking, city cannot operate without a private banking service provider. Current contract with Wells Fargo which terminates in 12/2023. Process to get next contract in place will happen soon. 2018 RFP for banking had Zero respondents.

Insurance: Currently, the risk managers don't operate in a competitive bid process because of the contracts. As many as 24 distinct policies, as many as 40 companies that engage in the services. Largest are property insurance: renews annual April 1. Layered structure of as many as ten providers, all risk coverage, Per FAS recent marketplace losses have led to expensive claim payments causing property insurers to cut back or exit the property insurance market.

Excess Liability: Renews June 1 every year. Covers City's act of negligence, coverage deductible after the first \$10M paid by the city. Insurance has gotten more expensive.

FAS SMC Director's Rule: Per FAS City has not recently used a competitive bid on insurance. Proposed changes could subject some procurements to competitive bid. It is unknown how many future insurance purchases would not be exempt. Possible that removing the exemption could disrupt insurance procurement. City would bear the FULL financial impact for any type of claim that is not insured likely resulting in significant impact.

#### **Board Q&A – all**

STEVE: Can you explain what the Oversight Process is for those policies, are they assigned to boards and commissions? How does council ensure those policies are enforced?

TOM: Those are distinct and different. They are administrative by FAS staff in charge of procurement for the City. There is no stand alone board that does that work. It is staff.

STEVE: Is there any reason why that structure was not proposed for this ordinance?

TOM: A policy call and a question for the bill sponsor

JESS: Thank you for overview. Would like clarity in what the unknowable factors are.

TOM: The criterion for reviewing the bill is unknowable and therefore makes the impact unknown. It is unclear if private info is public around investment portfolios. It is unknowable because the board criteria is not identified.

ERIC: What could happen with number of bidders or who would bid is an unknown. Establishment of criteria, how you come up with them and application is in the hands of the board. How it could play out, criteria would have to go into the RFP, companies would respond, the board can do independent research in addition to the bidders' info so something additional to consider.

MARIA: We don't always have the answers, but we should keep an open mind as this can be iterative.

DEBOLINA: With respect to constraining market competition, how many bidders do we have currently? how many could be flagged as those who invest in fossil fuels and/or not following FPIC?

TOM: For banking, we received zero bids in the last process. We can't predict what the bid pool would look like. With regards to insurance, we have not done this for sixteen years or longer regarding competitive bidders. If we open, we do not know if we will get any bids at all. Municipal market is not accustomed to a bid process. Typically go through a brokerage service.

KEITH: Regarding insurers, do you have a standing idea of the last 2-3 years, how many companies have fallen out of the market?

TOM and ERIC: Do not know, asking Glenn Lee from FAS to chime in.

GLENN: City finance director. Insurance market effected by vehicle accidents. This is what has triggered scarcity of firms insure us in general liability and property. Most cities having trouble getting liability insurance. We don't know how the trajectory from here regarding the policies or how the criteria would affect how other firms would join in or back out. We are on a downward slope on availability. FAS uses a standard process. Don't do RFPs because of the procurement process.

MARIA: Checking in...can we extend another 15 minutes? Vote YES from board

DEBOLINA: thanks, while there's uncertainty as you mention, I see this as sending a message loud and clear to the banks and insurers as well.

Matt Remle to everyone: 5:51 PM

If there is typically a no bid process for insurance, can FAS include fossil fuel investments and FPIC as criteria when searching out contracts?

from Syris Valentine to everyone: 5:52 PM

+1 to Matt's question. I was wondering the same thing

Ted Virdone: Advocated on behalf of CM for OB to engage in the legislation.

#### **Public Comment**

- Sulakshana provided public comment.

#### **Board deliberation on proposed ordinance – all**

Do we want to engage in this?

Straw poll:

from Keith Weir to everyone: 6:10 PM

3

from Kristina to everyone: 6:10 PM

4

from Dennis Comer to everyone: 6:10 PM

3

from Debolina she/her, Sage to everyone: 6:10 PM

4

from Matt Remle to everyone: 6:10 PM

5

from Emily Myers to everyone: 6:10 PM

4

from Syris Valentine to everyone: 6:10 PM

5

from Jess Wallach to everyone: 6:10 PM

5

from Steve Gelb to everyone: 6:10 PM

3

from andrea ornelas to everyone: 6:10 PM

4

from Rachel Heaton to everyone: 6:10 PM

5

Steve: This board has so much on their plate. We are set up so well to make the recommendations for the GND investment work, we are not set up to do this work.

Dennis: Agrees with Steve and have different reasons. He is interested in taking some sort of action and wants to understand how to engage in this work before it goes down some other path.

Keith: Echoes Steve. Needs further discussion with regards to impact on potential work on his membership regarding workforce protection.

Jess: Flagging that there is current expertise on the current board, Matt and Rachel have been leading on divestment for years.

Steve: Proposing an idea of a committee to be set up. Wondering if there is a way to maximize the benefit and minimize impact of other work.

Straw poll was conducted to see if the board was interested in establishing a committee to work on developing criteria for the proposed legislation, bringing in community input and subject matter expertise.

Test for consensus vote:

5 fingers – Debolina, Syris

4 fingers – Dennis, Jess, Keith, Steve, Rachel, Emily, Kristina, Matt

3 fingers – Andrea

Committee members: Matt, Jess, Syris, Rachel, Debolina, Maria