



Takoma Park City Council Meeting – May 23, 2018 Agenda Item 4

Presentation

Socially Responsible Investing

Recommended Council Action

Hear presentation.

Context with Key Issues

The Council has expressed interest in learning more about Socially Responsible Investing as part of its Fiscally Sustainable Government Council Priority. The goal for the coming year is to adopt sustainable investment and banking policies and practices. Both the Nuclear Free Committee and the Committee on the Environment have expressed interest in this effort.

Michael A. Edberg will present information on what socially responsible investing is and options for jurisdictions in considering socially responsible investing. This will be an overview presentation. The City of Takoma Park uses SunTrust for daily banking services. There are also funds in SunTrust accounts and there are some funds in investments that meet the requirements of the State of Maryland's and the City's investment policies. The City also has a Police Pension Fund with investments held under the policies of that fund. Most of the investment fund policies are to minimize risk to the funds. As long as risk can be minimized, it is the goal of the City to have investments consistent with City priorities. Besides the question of investing, there are additional costs and issues related to switching banks for daily banking services. Discussion of those costs will be addressed at a later time.

Council Priority

Fiscally Sustainable Government
Environmentally Sustainable Government

Environmental Impact of Action

The City could establish a policy to invest in entities that help address environmental health and/or avoid investing in entities associated with environmental harm.

Fiscal Impact of Action

Dependent on options and policies chosen - certain investments could be of greater or lesser risk and there are costs related to investments and banking services that would need to be evaluated. Minimization of risk to police pension funds is particularly important.

Racial Equity Impact of Action

Investment and banking policies could have race equity impacts that would need to be considered.

Attachments and Links

Biography of Michael A. Edberg, MBA, CFA, AIF

Michael A. Edberg, MBA, CFA, AIF®

Mr. Edberg joined Millennium in August 2017 after two years at Plotkin Financial Advisors (PFA) where he developed their defined contribution plan advisory business. Prior to joining PFA, Mr. Edberg managed a multi-million-dollar family office for over ten years.

From December 2008-November 2013 Michael worked as the Managing Director, Investments at MicroVest Capital Management where he managed four funds and one investment vehicle; collectively over US\$150 million in assets under management.

At MicroVest Michael supervised three regional managers and a staff eight investment officers and analysts with an annual department budget of about \$1.2 million. Responsibilities included developing the investment strategy, annual and semi-annual investment goals, managing the pipeline and evaluating team member performance. During that time, he traveled extensively in Sub-Saharan Africa, Central Asia and India, leading diligence missions, meeting with government officials, banking regulators and prospective investment targets.

Michael joined MicroVest in December 2008 after 13 years at the International Finance Corporation (IFC). At IFC Michael was responsible for developing new business leads, identifying and researching investment opportunities in the banking sector worldwide, leading investment due diligence teams, performing credit risk and equity valuations, and leading investment negotiations.

Michael holds a B.A. in Government and International Relations from Clark University in Worcester, Massachusetts, and an M.B.A. in International Business - Finance and Marketing from The George Washington University in Washington, D.C. He is also CFA® Charterholder and an Accredited Investment Fiduciary (AIF®).

Michael lives in Bethesda, Maryland with his wife Laurie and their two children, Jesse (16) and Arielle (13). Michael enjoys traveling internationally and learning about other cultures and traditions. He is also a big Washington Nationals fan.