



# REPORT

To: Chair and Directors

Report Number: FN-BRD-014

From: Amber Vieweg, Investment Officer

Date: September 1, 2020

**Subject: Socially Responsible Investment - Community Building**

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## **RECOMMENDATION: [Corporate Unweighted]**

That the Regional Board receive the report titled "Socially Responsible Investment – Community Building, FN-BRD-014" for information.

## **BACKGROUND/RATIONALE:**

At the August 13, 2020 Regional Board Meeting, the Board received an update on PRRD investments. During the discussion, the topic of investing locally, with consideration to the secondary benefit of community building was raised, and the following resolution was passed:

*MOVED, SECONDED, and CARRIED*

That the Regional Board be provided with a report on proposed amendments to Policy No. 0340-27 – Investment, specifically options for community building as part of PRRD investment strategies.

Please see PRRD's Investment Policy Section 4.1 (d), which reads:

### 4.1 Objectives

#### *d. Socially Responsible Investing*

Where possible, socially responsible investing (SRI) criteria will be applied to the selection of investments. SRI screening involves selecting investments based on social and/or environmental criteria with the objective of excluding companies that have a negative social and/or environmental impact and selecting companies that make positive contributions to society and/or the environment.

As community investing is an example of SRI, it has been determined that an amendment to the Investment Policy in an effort to 'build community' is not required.

There are two local financial institutions that pride themselves on building community; North Peace Savings & Credit Union (NPSCU) and Lake View Credit Union (LVCU). The histories and values of these two companies, as noted on their respective websites, are outlined below:

### **North Peace Savings & Credit Union:**

*North Peace Savings and Credit Union (NPSCU) is a democratic, ethical and innovative provider of financial services to its members. Founded in 1947 to provide financial services*

*to people from all walks of life, NPSCU has grown to become a major financial institution serving the people of northern British Columbia.*

*North Peace Savings is proud to be deeply invested in the community you live in. Whether you're in Fort St. John, Hudson's Hope, Taylor, or Fort Nelson, you can be certain that the North Peace Savings and Credit Union will make the "Community Choice" that's best for you and your community.*

*North Peace Savings supports initiatives from both a financial and human perspective. We provide donations, sponsorships, grants and awards to worthy projects and our staff is happy to share their time and expertise. Since inception, NPSCU has contributed \$764,706 and 162 volunteer hours to the community they serve.*

**Lake View Credit Union:**

*Lake View Credit Union was established in August, 1943, with 12 members. Today we proudly service almost 10,000 members with assets over \$318,000,000.*

*Presently we have 3 branches; Dawson Creek, Tumbler Ridge and Chetwynd. We are a locally owned financial institution.*

*Between charitable donations, sponsorships and volunteer hours, Lake View contributes in excess of \$100,000 annually to the non-profits in the Peace River Area.*

*We pride ourselves on being local, investing our liquidity locally and contributing to our communities. All our staff including our corporate administration is local to the region, with some having lived their entire lives in the area.*

Due to the current economy with respect to COVID-19 implications, local borrowing is at an all-time low, resulting in these two financial institutions sitting in highly liquid positions. This means that these institutions do not necessarily need extra cash to lend to borrowers, as they are already carrying large amounts of cash. Because of this, any additional investment funds that the PRRD is proposing to invest would likely not be injected into the local economy at this time, and would instead be re-invested into securities providing at par or higher yield than they are able to offer to us. However, both institutions still remain committed to donating to local initiatives regardless of the economic environment.

At this time, the investments available and credit profiles of NPSCU and LVCU do not meet the core objectives of PRRD's Investment Policy.

**ALTERNATIVE OPTIONS:**

1. That the Regional Board provide further direction.

**STRATEGIC PLAN RELEVANCE:**

- ☒ Organizational Effectiveness
- ☒ Comprehensive Policy Review

**FINANCIAL CONSIDERATION(S):**

Lake View Credit Union rates effective 2020-08-25 (subject to change) are as follows:

1 year non-redeemable	1.20%
2 year non-redeemable	1.30%
3 year non-redeemable	1.55%
4 year non-redeemable	1.70%
5 year non-redeemable	1.75%

North Peace Savings & Credit Union rates effective 2020-08-25 (subject to change) are as follows:

1 year non-redeemable	0.25%
2 year non-redeemable	0.50%
3 year non-redeemable	0.60%
4 year non-redeemable	0.80%
5 year non-redeemable	0.95%

**COMMUNICATIONS CONSIDERATION(S):**

None.

**OTHER CONSIDERATION(S):**

The Investment Officer, from time-to-time, will continue dialogue with North Peace Savings & Credit Union and Lake View Credit Union to review available investments with due consideration of the PRRD's primary Investment Policy Objectives: (a) Preservation of Capital, (b) Liquidity, (c) Return on Investment, (d) Socially Responsible Investing.

Attachments:

1. PRRD Investment Policy