

# VASSAR STUDENT ASSOCIATION

## Council Minutes for February 17, 2013

“This is about us. Not them.”  
-Do Something VC

- 1 Call to Order
  - The meeting was called to order at 7:02.
- 2 Attendance.....Operations
  - All here.
- 3 Consent Agenda
  - a. \$1,533 from Conference to Wordsmiths
  - b. \$695 from Community to Slow Food
  - c. \$512 from Discretionary to TAs
  - d. \$792 from Conference to Haiti Project
  - e. \$315 from Conference to Vastards
  - f. \$5,000 from Conference to ViCE
  - g. Preliminary Organizations
  - h. Minutes from 2/10 meeting
    - All adopted.
- 4 Forum with Betsy Eismeier, Vice President for Finance and Administration, Marianne Begemman, Dean of Strategic Planning and Academic Resources, and Stephen Dahnert, Associate Vice President and Director of Investments..... (45 min)
  - Stephen began by discussing his job; he coordinates the investment activity with outside firms. The Vassar endowment is about \$850 million. The endowment has one purpose which is to support the educational mission of the college. The board has a judiciary commitment to honor it responsibly. The investment committee is mostly board members, but some administrators too. They determine broad outcomes for investment; they've designated 7 classes to this. They secure diversification and look for investments that have low correlations between them. They don't do individual purchases ever. They hire the best investment managers of whom there are currently 31. Some of those managers have multiple funds in which they invest. Overall there are roughly 70 investment vehicles within which they are invested. Each manager and vehicle has a specific mandate. For example, hedge funds. Each manager has complete security over the security of their fund; the board doesn't monitor it too much; the managers are free to trade as they see fit. They are strong believers in active management, security by security. A typical stock manager might have anywhere from 25-75 names. Index funds are different; mostly they have active managers who make individual security selections. Of 70 vehicles, 64 are comingled funds. They have no ability to tell a mutual fund manager that they can't invest in a certain way. With a comingled vehicle Vassar doesn't own the stocks to

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certain vehicles. They don't know the full value of the hedge fund people. There are a lot of checks in place to make sure the firms are doing what they're doing, but they can't see exactly where they invest. They think their fossil fuel exposure is similar to their peers. They know that 24 of their managers have some fossil fuel investment. 80% of their investments either have fossil fuels or could at any time have fossil fuels. Of these, 28 are comingled funds; they total \$500 million (60%) where they can't direct their investment. Based on their experience with Sudan related holdings, they divested about 5 years ago, Stephen strongly opposes divestment. The proposal as submitted would require them to exit most of their funds, \$500 million. They would be extremely limited to the pool of options. They would be cutting off managers with whom they've cultivated relationships over many years; he thinks it would be difficult to find such investors. It would be costly in the short run and over time (he suspects) as the proposal is too sweeping and limiting.

- The Campus Responsibility Investment Committee. They are responsible for their direct holdings in companies. They recommend to the board how to vote on resolutions regarding these companies. They are also responsible for moral issues related to investment. If they decide that the proposal goes on to the Trustee Responsibility Committee then they vote too. There are three levels of committees through which it must pass. There is also an Investment Committee which has shared membership on the Investment Responsibility Committee. The Investment Responsibility Committee, of which Betsy is a member, hasn't made a decision on whether they plan to recommend the proposal or not. When they feel they are in a position to recommend the proposal then they will recommend it to the Board accordingly. They hope to decide by the end of the semester. The committee won't meet by this coming Board meeting (in March) so they are working towards the May meeting if they will be offering a proposal.
- Joss asked a question (notetaker was messing with the projector and didn't catch it). The response was that there are a few reasons not to divest. They would do the same thing.
- President asked about the current financial position of the college. Stephen responded that markets have recovered somewhat from the recession. The endowment has recovered, but their spending has increased. They have a lot of demands on funds such as maintaining the campus/buildings and maintaining need blind policies. The economic recovery that underpins the world and Vassar is tenuous. It's a tricky time for Vassar; it's all relative, but we're very aspirational.

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Nobody wants more layoffs. The endowment is one area where they can have a 20% income made on it or a -18% decrease as happened a few years ago. Betsy added that right now they are not in a sustainable position. Their endowment per student ratio has only grown very very slightly over the past 10 years which means that they aren't keeping up with the costs. Their balance is currently out of whack.

- Finance asked why managers would refuse to divest. The response was that they want to fire us before we fire them. If we push on them, they won't do it. They can't have one investor push how they invest their portfolio. Maybe over time if demands increase, companies will do this. Middlebury had a forum and their managers responded the same way.
- THs asked about how Vassar divested during Apartheid, but not during Sudan and now? They did during Sudan. They identified 20 companies as providing money to the Sudanese government. They intentionally didn't target all companies doing business in Sudan. Ultimately they didn't have to divest any securities; they only divested in direct holdings which didn't pertain. South Africa was before his time, but they were late in that game so he's not sure. The portfolio was managed very differently back then because they had almost exclusively direct holdings. Was divestment a good thing or not in South Africa? There is still debate about this.
- Ferry asked about alternative investment companies that they would invest in if divestment took place. Would they yield the same amount of profit? Have they researched? They haven't yet researched this sufficiently. It would be the job of the Investments Committee to find alternatives, but they're not at this point yet.
- 2016 asked what the value of the direct holding is. It's very small, a little less than 1%.
- 2015 thanked them for coming in. She asked what passing this resolution would look like in the future. Betsy said it's hard to speak for the committee as a whole. The more voices behind this (carefully thought through), the more weight the proposal will have. She thinks it's important they have all the information in hand.
- President asked them to speculate on the impact this would have on fossil fuels companies if they were to divest. Stephen answered that it would have zero impact. From the perspective of shares, the company might buy back some of their shares. For the most part, the stock is traded among investors so someone else would buy them. Exxon mobile trades 100 million dollars/day. It probably won't move the market much or at all.

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- Aashim made it more clear by stating it's a zero net sum because someone else is buying those shares. He clarified that he wants society to encourage decreasing carbon emissions, but this isn't the way.
- Lathrop asked about making a political statement, not economic. How do they do this? Stephen noted that demand for these products will continue to be strong and that this isn't the way and has huge practical implications for Vassar.
- Aashim noted that the endowment has one primary purpose which is to support the college and that they have judiciary ability. If they don't use this are they failing their job to execute this judiciary value? Stephen thinks it's unlikely.
- Academics asked if the college could take a stance in another way. Stephen has been a member of CIRC for a dozen year. Proxy voting is rarely passed. They've seen an evolution in corporate thinking. They've also from time to time written letters; their strategy has been whittling away at investors slowly. He thinks they have a stronger voice if they have a seat at the table. He thinks that they are better off staying invested and having a voice.
- Student Life asked about the non-renewable nature of fossil fuels. She asked if there's a timeline in this regard for the college. No, it's so hypothetical and long term that they don't have a plan. He stressed that their managers are smart people who think about these things and make investment decisions based on long term sustainability from a cold financial perspective.
- 2014 made a motion to extend by 5 minutes. This passed with all in favor.
- 2014 asked if it would be more productive to have Vassar make a change about how Vassar uses fossil fuels. Stephen thinks that yes, this is key. It's all about consumer behavior. They are currently trying to make their buildings greener and environmentally stable. The endowment is investing in these types of changes and this makes sense rather than divesting. Betsy added that what they can do as an institution is educate and create students who understand the issues and work for a better future for the environment and work for companies where they can take a stance.
- Joss asked if they divested as a way of taking a stance, would the other committees follow through. Would these committees follow through if the VSA decided to say that they are not in favor of the way these companies function instead of divesting? Probably
- Ferry asked if they divested, would financial aid be impacted. Stephen clarified that if Vassar's finances were hurt in any way, then financial aid could be affected. There are

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no direct linkages. Financial Aid and compensation are the big pieces of the pie so those are the areas that would probably be affected. They are more discretionary than other parts.

- 5 Forum with Do Something VC.....(30 min)
- President thanked everyone for coming in. Krystal is facilitating the Action Committee. Thomas is facilitating the RSL Committee. Aidan. Logan is Communication/media. They have been talking about ideals they want to support on that day. They are looking at specific suggestions and events that will happen. They've developed a mission statement. They are focused on representing us not them. They are meeting with faculty, staff, and administration to coordinate with students and start a dialogue about critiques
  - Jewett asked about what kind of outreach they've been doing with VSA organizers. They are trying to include all voices, reaching out to different organizations, etc. Most of the facilitators are involved in VSA orgs or campus jobs that are helping form inroads.
  - Student Life noted that she's heard that the movement is being seen as very white and male dominated. Using the email that's been created, they will be sending out an email to the identity orgs to invite them to join the internal body meeting and everything else. There has also been a conscious effort to include diverse backgrounds. He noted that they have at least 4 female representatives.
  - President asked about Action Committee. They are looking at an all-day event. They are focusing on Vassar and Vassar values and celebrating their community.
  - Operations talked about using art and how different orgs are reaching out and creating projects. Even if it's not coordinated, orgs are getting involved.
  - Joss offered to create a website. He asks what they see themselves needing. They have a website that is in process. There are many orgs that have said they would like to run programs, but didn't know if they had time to apply for funds. Finance responded that they sent an email saying they are willing to accommodate last minute requests for this event from orgs.
  - Raymond asked what they are thinking of offering people who don't want to be involved or surrounded by all the activity. They are making sure they are creating safe spaces and having TLC/CARES representatives on call.
  - Someone asked about committees: Merchandise, art, action, RSL, solidarity, outreach/education, fundraising. They are all on the Facebook page.

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- Student Life asked about what type of form Do Something will take after the 28<sup>th</sup>. She thinks they mobilized an amazing amount and would love for this to carry through. It's sad it took this to get us together like this. Part of their mission statement was thinking about making this an org that addresses these issues in the future to come. They want to organize and engage momentum so they are making sure no one voice isolates or makes people feel left out.
  - 2014 asked if there's been communication with faculty about how that day will interact with class schedules. They have been working closely with the administration and it will be up to individual faculty members to decide to cancel or continue classes that day. In some ways allowing classes to cease might not send the correct message.
  - Town Students asked what kind of relationship VC Together has had with Do Something VC. They have been working together. They were formed as an organizing board for alumni, faculty, and students. The relationship they have is working together and receiving confidential responses.
- 6 A Resolution in Support of Fossil Fuel Divestment... Gabe, Noah, Davison, Ferry (30 min)
- Last Friday they came in to talk to Student Life, give them the proposal and a letter from the College Committee on Sustainability. The meeting was a more in depth conversation continued from Sunday. They came up with two additional WHEREAS clauses. They agreed that this is a movement in support of the moral ethics of this proposal, not the specifics.
  - Noah commented on the forum. He disagreed that the endowment's only purpose is to support the college's mission statement and quoted the “humane” purposes in the mission statement. He also commented on the aspects of the mutual funds and how if the decision was made to invest then they would divest. He noted that the report he saw from the Aperial Group (?) says that the risk of excluding the entire fossil fuel industry is statistically zero. He thinks the forum left out a large part of their purpose which is political change. Paul Ruud told them that the economic affect would be insignificant, but the political strength has always been its lifeblood. He thinks that the discussion needs to talk about energy. Another member noted that we are over the safe amount of carbon emissions worldwide. Lifestyle activism is a valid action, but the fossil fuel industry is far too large to be affected since it receives government subsidies. What we can do is appeal to our politicians to stop their subsidies and use the power of our institution to make change. They only have proxy votes for the companies they're invested in, but they don't have proxy votes for the mutual funds. They can't change entire companies whose goal is fossil fuels.

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- Aashim noted that there are hundreds of companies invested, not 18. He noted that some of the comparisons made using the Russell 3000 are hogwash. They aren't paid to hold a broad index, they are paid to get secure. You can't judge based on the pitch book. He doesn't support divestment, but he supports Council voting yes so that they are supporting an idea and letting the experts make the real decision. He thinks it deserves to get on the trustee table.
- 2015 noted they are talking about whether this moves on, not whether it passes or not. However, she feels they framed it that way in the forum and thinks they should be discussing a different issue. Is there another statement that can be made? A Greens' representative answered that yes, a statement talking about a carbon tax would be supported, but they think Vassar acting as part of a larger network can make a strong statement. There are other political statements they can make but that doesn't mean they shouldn't vote on this one. She thinks they should put our money where our mouth is. In order for consumer demand to change, a cultural shift needs to take place which can be helped with political advocacy. She noted that they've got to start somewhere. 40,000 people marched on the capital today. People know that something needs to change. He thinks they need to make stronger and stronger statements.
- Jewett noted that this action will make a political impact by showing we divested, but with zero net result. The Greens responded that although the economic gain might be zero, the political gain is not. They have done a lot of outreach and have nine organizations signed on to their proposal. They would like to fashion a proposal that is in line with the Finance department's needs.
- 2016 thinks supporting this does something. It's all individual investments on behalf of organizations like Vassar that together make a difference. It's the statement that they make even if others buy up the shares. Divesting in Sudan made a difference. It's a step in the right direction.
- THs thanked them for coming in. She supports this.
- Socos noted that if these companies' entire goal is selling fossil fuels then what does having a voice mean? Stop what they're doing? She thinks this is a way to show sustainability.
- President noted that if they approve this, then they are making a recommendation to divest. This isn't any other statement, it's to divest. They can vote on other resolutions. He noted that he thinks this will hurt the endowment and the school isn't in a great financial situation. He thinks it should be understood that this will be

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a hit to the endowment. Gabe responded that they added to the proposal to prioritize need blind financial aid over divestment.

- Finance talked about how a better thought out proposal will be better received. They manage the intricacies. He noted that Steve’s point that we have direct control over \$75 million direct investments might make a better proposal since we have control over this. The Greens responded that they think it would be best to keep the resolution as it is because they have momentum built up behind this and that’s what they’ve been communicating with people about. They wouldn’t feel comfortable stopping just at the \$75 million point.
- Aashim agrees that they shouldn’t endorse something that isn’t clear. The trustees latch onto specific technical terms. He isn’t sure they should support the clause stating that there is no economic effect if that’s exactly what the guests just said.
- Town Students asked if the point that this is going for the May meeting affects this plan. The Greens responded that the plan is to continue pushing.
- 2015 thanked them for their persistence; they really care. She really thinks that they’re not quite ready to vote on this proposal as it’s been presented to them. She made a motion to table this to Operations for another week so that she can present this new information to her constituencies.
- THs thinks that nothing is going to change in a week and that this is about divestment, being innovative, and cutting edge, not details. She thinks that you know or you don’t know and they should vote tonight.
- President put a 15 min time limit.
- Operations agrees with THs although she’s not comfortable with this resolution. She thinks they should divest in specific funds and engage more broadly on the major issues. She thinks that the proposal isn’t finished yet and they should wait to complete it so they can make it stronger.
- Joss supports tabling.
- Finance thinks that they should table things for longer than a week so that they can think through and get all voices on a proposal. President noted that the motion is to table, not necessarily for one week.
- Student Life thinks that they can create something much stronger. They can tighten this up and make a stronger statement that has potential to go much further. She thinks that this could be something that can get cleaned up and feels more comfortable after talking to Steve and Mary Ann. She’d like to pass something doable and efficient.

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- 2015 wants to encourage Council to disregard personal feelings toward divestment that get in the way of the decision to table. She asked the Greens how they feel. They said they would be disappointed if it were tabled because they have individually met with both Steve and Mary Ann so their comments are already reflected in their proposal, but they want to encourage continued conversation. The Board has the deciding power and they want to engage with them in a more meaningful way. Laura noted that she is here instead of in DC because she decided that this is more important. She would be disappointed if this were tabled. This is about if they support divestment. Even if they don't support this it will continue on.
- TAs agrees wholeheartedly with the THs. He thinks that there are not specific enough changes that need to be made in order to table this. This is a very detailed proposal and there are many very complicated elements. They've proposed a 25 year timeline and he doesn't support tabling this to make this statement less powerful.
- Lathrop asked if considering Mary Ann's statement about sending the proposal to the May meeting changes the speed with which this needs to go through. They responded that it doesn't change the urgency of it because they would still like the general body of the trustees to know that this is an issue the entire campus is engaging in. Engaging the rest of campus is also important and they think that the VSA is a powerful way of reaching more people. They want to do more of it. They would like to have the support to broaden their outreach.
- Activities addressed the idea of political statements and that since they are proposing a political statement then this seems like it shouldn't be tabled.
- Ferry made a motion to extend the time for 5 min and this passed with all in favor.
- Noah responded that CIRC isn't the only option, but President clarified that CIRC always deals with issues then passed to TIRC.
- Joss thinks that they should talk about the different issues at hand and conflicting issues. Since the administration seems to be against this according to Stephen, it might make this less effective than if they were on the same page with them.
- Ferry noted that the main point of this resolution is to encourage CIRC/TIRC to divest. Even though we can't possibly understand all the details of divestment and comingled funds, this is our recommendation regarding our understanding of the issue. He thinks that if we put in the \$75 million detail it takes away from the ethos of the final statement.

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- THs thinks that since the Greens have been working on this since September they've probably considered most options that we are thinking about and asking them to do this would be taking them back to square one.
- The motion to table failed. Joss, Finance, 2016, Operations, Student Life, 2013, 2015, 2014 were in favor. The rest opposed. This failed with a majority.
- Joss made a motion to extend time by 15 min. This passed with a majority.
- Joss thinks that they can make it stronger opposing climate change. Gabe responded that divestment would be the most efficient vote against climate change.
- President noted that they should be careful about thinking what language they support or don't support.
- Noah asked that they don't take the economist that came in as the only legitimate economist to respond to. If the idea that research suggests there are no economic effects is true then they are willing to amend the proposal. They want to vote on it today anyway.
- Jewett made a motion to amend the WHEREAS clause to say there is "some research suggesting".
- Finance noted that it is not possible to prioritize things. All of our money is lumped together.
- Aashim thinks that we should look at what this research is. They need to know what it is and what it stands for. As a Council they don't know what it means yet.
- Gabe mentioned the document he sent out earlier to the VSA about changes in the endowment.
- Ferry noted that they are prioritizing certain things over divestment.
- Aashim noted that the report is not saying that it decreases or increases returns.
- The Greens noted that the report takes into account many voices not just the empirical report.
- The motion to pass the WHEREAS clause passed by one vote.
- 2014 thinks that if there's any chance they are going to amend this then they should table it.
- 2016 thinks that it should still be tabled and he wants all the work they've put into this since September to really mean something. He wants it to be taken as seriously as possible.
- Operations made a motion to table it because the vote on amending was so close.
- Noah thanked them for putting all this time and energy into this proposal and is really happy that they are willing to work with them on making this as strong as

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possible. He thinks it would be in everyone’s best interest to let this become as strong as this can be.

- The motion to table this resolution passed with all in favor.
- Operations made a motion to take a 5 min recess. This passed with all in favor.

### 7 A Resolution Concerning the Athletics Department and VSA Organizations

.....Charlotte, Edith, Raffi, TJ, Zachary, Josselyn (20 min)

- Joss explained that they are working out a few more kinks; they want to talk to the Athletics Department and the Ultimate league before discussing. They thanked Zach for hanging in there and decided to meet with Activities later.

### 8 Executive Board Reports

a. Student Life .....(7 min)

- They had their first official meeting last Friday. They talked a lot about the Westboro Baptist Church. A few of the facilitators were in that meeting and were asked to come back tomorrow. She encourages everyone to attend tomorrow at 10 p.m. in UpC. Spectrana is the Alana orgs and something else working together. They want to have dialogue about how there is a discrepancy between Spectrana and the VSA Mondays at 4:30 is the official meeting time.

b. Academics .....(7 min)

- They met for the first time on Friday. They are assessing the current status of projects, next steps, and they are continuing with the academic newsletter and student seminars. They are looking to make some headway with the social awareness requirement.

### 9 CCL Update.....President (7 min)

- The Smoking Ban vote is now scheduled for March 6<sup>th</sup>. The vote was originally going to be in February, but they compromised it to be in March. There was a proposal introduced by D.B. Brown that creates space for end of term hearings for people who receive sanctions at the end of the semester so that students aren’t waiting the whole summer to hear about their consequences. They will do their best to get a student on it, but if it’s not possible it will still run. They discussed the WBC a lot. Faculty is reaching out to the rest of the administration. The faculty are discussing a resolution. The WBC can’t come on campus and they’ve been informed of that. They are researching their location and police will be there. The administration is still deciding about whether or not to tell alums not to come to campus.
- Main clarified that the Smoking Ban vote is for CCL.

### 10 START Update.....Terrace Apartments (7 min)

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- CCL voting will take place on March 6<sup>th</sup>. They are hoping to have some documents compiled by the end of this week. They've talked to security and campus patrol and they've done some research. They are hoping to organize Town Hall meetings to get student input. They are working with Residential Life and the House presidents to coordinate this. They want a lot of feedback on smoking culture, enforcement, and ideas for changing things as they are. They will focus primarily on student feelings about the ban. They also hope to send out a survey in the final week using the information they've gathered. They hope they can present their findings in a way that the students and administrators on CCL will strongly consider. If the ban passes, they will work on how they will continue the process of enforcement.
- 11 Spring Election Timeline.....Operations (10 min)
- Board of Elections met. They will hopefully be getting more people to join the Board of Elections. 2013 will be joining. March 3<sup>rd</sup>: VSA interest meeting where questions can be asked for actual positions. Filing will start after Spring Break and will last 10 days. When filing ends they'll have the mandatory candidates meeting. Campaigning will begin after that. There will be an Executive Board debate during campaigning. They will have a 2 day voting period and an elections party! There are a couple changes on committees. CIE has a 2 year term so they're just electing one other person. GRIST included CIRC so they are electing less people because committees are getting smaller. She made a motion to approve this timeline. This passed with all in favor.
- 12 Open Discussion
- 2013: 97 days until graduation. This is the last week for orgs to submit Senior Week events. Due Feb 22<sup>nd</sup>.
  - Activities: Selling tickets right here for the Student Faculty Basketball Game. Women's team is doing well, so the game is now at 8 p.m.
  - President: Tim Wise is tomorrow at 5 p.m. Please come.
  - Operations had a Google hangout with the 7 Sisters and they've finalized a Constitution. She's going to bring it next week so everyone can see it. They are going to have a website. They are communicating well and very supportive.
  - 2013 made a motion to adjourn. This passed with all in favor.
  - Student Life: potluck at her house on Friday TH 72!