

RESOLUTION NO. 38-13

RESOLUTION DECLARING IT A POLICY OF THE CITY OF RICHMOND TO NOT INVEST IN FOSSIL FUEL COMPANIES AND URGING THE BOARD AND MANAGEMENT OF THE CITY'S PENSION FUNDS TO DIVEST FROM PUBLICLY-TRADED FOSSIL FUEL COMPANIES

WHEREAS, the climate crisis is a serious threat to current and future generations here in Richmond and around the world; and

WHEREAS, the Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report found that global warming is already causing costly disruption of human and natural systems throughout the world including the melting of Arctic ice, the ocean's rise in acidity, flooding and drought; and

WHEREAS, almost every government in the world has agreed through the 2009 Copenhagen Accord that any warming above a 2°C (3.6°F) rise would be unsafe, and that humans can only pour about 565 more gigatons of carbon dioxide into the atmosphere to maintain this limit; and

WHEREAS, for the purposes of this ordinance, a "fossil fuel company" shall be defined as any of the two hundred publicly-traded companies with the largest coal, oil, and gas reserves as measured by the gigatons of carbon dioxide that would be emitted if those reserves were extracted and burned, as listed in the Carbon Tracker Initiative's "Unburnable Carbon" report; and

WHEREAS, in its "Unburnable Carbon" report, the Carbon Tracker Initiative found that fossil fuel companies possess proven fossil fuel reserves that would release approximately 2,795 gigatons of CO₂ if they are burned, which is five times the amount that can be released without exceeding 2°C of warming; and

WHEREAS, a UK government commissioned review on the economics of climate change, is among the voices warning that oil, coal and gas reserves are seriously overvalued, creating risks of a further blow to the world's already fragile economy; and

WHEREAS, the City of Richmond believes that investments should support a future where all citizens can live healthy lives without the negative impacts of a warming environment; and,

WHEREAS, students at more than three hundred campuses nationwide have launched campaigns to have their institutions divest from fossil fuel companies;

WHEREAS, the California Public Employees' Retirement System (CalPERS), according to our Finance Department has holdings in at least 8 of the top 200 fossil fuel companies; and

WHEREAS, the City contracts with Public Agency Retirement Services (PARS) and they have holdings in several of the top 200 fossil fuel companies; and

WHEREAS, City funds and City employees' contributions are being invested in the fossil fuel industry that is negatively impacting our ability to thrive on a planet with a dangerously disrupted climate; and

WHEREAS, on September 16, 2008, the City Council passed a resolution committing to the GHG emissions targets established by California’s Global Warming Solutions Act, or Assembly Bill 32 (AB 32); and

WHEREAS, the City of Richmond is one of the first cities in the U.S. to include an Energy and Climate Change Element in its General Plan; and

WHEREAS, on March 19, 2013, the City Council authorized the City Manager to initiate a process to produce a Climate Action Plan.

NOW, THEREFORE, BE IT RESOLVED, that the Richmond City Council declares that it is the policy of the City of Richmond not to invest in fossil fuel companies and commits to not invest, directly or indirectly, in such companies in the future; and

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the City Council urges the Pension Board of CalPERS and the fund manager of PARS to review their investment portfolio to identify holdings that include direct or indirect investments in fossil fuel companies; and

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the Richmond City Council urges CalPERS and PARS to ensure that none of its investments or commingled assets include holdings in fossil fuel public equities and corporate bonds within 5 years as determined by the Carbon Tracker list; and

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the Richmond City Council urges CalPERS and PARS to release quarterly updates, available to the public, detailing progress made towards full divestment including indirect and commingled assets; and

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the Richmond City Council urges CalPERS and PARS to prepare a report discussing options for investing funds removed from fossil fuel stocks in a way that maximizes their positive impact by seeking out investments in opportunities to limit the effects of burning fossil fuels or help to mitigate its effects including, but not limited to, clean technology & renewable energy, sustainable companies or projects, and sustainable communities with an emphasis on investments that would support local projects and local jobs; and

NOW, THEREFORE, BE IT FINALLY RESOLVED, that the Finance Director shall send a copy of this resolution, along with a cover letter, to the Pension Board of California Public Employees’ Retirement System (CalPERS) and to the fund manager of the Public Agency Retirement Services (PARS) urging them to divest their holdings from fossil fuel companies over a period of 5 years.

I certify that the foregoing resolution was passed and adopted by the Council of the City of Richmond at a regular meeting thereof held on May 7, 2013, by the following vote:

AYES: Councilmembers Beckles, Butt, Myrick, Rogers, and Mayor McLaughlin.

NOES: Councilmember Bates and Vice Mayor Boozé.

ABSTENTIONS: None.

ABSENT: None.

DIANE HOLMES
CLERK OF THE CITY OF RICHMOND
(SEAL)

Approved:

GAYLE MCLAUGHLIN
Mayor

Approved as to form:

BRUCE GOODMILLER
City Attorney

State of California }
County of Contra Costa } : ss.
City of Richmond }

I certify that the foregoing is a true copy of Resolution No. 38-13, finally passed and adopted by the City Council of the City of Richmond at a regular meeting held on May 7, 2013.