

City of Brisbane
Agenda Report

To: City Council via City Manager
From: Administrative Services Director
Subject: Fossil Fuels Divestment
Date: June 19, 2014

Purpose:

Present the Resolution and letter to CalPERS drafted from the Open Space and Ecology Committee.

Recommendation:

Send letter to CalPERS and adopt Resolution No. 2014-19.

Background:

At the City Council meeting on Monday, April 21st, Glenn Fieldman (OSEC member) presented to council. The presentation was to urge council to consider divesting from fossil fuels and urge CalPERS to cease new investment and begin to divest. The following Brisbane specific items were added to the resolution per council: the City of Brisbane believes that its investments should be socially responsible, the divestment of fossil fuels will not negatively impact the rate of return on investment, and the City of Brisbane will not invest in the fossil fuels industry now and in the future.

Discussion:

Divesting from fossil fuels is an environmental and social responsible move. Investment in renewable energy and minimally polluting technologies will assist with reducing carbon emissions and energy goals. Continuing to invest in fossil fuels will only increase the severity of global warming and reduced air quality.

Fiscal Impact:

CalPERS has alternative management investment programs that are more environmentally responsible. The rate of return is expected to be unaffected.

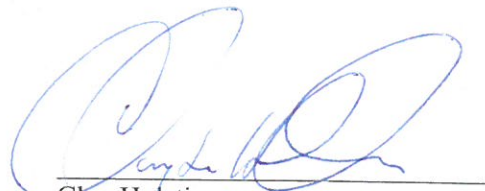
Measure of Success

The City of Brisbane will join other neighboring participating cities in campaigning against fossil fuels divestment.

Attachments:



Stuart Schillinger
Administrative Services Director



Clay Holstine
City Manager

Mr. Rob Feckner
President
CalPERS
400 Q Street
Sacramento, CA 95811

Dear Mr. Feckner,

On behalf of the City Council of the City of Brisbane, we request that your agency cease new investments in fossil fuel companies, and begin divesting your investment portfolios of fossil fuel companies.

Carbon dioxide levels in the atmosphere are increasing, adding to the warming effect of the planet. We have begun to experience several negative impacts due to climate change; extreme weather events, reduced air quality and a shift in circadian and seasonal rhythms of plants and animals. The cumulative impacts will result in erratic weather patterns, ultimately effecting our quality of life and instability of food supply. All of these impacts will only be amplified by the growing population.

Governmentally mandated legislation such as AB 32; to reduce carbon dioxide emissions by 2020 to 1990 levels, has created action for communities to develop plans for change. Global warming is the responsibility of the world, all communities must take action. Continuing to invest in fossil fuels negates all the work communities are doing, thus we ask that you do your part in efforts to combat climate change. Continuing to invest in fossil fuels is contributing to GHG emissions and global warming.

Beyond the impacts of climate change due to global warming, harvesting of oil and coal has devastated environments and the health of those who work in such industries. In 2010, the Deep Water Horizon explosion and oil spill occurred in the Gulf of Mexico. The leak resulted in a loss of human lives, loss of animals, damages to the habitat, and in the end releasing close to 5 million barrels of oil into the Gulf. The habitat may never recover to the way it was before the spill, endless hours from volunteer groups and BP will go into cleaning-up, and millions of dollars will be spent in the process. This incident highlights one occasion out of many spills that has occurred, divesting from fossil fuels will show we do not support these activities that cause great harm.

CalPERS has alternative investment management programs that are more environmentally responsible. We urge that CalPERS chooses to invest in energy efficient and minimally polluting technologies. The return on investment will not be negatively impacted due to the availability of more responsible portfolios to invest in. Economics aside, it is time to end investment in fossil fuels and begin making positive change for the future.

Sincerely,

W. Clarke Conway
Mayor

RESOLUTION NO. 2014-19

URGING CALPERS TO DIVEST FROM PUBLICLY-TRADED FOSSIL FUEL COMPANIES

WHEREAS, the climate crisis is a serious threat to current and future generations here in Brisbane 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 the 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 2°C (3.6°F) rise would be unsafe, and the humans can only pour about 565 more gigatons of carbon dioxide into the atmosphere to maintain this limit; and

WHEREAS, for the purpose of this ordinance, a "fossil fuel company" shall be define 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 omitted 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 fuels 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, the City of Brisbane has a responsibility to protect the lives and livelihoods of its inhabitants from the threat of climate change; and

WHEREAS, the City of Brisbane will draft an Energy Action Plan in 2014. The plan is targeted to reduce energy use and carbon emissions. The community aims to reduce GHG emissions significantly by the year 2020, through energy use reduction; and

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

WHEREAS, the City of Brisbane believes that its investments should be socially responsible; and

WHEREAS, the divestment of fossil fuels will not negatively impact the rate of return on investment; and

WHEREAS, students at more than two hundred colleges and universities in the United States have launched campaigns to have their institutions divest from fossil fuel companies; and

WHEREAS, the City of Brisbane will not invest in the fossil fuels industry now and in the future.

NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of Brisbane that the Council urges CalPERS to join the City in these efforts and divest their own holdings from fossil fuel companies.

W. Clarke Conway, Mayor

I hereby certify that the foregoing Resolution No. 2014-19 was duly and regularly adopted at the meeting of the Brisbane City Council on June 19, 2014 by the following vote:

AYES:

NOES:

ABSENT:

Sheri Marie Spediacci, City Clerk