



TOWN OF FAIRFAX

STAFF REPORT

December 3, 2014

TO: Mayor and Town Council

FROM: Michele Gardner, Town Clerk

SUBJECT: Adoption of a Resolution Requesting the California Public Employees' Retirement System (CalPERS) and the Marin County Employees' Retirement Association (MCERA) to Divest Holdings in Fossil Fuel Investments

RECOMMENDATION

Adopt the resolution

DISCUSSION

Councilmember Weinsoff requested that the attached memorandum and resolution be added to the agenda for consideration by the Town Council.

FISCAL IMPACT

None

ATTACHMENTS

Councilmember Memorandum and proposed resolution



Town of Fairfax Councilmember Memorandum

TO: Mayor and Town Council

FROM: Councilmember Weinsoff

DATE: December 3, 2014

SUBJECT: Resolution of the Town Council Requesting the California Public Employees' Retirement System (CalPERS) and the Marin County Employees' Retirement Association (MCERA) to Divest Holdings in Fossil Fuel Investments

On November 2nd, 2014, the United Nation's Intergovernmental Panel on Climate Change (IPCC) released "Climate Change 2014: Synthesis Report" based on the work of more than 800 scientists who confirm that climate change is set to inflict "severe, widespread, and irreversible impacts" on people and the natural world unless carbon emissions are cut sharply and rapidly. "Science has spoken. There is no ambiguity in the message," stated UN Secretary General Ban Ki-moon. "Leaders must act. Time is not on our side." He said that quick, decisive action would build a better and sustainable future, while inaction would be costly. The Secretary General added a message to investors, including pension fund managers - "Please reduce your investments in the coal- and fossil fuel-based economy and [move] to renewable energy." The full report can be accessed at www.ipcc.ch/report/ar5/syr/.

The Town of Fairfax, consistent with its long-established practice in matters of environmental protection, and in concert with the grassroots organization 350Marin, advances the Secretary's call to action. Through our Climate Action Plan, we are taking Town-wide action to reduce our local contribution of greenhouse gas emissions. Through this Resolution, the Town and 350Marin focus on the impact that wise investment decisions taken at the state and county level can bring to this issue.

As members of CalPERS, the largest public pension fund in the United States, town staff and our community contribute to a pension fund with nearly \$300 billion in assets which to date has refused to commit to divesting its holdings in fossil fuels companies. By this Resolution we urge it to do so. This Resolution extends this request to the Marin County Board of Supervisors, urging the MCERA pension fund board to divest as well.

RESOLUTION 14-__

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF FAIRFAX REQUESTING CalPERS AND MCERA TO DIVEST HOLDINGS IN FOSSIL FUEL INVESTMENTS AND SETTING A SCHEDULE FOR COMPLIANCE

WHEREAS, the science of climate change is settled - global warming above a 2°C (3.6°F) rise is unsafe, but humans since the dawn of the industrial revolution have raised earth's temperature .8°C – resulting in the loss of a third of summer Arctic sea ice, oceans becoming significantly more acidic, and devastating floods and drought routinely decimating many areas of the globe; and

WHEREAS, scientists' computer models calculate that even if we stopped increasing CO2 levels now, the temperature would still rise another 0.8 degrees; and

WHEREAS, proven coal, oil, and gas reserves are estimated to hold 2,795 gigatons of CO2, or five times the amount we can release before exceeding the 2°C threshold; and

WHEREAS, to address climate change approximately 80% of known fossil fuel reserves – financial assets held in part by CalPERS and MCERA - must remain in the ground; and

WHEREAS, members of CalPERS and MCERA contribute a collective wealth in the tens of billions of dollars, collective wealth that should not be used to undermine the health and safety of the very citizens whose contributions support the CalPERS and MCERA investment portfolios.

NOW THEREFORE BE IT RESOLVED, the Town Council of the Town of Fairfax requests that CalPERS and MCERA:

1. Immediately instruct its asset managers to stop any new investment in companies and corporations whose operations involve the extraction of fossil fuels; and
2. Ensure none of its directly held or commingled assets include holdings in fossil fuel public equities and corporate bonds on or after January 1, 2020; and
3. Publish quarterly updates beginning April 1, 2015, available to the public, detailing progress made towards full divestment.

The foregoing Resolution was adopted at a regular meeting of the Town of Fairfax held in said Town on the 3rd day of December 2014, by the following vote, to wit:

AYES:

NOES:

ABSENT:

Attest:

MAYOR

Michele Gardner, Town Clerk