

APPROVED AS TO FORM AND LEGALITY

CITY ATTORNEY'S OFFICE

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

INTRODUCED BY COUNCILMEMBER DAN KALB

RESOLUTION IN SUPPORT OF SB 252 (GONZALEZ) REQUIRING THE CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM (CALPERS) TO REFRAIN FROM MAKING NEW INVESTMENTS OR RENEWING EXISTING ONES IN FOSSIL FUEL COMPANIES

WHEREAS, the City of Oakland has been on the forefront of climate policy for decades; and

WHEREAS, anthropogenic climate change, through rising sea levels, drought, heat waves, extreme precipitation events and increased wildfires is observably affecting human wellbeing, ecosystems and biodiversity; and

WHEREAS, climate change is an issue of environmental justice, disproportionately affects Indigenous communities, communities of color, and low income communities due to historical oppression, inadequate political power and access to resources for prevention and relief; and

WHEREAS, the International Panel on Climate Change concluded in 2018 that we have 12 years to make dramatic cuts in the use of fossil fuels (coal, oil, gas and tar sands) if we are to keep warming to 1.5° C and avoid more catastrophic change; and

WHEREAS, the fossil fuel industry is the single most powerful obstacle to addressing climate change, using its immense lobbying power in Washington, D.C. and Sacramento to block climate legislation; and

WHEREAS, fossil fuel companies' own scientists knew as early as the 1970s that their products were causing climate change, but the companies kept it secret; and

WHEREAS, to effectively address climate change, most fossil fuel reserves must remain in the ground, never to be used. Such reserves held as investments are liable to become stranded assets. This makes fossil fuel stocks a risky investment; and

WHEREAS, a Corporate Knights study found that if CalPERS and CalSTRS had divested in 2010, by 2019 their assets would have increased by \$11.9 and \$5.5 billion, respectively; and

WHEREAS, independent studies by financial consulting firms BlackRock and Meketa have found that divestment reduces risk and improves rather than weakens investment returns; and

WHEREAS, divestment from specific segments or business operations by CalPERS and CalSTRS is already standard practice and is specifically allowed by the California Constitution; and

WHEREAS, the “engagement” strategy preferred by CalPERS and CalSTRS has been largely ineffective in moving fossil fuel companies away from fossil fuel exploration, extraction and distribution; and

WHEREAS, divestment means selling directly held or commingled assets including fossil fuel public equities and corporate bonds; therefore be it

WHEREAS, SB 252, introduced by State Senator Lena Gonzalez, will help meet the State’s climate action goals by prohibiting CalPERS and CalSTRS from investing in fossil fuel companies and to divest from such companies by 2030.

RESOLVED: That the City of Oakland endorses SB 252 and calls upon CalPERS and CalSTRS to divest its holdings in fossil fuel companies immediately.

FURTHER RESOLVED: That the City Council directs the City Administrator or his designee to immediately distribute this Resolution upon its adoption to Governor Gavin Newsom, State Lena Gonzalez, and CalPERS

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - FIFE, GALLO, JENKINS, KALB, KAPLAN, RAMACHANDRAN, REID, AND
PRESIDENT FORTUNATO BAS

NOES –

ABSENT –

ABSTENTION –

ATTEST: _____
ASHA REED

City Clerk and Clerk of the Council of the
City of Oakland, California