
City Attorney's Office

14 JUN 12 PM 3:13 OAKLAND CITY COUNCIL

Resolution No. 85053 C.M.S.

INTRODUCED BY COUNCILMEMBER KALB

RESOLUTION OF THE OAKLAND CITY COUNCIL (1) DECLARING A CITY POLICY PROHIBITING THE INVESTMENT OF CITY FUNDS OR HOLDING ANY INVESTMENT OR OWNERSHIP STAKE IN ANY COMPANIES THAT EXTRACT, PRODUCE, REFINER, BURN OR DISTRIBUTE FOSSIL FUELS, AND (2) DIRECTING THE CITY ADMINISTRATOR OR HIS/HER DESIGNEE TO EXAMINE THE CITY'S HOLDINGS AND FUTURE INVESTMENTS TO ASSURE THAT THE CITY COMPLIES WITH THIS POLICY, AND (3) URGING THE GOVERNING BOARDS OF THE OAKLAND MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (OMERS), THE OAKLAND POLICE AND FIRE RETIREMENT SYSTEM (PFRS) AND THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CALPERS) TO DIVEST FROM ALL PUBLICLY-TRADED FOSSIL FUEL COMPANIES, AND (4) URGING OTHER LOCAL JURISDICTIONS THAT INTERSECT WITH OAKLAND TO DIVEST FROM ALL PUBLICLY-TRADED FOSSIL FUEL COMPANIES, ALL IN AN EFFORT TO SUPPORT THE GOALS OF THE OAKLAND ENERGY AND CLIMATE ACTION PLAN AND DIMINISH THE USE OF FOSSIL FUELS THAT SIGNIFICANTLY CONTRIBUTE TO CLIMATE CHANGE

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

WHEREAS, the Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Reportⁱ 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, increase in ocean's acidity, flooding and drought, and the IPCC Fifth Assessment reports further indicate that global warming is proceeding at a faster pace than had been previously thought; and

WHEREAS, these extreme events have and will continue to negatively impact the U.S. economy. In 2012, the United States accounted for 67% of the \$160 billion lost globally due to natural catastrophesⁱⁱ; 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 hazardous,

and that if humans release only about 565 more gigatons of carbon dioxide into the atmosphere this limit will be not possible to maintain; and

WHEREAS, for the purposes of this resolution, a “fossil fuel company” shall be defined as any publicly-traded company whose primary business or enterprise is extraction, production, refining, burning and/or distribution of any fossil fuels and any company 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, 200 largest of which are listed in the Carbon Tracker Initiative’s “Unburnable Carbon” reportⁱⁱⁱ; 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, due to the increased greenhouse gasses in the atmosphere Earth’s climate is changing drastically and the Arctic snowcap and Antarctic glaciers are melting much faster than previously estimated and climate change is occurring much faster and likely to affect each human being presently living on the Planet,^{iv} and

WHEREAS, the Oakland Energy and Climate Action Plan found that combustion of fossil fuels is a major source of greenhouse gas (GHG) emissions associated with Oakland, as well as throughout California and projected local impacts of climate change caused by GHG emissions include rising Bay and delta waters, increased vulnerability to flood events, decreased potable water supply due to shrinking Sierra snowpack, increased fire danger, more extreme heat events and public health impacts, added stress on infrastructure, higher prices for food and fuels, and other ecological and quality of life impacts; and current dependence on fossil fuels not only creates heat-trapping GHG emissions, but imposes other risks associate with energy security, environmental impacts (e.g., recent Gulf oil spill), and vulnerability to energy price volatility, and^v

WHEREAS, the City of Oakland has no current investments, other than possible inadvertent de minimus amounts, in fossil fuel companies and has a history of successfully prohibiting investments in entities that produce outcomes that are harmful to civilizations—Oakland successfully divested from South Africa in 1985 and Burma in 1996 to make a stand against human rights abuses; and companies involved in Tobacco, Nuclear, and Firearms and Ammunition production to make a stand for the health and wellbeing of the residents of Oakland; and

WHEREAS, the residents of Oakland believe that investments should support a future where all people can live healthy lives without the negative impacts of a warming climate; and,

WHEREAS, at least twenty-one cities in the United States have committed to freeze fossil fuel investment and more than two hundred colleges and universities in the United

States have launched campaigns to have their institutions divest from fossil fuel companies; now, therefore, be it

RESOLVED: That the City Council hereby declares that it is the policy of the City of Oakland to have no financial holdings or investments, other than an inadvertent de minimus amount defined as less than one percent in any given investment instrument, in any Fossil Fuel Company, as defined, but not limited to above, whose primary business or enterprise is the extraction, production, refining, burning and/or distribution of fossil fuels, and any company 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, be it through the direct purchase of commercial paper, a medium term note (corporate bond), ownership of stock, ownership of mutual funds shares, investment in a private equity fund owning the stock, or through any other instrument, securities, or other financial obligations; and be it

FURTHER RESOLVED: That the City Administrator, or his/her designee, shall, to the extent practicable, examine the City's financial holdings and future investments to assure that the City complies with this City policy by no later than July, 2015 and periodically beyond; and be it

FURTHER RESOLVED: That if a money market fund has security holdings at or exceeding 1% in fossil fuel companies, the City will begin to divest out of that money market fund and be fully divested within one year; and be it

FURTHER RESOLVED: That in accord with Charter Section 504, the City Administrator, or his/her designee, shall maintain compliance with this policy, by effective methods such as monitoring the financial security holdings of the City's money market funds and periodic review of the list of publicly-traded companies whose primary business or enterprise is extraction, production, refining, burning and/or distribution of fossil fuels, and 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 be it

FURTHER RESOLVED: That the City Administrator, or his/her designee, shall provide the Council periodic updates, available to the public, detailing progress made towards compliance with full divestment; and be it

FURTHER RESOLVED: That the City urges the governing boards of the Oakland Municipal Employees' Retirement System (OMERS), the Oakland Police and Fire Retirement System (PFRS) and the California Public Employees' Retirement System (CalPERS) to adopt a similar policy and to divest from fossil fuel companies; and be it

FURTHER RESOLVED: That the City of Oakland urges other local jurisdictions that geographically intersect with Oakland to divest from and prohibit future investment of their respective public funds in fossil fuel companies; and be it

FURTHER RESOLVED: That the City Administrator, or his or her designee, shall prepare a report to the Council by no later than July, 2015 that outlines options for investing City funds in a socially responsible manner that further maximizes the positive impact of public funds by seeking out investment opportunities that limit and help to mitigate effects of burning fossil fuels, including, but not limited to, clean technology, renewable energy, sustainable companies or projects, and sustainable communities, etc.; and be it

FURTHER RESOLVED: That the City Administrator is directed to forward a copy of this enacted Resolution to the governing boards of OMERS, PFRS and the CalPERS, and to the elected governing boards of special district jurisdictions^{vi} that intersect with Oakland, and to state legislative elected officials representing Oakland.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

JUN 17 2014

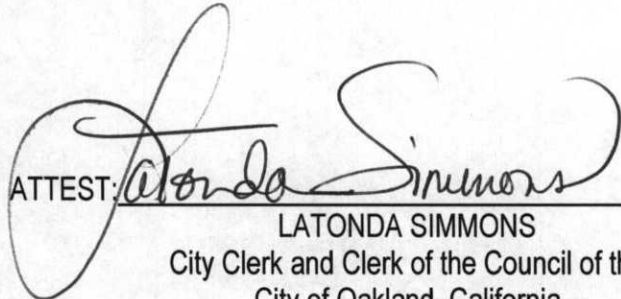
AYES - BROOKS, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, REID, SCHAAF, AND
PRESIDENT KERNIGHAN - 8

NOES - 0

ABSENT - 0

ABSTENTION - 0

ATTEST:



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

ⁱ http://www.ipcc.ch/pdf/assessment-report/ar4/syr/ar4_syr.pdf

ⁱⁱ Annual Global Climate and Catastrophe Report Impact Forecasting — 2012

http://thoughtleadership.aonbenfield.com/Documents/20130124_if_annual_global_climate_catastrophe_report.pdf

ⁱⁱⁱ <http://www.carbontracker.org/wp-content/uploads/downloads/2011/07/Unburnable-Carbon-Full-rev2.pdf>, Page 13

^{iv} <http://www.wunderground.com/climate/SeaIce.asp>;

<http://www.epa.gov/climatechange/science/future.html>

^v <http://www2.oaklandnet.com/oakca1/groups/pwa/documents/report/oak039056.pdf>; Page 4, 23 and 58

^{vi} AC Transit, BART, East Bay MUD, East Bay Regional Parks District, Peralta Community Colleges.