

Council Communication

August 4, 2014, Study Session

Divestment Project – Southern Oregon Climate Action Now

FROM:

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SUMMARY

This item was brought forward during Public Forum of the June 17 Council meeting by individuals representing Southern Oregon Climate Action Now (SOCAN).

It was placed on the agenda of June 17 by Councilor Voisin in order for council to have discussion which is the normal process when a subject is brought up under Public Forum.

It is before the Council in this manner because of time restraints at June 17 meeting and it was unclear how to actually place this back on the agenda in the manner it was meant for that evening.

BACKGROUND AND POLICY IMPLICATIONS:

SOCAN has provided a Resolution for the Council to consider adopting a Regular Council meeting.

STAFF RECOMMENDATION

Staff has concerns with the language of the Resolution and impact of not having the ability to invest in the State Local Government Pool.

ATTACHMENTS:

SOCAN Resolution



A Resolution of the City Council of the City of Ashland

RECITALS:

- A. On May 15, 1990 Ashland City Council endorsed the Valdez Principles. These state that “by endorsing these Principles, we publicly affirm our belief that the City of Ashland, Oregon, has a direct responsibility for the environment. We believe that we must conduct the public's business as responsible stewards of the environment and seek goals only in a manner that leaves the Earth healthy and safe. We believe that the City must not compromise the ability of future generations to sustain their needs.”
- B. In 2013 the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report found that human influence has been detected in warming of the atmosphere and the ocean, in changes in the global water cycle, in reductions in snow and ice, in global mean sea level rise, and in changes in some climate extremes. Additionally, it is extremely likely that human influence has been the dominant cause of the observed warming since the mid-20th century.
- C. In 2009, through the Copenhagen Accord, all governments in the world that were represented agreed 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.
- D. In 2009 the “Unburnable Carbon” report in the Carbon Tracker Initiative reported that fossil fuel companies possess known fossil fuel reserves that would release approximately 2,795 gigatons of CO₂ if they are burned. This is five times the amount that can be released without exceeding the 2°C limit of warming identified at Copenhagen.
- E. In 2013, the World Bank Report, “Turn Down the Heat: Climate Extremes, Regional Impacts, and the Case for Resilience” endorsed the conclusion of the Copenhagen Accord and further stated that rising global temperatures increasingly threaten the health and livelihoods of vulnerable populations.

THE CITY OF ASHLAND RESOLVES AS FOLLOWS:

Section 1. Oregon Short Term Investment Board

The City of Ashland urges the board to:

1. review the LGIP investment portfolio to identify any holdings that include direct or indirect investments in fossil fuel companies.
2. immediately cease any new investments in fossil fuel companies or in commingled assets that include holdings in fossil fuel companies.
3. identify any investments in commingled funds that include fossil fuel companies and contact the fund managers to request that the fossil fuel companies be removed from the funds.
4. within 5 years insure that none of its directly held or commingled assets include holdings in fossil fuel public equities and corporate bonds as determined by the Carbon Tracker list.
5. prepare a report and options for investing the fund in a way that further maximizes the positive social impact of the fund by seeking investments opportunities that either

limit the effects of burning fossil fuels or contribute to mitigating such effects in ways that include, but are not limited to, clean technology & renewable energy, sustainable companies or projects, and sustainable communities. We further urge that investment policies be developed and enacted that support local projects and local jobs; and, finally, request that a timeline be developed for implementing the findings of said report in a manner consistent with the City of Ashland's fiduciary duty and the Valdez Principles.

6. release quarterly updates, available to the public, detailing progress made towards full divestment.

Section 2. Retirement Board of the Oregon PERS

The City of Ashland urges the board to:

1. review the PERS investment portfolio to identify any holdings that include direct or indirect investments in fossil fuel companies.
2. immediately cease any new investments in fossil fuel companies or in commingled assets that include holdings in fossil fuel companies.
3. identify any investments in commingled funds that include fossil fuel companies and contact the fund managers to request that the fossil fuel companies be removed from the funds.
4. within 5 years insure that none of its directly held or commingled assets include holdings in fossil fuel public equities and corporate bonds as determined by the Carbon Tracker list.
5. prepare a report and options for investing the pension fund in a way that further maximizes the positive social impact of the fund by seeking investment opportunities that either limit the effects of burning fossil fuels or contribute to mitigating such effects in ways that include, but are not limited to, clean technology & renewable energy, sustainable companies or projects, and sustainable communities. We further urge that investment policies be developed and enacted that support local projects and local jobs; and, finally request that a timeline be developed for implementing the findings of said report in a manner consistent with the City of Ashland's fiduciary duty and the Valdez Principles.
6. release quarterly updates, available to the public, detailing progress made towards full divestment.

Section 3. Ted Wheeler, Oregon State Treasurer

The City of Ashland urges the Oregon State Treasurer to:

1. oversee a review the state's investment portfolio to identify any holdings that include direct or indirect investments in fossil fuel companies.
2. manage the investment of state funds in a way that any new investments in fossil fuel companies or in commingled assets that include holdings in fossil fuel companies are ceased.
3. oversee the identification of investments in commingled funds that include fossil fuel companies, and support contacting the fund managers to request that the fossil fuel companies be removed from the funds.

4. within 5 years support the review to insure that none of the state's directly held or commingled assets include holdings in fossil fuel public equities and corporate bonds as determined by the Carbon Tracker list.
5. oversee preparation of a report and options for investing the pension fund in a way that further maximizes the positive impact of the fund by seeking investment opportunities that either limit the effects of burning fossil fuels or contribute to mitigating such effects in ways that include, but are not limited to, clean technology & renewable energy, sustainable companies or projects, and sustainable communities. We further urge that investment policies be developed and enacted that support local projects and local jobs; and finally request that a timeline be developed for implementing the findings of said report in a manner consistent with the City of Ashland's fiduciary duty and the Valdez Principles.
6. support the release of quarterly updates, available to the public, detailing progress made towards full divestment.