

RESOLUTION No. 37153

Add fossil fuel companies to the City of Portland's Corporate Securities Do-Not-Buy list (Resolution).

WHEREAS, scientific evidence is increasingly clear that human activities are the primary cause of the accelerating changes to the global climate; and

WHEREAS, climate change poses a significant threat to Oregon's forestry, fisheries, water supplies, and coastal resources; impacts are likely to include winter flooding, summer droughts, loss of shoreline, forest fires, diminished fish and wildlife habitat, retreating glaciers, decreased snowpack, increased disease vectors and invasive species, and species extinction; and

WHEREAS, over the past 30 years, average temperatures in the Pacific Northwest have generally exceeded the 20th-century average, and the region has seen an increase in temperature of about 1.3 degrees Fahrenheit. Over the past 50 years, increases in winter temperatures have contributed to the decline in snowpack in the Pacific Northwest, and the trend of glaciers shrinking is expected to continue through the next 100 years; and

WHEREAS, climate change will impact human health and systems. Hotter, drier summers will increase heat-related illness and exacerbate existing medical conditions; increase demand for cooling centers, especially for populations most vulnerable to heat; extend allergy seasons and increase exposure to wildfire smoke; and cause higher electricity bills due to less hydropower production and increased use of air conditioning. Warmer winters with more intense precipitation events will increase demands on emergency response services during flooding events; change mosquito populations, requiring additional vector control efforts; and increase mold spores, potentially triggering asthma and other chronic health conditions; and

WHEREAS, climate change will impact natural systems. Hotter, drier summers will decrease summer stream flows; reduce water quality due to higher water temperatures; increase risk of wildfire; cause the fragmentation and death of vegetation, habitat, and wildlife; and increase invasive species. Warmer winters with more intense precipitation events will increase flooding and groundwater levels; increase river levels; increase erosion and the potential for channel migration and sedimentation; increase landslide risks; and cause the loss of native fish habitat; and

WHEREAS, climate change will impact infrastructure and our built environment. Hotter, drier summers will increase wastewater temperatures, causing water quality changes, treatment process impacts and increased odors; cause pavement to buckle and rails to warp; increase water demand for landscape irrigation; shift demand for indoor and outdoor recreation activities at parks; and stress green infrastructure facilities. Warmer winters with more intense precipitation

events will increase erosion and the potential for turbidity events in the Bull Run water supply system; increase the change of landslides that destroy or damage transportation and pipe infrastructure; increase bridge scour and damage to docks, boat ramps, and floats; increase flooding of roads, sidewalks, bikeways, and trails and green infrastructure; and increase pumping of treated wastewater; and

WHEREAS, the impacts of climate change will create new costs for families, businesses, and governments. A 2012 study about Washington State estimated the average annual economic impacts of climate change would total \$1,250 per household in 2020, and a 2005 analysis of the potential costs of climate change in Oregon suggests additional cost burdens in several sectors, including power generation, agriculture, forestry, salmon recovery, snow-based recreation, coastal tourism and infrastructure, and public health; and

WHEREAS, climate preparedness must be routinely integrated in virtually all aspects of the City's work, including setting policy, making budget decisions, updating zoning and other codes, investing in infrastructure, and preparing for and managing emergencies; and

WHEREAS, the Intergovernmental Panel on Climate Change (IPCC), the world's leading international body for the assessment of climate change, estimates that to avoid catastrophic disruption from climate change requires limiting global warming to 2° Celsius above pre-industrial levels; and to maintain this limit, humans can only pour about 565 more gigatons of carbon dioxide into the atmosphere; and

WHEREAS, at the current rate of fossil fuel burning, humans will surpass 565 gigatons of carbon dioxide emissions in about 15 years; and

WHEREAS, the Fossil Fuel Index's 200 Coal, Oil and Gas Companies in 2015, produced by The Carbon Underground and attached hereto as Exhibit A, identifies two hundred publicly-traded companies with the largest coal, oil, and gas reserves ("fossil fuel companies") whose reserves if extracted and burned would emit approximately 2,795 gigatons of carbon dioxide which would be five times the human output limit identified by the Intergovernmental Panel on Climate Change and thus would result in much more than 2° Celsius global temperature change; and

WHEREAS, given the increasingly catastrophic impacts of burning fossil fuels outlined above, there is a growing domestic and international move toward regulating and reducing carbon emissions; and

WHEREAS, regulation of the industry, such as through a carbon tax and/or subsidy removal, would make fossil fuel extraction and production more expensive, potentially resulting in a "carbon" asset bubble from "unburnable" reserves; and

WHEREAS, investments in fossil fuel companies are also at risk from increased vehicle fuel efficiency, higher adoption and lower cost of renewable energy, and increased extraction costs due to limited water resources; and

WHEREAS, more than 20 cities in the United States have stopped investing in fossil fuel companies and more than two hundred colleges and universities in the United States have launched campaigns to have their institutions stop investing in fossil fuel companies; and

WHEREAS, the City of Portland 1990 Energy Policy (Ordinance No. 162975), 1993 Carbon Dioxide Reduction Strategy (Resolution No. 35207), 2001 Local Action Plan on Global Warming (Resolution No. 35995), 2009 Climate Action Plan (Resolution No. 36748), and the 2015 Climate Action Plan (Resolution 37135) established plans to reduce carbon emissions; and

WHEREAS, City investments should support the City's climate protection policies and a future where all citizens can live healthy lives without the negative impacts of runaway climate change; and

WHEREAS, climate change is a critical environmental justice issues because the impacts of climate change will disproportionately impact already vulnerable populations, including communities of color, older adults, children, and low income individuals and families; and

WHEREAS, the City has shown that climate action and a thriving economy are concomitant. The City believes that its investments should support its mission of a healthy and prosperous community for all, and efforts to reduce carbon emissions are an opportunity to address community health and socio-economic inequities; and

WHEREAS, the City through Resolutions 37036 and 37101 aims to invest its cash assets in a socially responsible manner through the creation of a Corporate Securities Do-Not-Buy List; and

NOW, THEREFORE, BE IT RESOLVED, that fossil fuel companies identified in Exhibit A are added to the City's Corporate Securities Do-Not-Buy List; and

BE IT FURTHER RESOLVED, that Council provides to the City Treasurer the list of specific companies included in this resolution and directs that the City shall not directly invest additional cash assets in the corporate debt securities issued by the companies on this list; and

BE IT FURTHER RESOLVED, that the City urges other governments, universities, foundations, and other for profit and non-profit organizations to join the City in these climate protection efforts to stop investments in fossil fuel companies by appropriate actions including adding fossil fuel companies' corporate debt securities to those entities' respective "Do Not Buy" lists.

Adopted by the Council:

SEP 24 2015

Mayor Charlie Hales

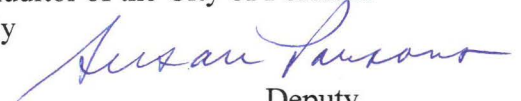
Prepared by: Zach Klonoski

Date Prepared: September 15, 2015

Mary Hull Caballero

Auditor of the City of Portland

By



Susan Parsons

Deputy

Agenda No.
RESOLUTION NO. 37153

Title

Add Fossil Fuel Companies to the City of Portland's Corporate Securities Do-Not-Buy List (Resolution)

<p style="text-align: center;">INTRODUCED BY Commissioner/Auditor: Mayor Charlie Hales</p>	<p>CLERK USE: DATE FILED <u>SEP 17 2015</u></p>
<p style="text-align: center;">COMMISSIONER APPROVAL</p> <p>Mayor—<i>[Signature]</i> Finance and Administration - Hales</p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Novick</p>	<p style="text-align: center;">Mary Hull Caballero Auditor of the City of Portland</p> <p style="text-align: center;"><i>[Signature]</i></p> <p>By: _____ Deputy</p> <p>ACTION TAKEN:</p>
<p style="text-align: center;">BUREAU APPROVAL</p> <p>Bureau: Mayor's Office</p>	
<p>Prepared by: Zach Klonoski Date Prepared: September 15, 2015</p>	
<p>Financial Impact & Public Involvement Statement</p> <p>Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p>	
<p>Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>	
<p>City Auditor Office Approval: required for Code Ordinances</p>	
<p>City Attorney Approval: required for contract, code, easement, franchise, charter, Comp Plan</p>	
<p>Council Meeting Date 9/24/2015</p>	

AGENDA

TIME CERTAIN
Start time: 3 PM

Total amount of time needed: 1 hour
(for presentation, testimony and discussion)

CONSENT

REGULAR
Total amount of time needed: _____
(for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	_____	
2. Fish	2. Fish	✓	
3. Saltzman	3. Saltzman	✓	
4. Novick	4. Novick	✓	
Hales	Hales	✓	