

Resolution Relating to

STUDYING THE FEASIBILITY OF DIVESTING PUBLIC FUNDS FROM THE FOSSIL FUEL INDUSTRY

RESOLUTION 4.01

Sponsors: Councilors Colburn, Shannon, Ayres, Siegel, Brennan, Knodell, Bushor, Paul

Introduced: 12/01/14

Referred to: _____

Action: amended; adopted

Date: 12/01/14

Signed by Mayor: 12/08/14

CITY OF BURLINGTON

In the year Two Thousand Fourteen

Resolved by the City Council of the City of Burlington, as follows:

That WHEREAS, on November 1, 2014, the United Nation’s Intergovernmental Panel on Climate Change released the final installment of its thirteen month-long assessment, which calls on the analysis of 800 scientists and concludes that the planet will face “severe, pervasive and irreversible damage” if we don’t reduce emissions 40 to 70 percent by 2050 and switch to zero- and low-carbon sources of energy by 2100; and

WHEREAS, there is a demonstrated link between climate change and extreme weather events such as drought, heat wave, heavy rain and snowfalls, and flooding (e.g., Vermont’s 2011 Hurricane Irene), resulting in potentially devastating impacts on state and municipal infrastructures including sidewalks, roads and facilities; and

WHEREAS, climate change has been linked to public health concerns, such as increases in respiratory disease, cardiovascular disease, infectious disease (including insect-borne illness) and cancer, and threats to food and water security; and

WHEREAS, the City of Burlington’s Climate Action Plan, updated in 2014, recognizes climate change’s local impacts as detrimental to winter recreation, forests and agriculture, human health, infrastructure and land and equitable approaches to housing, infrastructure and transportation, extreme weather events and impacts, food security and participation, outreach and education; and

WHEREAS, oil, gas, and coal companies plan to extract and release five times more carbon than our atmosphere can permit while keeping global temperature rise below the internationally agreed upon limit of 2°C; and

WHEREAS, some experts argue that investments in carbon-intensive companies carry inherently greater risks than low-carbon companies based on the likelihood that up to 80% of their assets will become stranded (i.e., known fossil fuel reserves that have been claimed as assets won’t be fully extracted due to new regulations and changing socioeconomic factors) with potential losses to the industry as high as \$28 trillion over the next two decades; and

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24 WHEREAS, the State of Vermont is suing more than two-dozen fossil fuel companies over
25 contamination of Vermont's ground water by a chemical named 'MTBE' that is known to cause cancer; and

26 WHEREAS, the Mayors Innovation Project is working to support the local government fossil fuel
27 divestment movement by encouraging the removal of municipal funds from fossil fuel investments, and
28 working with pension funds to do the same; and

29 WHEREAS, over thirty municipalities, including but not limited to San Francisco, CA, Portland, OR,
30 Seattle, WA, Madison, WI, Ithaca, NY, Cambridge, MA, and Providence, RI have committed to divesting
31 from fossil fuels as a step to address climate change; and

32 WHEREAS, Burlington's Climate Action Plan commits to multiple strategies to reduce local carbon
33 emissions; and

34 WHEREAS, Burlington, Vermont has already committed to leading the nation away from fossil fuels
35 by becoming the largest United States city to generate 100% of electricity from renewable sources; and

36 WHEREAS, in December of 2012, the Burlington City Council, with support of the Mayor, passed a
37 resolution expressing its opposition to the transport of tar sands oil and requesting the city's Retirement Board
38 to examine the portion of pension funds' investments it oversees and remove money from investments for oil
39 companies that profit from tar sands; and

40 WHEREAS, the City has a fiduciary responsibility to the Burlington Employee Retirement System
41 (BERS) and has a responsibility to both retirees and taxpayers to appropriately manage investments in the
42 system; and

43 WHEREAS, to ensure that any request to divest money from a fiduciary- controlled fund should be
44 analyzed utilizing a City Divestment Policy, to include measurable criteria, so that all requests are assessed
45 objectively and in a consistent manner; and

46 WHEREAS, the Investor Network on Climate Risk is a network of 100 institutional investors
47 representing more than \$13 trillion in assets and which is committed to addressing the risks resulting from
48 climate change;

49 NOW, THEREFORE, BE IT RESOLVED that the City Council shall create a task force which will
50 include city councilors, retirement board members, representatives from employee bargaining units and non-
51 represented employees, members of the Administration and citizen experts to produce a feasibility study
52 examining the costs, benefits and means of divesting Burlington's public funds from the top 200 fossil fuel
53 companies (also known as the Carbon Underground 200), as identified by the Fossil Free Index; and

STUDYING THE FEASIBILITY OF DIVESTING PUBLIC FUNDS FROM
THE FOSSIL FUEL INDUSTRY

BE IT FURTHER RESOLVED that the task force shall research other municipalities' Divestment Policies, recommend to the Burlington City Council a City Divestment Policy to include measurable criteria, and then use the approved policy and criteria to analyze divestment of fossil fuel; and

BE IT FURTHER RESOLVED that the feasibility study will include the analysis of various independent financial experts; and

BE IT FURTHER RESOLVED, that in the spirit and substance of seeking community involvement, the City Council requests that the task force hold a public forum on this important issue in an effort to more fully appreciate the community's perspective on fossil fuel divestiture; and

BE IT FURTHER RESOLVED that the task force will be appointed by the City Council President with the approval of the City Council and will report back at regular intervals to the Retirement Board and City Council, culminating in an advisory report to the Retirement Board (or if the recommendations involve other public funds, to the Council) in December of 2015; and

BE IT FURTHER RESOLVED that the Task Force's feasibility study will include an assessment of the wisdom of BERS, in lieu of divesting from fossil fuel companies, to consider enrollment in the Investor Network on Climate Risk, or a comparable investment vehicle.

ORIGINAL

DISTRIBUTION:

I hereby certify that this resolution has been sent to the following department(s) on

City Council President Shannon Linda Blanchard, City Attorney's Office

RESOLUTION RELATING TO

Studying The Feasibility Of Divesting Public Funds From The Fossil Fuel Industry

Adopted by the City Council December 1, 2014

Handwritten signature and date: 12/1/14

Clerk

Approved December 8, 2014

Handwritten signature and date: 12/8/14

Mayor

Attest:

Lori Olberg

Handwritten signature of Lori Olberg

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Resolution Relating to

APPOINTMENT OF DIVESTMENT TASK FORCE

RESOLUTION 3.05

Sponsor(s): Councilor Shannon

Introduced: 01/12/15

Referred to: _____

Action: adopted

Date: 01/12/15

Signed by Mayor: 01/14/15

CITY OF BURLINGTON

In the year Two Thousand Fifteen

Resolved by the City Council of the City of Burlington, as follows:

1 That WHEREAS, the City Council passed a Resolution entitled "Studying the Feasibility of Divesting
2 Public Funds from the Fossil Fuel Industry," on December 1, 2014; and

3 WHEREAS, that Resolution directed the City Council President to appoint, with the approval of the
4 Council, a Divestment Task Force and outlined tasks and a timeline for that task force; and

5 WHEREAS, the City Council President has appointed the individuals identified below to serve on that
6 task force;

7 NOW, THEREFORE, BE IT RESOLVED that the City Council hereby approves the appointment of
8 the following members to the Divestment Task Force:

- 9 Jeff Wick, MBA, JD – Citizen Member of the Burlington Retirement Board
- 0 Ben O'Brien – Fire Department Lieutenant and member of the Burlington Retirement Board
- 1 Munir Kasti – Burlington Electric Department (BED), Manager of Engineering and non-union member
- 2 of the Burlington Retirement Board
- 3 Selene Colburn – Progressive City Councilor from Ward 1 (Chair)
- 4 Kurt Wright – Republican City Councilor from Ward 4
- 5 Ben Rinehart, CFA – Investment Analyst at Prentiss Smith & Co.
- 6 Bob Rusten, Chief Administrative Officer, City of Burlington
- 7
- 8
- 9

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ORIGINAL

DISTRIBUTION:

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Listed Members

RESOLUTION RELATING TO

Appointment of Divestment Task Force

Adopted by the City Council

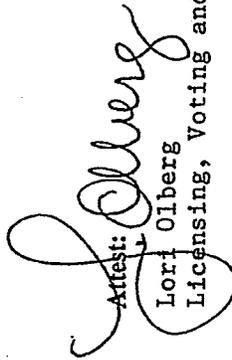
January 12, 2015

Clerk

Approved Jan. 14, 2015

Mayor

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Attest:  Lori Olberg
Licensing, Voting and Records Coordinator

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