

COUNCIL MEMBER'S MOTION

11. Re-Examining Municipal Pension Plan Divestment

Submitted by: Councillor Carr

WHEREAS the motion: *City of Vancouver Responsible Divestment From Fossil Fuels*, passed unanimously by Council on January 21, 2020, directed staff to bring a motion to Council for the 2020 meetings of the Lower Mainland Local Government Association (LMLGA) and the Union of B.C. Municipalities (UBCM) to re-examine the 2016 UBCM Primer on Fossil Fuel Divestment and the Municipal Pension Plan report, in light of globally changing investment and divestment strategies.

THEREFORE BE IT RESOLVED THAT the following motion, attached as Appendix A, be forwarded by the City of Vancouver for consideration by the Lower Mainland Local Government Association (LMLGA) at its May 6-8, 2020 Annual Conference and by the Union of B.C. Municipalities at its September 21-25, 2020 Convention.

RESOLUTION

RE-EXAMINING MUNICIPAL PENSION PLAN DIVESTMENT

City of Vancouver

WHEREAS since 2016, when the UBCM report, *Primer on Fossil Fuel Divestment and the Municipal Pension Plan* noted that “Divestment may compromise our investment strategy, increase risks and costs, and negatively affect our clients’ investment returns”, there have been major shifts in global climate science and investment strategies.

The October 2018 Intergovernmental Panel on Climate Change (IPCC) report verified that global warming is accelerating, with a window of little more than a decade to drastically reduce Greenhouse Gas emissions to avert catastrophic climate change impacts.

Since 2016, divestment has accelerated. In 2014, global funds committed to fossil fuel divestment was \$52 billion. In 2018: \$8 trillion. In 2019: \$11 trillion, including pension funds such as Caisse, Quebec, Quebec’s equivalent to B.C.’s pension fund manager, whose CEO stated: “There are going to be stranded assets associated with climate change...we think it’s good risk management to, over time, exit those”;

AND WHEREAS evidence is growing that fossil fuel-free funds are outperforming fossil fuel investments. The 2019 return on the B.C. Government Employees Union’s fossil fuel-free investments, for example, was 21.7 percent:

THEREFORE BE IT RESOLVED THAT the Union of B.C. Municipalities (UBCM) re-examine and update its 2016 *Primer on Fossil Fuel Divestment and the Municipal Pension Plan* report in light of globally changing investment and divestment strategies;

AND BE IT FURTHER RESOLVED THAT the UBCM inform B.C. Investment Management Corporation, as the provider of investment management services for B.C.’s Municipal Pension Plan, of the concerns of the UBCM regarding the growing financial risks related to investing in fossil fuels and its support for a plan, built on leading practices related to fossil fuel-free investment portfolios, to fully divest Municipal Pension Plan funds from fossil fuels.

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