

VanRIMS No.: 08-2000-20

## MEMORANDUM

May 1, 2020

TO: Mayor and Council

FROM: Rosemary Hagiwara, Acting City Clerk

SUBJECT: 2020 LMLGA Submission Adjustments

At the Council meeting on February 25, 2020, Council approved the submission of the resolution entitled "Re-Examining Municipal pension Plan Divestment" to the Lower Mainland Local Government Association (LMLGA) for consideration at their upcoming 2020 Conference and Annual General Meeting.

On April 29, 2020, LMLGA requested the City of Vancouver to consider the following amendments to the above noted resolution as outlined below.

The rationale for the suggestion behind removing the section in the Whereas clause is to streamline the resolution. The rationale behind the suggestion to remove the words "of the UBCM" in the Resolved clause is to remove reference to the concerns being specifically UBCM's.

### RECOMMENDATION:

THAT Council approve the following proposed amendments to the resolution entitled "Re-Examining Municipal pension Plan Divestment", as submitted by the City of Vancouver for consideration at the (2020) LMLGA and UBCM annual conferences:

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 BC Government Employees Union's fossil fuel-free investments, for example, was 21.7 percent:

Therefore be it resolved that 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 inform BC Investment Management Corporation, as the provider of investment management services for BC'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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