

City of Providence
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

RESOLUTION OF THE CITY COUNCIL

No. 73

EFFECTIVE February 29, 2016

WHEREAS, On June 20th, 2013, the City Council approved a resolution requesting that the Board of Investment Commissioners ensure that, within five years, its assets not include holdings in fossil fuel companies; and

WHEREAS, On February 19th, 2015, the City Council approved a resolution requesting that the Board of Investment Commissioners provide the Council with a report within 90 days detailing its progress toward fossil fuel divestment; and

WHEREAS, On July 23rd, 2015, the Board of Investment Commissioners voted to divest from the so-called, "Filthy Fifteen," a group of some of America's largest coal companies, but has not taken further steps to divest from fossil fuel companies; and

WHEREAS, Since the passage of the two aforementioned resolutions, the market for fossil fuels has declined significantly, with crude oil prices dropping more than 63% and gasoline prices dropping 53% from June 2013 to December 2015 according to US Energy Information Administration; and

WHEREAS, According to US News, the S&P Energy Sector has dropped 43% from June 2014 to January 2016, even as the S&P 500 has increased overall during the same period; and

WHEREAS, According to Ecowatch, declines in fossil fuel prices caused New York City's largest pension fund to lose \$135 million in Fiscal Year 2015; and

WHEREAS, In September 2015, the Boston Globe reported that the Massachusetts state pension fund's holdings of fossil fuel stocks lost \$521 million in value in Fiscal Year 2015; and

WHEREAS, The significant decline in fossil fuels prices in recent years has shown that, even before accounting for the environmental issues caused by fossil fuels, there is a fiduciary duty to immediately consider divestment from fossil fuel companies; and

WHEREAS, According to the environmental law organization ClientEarth and a recent article in The Guardian, global warming poses a systemic risk to the world economy and could significantly cut the value of investments, so clients of investment firms and beneficiaries of pension funds might have a legal case to bring if those who manage money for them stand idly by as emissions erode the value of their stock; and

WHEREAS, According to NASA and National Oceanic and Atmospheric Administration, 2015 was the warmest year since record-keeping began in 1880, breaking the previous record set just one year earlier; and

WHEREAS, All of the 10 warmest years on record have occurred since 1997; and

WHEREAS, Climate change is a serious threat to current and future generations here in Providence and around the world; and

WHEREAS, According to the New York Times, "the vast majority of those who study the climate say the earth is in a long-term warming trend that is profoundly threatening and caused almost entirely by human activity"; and

WHEREAS, Almost every government in the world has agreed through the 2015 Paris Climate Agreement to “hold the increase in global average temperature to below 2°C (3.6°F) above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels,” recognizing that this will would reduce the risks and impacts of climate change, and that to achieve this lower target humanity can add fewer than 500 gigatons of carbon emissions - about ten years at current rates; and

WHEREAS, For the purposes of this resolution, a “fossil fuel company” shall mean any of the two hundred publicly-traded companies with the largest coal, oil, and gas reserves as measured by the gigatons of carbon dioxide that would be emitted if those reserves were extracted and burned, as listed in the Carbon Tracker Initiative’s “Unburnable Carbon” report; and

WHEREAS, In its “Unburnable Carbon” report, the Carbon Tracker Initiative found that fossil fuel companies possess proven fossil fuel reserves that would release approximately 2,795 gigatons of CO₂ if they are burned, which is five times the amount that can be released without exceeding 2°C of warming; and

WHEREAS, The Providence City Council has a moral obligation to ensure that no public money is being used to promote industries or practices that harm the health and well-being of the people of Providence; and

WHEREAS, The City of Providence believes that its investments should support a sustainable future where all people can live healthy lives without the negative impacts of a warming environment; and

WHEREAS, Providence is among the more than 500 governmental institutions, religious organizations, institutions of higher education, and non-profit foundations worldwide to commit to divesting from fossil fuels; and

WHEREAS, Divestment campaigns have successfully been used by governments, corporations, and universities to positively impact society, create social change, and undermine tyrannical regimes.

NOW, THEREFORE BE IT RESOLVED, That the Providence City Council does hereby request that the Board of Investment Commissioners fully divest from all fossil fuel companies; and

BE IT FURTHER RESOLVED, That the Providence City Council further requests that, within thirty (30) days, the Board of Investment Commissioners provide the Council with a report on their progress toward divestment from the “Filthy Fifteen” companies and an analysis for the performance of all stocks and holdings of the City relating to fossil fuel companies since June 20th, 2013; and

BE IT FURTHER RESOLVED, That, upon passage, copies of this resolution be sent to the members of the Board of Investment Commissioners, the City Treasurer, the Director of Finance, and the Mayor.

IN CITY COUNCIL

FEB 18 2016

READ AND PASSED

PRES.

CLERK