

MOTION

Carbon dioxide production continues to negatively impact the environment and the health and welfare of residents. The City of Los Angeles is currently facing its own drought, potentially the most severe in its history, incurring large social and environmental costs to citizens. A team of Stanford scientists recently concluded the drought is very likely linked to human-caused climate change.

The combustion of coal resources is the single largest contributor to global climate change in the United States. In addition, U.S. thermal coal share prices have declined precipitously over the past decade due to a changing energy sector, particularly in California. The City, recognizing this pattern, has been on the forefront of addressing the climate crisis by setting a timeline for eliminating coal from its energy portfolio and promoting renewable fuel sources citywide.

The City should further this effort by (1) assessing the feasibility of eliminating thermal coal investments from its municipal investment funds and (2) working closely with city public pension board members and fund managers to thoroughly review their respective portfolios and eliminate investments in thermal coal- and thermal-coal-related production. Strategically divesting in this manner would align the City's investments with its existing goals to meet renewable energy targets by 2025, and also protect fund beneficiaries from the financial decline of the thermal coal industry.

The California State legislature joined the coal divestment effort as it recently approved SB-185 (De Leon), which requires California's state pension funds CalPERS and CalSTERS to divest from investments in coal companies by July 1, 2017. The City should support the State's efforts.

I THEREFORE MOVE that the City of Los Angeles Municipal Fund Managers, Los Angeles City Employees' Retirement System, and the Department of Los Angeles Fire and Police Pensions report back within 60 days on the feasibility of and with recommendations regarding divestment from thermal coal company investments on or before July 1, 2017.

PRESENTED BY: _____

PAUL KORETZ
Councilmember, 5th District

SECONDED BY: _____