

RESOLUTION NO. _____ (CM)

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE
URGING CALPERS TO INVEST IN SUSTAINABLE ENERGY AND DIVEST
FROM FOSSIL FUELS IN SUPPORT OF THE CITY'S CLIMATE ACTION AND
ADAPTATION PLAN AND DIRECT STAFF TO PURSUE AND SUPPORT
STATE AND FEDERAL LEGISLATION THAT SUPPORTS CLIMATE SAFE
CALIFORNIA GOALS**

WHEREAS, the climate crisis is a serious threat to current and future generations here in the City of Watsonville and around the world; and

WHEREAS, the United Nation's Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report found that global warming is already causing costly disruption of human and natural systems throughout the world including the melting of Arctic ice, the ocean's rise in acidity, increased wildfires, flooding, and drought; and

WHEREAS, almost every government in the world has agreed through the 2015 Paris Agreement that any warming above a 2°C (3.6°F) rise would be unsafe, and to pursue efforts to limit the increase to 1.5°C (2.7°F) and that humans can only create 500 more gigatons of carbon dioxide into the atmosphere to maintain this limit; and

WHEREAS, the [Carbon Tracker Initiative](#) found that fossil fuel companies possess proven fossil fuel reserves that would release approximately 2,800 gigatons of CO2 if they are burned, which is over five times the amount that can be released without exceeding 2°C of warming; and

WHEREAS, the City of Watsonville seeks to protect the lives and livelihoods of its inhabitants from the threat of climate change; and

WHEREAS, the City of Watsonville's Climate Action and Adaptation Plan sets Green House Gas emission targets that are achievable through a combination of reduced energy use and a transition to renewable energy use; and

WHEREAS, the City of Watsonville believes that investments should support a future where all citizens can live healthy lives without the negative impacts of a warming environment; and

WHEREAS, more than 1500 organizations throughout the world have launched campaigns to have their institutions invest in sustainable energy and divest from fossil fuel companies; and

WHEREAS, the California Public Employees' Retirement System (CalPERS), has holdings of over \$30 billion in fossil fuel companies; and

WHEREAS, clean and sustainable energy is now outperforming the fossil fuel market, as indicated by the S&P *Clean Energy Index*, with annualized returns of about 22%, beat the market's 17% (S&P Total Market Index). Meanwhile, the fossil fuel index lost money, with annualized returns of -1.6%.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WATSONVILLE, CALIFORNIA, AS FOLLOWS:

1. That the City Council hereby urges the Pension Board of CalPERS to review their investment portfolio to identify holdings that include direct or indirect investments in fossil fuel companies as well as holdings of sustainable and renewable energy holdings.
2. That the City Council urges CalPERS to ensure that it increases investments in sustainable and renewable energy, and that none of its investments or commingled assets include holdings in fossil fuel public equities and corporate bonds within 5 years.

3. That the City Council urges CalPERS to release quarterly updates, available to the public, detailing progress made towards investment in sustainable energy and divestment of fossil fuels, including indirect and commingled assets.

4. That the City Council urges CalPERS to prepare a report discussing options for investing funds removed from fossil fuel stocks in a way that maximizes their positive impact by seeking out investments in opportunities to limit the effects of burning fossil fuels or help to mitigate its effects including, but not limited to, clean technology & renewable energy, sustainable companies or projects, and sustainable communities with an emphasis on investments that would support local projects and local jobs.

5. That the City Council direct City staff to pursue and support State and Federal legislation that supports the City's Climate Action and Adaptation Plan goals, as well as legislation ensuring that public pension funds are only investing in sustainable and renewable energy portfolios and are divesting from fossil fuels, by meeting with legislators and developing Council resolutions or letters of support.

6. That the City Clerk shall send a copy of this resolution to the Pension Board of California Public Employees' Retirement System (CalPERS), as well as to the State legislators that represent the City of Watsonville.
