

Sustainability Alliance Proposed Motion for Council File 19-1577.

From the Fact Sheet:

Los Angeles City Employees Retirement System (LACERS) Investments/Climate Transition Risk Framework. Climate-Change Watch List.

The Problem:

- Climate change is increasing risks of fire, coastal flooding and hurricanes*
- Insurance* and finance* companies are reducing their exposure to these risks
- Many pension funds are still exposed to financial risk from climate change*
- Fossil fuel company stocks are losing value *
- San Francisco acted to reduce its pension plan's exposure*, but LA hasn't yet.

The Proposal:

Council File 19-1577 proposes:

- Request that the LA City Employees Retirement System's board report on the feasibility of a phased divestment of risky assets.

Computer Impact - Possible Benefits:

- Improved financial health of the LA City Employees pension plan
- Reduced contribution to climate change from pension plan investments

Suggested Action:

File a Community Impact Statement SUPPORTING Council File 19-1577 with supporting language such as:

"City employees need to know their pension funds are safe, and aren't making climate change worse. Residents shouldn't have to worry about having to rescue a pension fund because of failing investments in a declining industry."

**Sources:

Worth weather attribution: www.worldweatherattribution.org

Climate Change and Insurance Issues: iii.org/article/background-on-climate-change-and-insurance-issues

Climate Crisis Will Reshape Finance: nytimes.com/2020/01/14/business/dealbook/larry-fink-blackrock-climate-change.html

Climate Change Threatens Billions in CalPERS pension fund: lattices.com/environment/story/2019-12-19/climate-change-threatens-billions-in-calpers-pension-fund

There's No More Money To Be Made In Oil and Gas Stocks - Jim Cramer, cnbc.com/2020/02/03/jim-cramer-the-profit-in-oil-and-gas-stocks-is-drying-up.html

Exxon Mobil's stock drops to decade low after Goldman says it's time to sell: marketwatch.com/story/exxon-mobils-stock-drops-to-decade-low-after-goldman-says-its-time-to-sell-2020-02-03

SFERS Board votes to pursue a phased divestment of 'riskiest dirtiest fossil fuel assets' in its portfolio: [masters.org/wp-content/uploads/SFERS-Boards-Phased-Divestment_press-release_1.25.2018.pdf](https://www.masters.org/wp-content/uploads/SFERS-Boards-Phased-Divestment_press-release_1.25.2018.pdf)