



Report to Council

From the Office of Councillor Amy Lubik

Date: January 14, 2020
Subject: Request to the Municipal Finance Authority to Provide a New Fossil Fuel Free Investment Product

Purpose

To garner support from Port Moody Council to write a letter to the Municipal Finance Authority (MFA) to express interest in the creation of a new fossil fuel free investment product through the Municipal Finance Authority of British Columbia (MFA) that would add to existing municipal investment options.

Recommendation

THAT Port Moody City Council write a letter to Municipal Finance Authority to express interest in a fossil fuel free investment product as recommended in the report dated January 17, 2020 from Cllr. Amy Lubik regarding Request to the Municipal Finance Authority to Provide a New Fossil Fuel Free Investment Product.

Background

Earlier this year, a communication from New Westminster requested local governments committed to climate action write to the MFA to request the creation of a new fossil-fuel free product.

This is entirely inline with Port Moody's actions, including declaring a climate emergency, resolutions to the BC Government on limiting building emission, providing clarity on legislation to reclaim damage costs from fossil fuel companies, and putting a climate change lens on our OCP.

Further, the arguments against divestment grow weaker as time passes (Institute for Energy Economics and Financial Analysis (2018). [The Financial Case for Fossil Fuel Divestment.](#)); the biggest union in BC is now making much more in fossil fuel free portfolios ([The Tyee \(2016\). How a BC union dumped fossil fuels and cashed.](#)). As well, the Canadian Medical Association is divesting in part on the grounds that climate change is the number one threat to health of our time (National Observer (2016). [Canadian Medical Association Completes Divestment from Fossil Fuels.](#)).

This an opportunity for Port Moody to show climate leadership and align our investments with our values.

Discussion

From Fossil Free Investing:

Vancouver, Seattle, Oslo, Uppsala—a growing list of leading global cities are integrating their sustainability policies with their investments and protecting their pension funds from stranded fossil fuel assets.

On October 19, Oslo's City Council [pledged to ban investments in fossil fuels](#), a first for a capital city. It will be divesting its \$9 billion pension fund (€8 billion) from coal, oil and gas companies. "We are very happy to announce that Oslo will take responsibility for the climate, both through our own policies and our investments," says Lan Marie Nguyen Berg, of the Green Party in Oslo.

"There's a strong symbolism when the capital city of our oil producing nation says 'no' to investing in fossil fuels. It shows that fossil fuels are history, and that shifting away from them, and to renewables, is the future."

Arild Hermstad, Norwegian environmental NGO, Future in Our Hands

Oslo joins [48 other cities](#) around the world that have committed to ban investments in coal, oil and gas companies.

Seattle's mayor has initiated a process to divest the city's retirement and pension funds out of oil and gas companies – a \$17M commitment.

Vancouver was one of the first to talk about possible divestment. In 2013, its [City Council expressed the intent to invest the city's \\$800M in cash investments and pension funds according to sustainable and ethical criteria, including a fossil fuel screen](#). "[It is] a potentially groundbreaking example for other Canadian cities," says Cameron Fenton, director of [Canadian Youth Climate Coalition](#).

Other cities, like [Stockholm, have announced similar intentions](#) to review their investments in fossil fuels. Like the others, they see the value in aligning their policies, and ensuring their assets are not stranded with the rest of the fossils

Other Option(s)

That report date January 14, 2020 from Councillor Amy Lubik regarding Request to the Municipal Finance Authority to provide a new fossil free investment product be received for information.

Financial Implications

No financial implications are associated in writing a letter.
Potentially better return on investment and/or reduced risk.

Council Strategic Plan Objectives

- Inspire environmental actions and advocacy
- Reduce the City's impact on the planet
- Economic Prosperity