



Legislation Text

File #: RES 20-1113, **Version:** 1

Urging the Minnesota State Board of Investment to divest from fossil fuels.

Whereas, the City of Saint Paul recognizes that the climate crisis caused by greenhouse gas emissions from burning fossil fuels and other sources is increasingly exposing Saint Paul residents to flooding, poor air quality, extreme heat events, loss of tree cover, economic hardship, and psychological stresses; and

Whereas, on December 18, 2019, after a year-long community engagement process, the Saint Paul City Council approved the Saint Paul Climate Action and Resilience Plan (CARP), which sets goals, targets, and strategies for reducing greenhouse gas emissions in a fair and equitable way to address the ways in which a changing climate threatens the health and well-being of Saint Paul residents and businesses; and

Whereas, current and former employees of the City of Saint Paul are covered by defined benefit pension plans administered by the Minnesota Public Employees Retirement Association with investments managed by the Minnesota State Board of Investment, made up of the Governor, Attorney General, Secretary of State and Auditor; and

Whereas, the State Board of Investment has a fiduciary duty to invest those pension funds in a way that maximizes returns for beneficiaries and protects them from market instability as codified in MN Statutes 11A.09; and

Whereas, fossil fuel investments have underperformed the market for more than a decade and may carry significant long term risk due to rapid market transition toward wind, solar, and other clean energy sources; and

Whereas, the City of Saint Paul is concerned about the impacts of fossil fuel investments underperformance and instability on the pension funds benefiting its retirees and current employees; and

Whereas, a large and growing movement of Minnesota retirees, environmental advocates, youth, people of faith, and advocates for environmental justice are calling on the State Board of Investment to divest from fossil fuels; and

Whereas, the State Board of Investment has passed a resolution that states that “the MSBI Executive Director will develop and implement plans for reporting on and addressing Environmental, Social and Governance (ESG) investment risks and evaluate options for reducing the MSBI’s investments to long-term carbon risk exposure”; and

Now, Therefore, Be it Resolved by the City Council of the City of Saint Paul,

That the City of Saint Paul supports divesting Minnesota’s public pension funds from fossil fuel industries, and calls on the Minnesota State Board of Investment to start a process to divest from fossil fuel industries in 2020.