

Resolution of the City of Jersey City, N.J.

File No. Res. 21-328
Agenda No. 10.16
Approved: Apr 28 2021



RESOLUTION OF THE MUNICIPAL COUNCIL OF THE CITY OF THE JERSEY CITY CALLING FOR FOSSIL FUEL DIVESTMENT FROM ITS PENSION PLANS

COUNCIL offered and moved adoption of the following resolution:

WHEREAS, the international scientific and political communities have widely accepted that the burning of fossil fuels, which release harmful emissions of CO₂ and other greenhouse gases, is the main driver of global climate change with its corresponding harmful impacts on our natural environment; and

WHEREAS, the recent United Nations Intergovernmental Panel on Climate Change (IPCC) October 2018 Special Report highlights the urgent need for immediate actions to sharply reduce fossil fuel use. The report concludes that absent aggressive action, many effects once expected decades in the future will arrive by 2040 and that global net human-caused emissions of greenhouse gases need to fall by 45 percent from 2010 levels by 2030 to avoid catastrophic climate change; and

WHEREAS, United States President Joseph Biden and New Jersey Governor Philip Murphy have identified climate change as an existential threat to humanity in need of bold and aggressive action; and

WHEREAS, the United States has rejoined the Paris Climate Agreement in January 2021 and the international community to address this global threat; and

WHEREAS, New Jersey is the most vulnerable state to the impacts of rising temperatures, sea-level rise, increased flooding, and numerous other adverse impacts of climate change, with potentially disastrous consequences for public health and safety, as well as for the social and economic vitality of the State;

WHEREAS, in order to curtail the serious impacts of global climate change caused by greenhouse gas emissions, New Jersey must shift away from its reliance on fossil fuels as a primary energy source and turn to clean and renewable energy sources and battery storage; and

WHEREAS, the New Jersey Department of Environmental Protection published the "2020 New Jersey: Scientific Report on Climate Change" which catalogs the statewide impacts of climate change and states that it is unlikely our planet will be able to stay under the two-degree Celsius limit needed to avoid a global catastrophe; and

WHEREAS, Jersey City is the second-most populous city in New Jersey and a coastal community with a dense urban population making it particularly vulnerable to the sea level and temperature increases predicted in New Jersey; and

WHEREAS, Jersey City was severely impacted by Hurricanes Irene and Sandy including power outages, severe flooding, and property damage that caused millions of dollars in losses to Jersey City's economy; and

WHEREAS, Jersey City has stated a commitment through a proposed Climate and Energy Action Plan (Draft, January 2021) to mitigation, adaptation, and equity in its approach to climate change; and

WHEREAS, Jersey City Mayor Steven Fulop is a member of the Global Covenant of Mayors for Climate and Energy, and Local Governments for Sustainability and Climate Mayors and is committed to addressing climate change in all ways; and

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WHEREAS, the oil and gas sector has been the worst-performing sector of the Standard & Poor's 500 for the last decade, and although in the 1980's it accounted for 28% of the value of that index, today it represents just 2.5% and is the smallest sector in that investment index; and

WHEREAS, the oil and gas sector's decline indicates a negative trend for fossil fuels as the global economy turns away from fossil fuels and towards a low carbon future; and

WHEREAS, Fossil-Free investment portfolios have performed as well and even better than those with oil and gas stocks; and

WHEREAS, fossil fuel divestment is one approach to reducing the emissions of greenhouse gases from the burning of fossil fuels by removing the financial underwriting of the fossil fuel sector; and

WHEREAS, more than 1200 institutional portfolios, including faith-based, universities, governments, and pension plans have already divested or have committed to divest, their portfolios totally more than \$14 trillion, and

WHEREAS, Jersey City has employees enrolled in both the New Jersey State PERS Pension Fund and the Jersey City ERS Pension Plan; and

WHEREAS, a recent analysis demonstrates that the Jersey City ERS Pension Plan does not have any specific investments in fossil fuels; and

WHEREAS, it should be codified by the Jersey City ERS Pension Plan that it will not make any subsequent investments in fossil fuels;

NOW, THEREFORE, BE IT RESOLVED that the Municipal Council of the City of Jersey City make it be known by passing of this Resolution that it supports fossil fuel divestment from the Jersey City's ERS Pension Fund as one way of addressing and reducing the impacts of climate change and simultaneously preserving the value of their retiree funds; and

AND FURTHER BE IT RESOLVED, that the Municipal Council of the City of Jersey City Council urges the State Investment Council and the Division of Investment, which oversees PERS to commit to a Climate Action Plan that includes the divestment of all fossil fuel investment as soon as possible but not longer than five years from the date of this Resolution.

AND BE IT FURTHER RESOLVED, that a certified copy of this resolution be sent by the Jersey City Administrator to the following: Governor Murphy, the State Investment Council and the Division of Investment, and the Jersey City ERS Pension Committee.

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APPROVED AS TO LEGAL FORM



Business Administrator



Corporation Counsel

Certification Required

RECORD OF COUNCIL VOTE – Apr 28														9-0
	AYE	NAY	N.V.	Absent		AYE	NAY	N.V.	Absent		AYE	NAY	N.V.	Absent
RIDLEY	✓				SALEH	✓				LAVARRO	✓			
PRINZ-AREY	✓				SOLOMON	✓				RIVERA	✓			
BOGGIANO	✓				ROBINSON	✓				WATTERMAN, PRES	✓			

N.V. –
(Abstain)

Adopted at a meeting of the Municipal Council of the City of Jersey.



Joyce E. Watterman, President of Council



Sean J. Gallagher, City Clerk

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RESOLUTION FACT SHEET -

This summary sheet is to be attached to the front of any resolution that is submitted for Council consideration. Incomplete or vague fact sheets will be returned with the resolution.

Project Manager

Laura Bustamante, Council Aide - Ward E	201-547-5283	lbustamante@jenj.org
Division	Municipal Council	

Note: Project Manager must be available by phone during agenda meeting (Wednesday prior to council meeting @ 1:00 p.m.)

Purpose

Calling for Fossil Fuel Divestment from its Pension Plans

Approved by
John Metro, Acting Business Administrator

Status:
Approved - Apr 21 2021