



**Council Member Motion
For the Council Meeting of February 11, 2016**

Date: February 9, 2016

From: Councillors Loveday and Isitt

Subject: AVICC Resolution: Empowering Local Governments to Pursue Socially Responsible Investing

Background:

In July 2015, Victoria City Council adopted a resolution calling on the Municipal Finance Authority and the Provincial government to provide local governments with the choice of investing municipal funds in a way that align with priorities and policies relating to climate action and socially responsible investing.

The City of Victoria's Investment Policy (2006) identifies the objective of Socially Responsible Investing, defined as "selecting investments in a portfolio based on social and/or environmental criteria with the objective of excluding companies that have a negative social and/or environmental impact, and selecting companies that make positive contributions to society and/or the environment."

The City's Strategic Plan includes Objective #12, Plan for Emergencies Including Climate Change Short and Long-Term. One of the strongest strategies for climate change mitigation is the reduction of emissions into the atmosphere arising from the consumption of fossil fuels, which includes divesting from fossil fuels and reinvesting in renewable sources of energy, employment and income.

In addition, the Strategic Plan includes Objective #4, Build the Financial Capacity of the Organization. Shifting toward fossil-fuel-free investments has the advantage of protecting the City's financial resources from volatility in the fossil-fuel sector, since much of the current and future fossil fuel reserves cannot be burned, and these unburnable fossil fuel reserves are stranded assets that will drive large valuation reductions of fossil fuel firms.

The current investment portfolio of the Municipal Finance Authority and the legislative provisions in the Municipal Financial Authority Act currently prevent the City of Victoria from implementing the Socially Responsible Investment provision of the Investment Policy and investing in a manner that aligns with the Strategic Plan.

It is therefore recommended that Victoria City Council propose that the Association of Vancouver Island and Coastal Communities (AVICC) and the Union of British Columbia Municipalities (UBCM) request that the Municipal Finance Authority create a fossil-fuel free investment fund, to provide local governments with the choice of investing in a way that aligns with the priorities of climate action and socially responsible investing.

Recommendation:

That Council forward the following resolution to the Association of Vancouver Island and Coastal Communities (AVICC) for consideration at the 2016 annual meeting of the association, and that the resolution also be sent to AVICC member local governments encouraging favourable consideration and resolutions of support:

Resolution: Empowering Local Governments to Pursue Socially Responsible Investing

WHEREAS many local governments have committed to climate action and socially responsible investing;

AND WHEREAS a central strategy for climate change mitigation is to reduce emissions into the atmosphere relating to the consumption of fossil fuels, which includes divesting from fossil fuels and reinvesting in renewable sources of energy, employment and revenue;

AND WHEREAS local governments are empowered in provincial legislation to invest through the Municipal Finance Authority, and the current investment portfolio offered by the Municipal Finance Authority does not include a fossil-fuel free investment option;

THEREFORE BE IT RESOLVED THAT the Association of Vancouver Island and Coastal Communities calls on the Municipal Finance Authority to create a fossil-fuel-free investment fund to provide local governments with an investment choice that aligns with priorities for climate action and social responsibility.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Loveday', with a stylized flourish at the end.

Councillor Loveday

A handwritten signature in blue ink, appearing to read 'Isitt', with a stylized flourish at the end.

Councillor Isitt