



**TO:** Elizabeth Pauli, City Manager  
**FROM:** Rebecca Boydston, Council Assistant, on behalf of Council Member Ibsen  
**COPY:** City Council and City Clerk  
**SUBJECT:** Resolution- TERS Environmental, Social and Governance Considerations – March 26, 2019  
**DATE:** March 6, 2019

---

**SUMMARY:**

Resolution urging the Tacoma Employees’ Retirement System (“TERS”) staff and the TERS Board of Administration (“Board”) to consider/analyze the investment risks from climate change and explore ways to potentially reduce exposure to carbon intensive companies, such as fossil fuel producers, in the System’s investment portfolio, subject to the TERS staff and Board continuing to meet their primary fiduciary responsibilities to TERS members.

**COUNCIL SPONSORS:**

Mayor Woodards and Council Members: Beale, Ibsen and Mello

**STRATEGIC POLICY PRIORITY:**

This resolution would Assure outstanding stewardship of the natural and built environment by considering the fossil fuel impact of companies in the TERS investment portfolio.

**BACKGROUND:**

The Government, Performance and Finance Committee received a presentation from Tacoma Employee Retirement System Director Tim Allen on June 5, 2018. At the request of Chair Ibsen, Mr. Allen discussed the feasibility of divesting TERS from companies that produce fossil fuels. Following this presentation a sample resolution was drafted for consideration.

**ISSUE:**

Climate change continues to impact Tacoma and the world, with greenhouse gas emissions and the use of fossil fuels as a primary cause. Fossil fuels are increasingly a volatile commodity on the market, and therefore an increasing risk to the long term stability of the fund. Understanding the fiduciary responsibilities TERS has to its members, the Council would like to encourage the TERS staff and board to consider the investment risks from climate change and explore ways to reduce exposure to carbon intensive companies in the system’s portfolio.

**ALTERNATIVES:**

The City Council could choose to not adopt the resolution.

**RECOMMENDATION:**

Recommend adoption of a resolution urging the TERS board and staff to consider the impacts of investment in companies that produce fossil fuels, and to consider the risks climate change pose to the system’s investment portfolio.

**FISCAL IMPACT:**

There is no fiscal impact.