

BUDGET AND FINANCE COMMITTEE REPORT relative to the feasibility of developing a Climate Transition Risk Framework and related actions.

Recommendation for Council action, as initiated by Motion (Blumenfield - Bonin - et al.):

REQUEST that the Board of the Los Angeles City Employees' Retirement System (LACERS), with the assistance of the City Administrative Officer (CAO), report in six months with the following:

- a. Recommendations on the feasibility for the LACERS Board to adopt a similar Climate Transition Risk Framework to San Francisco Employees' Retirement System to identify investments in fossil fuel companies that pose an environmental and financial risk.
- b. Options to create a climate-change watch list that will report the riskiest investments in fossil fuel companies and develop a strategy to engage with the respective companies to reduce their oil and gas reserves and increase their efforts to move towards renewables and address climate change.
- c. A plan to divest from uncooperative fossil fuel companies and appropriately reinvest capital.
- d. A watch list to identify other LACERS investments such as in tobacco and firearm companies that contradict the City Council official positions and goal to provide a healthy and secure future for Angelenos.

Fiscal Impact Statement: Neither the CAO nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: Yes.

For: Wilshire Center-Koreatown
Mar Vista Community Council
Eagle Rock Neighborhood Council
East Hollywood Neighborhood Council
Los Feliz Neighborhood Council

SUMMARY

At its regular meeting held on November 23, 2020, the Budget and Finance Committee considered Motion (Blumenfield - Bonin - et al.) relative to requesting that the LACERS Board, with the assistance of the CAO, report with the feasibility to develop a Climate Transition Risk Framework and other related actions.

After providing an opportunity for public comment, the Committee approved the recommendations in the Motion. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN:	YES
PRICE:	YES
KORETZ:	YES
BLUMENFIELD:	YES
BONIN:	YES

MM11-23-20 Council file No. 19-1577

-NOT OFFICIAL UNTIL COUNCIL ACTS-