[Urging the Retirement Board to Divest from Firearm and Ammunition Manufacturers]

Resolution urging the Retirement Board of the Employees' Retirement System to divest from publicly traded firearm and ammunition manufacturers.

WHEREAS, San Francisco residents continues have been greatly impacted by gun violence, and our City has experienced the tragic loss of 215 individuals killed by a firearm and 880 reported non-fatal shootings between 2008 and 2012; and

WHEREAS, San Francisco has been a leader in gun control legislation on subjects such as requiring safe storage of firearms and prohibiting the sale of enhanced-lethality ammunitions; and

WHEREAS, In 2005, San Francisco voters passed Proposition H to ban the manufacture, distribution, sale, and transfer of firearms and ammunition within San Francisco, and ban City residents from possessing handguns within San Francisco, which was implemented by Ordinance No. 55-06; and

WHEREAS, Proposition H was overturned by the San Francisco Superior Court in the case of “Fiscal v. City and County of San Francisco;” and

WHEREAS, In recent years, random, mass gun violence has made the names of communities such as Tucson, Arizona, Aurora, Colorado, Virginia Tech, and Newtown, Connecticut synonymous with senseless loss of life and severe injuries; and

WHEREAS, Resolution No. 130049 stated that “as a City, San Francisco supports common sense gun control reform to ensure that all of our City's residents can enjoy a greater sense of safety in our city;” and
WHEREAS, Resolution No. 130048 stated that "the City and County of San Francisco hereby commits to doing everything possible to provide common sense solutions to keep our families, children, and communities safe;" and

WHEREAS, Under Section 12.100 of the San Francisco Charter, the Retirement Board of the San Francisco Employees' Retirement System (SFERS) "shall have plenary authority and fiduciary responsibility for investment of monies and administration of the Retirement System;" and

WHEREAS, In the wake of the shooting deaths of twenty-six people at Sandy Hook Elementary School, including twenty children, a number of municipal retirement funds—including the California State Teachers Retirement System (CalSTRS), the Municipal Employees Annuity and Benefit Fund of Chicago, and the Philadelphia Board of Pensions and Retirement—have taken action to divest from firearm and ammunition manufacturers; and

WHEREAS, On December 18, 2013, Cerberus Capital Management, a private equity firm, announced that it planned to sell its ownership stake in Freedom Group Inc., a firearms manufacturer, in response to concerns from Cerberus investors, including CalSTRS; and

WHEREAS, The Retirement Board's Social Investment Policy states that, "The relationship of the corporation to the communities in which it operates shall be maintained as a good corporate citizen through observing proper environmental standards, supporting the local economic, social and cultural climate, conducting acquisitions and reorganizations to minimize adverse effects;" and

WHEREAS, Divesting from firearm and ammunition manufacturers is a responsible way for the Retirement Board to carry out its fiduciary duties and demonstrate leadership in implementing its Social Investment Policy; now, therefore, be it

RESOLVED, That the Board of Supervisors of the City and County of San Francisco urges the Retirement Board of the San Francisco Employees' Retirement System (SFERS) to
review the SFERS investment portfolio to identify any holdings that include direct or indirect investments in firearm and ammunition manufacturers; and, be it

FURTHER RESOLVED, That the Board of Supervisors urges the Retirement Board to immediately cease any new investments in firearm and ammunition manufacturers or in commingled assets that include holdings in firearm and ammunition manufacturers; and, be it

FURTHER RESOLVED, That, for any SFERS investments in commingled funds that are found to include firearm and ammunition manufacturers, the Board of Supervisors urges the Retirement Board to contact the fund managers and request that the firearm and ammunition manufacturers be removed from the funds; and, be it

FURTHER RESOLVED, That the Board of Supervisors urges the Retirement Board to ensure that within five years none of its directly held or commingled assets include holdings in firearm and ammunition manufacturers; and, be it

FURTHER RESOLVED, That the Board of Supervisors urges the Retirement Board to release quarterly updates, available to the public, detailing progress made towards full divestment.
Resolution urging the Retirement Board of the Employees' Retirement System to divest from publicly traded firearm and ammunition manufacturers.

February 12, 2013 Board of Supervisors - ADOPTED
Ayes: 11 - Avalos, Breed, Campos, Chiu, Chu, Cohen, Farrell, Kim, Mar, Wiener and Yee

I hereby certify that the foregoing Resolution was ADOPTED on 2/12/2013 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Date: February 22, 2013

I hereby certify that the foregoing resolution, not being signed by the Mayor within the time limit as set forth in Section 3.103 of the Charter, or time waived pursuant to Board Rule 2.14.2, became effective without his approval in accordance with the provision of said Section 3.103 of the Charter or Board Rule 2.14.2.

Angela Calvillo
Clerk of the Board