



City of Chicago



R2021-79

Office of the City Clerk

Document Tracking Sheet

Meeting Date: 1/27/2021

Sponsor(s): Cardenas (12)
La Spata (1)

Type: Resolution

Title: Call for Municipal Employees' Annuity and Benefit Fund of Chicago, Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago, Policemen's Annuity and Benefit Fund of Chicago, and Firemen's Annuity and Benefit Fund of Chicago to cease new direct investments and divest from direct holdings and combined funds in fossil fuel companies

Committee(s) Assignment: Committee on Committees and Rules

**RESOLUTION CALLING FOR
DIVESTMENT IN FOSSIL FUEL COMPANIES**

WHEREAS, The global climate crisis, caused by the burning of fossil fuels, is a serious threat to current and future generations; and

WHEREAS, The United Nations Intergovernmental Panel on Climate Change Fifth Assessment Report finds that: "Annual costs [of global warming] to North America have now reached tens of billions of dollars in damaged property and economic productivity, as well as lives disrupted and lost"; and

WHEREAS, The consequences of climate change stand to make Chicago a less desirable place to live and work, negatively impacting the fiscal and social health of the City; and

WHEREAS, The Chicago Climate Action Plan found that, by the end of the century, under current emissions trends, Chicago could experience: heat waves as intense as the deadly 1995 Chicago heat wave, which caused 739 deaths, several times per summer; an increased ambient and extreme heat which could lead to 10 percent to 50 percent higher ozone levels, decreasing air quality and increasing respiratory and related illnesses; annual precipitation increases of up to 25 percent in the form of heavier rainstorms, leading to increased pollution of Lake Michigan, decreasing water quality, and urban flooding; and increased risk of Lyme Disease and West Nile Virus; and

WHEREAS, The City of Chicago has a responsibility to protect the health and livelihoods of its inhabitants from the threat of climate change, and has a unique opportunity to ensure its investments support a future where residents can live without the negative impacts of global warming; and

WHEREAS, The City of Chicago can become a leader in the fight against climate change by divesting City assets from fossil fuel companies - often referred to as the 200 publicly-traded companies with the largest coal, oil, and gas reserves as listed in the Carbon Tracker Initiative's "Unburnable Carbon" report; and

WHEREAS, Thirty-four US cities have already divested from fossil fuel companies, significantly contributing to the total \$3.4 trillion in institution funds committed to divestment worldwide; and

WHEREAS, The Municipal Employees' Annuity and Benefit Fund of Chicago (MEABF), the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago (LABF), the Policemen's Annuity and Benefit Fund of Chicago (PABF), and the Firemen's Annuity and Benefit Fund of Chicago (FABF) (collectively, "the Funds") have already adopted some investment restrictions involving matters of social concern and various pension funds throughout Illinois have adopted investment policies restricting investments in assault weapon manufacturers; now, therefore

BE IT RESOLVED, That we, the Mayor and members of the City Council of the City of Chicago, gathered here this twenty-seventh day of January, 2021, do hereby call upon the boards of the Funds to: immediately cease any new direct investments in fossil fuel companies; divest promptly from any direct holdings in fossil fuel companies; and, for those pension investments in

commingled funds that include fossil fuel companies, to contact the fund managers and request that the fossil fuel companies be removed from the Funds within five years; and

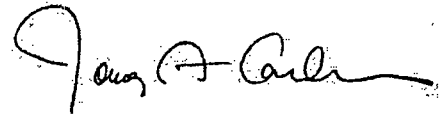
BE IT FURTHER RESOLVED, That we call upon the Funds to release semi-annual updates to stakeholders detailing progress made towards full divestment; and

BE IT FURTHER RESOLVED, That we call upon the City Treasurer and the Funds to invest in opportunities that would mitigate or limit the effects of burning fossil fuels, such as renewable energy, clean technology, and sustainable communities, with an emphasis on investments that would support local projects and local jobs; and

BE IT FURTHER RESOLVED, That we call upon the Illinois General Assembly to amend the Illinois Pension Code to require all Illinois government pension funds to divest from fossil fuel companies; and

BE IT FURTHER RESOLVED, That we call upon the Committee on Environmental Protection and Energy and the Committee on Finance to convene a joint hearing to identify whether the Funds have investments in fossil fuel companies and to invite pension board representatives of each of the Funds to such hearing to identify any investments the Funds may have in fossil fuel companies, and a plan for divestment, if applicable; and

BE IT FURTHER RESOLVED, That suitable copies of this resolution be delivered to Governor JB Pritzker, the President of the Illinois Senate, the Minority Leader of the Illinois Senate, the Speaker of the Illinois House of Representatives, and the Minority Leader of the Illinois House of Representatives.



GEORGE A. CARDENAS
Alderman, 12th Ward



CITY OF CHICAGO

OFFICE OF THE CITY CLERK
ANNA M. VALENCIA

Chicago City Council Co-Sponsor Form

Document No.: R2021-79

Subject: Call for pensions to cease new direct investments and divest from direct holdings and combined funds in fossil fuel companies.

Adding Co-Sponsor(s)

Please **ADD** Co-Sponsor(s) Shown Below – (Principal Sponsor's Consent Required)

Alderman Daniel La Spata *Daniel La Spata* (1 Ward)
(Signature)

Alderman _____ (Ward)
(Signature)

Date Filed: 1.27.21 Principal Sponsor: *Janet Gale*
(Signature)

Removing Co-Sponsor(s)

Please **REMOVE** Co-Sponsor(s) Below – (Principal Sponsor's Consent NOT Required)

Alderman _____ (Ward)
(Signature)

Alderman _____ (Ward)
(Signature)

Date Filed: _____

Final Copies To Be Filed With: • Chairman of Committee to which legislation was referred
• City Clerk