



Office of the City Clerk

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Legislation Details (With Text)

File #: R2018-43
Type: Resolution **Status:** Failed to Pass
File created: 1/17/2018 **In control:** City Council
Final action:

Title: Call for amendment to Municipal Code of Chicago to require City Treasurer to conduct comprehensive review of Office Investment Policy Statement and to address existing investment constraints

Sponsors: Arena, John, Sposato, Nicholas, Moore, David H., Waguespack, Scott, Sadlowski Garza, Susan, Mell, Deborah, Munoz, Ricardo, Foulkes, Toni, Smith, Michele, Villegas, Gilbert, Reilly, Brendan, Mitts, Emma, Osterman, Harry, Dowell, Pat, Scott, Jr. Michael, Hopkins, Brian, Taliaferro, Chris, Reboyras, Ariel, Santiago, Milagros, Cardenas, George A., Maldonado, Roberto, Hairston, Leslie A., Sawyer, Roderick T., Willie B. Cochran, Tunney, Thomas, Pawar, Ameya, Beale, Anthony, Cappleman, James, Ervin, Jason C., Quinn, Marty, Moreno, Proco Joe, King, Sophia D., Ramirez-Rosa, Carlos

Indexes: Committee on Finance

Attachments: 1. R2018-43.pdf

| Date | Ver. | Action By | Action | Result |
|-----------|------|--------------|----------------|--------|
| 5/29/2019 | 1 | City Council | Failed to Pass | |
| 1/17/2018 | 1 | City Council | Referred | |

RESOLUTION

WHEREAS, the climate crisis is a serious threat to the City of Chicago, its current and future residents, and our planet; and

WHEREAS, the City of Chicago believes it should seek to ensure a future for its residents free of the negative impacts of global warming and pollution that result from the burning of fossil fuels; and

WHEREAS, the City Council has taken significant action to address climate change, and has a responsibility to continue to protect the well-being of our city and its residents against the threat it poses; and

WHEREAS, it is imperative that the City of Chicago evaluate existing investment in the fossil fuel industry and companies that consume fossil fuels contributing to climate change, and seek to take serious steps to address and mitigate that risk; and

WHEREAS, the City of Chicago, through its investments in various industries and companies, are exposed to the risks incurred by companies through their corporate policies, strategies and behaviors that can potentially impact the sustainability of returns in its portfolio on behalf of its residents and taxpayers; and

WHEREAS, New York City and many other cities, universities, charities, and pension funds are divesting their portfolios from companies that extract fossil fuels to protect those portfolios from the financial consequences of legislative, regulatory and tax measures, as well as sudden market disruptions, that might restrict such extraction in the future, the City of Chicago should also undertake such divestment; and

WHEREAS, in conjunction with its fiduciary obligation, the City of Chicago should consider the behavior of the companies it invests in, and seek to encourage practices that are environmentally-friendly, socially

responsible, and which promote good governance (ESG);

NOW, THEREFORE, BE IT RESOLVED, that the Municipal Code of the City of Chicago be amended to require the City Treasurer to conduct a comprehensive review of the City Treasurer's Office Investment Policy Statement, and address any constraints that currently exist and limit the ability of the City Treasurer's Office to make investments consistent with ESG considerations; and

BE IT FURTHER RESOLVED, that in order to protect the long-term interests of taxpayers and determine the most efficacious way to safeguard the City's investment portfolio from the economic risks of climate change, the City Treasurer will utilize best practices, third-party data, analysis and consultation, and other accepted methods it deems appropriate, in evaluating the city's portfolio and in revising the investment policy to fully incorporate ESG considerations that provide for comprehensive administration, measurable benchmarking, and consistent reporting; and

BE IT FURTHER RESOLVED, that the Municipal Code of the City of Chicago be amended at the earliest possible date to enable and require the City Treasurer to administer a comprehensive approach to investing and apply ESG and any other appropriate considerations into its investment

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policy for all investments it makes, and provide the City Council with an annual report related to the implementation and administration of these reforms, and that the City Treasurer move toward a full divestment of investments which do not comport with ESG considerations within five years; and

BE IT FURTHER RESOLVED, that the Mayor and the City Council urge the City Treasurer to immediately cease new direct investment in fossil fuel companies; and

BE IT FURTHER RESOLVED, that the Mayor and the City Council urge the City Treasurer to invest in opportunities, including, but not limited to renewable energy, clean technology, and sustainable assets, buildings and communities, with an emphasis on investments that would support local projects and local jobs. Additionally, as the City of Chicago reforms its investment policy to incorporate ESG factors, it should also look to contribute to climate change solutions through the reinvestment of its fossil fuel dollars into investments such as green bonds, renewable bonds, impact investing and other responsible investment strategies; and

BE IT FURTHER RESOLVED, that the Mayor and the City Council urge the pension boards of Chicago's four pension funds to immediately cease new direct investment in fossil fuel companies, and to utilize best practices, third-party data, analysis and consultation, and other accepted methods they deem appropriate, in evaluating their portfolios and in revising the investment policy to fully incorporate ESG considerations, while also meeting the fiduciary requirements of the funds/

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