



OFFERED BY COUNCILOR LYDIA EDWARDS AND MICHELLE
WU, O'Malley, Breadon, Essaibi-George, Arroyo, Flaherty, Mejia, Campbell,
Bok, Flynn and Janey **CITY OF BOSTON**
IN CITY COUNCIL

AN ORDINANCE RELATIVE TO THE INVESTMENTS
OF THE CITY TREASURY

WHEREAS: The City of Boston exercises significant discretion in investments of the City Treasury; *and*

WHEREAS: Investments of the City Treasury carry significant exposure to fossil fuels; *and*

WHEREAS: Climate change is an existential threat, requiring mobilization across every sector of government and society; *and*

WHEREAS: The City of Boston and Commonwealth of Massachusetts have established strict greenhouse gas emission reduction goals in order to climate change; *and*

WHEREAS: In 2014 and 2019, the Council held hearings related to divestment from fossil fuels; *and*

WHEREAS: The Council has previously voted to support state legislation authorizing and directing pension fund investment; *and*

WHEREAS: In February 2019, the City of Boston updated its Cash Investment Policy to promote Environmental, Social and Governance standards in local investments; *and*

WHEREAS: The Boston City Council has taken local action to divest the City Treasury from tobacco, to promote human rights and to combat apartheid; *and*

WHEREAS: Additional measures to promote sustainability and socially responsible investment are necessary; **NOW**

THEREFORE BE IT ORDERED:

Be it ordained by the City of Boston, as follows:

SECTION 1.

The City of Boston Code, Ordinances, Chapter 6, Section 3, is hereby amended by striking section 6-3.7 and replacing it with the following:

6-3.7 Prohibiting Certain Local Investments

- (a) No public funds under the care and custody of the Collector-Treasurer of the City of Boston, as specified in subsection 6-3.11, shall be invested or remain invested in the stocks, securities or other obligations of any company which derives more than fifteen (15%) percent of its revenue from the sale of tobacco products.
- (b) No public funds under the care and custody of the Collector-Treasurer of the City of Boston, as specified in subsection 6-3.11, shall be invested or remain invested in the stocks, securities or other obligations of any company which derives more than fifteen (15%) percent of its revenue from the combustion, distribution, extraction, manufacture, or sale of fossil fuels, which shall include coal, oil and gas, or fossil fuel products. The Collector-Treasurer of the City of Boston shall divest public funds under their care from investments related to fossil fuels no later than December 31st, 2025.

An electric distribution company with corporate affiliates that combust, distribute, extract, manufacture or sell fossil fuels shall be considered a fossil fuel investment.

The Collector-Treasurer shall establish a screen for non-fossil fuel energy sources, including biomass energy, and related combustion activities, including incineration technologies such as gasification and pyrolysis, which have a deleterious impact on the human health and the environment by (1) negatively impacting climate change and/or (2) contributing to asthma, chronic obstructive pulmonary disorders, cardiovascular diseases or premature death.

- (c) No public funds shall be invested or remain invested in the stocks, securities or other obligations of any company which derives more than fifteen (15%) percent of its revenue from the operation, maintenance, servicing or supply of carceral facilities.
- (d) Any proceeds of the sales required under this subsection shall be invested as much as reasonably possible in institutions or companies which invest or conduct business or operations in the City of Boston or the Commonwealth of Massachusetts so long as such use is consistent with sound investment policy.

SECTION 2.

The City of Boston Code, Ordinances, Chapter 6, Section 3, is hereby amended by inserting after section 6-3.7 the following:

6-3.7.2 Report on Local Investment

Within 120 days of enactment on this section, the Collector-Treasurer shall submit a report to the Boston City Council regarding the feasibility and legality of alternative investment strategies. Such report shall include:

- A review of the financial instruments and investments permitted for the city treasury
- A review of the financial instruments and investments permitted for the pension funds of the City of Boston and its affiliates
- An analysis of the feasibility and legality for the City of Boston to direct investment toward (1) land or housing; (2) community economic development, included in cooperative businesses and businesses that are not publicly traded through a stock market index; (3) public infrastructure within the Commonwealth of Massachusetts; (4) public infrastructure outside of the Commonwealth of Massachusetts. To the extent such investments are not directly permitted, the Collector-Treasurer shall investigate whether similar investments could be made through combined investment funds or banking or trust investments authorized by Section 55 of Chapter 44, Section 38A of Chapter 29, or other relevant sections of the General Laws.
- A review of any strategies the City currently employs to effectuate local investment

SECTION 3.

This ordinance shall take effect upon signing.

Filed On: March 17, 2021