



Legislation Details (With Text)

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Title: Divestment of Fossil Fuels by the City of Madison
Sponsors: Paul R. Soglin, Shiva Bidar, Joseph R. Clausius, Sue Ellingson, Matthew J. Phair, Scott J. Resnick, Marsha A. Rummel, Larry Palm, Chris Schmidt, John Strasser, Michael E. Verveer, Anita Weier, Steve King, Maurice S. Cheeks, Lisa Subeck

Indexes:

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| Date | Ver. | Action By | Action | Result |
|-----------|------|---|---|--------|
| 7/2/2013 | 1 | COMMON COUNCIL | Adopt | Pass |
| 6/17/2013 | 1 | COMMITTEE ON THE ENVIRONMENT (ended 6/2020) | RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER | Pass |
| 6/10/2013 | 1 | BOARD OF ESTIMATES (ended 4/2017) | Return to Lead with the Recommendation for Approval | Pass |
| 5/21/2013 | 1 | COMMITTEE ON THE ENVIRONMENT (ended 6/2020) | Refer | |
| 5/21/2013 | 1 | COMMON COUNCIL | Referred | |
| 5/15/2013 | 1 | Mayor's Office | Referred for Introduction | |

Fiscal Note

This resolution would establish a policy that the city would not invest its cash balances in fossil fuel companies. Under current state law, the city can only own common stock as part of investing cash balances within the Cemetery Perpetual Care Fund. Avoiding investments in fossil fuel companies as part of the portfolio for this fund is not expected to be detrimental to the overall investment performance of the fund.

For other funds, the city can invest in certain corporate bonds (those with a rating of AA or better). Avoiding the purchase of bonds issued by fossil fuel companies is not expected to have any impact on the potential return of the city's investment portfolio.

The city invests the cash balances of the Madison Metropolitan School District. It is assumed that this resolution does not apply to the investments of those cash balances. The city is also part owner of two municipal mutual insurance corporations (Wisconsin Municipal Mutual Insurance Corporation and Transit Mutual Insurance Corporation of Wisconsin) which have investment portfolios. It is assumed that this resolution does not apply to those entities given that the city does not have a controlling vote on their respective governing boards.

Title

Divestment of Fossil Fuels by the City of Madison

Body

WHEREAS the climate crisis is a serious threat to current and future generations here in Madison and around the world; and

WHEREAS, The Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report found that global warming is already causing costly disruption of human and natural systems throughout the world including the melting of Arctic ice, the ocean's rise in acidity, flooding and drought; and

WHEREAS, Almost every government in the world has agreed through the 2009 Copenhagen Accord that any warming above a 2°C (3.6°F) rise would be unsafe, and that humans can only pour about 565 more gigatons of carbon dioxide into the atmosphere to maintain this limit; and

WHEREAS, For the purposes of this resolution, a "fossil fuel company" shall be defined as any of the two hundred publicly-traded companies with the largest coal, oil, and gas reserves as measured by the gigatons of carbon dioxide that would be emitted if those reserves were extracted and burned, as listed in the Carbon Tracker Initiative's "Unburnable Carbon" report; and

WHEREAS, In its "Unburnable Carbon" report, the Carbon Tracker Initiative found that fossil fuel companies possess proven fossil fuel reserves that would release approximately 2,795 gigatons of CO₂ if they are burned, which is five times the amount that can be released without exceeding 2°C of warming; and

WHEREAS the City of Madison has a responsibility to protect the lives and livelihoods of its inhabitants from the threat of climate change; and

WHEREAS, the City of Madison has a longstanding commitment to sustainability, is a signatory on the Mayors Climate Protect Agreement, has adopted the Natural Step, and has prepared a Climate Protection Plan; and

WHEREAS, according to the adopted Sustainable Madison Plan, Madison defines sustainability as "meeting the current environmental, social and economic needs of our community without compromising the ability of future generations to meet their needs. Sustainability represents a desire to pass on to our children and grandchildren a world that is as good as, if not better than, the one we found" and Madison "embraces sustainable approaches to fuel our economy and community, achieving an 80% carbon reduction by 2050"; and

WHEREAS the City of Madison believes that its investments should support a future where all citizens can live healthy lives without the negative impacts of a warming environment; and,

WHEREAS, the City of Madison does not now invest in any fossil fuel companies; and does not invest in common stocks except via the Cemetery Perpetual Care Fund;

NOW, THEREFORE, BE IT RESOLVED, That the Mayor and Council of the City of Madison declare that it is the policy of the City of Madison not to invest in fossil fuel companies; and

NOW, THEREFORE, BE IT FURTHER RESOLVED, That the Treasurer of the City of Madison shall not make any new investments in fossil fuel companies or in commingled assets that include holdings in fossil fuel companies; and

NOW, THEREFORE, BE IT FINALLY RESOLVED, That the City of Madison urges the Madison Metropolitan School District, the County of Dane, the University of Wisconsin, the State of Wisconsin, the State of Wisconsin Investment Board, and other local governments to join the City in these efforts and divest their own holdings from fossil fuel companies.