

Proposed Medford Values-Aligned Local Investments Ordinance

CHAPTER 2 – ADMINISTRATION

ARTICLE IV. - OFFICERS AND EMPLOYEES

DIVISION 5. - CITY TREASURER AND COLLECTOR

Sec. 2-696. - Purpose and Intent.

The City of Medford will strive to invest its funds in ways that promote the wellbeing of our communities and our environment, favoring investment of its funds in entities that support the needs of peacetime in daily life and meet the city's goals of conducting local government in an "accountable, transparent, innovative, stable, ethical, representative, and responsible" way.

This ordinance shall be known as the Values-Aligned Local Investments Ordinance.

Sec. 2-697. - Prohibiting Certain Local Investments.

(A) No public funds under the care and custody of the Treasurer-Collector of the city shall be invested or remain invested in the stocks, securities or other obligations of any company which derives more than 15% 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.

(B) No public funds under the care and custody of the Treasurer-Collector of the city shall be invested or remain invested in the stocks, securities or other obligations of any company which derives more than 15% of its revenue from the operation, maintenance, servicing or supply of jails, prisons, or detention facilities.

(C) No public funds under the care and custody of the Treasurer-Collector of the city, as specified in Sec. 2-682, shall be invested or remain invested in the stocks, securities, or other obligations of any company which derives any of its revenue from the manufacture or sale of weapons of any kind, including defense contractors.

(D) No public funds under the care and custody of the Treasurer-Collector of the city, as specified in Sec. 2-682, shall be invested or remain invested in the stocks, securities or other obligations of any company or entity that is directly, knowingly and over time contributing to severe violations of human rights and international humanitarian law as determined by international legal and humanities bodies including the United Nations, including, but not limited to, war crimes, crimes against humanity, apartheid, genocide, ethnic cleansing, and illegal occupation.

(E) This section shall not apply to public funds under the custody of the retirement system when application would result in a violation of the city's fiduciary responsibilities to its pensioners and beneficiaries.

Sec. 2-698. - Effective Date of Prohibition of Certain Local Investments.

Upon enactment of this ordinance, the Treasurer-Collector of the city shall review the investment portfolio of the city and identify any investments that may be deemed to violate the provisions established in this ordinance. The Treasurer-Collector shall divest public funds under their care from investments defined in Sec. 2-697 no later than December 31, 2025.

Sec. 2-699. - Disposition of Proceeds of Sales Required by Prohibition of Certain Local Investments.

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 or the commonwealth of Massachusetts so long as such use is consistent with sound and prudent investment policy, subject to the provisions of M.G.L. c.44, §§ 54 and 55 and the Prudent Investor Act, M.G.L. c. 203C.

Sec. 2-700. - Report on Local Investment.

Upon achieving compliance with Sec. 2-696, the Treasurer-Collector shall submit a report within 120 days to the Medford City Council regarding the status of investments affected by Sec. 2-697.

The Treasurer-Collector shall review all investments annually and submit a report on an annual basis regarding the status of investments affected by Sec. 2-697.

Secs. 2-701—2-720. - Reserved.