

Sustainable Banking and Investment Task Force Meeting Minutes

January 10, 2022

The Task Force (TF) meeting was held at 7 pm by Zoom. The meeting was open to the public. Present were Victor Thuronyi (Chair), Michael Ashford (Vice Chair), Rachel Fredman Lyngaas (Secretary), Christine Pendzich, Jessica Clarke (Deputy City Manager), Amber Cameron, Paul Gunter, William Girardo, Lesley Hunter, David Bend, and Gina Mathias (City of Takoma Park Sustainability Manager).

1. Meeting Minutes

TF members unanimously approved the minutes of the December 27, 2021 meeting, with the understanding that Rachel would make a correction by removing language that noted the deletion of Section 14.04.110 did not equate with the repeal of the Nuclear Free Takoma Park Committee's (NFTPC) duties or responsibilities. The NFTPC's duties and responsibilities were moved to Section 2.16, Article 8.

2. Membership, Procedures, and Schedule for Working Groups

Victor suggested that each of the seven working groups discussed in the December 27, 2021 TF Meeting should choose a "convener." The members of the Working Groups are as follows:

- 1) Background (factual and historic) [*Members: Christine, Rachel*]
- 2) Learning from other jurisdictions [*Members: Mike, David, Lesley*]
- 3) Define sustainable [*Members: Amber, Paul, Lesley, Christine*]
- 4) Identify and interview "more sustainable" institutions that can provide banking services [*Members: Rachel, Will*]
- 5) Identify institutions that offer CDs [*Member: Rachel*]
- 6) Investment criteria for Police Pension Fund [*Members: Will, Lesley*]
- 7) Nuclear-Free Takoma Park [*Members: Paul, Will*]

Christine noted that because only Rachel and Christine were members of Working Group 1, both would serve as conveners. Victor noted that, as agreed in the December 27, 2021 TF meeting, Working Groups 1, 2 and 3 should start their work, which would then inform the work of the remaining four working groups.

William Girardo noted that he was the only member who had volunteered for the Working Group on investment criteria and proposed that there should be at least two members of that group.¹ Amber indicated that she had understood Working Groups 1, 2, and 3 would take the first wave of volunteers, after which TF members would be able to volunteer for additional Working Groups. Victor responded that Working Groups 1, 2, and 3 would start their work first, but this does not mean that the other groups cannot get started. He noted that it would be ideal for Working Groups 1, 2, and 3 to have drafts of their sections of the TF report ready for the next meeting.

3. Takoma Park's Sustainability Work

¹ Lesley Hunter later joined.

Jessica mentioned that the TF was at the beginning of its work. Given this, she invited Gina Mathias, the City's Sustainability Manager, to provide an overview of sustainability efforts this year and previous years.

Gina noted that she is tasked with implementing the City's divestment policy, as stated in line 267 of the City Council's Climate Emergency Response Framework, which calls for "...Sustainable investment and banking policies and practices, including phasing out the use of financial funds or institutions that support or benefit from the fossil fuel industries, as feasible." Gina also highlighted her work on the Sustainable Maryland Certification program, which does not call for specific divestment action but includes a provision for local economies to develop innovative actions and sustainable demonstration projects. Gina also focuses on the implementation of programs that reduce greenhouse gas (GHG) emissions in Takoma Park to net zero by 2035, primarily by focusing on buildings, as fifty percent of the City's emissions is through buildings. She outlined how the City is working to transition away from fossil fuels through the building stock located within Takoma Park, primarily by offering grants to encourage people to make the voluntary switch to electrification. An electrification outreach program will also start in June. Finally, she discussed her work on building energy performance standards at the County-level.

With respect to the City's transportation structure, Gina noted that this will require a bigger push to reduce GHG emissions, as it will be hard to move the needle given the amount of pass-through traffic in Takoma Park from DC and other surrounding municipalities. Allowing people to use the right-of-way to put an electric charger in front of their home when they don't have a driveway is one step that the City has taken, and so far, one resident has done so. The City is also working on making public transportation easier by improving bus shelters and pedestrian access.

Every year, Takoma Park reports to CDP (formerly the Carbon Disclosure Project). The City was given an A grade in 2021, making it one of only 95 cities in the world with an A grade. Divestment is still a novel issue for cities to take on, Gina stated.

Christine asked about the City's mandate to divest. She asked what the cost thresholds are, the tolerance for charges, and impacts on the Police Pension Fund. She added that according to documents shared with the TF by the City, there was no discussion of divestment; however, the issue related to transitioning to Sandy Spring Bank as the City's financial service provider seemed to raise the question of the costs of the transition being too high. Gina responded that she did not know; there are no thresholds, and she has not been provided concrete numbers.

Rachel asked about the percentage of residents being targeted to take up renewable electricity. Gina responded that she did not know what percentage currently buys clean energy because PEPCO does not provide such numbers. The Metropolitan Washington, DC government is trying to get these numbers. Gina recalled that last time she was looking into numbers she had called utility companies individually and was able to determine that only 15 to 20 percent of their accounts were buying renewable electricity. There is an effort at the County level to put all customers on renewable electricity by default. Enabled by legislation last year, the County wants to start a pilot project as early as next year. Ninety-five percent of buildings are using natural gas. The goal would be to ask people to start switching to renewable electricity on a voluntary basis and get their support, and then mandate it for people who don't want to do it. There may also be a need to buy carbon offsets.

Rachel asked for more detail about the Sustainable Maryland Certification Program. Gina responded that the process takes place every three years, during which the City can take up to 100 actions, report

out on what it did, and for this it will be assigned several points. It must receive around 200 points to get recertified. This is done through the University of Maryland Finance Center.

Lesley asked if in the City's evaluation of GHG reporting to CDP, there was scope for looking at the GHG emissions of its suppliers. Gina replied that the City does not do this, but there was some discussion about it. The former Takoma Park Committee on the Environment recommended that the City undertake a community inventory, but the cost was too high and there was no distinct protocol to undertake this without having a contractor do it.

Michael asked if the City had compiled any information on what other cities are doing, particularly with respect to actions around divestment. Gina responded that the City had not gotten very far with it, and that she had learned that investment was easier than divestment. She noted that in City employees' retirement, there is no sustainable investment option.

Christine asked if under the Sustainable Maryland Certification Program, points could be awarded to supporting local economies when grants are made to small businesses as part of a sustainability approach. Gina responded that the City had offered grants to small businesses, but not for the development of sustainable business or new sustainable ventures. The City had submitted the grants that it made to support farmer's markets during COVID-19 under the Sustainable Maryland Certification Program.

Amber Cameron noted that City Council Person Cindy Dyballa said that she would be able to join a TF meeting at any time, for instance if we have questions about the feasibility of proposals.

4. Working Groups' Status Update

Michael noted that Working Group 2 had yet to convene, but that they would welcome views from the TF if there is any information that they should include in their draft report. Lesley added that she was focusing on other municipalities' plans. There are lots of different definitions of sustainable, but she believes these definitions can be catalogued so that the TF can make sense of them. There is growing alignment in the definition of sustainable investment, even though the field seems fragmented.

Christine noted that Working Group 1 would be willing to share a draft of its report, when ready. Victor responded that this would be helpful; other TF members could then send comments directly to Working Group 1, who could take those comments on board and then bring back a revised draft to the TF.

5. AOB

Paul noted that at the TF's first meeting, he had asked if other members were amenable to the meetings being recorded for the sake of supplementing the summaries of the meetings. He added that this might be useful to reference back to for the purposes of drafting the minutes, or if there is a need to clarify questions that might arise. Victor responded that Jessica had investigated this question. It is generally not a practice of City committees to record their meetings. Consent is needed from all TF members for their meetings to be recorded. One TF member stated no objection to recording the meetings. Another member stated that there is some evidence that recording meetings resulted in people who were less likely to say what they think. A second member agreed. There was therefore no consensus to record the meetings.

Amber asked if the TF's report should address barriers to change. Rachel concurred, noting that it might be useful to speak to the City Council ahead of providing them the report to help ensure that there would be appetite for the TF's recommendations. Christine concurred. Mike added the largest barriers may be the effort required. Victor agreed that once the TF had produced some recommendations, it would be useful to have conversations with City officials to understand the appetite for such recommendations.

William Girardo asked what would happen if the TF proposed a recommendation that was contrary to county or state law. Victor responded that, at this point, the TF had not and did not have plans to propose anything in violation of state or county law.

Victor noted that the Global Alliance for Banking on Values included City First Bank of DC. William responded that indeed City First Bank of DC is a certified Community Development Financial Institution that is minority-owned and highly respected.

After confirming that the next TF meeting would be held on January 24, Victor moved to adjourn the meeting, which was supported by other members.