



## Takoma Park City Council Meeting – September 8, 2021 Agenda Item 3

### Work Session

Proposed Resolution Establishing a Task Force on Sustainable Banking and Investments

### Recommended Council Action

Consider establishing a temporary City task force on sustainable banking and investments with two purposes: 1) Identify steps to implement sustainable banking and investment policies that fulfill both the City's nuclear-free and climate change goals; and 2) Recommend updates to the implementation aspects of the nuclear-free ordinance, to best fulfill the purposes of the ordinance and to coordinate with the city's greenhouse gas emissions reduction goals.

### Context with Key Issues

The Council has identified as a priority the adoption of a sustainable investment and banking policy and practices as part of its goals for a Fiscally Sustainable Government and its Environmentally Sustainable Community.

The City's Nuclear Free Zone Act contemplates a socially responsible investment policy and implementation plan (Section 14.04.050), specifically addressing any investments the City may have or may plan to have in industries and institutions engaged in the production of nuclear weapons. The City's Climate Emergency Response Framework (2020) identifies City sustainable investment and banking policies and practices as a priority strategy to meet City climate and greenhouse gas reduction goals, including phasing out the use of financial funds or institutions that support or benefit from the fossil fuel industries.

Both the Nuclear Free Committee and the Committee on the Environment have made recommendations regarding sustainable investment and banking policies. City staff and consultant efforts in recent years have assembled information on previous city investment and banking practices and options for moving forward on this issue.

In addition, the Nuclear Free Zone Act, first adopted in 1984, has not been updated to coordinate with the City's greenhouse gas emissions reduction goals, to clarify its application to any City fossil-fuel-free policies, and to clarify and identify approaches that best implement the City's nuclear-free policy goals in the current time. As Council has conducted work sessions on another priority issue, improving the City committee system, questions about updating the Nuclear Free Zone Act have arisen.

The Task Force is proposed to have up to nine members, with a mix of expertise and skills in municipal finance, banking and investment; environmental, energy and nuclear free sustainability; and public education and outreach; and to report back to Council by January 31, 2021.

### Council Priority

Fiscally Responsible Government: Adopt sustainable investment and banking policies and practices.  
Environmentally Sustainable Community: Climate Change Mitigation - Work towards net-zero greenhouse gas emissions by 2035.

**Environmental Considerations**

Establishing a Task Force does not by itself have significant environmental considerations. A Council action to adopt any recommended sustainable investment policies would have a positive impact on the City's climate change goals and sustainability in the future.

**Fiscal Considerations**

Supporting a task force requires staff time and effort, particularly for the City finance staff, that could be directed to other priority areas. The City budget allocates \$10,000 to a consultant to work on this issue.

**Racial Equity Considerations**

Council-appointed advisory committees do not generally reflect the diversity of the population of Takoma Park, as shown by the committee member survey and data collected. Short-term task forces sometimes can attract more diverse and reflective membership. Improvements in implementation of various established City priorities that do not rely on Council-appointed committees or task forces may help in this respect. The task force's recommendations on sustainable investment and on code changes should include consideration of racial equity impacts, including intersections between climate change, nuclear weapons, and racial inequity, as well as the potential impacts of changed investment policies on racial equity.

**Attachments and Links**

- Draft Resolution

1 Introduced by:  
2

3 **CITY OF TAKOMA PARK, MARYLAND**

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5 **RESOLUTION 2021-**

6  
7 **ESTABLISHING A TASK FORCE**  
8 **ON SUSTAINABLE BANKING AND INVESTMENTS**  
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10 WHEREAS, the City Council in its 2021 Council Priorities identified adoption of sustainable  
11 investment and banking policy and practices as part of its goal for a Fiscally  
12 Sustainable Government; and  
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14 WHEREAS, the Takoma Park Nuclear Free Zone Act (City Code Chapter 14.04), adopted in  
15 1984, established the City as a nuclear-free zone “in that work on nuclear weapons  
16 is prohibited and that harmful exposure to high-level nuclear waste is limited within  
17 the City limits” (14.04.020), and  
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19 WHEREAS, the Nuclear Free Zone Act contemplates a socially responsible investment policy  
20 and implementation plan (Section 14.04.050), specifically addressing any  
21 investments the City may have or may plan to have in industries and institutions  
22 which are knowingly and intentionally engaged in the production of nuclear  
23 weapons; and  
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25 WHEREAS, the City’s Climate Emergency Response Framework (2020) sets a goal of  
26 aggressively moving to net zero greenhouse gas emissions by 2035, and identifies  
27 updating the City’s sustainable investment and banking policies and practices as a  
28 priority strategy, including phasing out the use of financial funds or institutions that  
29 support or benefit from the fossil fuel industries, as feasible; and  
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31 WHEREAS, the City’s Nuclear Free Committee has made recommendations concerning the  
32 City’s sustainable banking policies; and  
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34 WHEREAS, the City’s Committee on the Environment has recommended that the City adopt  
35 fossil-fuel-free policies including sustainable investment and banking policies; and  
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37 WHEREAS, City staff and consultant efforts in recent years have assembled information on  
38 historic city investment and banking practices, and the City budget contains funds  
39 for a consultant to advise on these issues.  
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41 NOW, THEREFORE, BE IT RESOLVED THAT the City Council establishes a short-term task  
42 force with two purposes:  
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- 44 1. Identify steps to implement sustainable banking and investment policies that fulfill both  
45 the City’s nuclear-free and climate change goals, including:

1 a. review the City’s policy statements and recommendations of nuclear free committee and  
2 committee on environment,

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4 b. build on previous staff efforts and consultant advice,

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6 c. define “sustainable” investments and identify specific city financial functions to be  
7 included, and

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9 d. work with consultants to recommend to Council the specific next steps on implementing  
10 these policies.

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12 2. Review and recommend updates to the implementation specifics of the nuclear-free  
13 ordinance, to best fulfill the purposes of the ordinance and to coordinate with the city’s  
14 greenhouse gas emissions reduction goals and other priorities, including

15  
16 a. clarify whether and how the ordinance applies to City uses and impacts of nuclear  
17 generated electric power as well as nuclear weapons,

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19 b. update specific tasks and assignments in ordinance,

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21 c. consider specific tasks assigned to standing committee, such as review of existing City  
22 contracts, awards, purchase orders; annual list of nuclear weapons producers;  
23 recommendations on transport of high-level nuclear waste; research on waivers of  
24 purchasing requirements.

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26 BE IT FURTHER RESOLVED THAT the task force shall consider the potential impacts of  
27 changes to city banking and investment policies, including positive and negative impacts on  
28 climate change, health, safety, housing affordability, racial equity, and other factors.

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30 BE IT FURTHER RESOLVED THAT the task force shall consist of seven to nine city residents  
31 with a mix of expertise and skills in municipal finance, banking and investment; environmental,  
32 energy and nuclear free sustainability; and public education and outreach.

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34 BE IT FURTHER RESOLVED THAT the task force will be appointed by the City Council in  
35 mid-October 2021 and report back to City Council by January 31, 2022.

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37 Adopted this \_\_\_\_ day of \_\_\_\_\_.

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39 Attest:

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