



Takoma Park City Council Meeting – September 22, 2021 Agenda Item 3

Voting Session

Resolution Establishing a Task Force on Sustainable Banking and Investments

Recommended Council Action

Establish 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**

4
5 **RESOLUTION 2021-**

6
7 **ESTABLISHING A TASK FORCE**
8 **ON SUSTAINABLE BANKING AND INVESTMENTS**
9

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:
43

- 44 1. Define and identify steps to implement sustainable banking and investment policies that
45 fulfill both the City’s nuclear-free and climate change goals, including:

1 a. review the City’s policy statements and the recommendations of the Nuclear Free
2 Committee and the Committee on the Environment,

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

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6 c. explore best practices and actions taken by other communities,

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8 d. define “sustainable” investments and identify specific city financial functions to be
9 included, and

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11 e. work with city staff and consultants to recommend to Council the specific next steps on
12 implementing these policies.

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

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

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21 b. update specific tasks and assignments in the ordinance,

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23 c. consider specific tasks assigned to the Nuclear Free Committee, such as review of
24 existing City contracts, awards, purchase orders; annual list of nuclear weapons producers;
25 recommendations on transport of high-level nuclear waste; research on waivers of purchasing
26 requirements; and outreach, and education on nuclear weapons issues.

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

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32 BE IT FURTHER RESOLVED THAT the task force shall consist of up to nine city residents to
33 the extent possible with a mix of expertise and skills in municipal finance, banking and investment;
34 environmental, energy and nuclear free sustainability; public education and outreach; and/or public
35 policy.

36
37 BE IT FURTHER RESOLVED THAT the task force will be appointed by the City Council in
38 mid-October 2021 and report back to City Council by January 31, 2022.

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40 Adopted this ____ day of _____.

41
42 Attest: