



# Takoma Park City Council Meeting – May 25, 2022

## Agenda Item 1

### **Voting Session**

Resolution Regarding the Report of the Sustainable Banking and Investments Task Force

### **Recommended Council Action**

Consider Resolution on recommendations for sustainable City investments and banking from the Task Force one Sustainable Banking and Investments.

### **Context with Key Issues**

The City Council appointed nine members of the public to serve on the Task Force on Sustainable Banking and Investments (Resolutions 2021-31, 2021-45, and 2021-47). The purposes of the Task Force were to define and identify steps to implement sustainable banking and investment policies that fulfill both the City's nuclear-free and climate change goals, and to review and recommend updates to the implementation specifics of the nuclear-free ordinance to best fulfill the intentions of the ordinance and coordinate with the City's greenhouse gas emissions reductions goals and other priorities.

The Task Force held regular meetings from December 2021 through March 2022 and generated a 46-page final report and set of recommendations. The Task Force presented their report to the City Council on April 6, 2022. The Task Force recommended changes to the City's socially responsible investment policy, investment objectives, principles for investment decision-making, banking services, certificates of deposit terms, police pension fund investment goals, and Maryland Local Government Investment Pool (MLGIP) participation.

The Task Force also recommended the creation of a new Sustainable Banking and Investment Committee to assist the City in implementing these recommendations, and commented on the role of the Nuclear Free Committee. These recommendations will be addressed separately in an upcoming City Council work session on city boards, committees and commissions.

### **Council Priority**

Environmentally Sustainable Community

### **Environmental Considerations**

The recommendations center on deeper integration of environmental sustainability, social responsibility, and governance (ESG) principles into the City's financial decision-making.

### **Fiscal Considerations**

Implementation of these recommendations could result in shifts in the City's investment portfolio makeup and demand additional staff capacity.

## **Racial Equity Considerations**

The Task Force recommendations place an emphasis on social responsibility as a key aspect of integrating ESG governance into City operations. The report emphasizes responsiveness to racial justice and equity issues.

## **Links and Attachments**

- Sustainable Banking and Investments Task Force webpage and Council Resolutions
- Sustainable Banking and Investments Task Force Final Report  
<https://documents.takomaparkmd.gov/government/boards-commissions-and-committees/SBI-Task-Force/SBI-Task-Force-Final-Report-20220322.pdf>
- Sustainable Banking and Investments Task Force presentation  
<https://documents.takomaparkmd.gov/government/city-council/agendas/2022/sbi-task-force-presentation-2022-04-06.pdf>

Introduced by:

**CITY OF TAKOMA PARK, MARYLAND**

**RESOLUTION NO. 2022-**

**Implementing Recommendations of the Sustainable Banking and Investment Task Force**

WHEREAS, the City Council in its 2021 Council Priorities identified adoption of sustainable investment and banking policies and practices as part of its goal for a Fiscally Sustainable Government; and

WHEREAS, the Nuclear Free Zone Act, adopted in 1984, contemplates a socially responsible investment policy (Section 14.04.050), specifically to address any City investments in industries and institutions which are knowingly and intentionally engaged in production of nuclear weapons; and

WHEREAS, the City's Climate Emergency Response Framework (2020) identifies updated sustainable investment and banking policies and practices as a priority strategy for moving to net zero greenhouse gas emissions by 2035, including phasing out the use of financial funds or institutions that support or benefit from the fossil fuel industries, as feasible; and

WHEREAS, the City's Nuclear Free Committee has made recommendations concerning the City's sustainable banking policies and the City's Committee on the Environment has informally recommended that the City adopt fossil-fuel-free policies including sustainable investment and banking policies; and

WHEREAS, the City Council established a short-term Task Force on Sustainable Banking and Investment in Sept. 2021 (Resolution 2021-31), with two purposes:  
1. Define and identify steps to implement sustainable banking and investment policies that fulfill both the City's nuclear-free and climate change goals; and  
2. Review and recommend updates to the implementation specifics 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 and other priorities; and

WHEREAS, that Task Force made a final report with recommendations to the City Council on April 6, 2022; and

WHEREAS, the City Council deeply appreciates the diligent work of the Task Force members, and thanks them for their time and effort in producing a thoughtful, comprehensive document in a limited amount of time, operating under pandemic conditions; and

WHEREAS, City implementation of these recommendations will extend beyond the term of this current city council.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council accepts the final report of the Sustainable Banking Task Force, for further review and implementation of many of the recommendations.

BE IT FURTHER RESOLVED THAT the City Council, to further its goal of adopting sustainable investment and banking policies, incorporates into City policy, and supports implementation of, the following policies and actions based on the Task Force recommendations, taking into account the City staff timetable and future analysis as provided for in the final resolved clause of this resolution:

- **Socially Responsible Investment Policy.** Adopt an investment policy that integrates ESG (environmental, social and governance) principles in all City investment decision making, by updating the current City investment policy adopted in 2001; and prohibiting City investments in companies included in the Carbon Underground 200™, and any industries and institutions engaged in the production of nuclear weapons.
- **Banking Services.** Initiate the adoption of sustainable banking services for the City by identifying financial institutions operating in our region that incorporate an ESG policy prohibiting financing to nuclear weapons producers or for fossil fuel extraction, and, depending on the results of that analysis, proceed with the issuance of a Request for Proposals
- **Certificates of Deposit.** Investigate options for the purchase of CDs from socially responsible, or ESG-friendly, financial institutions, such as those who have committed to ESG, green, and inclusive banking goals, or are certified as B Corporations.
- **Police Pension Fund.** Encourage the Police Pension Fund to consider ESG criteria and/or divestment on its own by adopting, at a minimum, the ESG policies of the SRPS in the current MSRA Investment Policy manual.
- **Maryland Local Government Investment Pool.** Work with other governmental agencies participating in the Pool (MLGIP) and State legislators to encourage the MLGIP to consider more explicitly the social impact of its investments.
- **Sustainable Banking and Investment Committee.** Identify specific tasks for a Sustainable Banking and Investment Committee to assist City staff in implementing these policies and tasks, and establish such committee if there's a determination that the tasks are impractical for City staff to handle, based on their capacity and workload.

BE IT FURTHER RESOLVED THAT the City Council directs city staff to report to the Council by September 2022 with a timeline to implement these policies and actions, including evaluating options and potential impacts which may affect the speed and method of implementation.

Adopted this 25th day of May, 2022.

Attest:

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Jessie Carpenter, CMC  
City Clerk