

City of Brisbane

Agenda Report

To: City Council via City Manager

From: Stuart Schillinger, Administrative Services Director

Subject: Resolution No. 2017-10 Requesting Wells Fargo Bank to Cease Funding the Dakota Access Pipeline and Not to Fund Similar Projects in the Future.

Date: April 27, 2017

Purpose:

Ensure our business partners have the same values of ecological sustainability which the City has stated.

Recommendation:

Adopt Resolution No. 2017-10 and send a letter to Wells Fargo stating the City's concerns regarding its investment in the Dakota Access Pipeline (DAPL) project or similar projects in the future.

Background:

The Open Space and Ecology Committee (OSEC) reviewed a proposal to have the City discontinue any banking relationship with Wells Fargo on February 22, 2017. The Committee discussed the concerns of the Dakota Access Pipeline. The pipeline will carry oil from Canada through the United States and run underneath the Missouri River, and near the Standing Rock Sioux reservation. Since pipelines have the potential of breaking, there is a potential of having oil spill into the Missouri River affecting the drinking water of the Sioux Indians as well as millions of other people downstream. OSEC reviewed these concerns from the perspective of the City's past action of asking the PERS Board to divest from fossil fuel related investments in light of the City Council's adopted value of ecological sustainability.

The Administrative Services Director informed the Committee that Wells Fargo was the main bank which the City uses for both its operating account and its payroll account. He also reported a number of other banks in the area, including Bank of America, Chase, Citibank, Comerica Bank, and U.S. Bank among many others, have provided funding for the Dakota Access Pipeline. With the limited number of banks available to handle the City's finances the Committee decided it would be better to request Wells Fargo to withdraw its funding from the project and not fund similar projects in the future. The Committee also requested the Administrative Services Director check into New Resources Bank, a bank which has a more ecologically sustainable investment policy than regular commercial banks.

Discussion:

The Dakota Access Pipeline allows for the continued reliance on oil as the primary fuel of this Country. The City Council has stated in its Ecological Sustainability value statement that the City should "be a leader in the use of clean energy, green buildings, carbon reduction, and pollution control

technologies.” The OSEC believes the businesses with which the City partners should demonstrate similar values since one way to make changes in society is through the control of capital. The attached Resolution states the reasons why this pipeline is not a project which meets the City’s values and asks the Bank to stand with the City in not seeking a short-term economic gain for the long-run cost of polluting the planet’s atmosphere and waterways.

Staff followed up on the request of discussing the potential of moving its banking operations to New Resources bank if at some future time the City Council determined it wanted to seek another banking partner. Unfortunately, New Resources Bank does not take cash deposits and requests all deposits be made either electronically or through checks. The City takes cash for a number of services including water and sewer payments, business licenses, parks and recreation programs, and other permits. Therefore switching to New Resources Bank for the City’s banking services is not a viable option.

Fiscal Impact:

There is no direct financial impact to the City by the adoption of this resolution or sending a letter to Wells Fargo. However, it is the hope of the Open Space and Ecology Committee that the Resolution along with pressure from other customers and shareholders will encourage Wells Fargo to begin to take into account long-term environmental and economic issues when it is making its investment and lending decisions which could lead to a cleaner planet in the future.

Measure of Success

Wells Fargo calls its loan related to the Dakota Access Pipeline project and/or does not invest in similar projects in the future.

Attachments:

Resolution No. 2017-10



Stuart Schillinger
Administrative Services Director



Clay Holstine
City Manager

RESOLUTION NO. 2017- 10

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRISBANE REQUESTING WELLS FARGO BANK TO CEASE ITS FUNDING OF THE DAKOTA ACCESS PIPELINE AND NOT TO FUND SIMILAR PROJECTS IN THE FUTURE

WHEREAS, Wells Fargo Bank (“WFB”) is the City of Brisbane’s primary bank where the City’s commercial account is kept, with over \$2,000,000 of City assets deposited in WFB; and

WHEREAS, WFB, along with other commercial banks, has invested in the Dakota Access Pipeline (“DAPL”) project and has made loans to Energy Partners, the company building the DAPL; and

WHEREAS, the DAPL will carry oil from Canada through the United States, including underneath the Missouri River, near the reservation of the Standing Rock Sioux; and

WHEREAS, the Standing Rock Sioux and many others believe the DAPL presents a clear and present danger to the Missouri River which supplies drinking water to the Sioux and millions of others downstream; and

WHEREAS, the Sioux have also protested the construction of the DAPL on grounds that it damages sites held sacred by the Sioux, including ancestral burial grounds, thereby violating the National Historic Preservation Act; and

WHEREAS, in response to the American public’s concerns, including the concerns of the Standing Rock Sioux, the Obama administration launched a new review process of the DAPL before it could be constructed within the United States; and

WHEREAS, the Trump administration has now cancelled that review, thereby allowing the construction of the DAPL to proceed; and

WHEREAS, the DAPL constitutes an expensive addition to the fossil fuel infrastructure, by enabling the extraction, refining and combustion of oil and natural gas, continues the United States’ dependence on these products, thereby guaranteeing the emissions of hundreds of millions of tons of additional carbon dioxide into the earth’s atmosphere, contributing to global warming; and

WHEREAS, the City’s Open Space and Ecology Committee has requested the Brisbane City Council to reaffirm its commitment to sustainability, to the rights of Native Americans, and to climate protection by adopting a resolution asking WFB to call in its loans to Energy Partners and to refrain from making loans for similar projects in the future.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BRISANE DOES RESOLVE AS FOLLOWS:

Section 1. The City of Brisbane requests Wells Fargo Bank, headquartered in San Francisco, which is the City’s primary bank holding over \$2,000,000 in City assets, to call in its loans to Energy Partners with respect to the funding of the Dakota Access Pipeline project and to refrain from making loans in the future for similar projects.

Section 2. The Mayor of the City of Brisbane, on behalf of the Brisbane City Council, is to send to Wells Fargo Bank a letter, along with this Resolution, requesting Wells Fargo Bank to take action as set forth in this Resolution.

Section 3. This Resolution shall take effective immediately upon its adoption.

Lori Liu, Mayor

The foregoing resolution was adopted by the City Council of the City of Brisbane at its regular meeting on April 27, 2017 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Ingrid Padilla, Interim City Clerk