



Sunnyvale

DRAFT

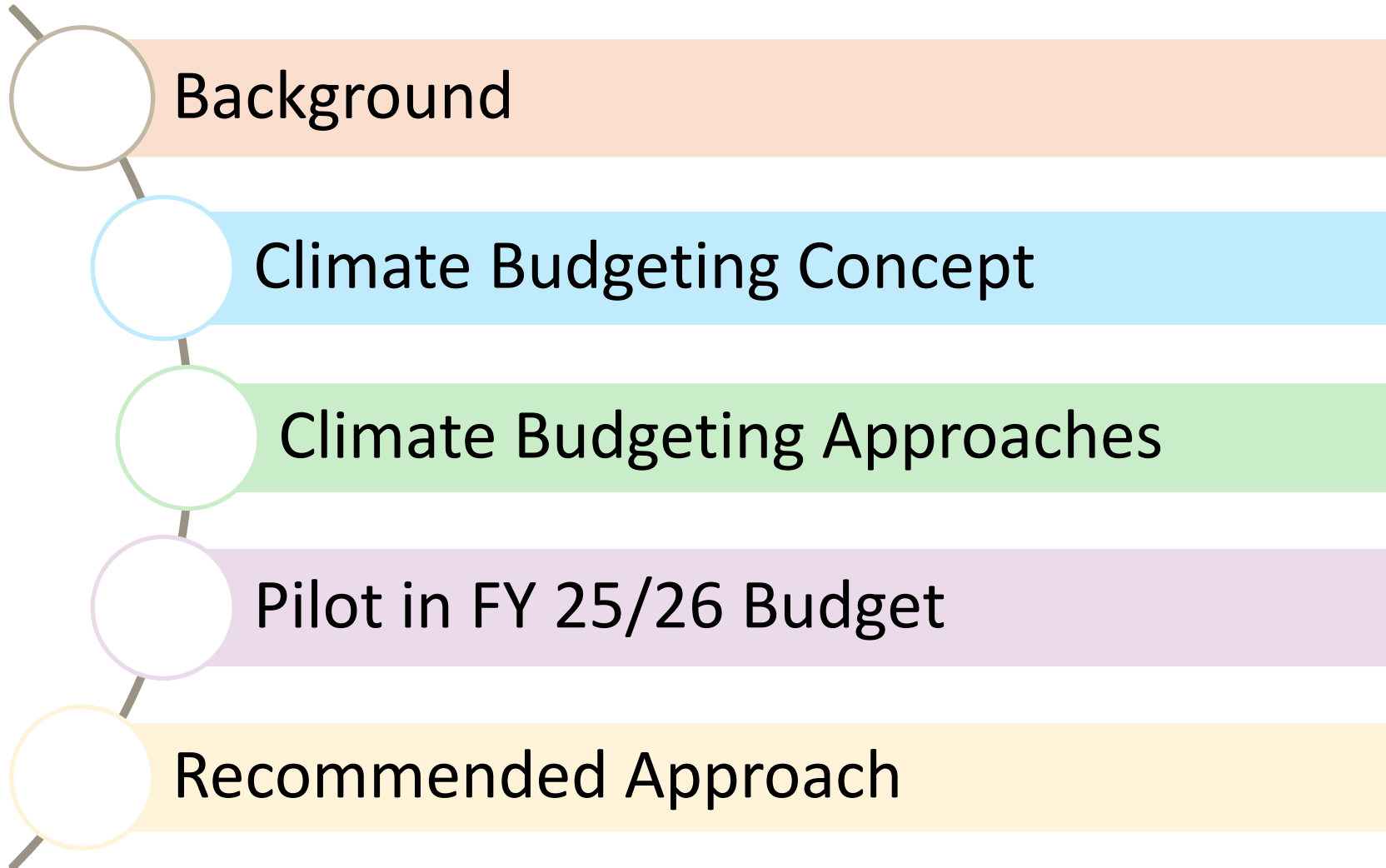
# ESD 23-01 Climate Budgeting Update

July 21, 2025 – Sustainability Commission  
August 12, 2025 – City Council



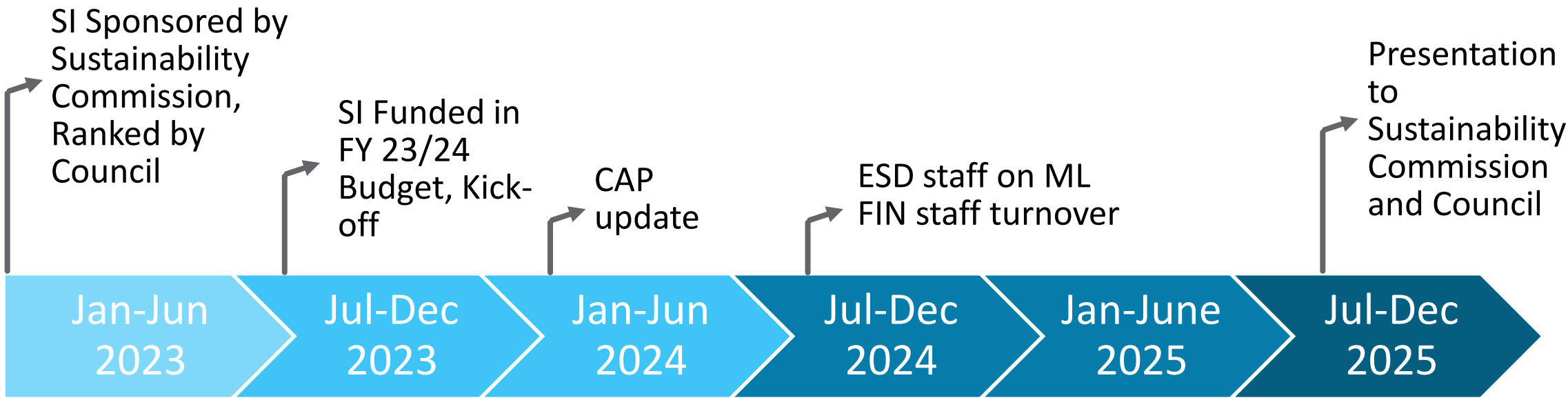
# Agenda

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# Background

- Proposed, Sponsored, Ranked and funded in FY 23/24 process
- Est 18 months to complete
- Completed in-house
- Key elements: research and evaluate climate budgeting approach for Sunnyvale





## Climate Budgeting Concept

# Climate Budgeting

- A governance tool to systematically integrate climate commitments into funded, measurable city actions.
- A way to operationalize the Climate Action Playbook and prioritize high-impact emissions reduction projects.
- A method to embed climate targets and considerations into routine budget decision-making processes.



# How to Operationalize Climate Budgeting

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**Integrate Sustainability Staff**

**Involve All Departments**

**Start with Qualitative Assessments**

**Be Flexible and Adaptive**

**Communicate to the Public**

Source: C40Cities and Commissioner Kristel Wickham



# Example of Operationalizing Climate Action in Sunnyvale

## Policy

- Electric Vehicle (EV) First Policy
- Purchasing Policy notification applied to Amazon products

## Projects

- 835390 - Peery Park Rides Shuttle Program (Move 3.F)
- 832750 - City Maintained Tree Inventory (Move 4.M)

### ✓ Organization preferred

Admin note: "Please make sure all purchases follow the Purchasing Policy and all paper purchases follow the Environmental Purchasing Policy."



Swedish Dish Cloths -  
Dishcloths - Ultra Abs  
Washing Dishes - Cell  
Cleaning Rag - Assort

[Visit the MolKENE Store](#)

4.6 ★★★★★ (2,842)



**Amazon's Choice** for "swedish dishcloths"



## Climate Budgeting Approaches

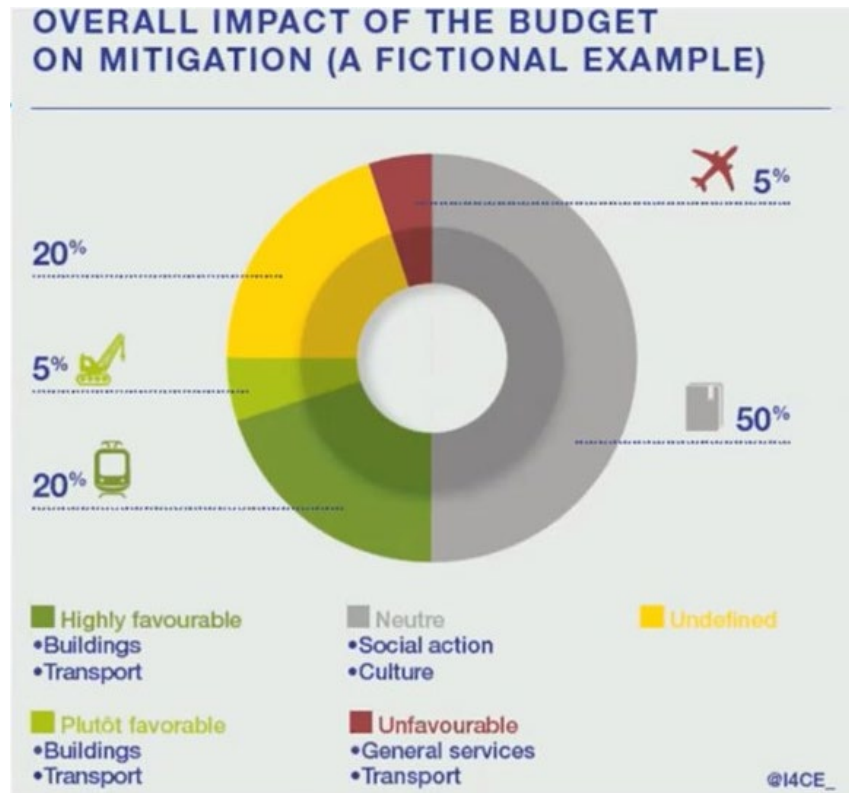


# Climate Budgeting Approaches by City

City	Integrated	Key Highlights
<b>Oslo, Norway</b>	<b>Advanced/ Institutionalized 2016</b>	<ul style="list-style-type: none"> <li>• Each department reports climate impacts linked to their budgets</li> <li>• Use of detailed emissions accounting frameworks</li> <li>• Budget linked to Oslo's Climate and Energy Strategy</li> <li>• Mandatory climate reporting as part of budget approval</li> </ul>
<b>New York City</b>	<b>Developing/ Expanding 2021 – 2022</b>	<ul style="list-style-type: none"> <li>• Detailed project-level climate spending and impact estimates</li> <li>• Publicly accessible and transparent</li> <li>• Includes both adaptation and mitigation expenditures</li> </ul>
 <b>Paris, France</b>	<b>Developing/ Piloting 2014 – 2016</b>	<ul style="list-style-type: none"> <li>• Citizens propose and vote on projects</li> <li>• Projects are classified as “favorable” (green, sustainable, climate-positive) or “unfavorable” (high emissions, resource-intensive)</li> <li>• A significant share of the budget reserved for favorable projects</li> <li>• Regular public reporting on project outcomes</li> </ul>
 <b>Flagstaff, Arizona</b>	<b>Early/ Aligned 2019 – 2021</b>	<ul style="list-style-type: none"> <li>• Budget evaluated against emissions and resilience goals</li> <li>• Priority-Based Budgeting (PBB) framework used to align spending with community and climate priorities</li> <li>• Annual climate alignment reporting</li> </ul>

# Approach 1: Climate Assessment Guide – Paris, France

- The Institute for Climate Economics (I4CE) methodology provides a systematic line-by-line analysis of the city's budget using an action-based rating framework.



HIGHLY FAVOURABLE	having a highly positive impact on the current and the future climate: compatible with a carbon-neutral France • Energy retrofit of buildings • Developing electric public transport
QUITE FAVOURABLE	enabling a reduction in emissions but insufficient for achieving carbon neutrality or presenting a risk of lock-in with technology in the long term • Purchase of natural gas busses: a fleet of natural gas busses could be made carbon neutral if they were 100% powered by biogas
NEUTRAL	no significant impact on the low-carbon transition • Social and cultural expenditures (except building, energy, travel&food expenditures)
UNFAVOURABLE	incompatible with carbon neutrality, generating significant greenhouse gas emissions • Fuel expenditure • Creation of new roads and carparks
UNDEFINED	having a theoretical impact on the climate but currently not classifiable due to a lack of information or data. The analysis will be conducted in the years to come. • Cost of studies, purchases and salaries when the object of expenditure has not been analysed

Source: I4CE - <https://www.i4ce.org/en/>

## Approach 2: City of Flagstaff, Arizona

- The Sustainability Director participates early fiscal budgeting process.
- Flagstaff transitioned from a traditional line-item budgeting approach to a Priority-Based Budgeting (PBB) framework.
- The Finance team and Sustainability staff developed tailored questions to incorporate their City's CAP priorities into funding decisions.





# Flagstaff, Arizona PBB Dashboard

## Welcome to PBB OpenData

This site summarizes our work in priority based budgeting(PBB). PBB is a recognized best practice and budgeting tool that provides improved transparency over traditional forms of line item budgeting. In PBB the cost of our services are defined at the program level. Additionally, our programs are evaluated against our priorities.

**Program Costs** - This process starts with our line item budget. Then through a process of time and cost allocation we determined how much it costs to provide the programs shown.

**Program Priorities** - Every program is evaluated against all of our priorities. Through a peer review scoring process the programs are assigned a score in each priority from 0 to 4.

The plot below provides a top down view of how much our program costs and what priorities they serve. Click "Next" to learn more.



HIGH PERFORMING GOVERNANCE	SAFE AND HEALTHY COMMUNITY	INCLUSIVE AND ENGAGED COMMUNITY	SUSTAINABLE, INNOVATIVE INFRA.	ROBUST RESILIENT ECONOMY	LIVABLE COMMUNITY	ENVIRONMENTAL STEWARDSHIP	ALL PRIORITIES
Be an inclusive employer of choice by providing employees with the necessary tools, training, support, and compensation	Cultivate community communication engagement practices that are clear, consistent, and timely	Encourage public trust through transparency, accessibility, and use of the City's public participation policy	Implement and communicate innovative and efficient local government programs, new ideas, and best practices	Maintain the organization's fiscal stability through strong financial policies and best practices	Serve the public by providing high quality customer service		

Select Tabset

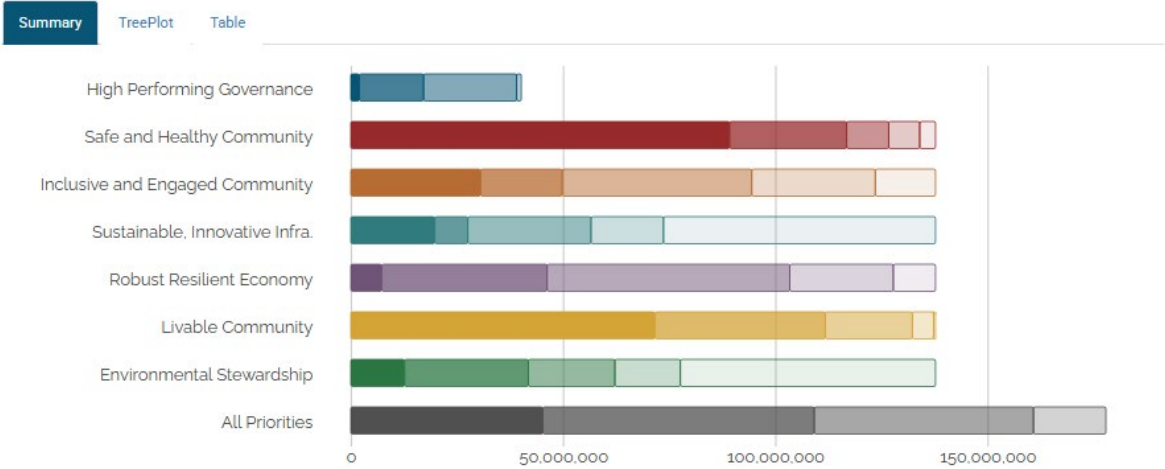
Results

Select Budget

Fiscal Year - 2025

Select a Service Area

All Available



# Flagstaff, Arizona PBB Dashboard

HIGH PERFORMING GOVERNANCE

Promote protect and enhance a healthy sustainable environment and its natural resources

SAFE AND HEALTHY COMMUNITY

Engage community members through education and volunteer opportunities

INCLUSIVE AND ENGAGED COMMUNITY

Implement sustainable building practices enhance waste diversion programs alternative energy programs and multi-modal transportation options

SUSTAINABLE, INNOVATIVE INFRA.

Increase the private sectors participation in environmental stewardship efforts

ROBUST RESILIENT ECONOMY

Implement maintain and further the Climate Action and Adaptation Plan CAAP with awareness of social inequities

LIVABLE COMMUNITY

Strengthen Flagstaffs resilience to climate change impacts on built natural economic health and social systems

ENVIRONMENTAL STEWARDSHIP

ALL PRIORITIES

Select Tabset

Results

Select Budget

Fiscal Year - 2025

Select a Service Area

All Available

Summary

TreePlot

Table

The table shows the highest cost program by category. Click more info to see a detailed breakdown of the program costs.

Download Table

Search:

More Info	Environment	DirectCost	Program	Description
More Info	4	3,675,933	Fire Suppression	All management processes, associated fees, fleet, training, equipment for extinguishment and special skills/operations to protect lives and to prevent the destruction of property
More Info	4	1,885,198	Wildfire Response	All management processes, associated fees, fleet, training, and equipment for extinguishment to protect lives and to prevent the destruction of property as a result of wildfire.
More Info	4	917,062	Commercial Recycle Collections	Service commercial recycle customers
More Info	4	873,832	Residential Recycle Collections	Service residential customer's recycle carts
More Info	4	713,337	Wildfire Management	Climate Adaptation, Crew 1, Flagstaff Watershed Protection Project, Fleet, Equipment, Wildfire Response and Mitigation (Local and Off District)
More Info	4	645,867	Reclaimed Water Reclamation Plant Operations & Maintenance	Operations to process and treat wastewater to A+ Reclaimed water. On call personnel are ready to respond 24 7 to irregular operations or emergencies in the water system, Water Tank Inspection and Rehabilitation. Pump and Valve Operation Maintenance and Repair, Tanks inspections, regular scheduled maintenance, emergency repairs.
More Info	4	622,558	Climate Action: Community-focused Resilience and Mobilization	Community-wide climate action including education and behavior change initiatives on reducing emissions, adaptation, and resilience; community empowerment, incentive programs, and capacity building.



## Pilot: FY 25/26 Projects Budget Cycle

# FY 2025/26 Budget Principles

- ✓ Supports Council Policy and Strategic Priorities
- ✓ Focused on Capital Projects
- ✓ Optimizes revenue sources and uses with discipline and vision
- ✓ Meets all legal requirements
- ✓ All funds balances to the ten and twenty years per City Charge and Council Policy



Responsive  
Government



Welcoming  
Community



Sustainable  
City



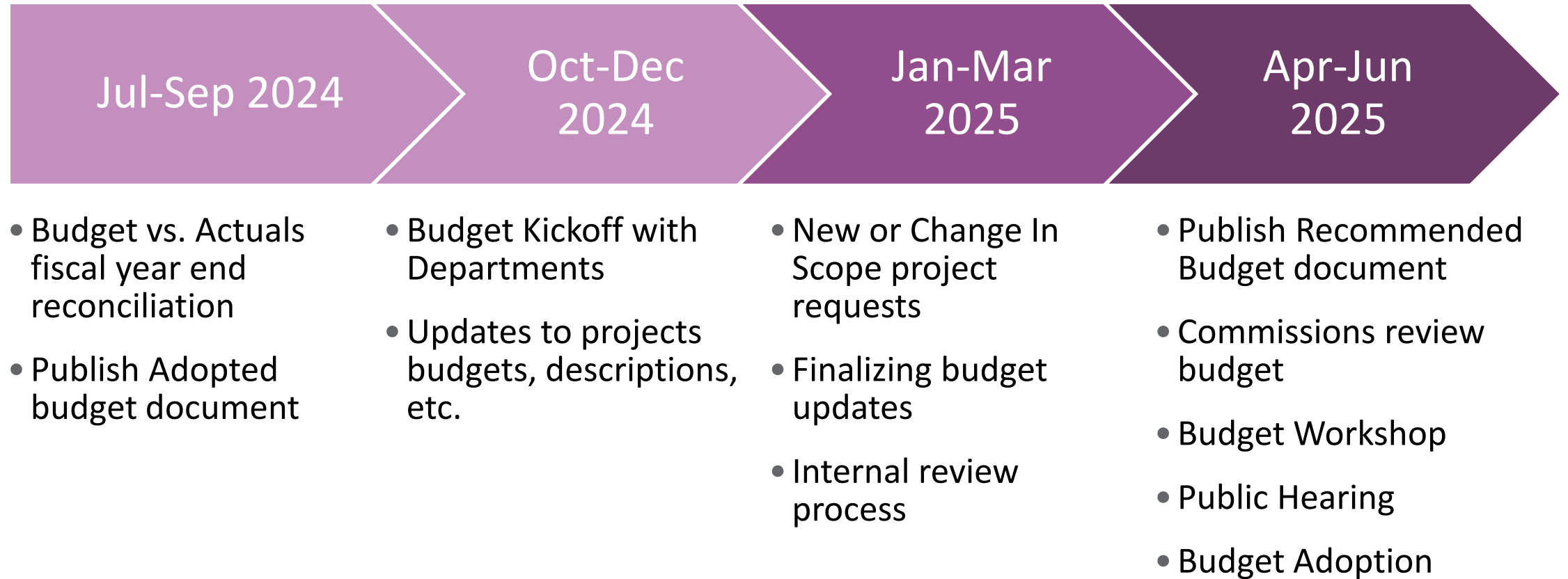
Housing  
Solutions



Modern  
Infrastructure



# FY 2025/26 Budget Process



# Pilot: FY 25/26 Projects Budget

## FY 2025/26 Projects

- A new project category titled "Climate Action Related" was added as a project parameter as part of the FY 2025/26 Budget cycle
- Not widely used, needs better introduction and explanation
- CAP is intended to be used as part of the consideration criteria for future projects

## Climate Action Check Box

The screenshot shows a web application interface for project management. At the top, there is a navigation bar with the following elements: '25-26' with a dropdown arrow, '831290 - Climate Action Plan Implementation', and 'Main (Active)' with a dropdown arrow. Below this is a secondary navigation bar with tabs: 'Dashboard', 'General' (which is underlined and has a dropdown arrow), 'Budget' with a dropdown arrow, 'Stats' with a dropdown arrow, 'Advanced' with a dropdown arrow, and 'Reports' with a dropdown arrow. The main content area displays a list of checkboxes for project parameters. On the left side, the checkboxes are: 'Technology Component', 'Art in Public Places Eligible', 'Prevent Inflation', 'Meets Capitalization Threshold', and 'No Carryover'. On the right side, the checkboxes are: 'Project Administration', 'Art in Private Development Required', 'Park Dedication Eligible', and 'IT Steering Committee'. At the bottom right, the checkbox 'Climate Action Related' is checked and is highlighted with a green rectangular border.

25-26 ▾   831290 - Climate Action Plan Implementation   Main (Active) ▾	
Dashboard   General ▾   Budget ▾   Stats ▾   Advanced ▾   Reports ▾	
<input type="checkbox"/> Technology Component	<input type="checkbox"/> Project Administration
<input type="checkbox"/> Art in Public Places Eligible	<input type="checkbox"/> Art in Private Development Required
<input type="checkbox"/> Prevent Inflation	<input type="checkbox"/> Park Dedication Eligible
<input type="checkbox"/> Meets Capitalization Threshold	<input type="checkbox"/> IT Steering Committee
<input type="checkbox"/> No Carryover	<input checked="" type="checkbox"/> Climate Action Related

## FY 2025/26 Adopted Budget Projects marked "Climate Action Related"

Project	FY 2025/26 Budget	20-Year Budget
831290 – Climate Action Plan Implementation	\$525,000	\$1,305,000
837140 – Construction & Demolition Program RFP	\$60,000	\$60,000
837170 – SMaRT Station Energy Usage Assessment	\$50,000	\$50,000
837440 – Producing Recycled Water	\$1,425,000	\$2,850,000
837450 – Recycled Water Pipeline Expansion	\$0	\$1,550,000
<b>Total</b>	<b>\$2,060,000</b>	<b>\$5,815,000</b>



## Recommended Approach for Sunnyvale

# Sunnyvale Climate Budget Approach

## Staff Recommended Approach



Track spending on Climate Action Plan supportive projects

Introduce CAP checkbox with Strategy subcategories



Develop understanding of spending per CAP Strategy

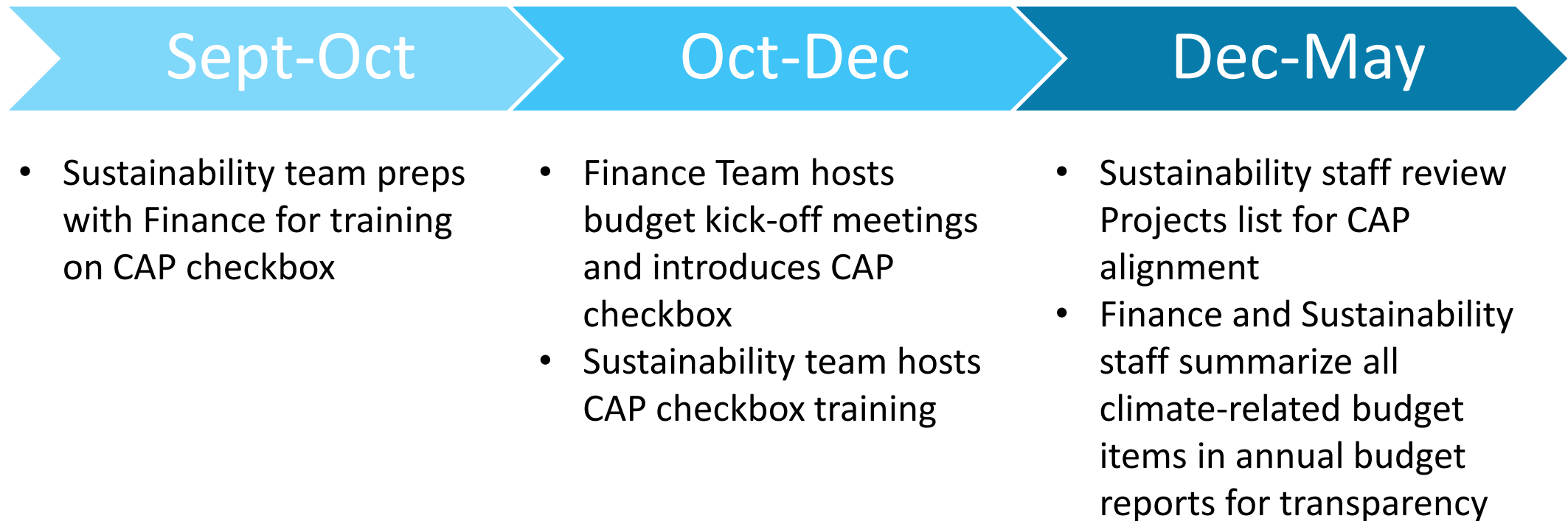
Examine spending over time per Strategy, align with CAP GHG targets



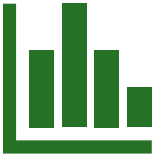
Sustainability considerations integrated into decision making process

# Sunnyvale Climate Budget Approach

## Projects Budget Cycle (FY 27/28):



# Not Recommended for Sunnyvale



## Quantification of emissions per project

- Costly
- Time intensive
- Minimal Impact



## Prioritizing or deprioritizing projects based on alignment with CAP

- Software required
- Integration with current process/software unlikely



# Questions and Feedback



Thank you!



## Resources

# Resource List

- C40 Cities: [Climate Budgeting Programme - C40 Cities](#)
- Flagstaff – [https://www.resourcex.net/hubfs/Flagstaff%20Case%20Study%20\(Final\).pdf](https://www.resourcex.net/hubfs/Flagstaff%20Case%20Study%20(Final).pdf)
- New York City - <https://www.nyc.gov/assets/omb/downloads/pdf/exec24-nycrb.pdf>
- OpenData, Flagstaff - <https://openpbdata.net/Flagstaff/>
- Oslo, Norway - [https://www.c40knowledgehub.org/s/article/Oslo-s-Climate-Budget?language=en\\_US](https://www.c40knowledgehub.org/s/article/Oslo-s-Climate-Budget?language=en_US)
- The Institute for Climate Economics (I4CE) - <https://www.i4ce.org/wp-content/uploads/I4CE-Budget-climate-assessment-methodology.pdf>

