

EXCERPT

- 3 [14-1040](#) Approval of a Work Plan to Achieve the 2020 Greenhouse Gas Reduction Targets in the Adopted Climate Action Plan and Budget Modification No. 22
Staff Contact: Gerri Caruso, (408) 730-7591, gcaruso@sunnyvale.ca.gov

Melody Tovar, Regulatory Division Manager in the Environmental Service Department, introduced Elaine Marshall, Environmental Programs Manager for the Stormwater and Sustainability Program, and presented the staff report.

Comm. Harrison and Trudi Ryan, Planning Officer, discussed the Climate Action Plan (CAP) study issues process. Staff indicated that several study issues mistakenly did not have years of planned study indicated and that the staff report to City Council would have the corrected list. Comm. Harrison confirmed with Ms. Ryan that it would not be beneficial for the Planning Commission to suggest a study issue if it is already contained within the CAP work plan, and that the supplemental checklist to determine whether a project complies with the CAP will immediately be included in the initial study checklist of the next development project that comes before the Planning Commission. Comm. Harrison and Ms. Tovar discussed the proposed change to the frequency with which the Greenhouse Gas (GHG) inventory database will be updated.

Vice Chair Olevson and Ms. Tovar discussed the source of funding for CAP activities.

Comm. Klein suggested adding a column to the chart that lists the source of funds and increasing the size of the chart.

Comm. Rheume discussed with staff whether funding will be sought for all activities that have not yet started and that those in progress or ongoing are currently budgeted. Comm. Rheume and Ms. Tovar discussed the proposed budget modification and the allocation of that budget to staff. Comm. Rheume confirmed with Ms. Ryan that items not yet started would not go to City Council for approval if no additional budget is required.

Comm. Durham discussed the State cap and trade program and how it will affect individuals with Ms. Marshall.

Chair Melton commented on previous discussions of time-of-sale residential energy audits, and Ms. Tovar said incentive programs are currently being explored.

Chair Melton opened the public hearing and, upon seeing no speakers for this item,

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closed the public hearing.

Comm. Harrison moved to recommend to City Council Alternatives:

- 1) Approve the Climate Action Plan Work Plan 2020;
- 2) Approve the bi-annual CAP monitoring and reporting timeframe;
- 3) Approve the bi-annual CAP modification process;
- 4) Approve revised CAP action related to residential energy and water audits; and
- 5) Approve Budget Modification No. 22 to provide funding for the CAP tracking tool and for initial outreach for CAP implementation.

Comm. Rheume seconded.

Comm. Harrison said staff in many departments have worked hard on this and that while she understands the concerns about budget, most items are already budgeted. She added that there are big items not already budgeted, but that staff is conscious about, and is making arrangements for, the cost of implementation.

Comm. Rheume said he will be supporting the motion and thanked staff for doing a great job on this proposal. He said most initiatives are already underway and funded with existing budgets and anything requiring a significant amount of money will go up against the existing budget and will go to City Council. He said he likes the revised CAP action related to residential energy and water audits, and that while he is also concerned about the budget, he is confident that big ticket items will go before City Council before moving forward.

Vice Chair Olevson said he will not be supporting the motion and respectfully disagrees with his fellow Commissioners who do. He said we have a fiduciary responsibility to the residents to use their tax money wisely and that means knowing what the costs are before spending the money. He said the plan is more like a wish list and that without any clear funding mechanism we will be locking in a policy to spend money when we have priorities already identified. He said he thinks taking it out of the General Fund is inappropriate, and that while he recognizes staff is going to try to obtain grant money from the State or other sources, it is just a vague unknown. He added that individual items are very loosely budgeted and because of that and the pressure on the budget we have seen in recent years, including the reduction in City staff and services to the citizens in terms of roads, trees police and fire, he cannot recommend to City Council adopting a plan without knowing its cost.

Comm. Durham said this is a pretty good document and that staff should be applauded for the time and consideration that went into it. He thanked the

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community members and business people who provided input on the plan, and said he recognizes that Sunnyvale's contribution to greenhouse gas is small in the overall picture, but that we are in an area where we can take the lead and push for new standards. He said City Council will be mindful of taxpayer dollars and how we fund and balance those yet unfunded things.

Comm. Simons said he very much supports this project and its impacts long term, but will be supporting Vice Chair Olevson's perspective with a different twist, and that Sunnyvale's process for decades has been eating the vegetables first and having long term benefits from doing the planning long term. He said he would like to have seen designating sources of funding and that there have been too many projects that, no matter how laudible, have General Fund-based sourcing. He said Sunnyvale is unique in that it does 20-year planning, and that it may be only a small portion of talked about fees, because some projects are going to be self-funded, from different budgets or from grants, but that the sustainability of this project, if it is that important, requires having that funding targeted and knowing if we are going to be cutting programs in the City upfront, or whether it will be increasing certain fees to support the base minimum amount of dollars dedicated to this project. He said he does not support the General Fund funding of this long term project, and that if the sourcing was spelled out in the budget and was incorporated into the long term planning and financing he would be very supportive of this project.

Comm. Klein said he will not be supporting the motion, and that the goals of the work plan are very important, but that he has similar questions about the long-term funding of this project. He said he understands what the fine print graph is trying to do by listing that grants will be sought, but he worries about the General Fund and how this is used. He said City Council ultimately decides how funds will be spent, and that when we look at projects like this we look at the fees applied and where the funding is coming from, but here we look at doing good for the environment and City but not necessarily with the appropriate fees associated. He said he is reluctantly not supporting the motion as it is the fiscally conscientious thing to do.

Chair Melton said he will not be supporting the motion, and that what we are talking about is incredibly important and is the Sunnyvale way, which has been lauded for decades and has received a presidential visit. He said it does feel like there are some potentially very large items that may present difficult choices for City Council that we need to get out in front of.

MOTION: Comm. Harrison moved to recommend to City Council Alternatives:

- 1) Approve the Climate Action Plan Work Plan 2020;
- 2) Approve the biennial CAP monitoring and reporting timeframe;

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- 3) Approve the biennial CAP modification process;
- 4) Approve revised CAP action related to residential energy and water audits; and
- 5) Approve Budget Modification No. 22 to provide funding for the CAP tracking tool and for initial outreach for CAP implementation.

Comm. Rheaume seconded. The motion failed by the following vote:

- Yes:** 2 - Commissioner Durham
Commissioner Harrison
- No:** 5 - Chair Melton
Vice Chair Olevson
Commissioner Klein
Commissioner Rheaume
Commissioner Simons

Comm. Simons said he would like to generate a motion that sends the issue back to staff to lay out a funding and long-term sustainability plan for this, including where funding comes from and whether it can be maintained without planned expenditures from the General Fund. He said we need to find sourcing for this program somewhere, whether it requires tapping into other programs or projects that will be diminished or having to deal with fees to support something with a nexus to it, and that this would be his request to staff and City Council. Ms. Tovar reiterated that not all items are proposed to be funded by the General Fund, and suggested taking the Alternatives separately.

MOTION: Comm. Simons moved to recommend to City Council Alternatives:

- 2) Approve the biennial CAP monitoring and reporting timeframe;
- 3) Approve the biennial CAP modification process; and
- 4) Approve revised CAP action related to residential energy and water audits.

Comm. Harrison seconded.

Comms. Simons and Harrison had no comment on the motion.

The motion carried by the following vote:

- Yes:** 6 - Chair Melton
Commissioner Durham
Commissioner Harrison
Commissioner Klein
Commissioner Rheaume
Commissioner Simons
- No:** 1 - Vice Chair Olevson

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Comm. Simons said that if any other Commissioner wanted to tackle Alternatives 1 and 5, he suggests sending them back to staff and to City Council to incorporate into the budgetary process to locate funding other than that of the General Fund.

Vice Chair Olevson moved to recommend that City Council refer the CAP Work Plan 2020 back to staff to delineate funding sources for the next six years.

Chair Melton seconded for the purposes of discussion and offered a friendly amendment to refer the CAP Work Plan 2020 back to staff to delineate funding sources and for further scrubbing of the cost entailed for each item.

Vice Chair Olevson accepted.

Vice Chair Olevson said this CAP could be a viable document going forward if we have a clear understanding of where the money will be coming from and where it will be going, but that it is too vague right now.

Chair Melton said this is an important topic but we need to erase some important financial question marks and give staff an opportunity to provide additional clarity on magnitude items and their potential fundings sources, which would give the Commission comfort to provide a recommendation to City Council.

Comm. Durham said he will be supporting the motion.

Ms. Tovar asked for clarification of "delineation of funding sources," to which Vice Chair Olevson responded that it means identifying the services we would need to do without if funding comes from the General Fund or away from already budgeted activities. Ms. Ryan interjected that the budget modification discussed in the report shows that funding will come out of reserves and not the operating budget, which is not money earmarked for a particular service. She said Council will have to decide to set aside money specifically for CAP implementation and how to spend some of those reserves.

Comm. Rheume said he will be supporting the motion, and noted that he changed his vote during the first motion. He said we need to get ahead of this to avoid making difficult decisions, and thanked staff for clarifying that we would be taking from the reserve, which causes him to wonder what else we could be using that funding for. He said taking a look at having a fund on its own to support this is what we are looking for.

Comm. Harrison noted that there are discretionary funds budgeted every year that

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can be drawn on when needed, and said she is curious about whether during budget discussions in June staff will present to City Council a budget that includes money for CAP implementation on an ongoing basis. Ms. Ryan said when the CAP was presented to Council in the Spring, the Council was concerned about pre-committing to everything in the CAP, so it was organized to, on an annual basis, go to them and ask if this is year to fund it. She noted that the Planning Commission does not want to go this direction, and staff recommends that Council look at it every year when that item comes up in the queue for its schedule and in terms of the entire budget and package. She said Council's concern was that we do not know what might come up in the next six years. Comm. Harrison asked if staff knew the magnitude of the discretionary fund, to which Ms. Ryan replied that she did not. Kathryn Berry, Senior Assistant City Attorney, clarified the use of a budget modification, and Comm. Harrison confirmed that the one recommended in this report is the 22nd to be proposed during the current fiscal year.

In response to Ms. Ryan's comment about funding coming out of the reserves, Vice Chair Olevson said over the next six years we are already planning on reducing the reserve account by 25% over same time period, so if we take another \$30 million out of it, we effectively cut our reserve in half. He said you have to plan on the worst case analysis and he cannot see reducing the reserve by half to get started on an unknown cost structure.

MOTION: Vice Chair Olevson moved to recommend that City Council refer the CAP Work Plan 2020 back to staff to delineate funding sources and the cost entailed for each item.

Chair Melton seconded. The motion carried by the following vote:

- Yes: 5 -** Chair Melton
Vice Chair Olevson
Commissioner Klein
Commissioner Rheaume
Commissioner Simons
- No: 2 -** Commissioner Durham
Commissioner Harrison

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Chair Melton moved to recommend to City Council approval of Budget Modification No. 22.

Comm. Durham seconded.

Chair Melton said there has been a very robust discussion on many different fronts, and that Alternative 5 is a tactical decision within an order of magnitude that can be handled within budget. He said he wanted to be clear that discussions of the budget are not generally in the purview of the Planning Commission, but it is something presented tonight as an Alternative.

Comm. Durham said we need to have the tracking tool and it seems a fairly reasonable amount. He said from the testimony of Ms. Ryan it sounds like funding is more or less covered for this.

Comm. Harrison said we do not have information about what the other budget modifications since June have been, but \$24,000 for computer software programs to track our greenhouse inventory to get us started on the work plan required by the State and on which our funding is contingent, seems to be a small amount compared to other expenses. She said to support staff who will write grants to gain additional funding that will benefit our citizenry and keep us in compliance with State law from which we get a great deal of money is also a small amount compared to other expenses, so she supports the motion.

MOTION: Chair Melton moved to recommend to City Council Alternative 5 to approve Budget Modification No. 22.

Comm. Durham seconded. The motion carried by the following vote:

Yes: 5 - Chair Melton
Commissioner Durham
Commissioner Harrison
Commissioner Klein
Commissioner Rheaume

No: 2 - Vice Chair Olevson
Commissioner Simons

NON-AGENDA ITEMS AND COMMENTS**-Commissioner Comments**

None.