

REPORT
Office of the Chief Administrative Officer
Finance and
Climate Action, Planning and Development
Electrical Utility

To: Mayor Cote and Members of Council **Date:** June 27, 2022

From: Lisa Spitale, Chief Administrative Officer **File:**
Harji Varn, CFO/Director of Finance
Emilie Adin, Director of Climate Action
Planning and Development Department
Rod Carle, General Manager Electrical
Utility

Item #: 2022-504

Subject: **Approval of Climate Action Reserve Fund Bylaw No. 8321, 2022**

RECOMMENDATION

THAT Council give three readings to Climate Action Reserve Fund Bylaw No. 8321, 2022.

PURPOSE

The purpose of this report is to seek Council's approval of the Climate Action Reserve Fund Bylaw.

SUMMARY

The creation of a new Reserve Fund that focuses on the City's Climate Action Goals, 7 Bold Steps, will provide a mechanism to receive funding to support climate action spending and optimize its impact at the corporate and community level. As with all City reserves, administration of allocations will be required to ensure adherence to the City's Financial Policies, specifically the City's Reserve Policy.

PRINCIPLES

The Climate Action Reserve Fund is established to receive funding to provide investments in one-time funding for both Capital and Operating investments to accelerate climate mitigation and adaptation projects, actions and initiatives that target energy and greenhouse gas reductions associated with City lands, facilities, or infrastructure, or Community services or infrastructure, including but not limited to the following:

- a) The planning for and completion of regional or local energy reduction or conservation projects and initiatives;
- b) The creation and implementation of climate mitigation and adaptation strategies, policies, and other related initiatives;
- c) The creation and implementation of infrastructure projects that will result in measurable emissions reductions in support of the City’s obligations under the Low Carbon Fuel Standard;
- d) The sale and transfer of low carbon fuel credits; and
- e) The provision of a mechanism to manage and track these funds and measure their impact on the corporate and community levels.

The Climate Action Reserve Fund will not provide funding for ongoing asset renewal/replacement and operating costs. All new assets or significant upgrades to City’s current assets will be integrated into the City’s Asset Replacement Plans and incremental operational impacts, such as amortization, insurance, maintenance and resource costs will need to come from a longer-term stable source of funding such as the property taxes and utility rates.

Money from the following sources may be deposited into the Reserve Fund established under this bylaw:

- a) Funds raised through the sale of the City’s low carbon fuel credits;
- b) Contributions from annual operating budgets as authorized by Council;
- c) Contributions by other levels of government, developers, and members of the public for the express purpose of funding Carbon Neutrality; and
- d) Interest and money earned from investments in the manner provided by the Community Charter until its use is required.

INTERDEPARTMENTAL LIAISON

Staff from the following Departments participated in the evaluation of this proposal: Office of the CAO; Finance; Climate Action, Planning and Development; and Electrical Utility.

OPTIONS

1. THAT Council give three readings to Climate Action Reserve Fund Bylaw No. 8321, 2022.
2. Provide staff with alternate direction.

Option 1 is recommended.

CONCLUSION

ATTACHMENTS

Attachment 1: Climate Action Reserve Fund Bylaw No. 8321, 2022.

APPROVALS

This report was prepared by:
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This report was reviewed by:
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This report was approved by:
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