



REPORT

Climate Action, Planning and Development

To: Mayor Johnstone and Members of Council, Closed Council Meeting **Date:** September 11, 2023

From: Serena Trachta,
Acting Director of Climate Action,
Planning and Development **File:** 09.1742.20

Item #: 2023-575

Subject: **Accelerating Climate Action to Meet Targets and Address Extreme Heat: Staffing and Financial Considerations**

RECOMMENDATION

THAT Council direct staff to forward the service enhancement requests, as outlined in Attachment 1 of this report, for the 2024 and 2025 Operating budget deliberation. These service enhancements would be offset by Climate Action revenues.

THAT Council direct staff to pursue steps required to use Climate Action Levy to offset Climate Action Team operating costs.

PURPOSE

To seek Council direction to forward service enhancement requests required to deliver an accelerated climate action workplan, for the 2024 and 2025 Operating budget deliberation. The cost of the service enhancements will be offset by revenue collected through the Climate Action Levy.

EXECUTIVE SUMMARY

The CAT has made significant strides in advancing climate action, most notably by developing the City's climate action strategies: Community Energy and Emissions Plan 2050, Corporate Energy and Emissions Reduction Strategy, and eMobility Strategy, however, the current staffing level for the CAT is insufficient to meet the City's carbon emission reduction targets and to implement Stream 2 Extreme Heat Response.

As outlined in the August 28, 2023 council report (attachment 2), to set the City on the path to achieving the greenhouse gas emission reduction targets as defined in the Climate Emergency Declaration, the City will need to increase staffing on the Climate Action Team in order to deliver an accelerated CAT workplan.

The City established a Climate Action Reserve Fund in June 2022 and to date, revenue collected for the purpose of delivering climate action has not been specifically allocated to offset the operating budget or support the capital budget for the Climate Action Team. Staff proposes to pursue steps required to facilitate use of Climate Action Levy to offset Climate Action Team operating cost enhancements, such as the proposed new positions needed to meet the City's carbon emission reduction targets and to implement Stream 2 Extreme Heat Response.

BACKGROUND

Need to Accelerate Climate Action Team (CAT) Workplan

The Climate Action Team (CAT) is composed of 2 staff and 1 manager. The function of the CAT is to:

- Develop and maintain climate strategies
- Complete regulatory reports related to carbon pollution
- Identify and develop climate action related policies and tools
- Report on progress on existing strategies, and
- Design and deliver community programs centered on energy and carbon pollution reduction

The CAT has made significant strides in advancing climate action, most notably by developing the City's climate action strategies: Community Energy and Emissions Plan 2050, Corporate Energy and Emissions Reduction Strategy, and eMobility Strategy. Of the 124 implementation actions identified through the City's climate action strategies, 66 will be lead by, or require significant contributions from, the CAT (attachment 2).

The current staffing level for the CAT is insufficient to meet the City's carbon emission reduction targets and to implement Stream 2 Extreme Heat Response. In order to meet those targets, the CAT needs to accelerate work on the implementation actions across each sector represented within the 66 assigned actions including:

- Existing Buildings
- New Buildings
- EV Charging (home, work, public)
- Micro eMobility
- Corporate Emissions (buildings, fleet, and policies)
- Energy Demand Management
- Local Energy Supply and Heat Recovery (building level)
- Natural Systems
- Waste Reduction

Staffing Need

As outlined in the August 28, 2023 council report (attachment 2), to set the City on the path to achieving the greenhouse gas emission reduction targets as defined in the Climate Emergency Declaration, the City will need to increase staffing on the Climate Action Team in order to deliver an accelerated CAT workplan.

Attachment 1 contains comprehensive details regarding the staffing needs to deliver an accelerated CAT four year workplan which will support meeting the City’s greenhouse gas emission reduction targets as set out through the Climate Emergency Declaration. In the year 2024, a total of four climate action team staff positions are required, while in 2025, an additional three positions will be necessary. The staffing plans are based on delivering a climate action target-driven workplan and taking into account the following considerations:

- The existing team of staff supporting policy, advocacy, community programs and strategy for new construction buildings and public electric vehicle charging, and delivering regulatory related reports is insufficient to advance existing building policy, programs and strategy (including extreme heat response), electrification policy, corporate buildings and fleet strategy, education and awareness and interdepartmental support on climate lens.
- For 2023, staff have slowed the pace of development on electric vehicle charging policy to support increasing volume and accelerating the delivery of multi-lingual heat preparedness support services.
- Permanent positions are recommended alongside year over year growth, anticipating that as actions are implemented, those actions will have components that will require year over year maintenance, support, review and reporting.
- A breadth of positions is required, given the broad scope of the Climate Action portfolio, which required expertise in education and awareness development, energy and emissions program design, project management, policy development, people management, building science and technology and electric utility policy solutions.

Climate Action Revenue

The City established a Climate Action Reserve Fund in June 2022 (attachment 3), which contains climate action related revenues from the sources presented in the following table including revenue from the Climate Action Levy. To date, revenue collected for the purpose of delivering climate action has not been specifically allocated to offset the operating budget or support the capital budget for the Climate Action Team, which formed in February 2020; and staff proposes to pursue steps required to facilitate use of Climate Action Levy to offset Climate Action Team operating cost enhancements.

Revenue Source and First Revenue Generating Year	Description	Approximate Revenue (\$/yr)
Climate Levy (2020)	<p>In response to council’s Climate Emergency Declaration in March 2019, Council adopted a 2.5% Climate Levy on electric utility bills, which came into effect January 1st, 2020, which increased to 3.5% in January 2021*.</p> <p>The intent of the levy is to fund the City’s climate emergency response.</p> <p>*Note that the additional 1% was not collected during the pandemic and has resumed recently.</p>	\$2 M/yr
Low Carbon Fuel Standard (2022)	<p>The Climate Action Team identified that the City has a regulatory duty to report to the Province through the Low Carbon Fuel Standard, as a supplier of low carbon transportation fuel (electricity). Low Carbon Fuel Credits generated from the report are able to be sold to other regulated fuel suppliers. The CAT identifies sources of credits, develops quantification methodologies and collaborates closely with the Province to ensure annual credit validation. The CAT ensured the City could claim credits for prior years (2014 – 2019) without penalty.</p>	\$4 M/yr
Local Government Climate Action Program (2008 – considering former Climate Action Revenue Incentive Program)	<p>The City, as signatories of the Climate Action Charger (signed July 2008), receives annual funding from the Province, intended specifically for climate action related spending, through this program. In order to remain eligible for the funding, the CAT prepares a comprehensive annual report on corporate emissions and community climate action initiative progress.</p>	\$285,000 /yr
Other	<p>Other contributions and interest earnings as outlined in the Climate Action Reserve Fund Bylaw (attachment 3)</p>	Varies

FINANCIAL CONSIDERATIONS

Since adoption approximately \$6.1M has been collected through the Climate Levy and allocated to the Climate Action Reserve Fund. On average, approximately \$1.9 million is collected annually.

The proposed staffing plan involves the establishment of permanent positions over a multi-year period. The estimated salary related costs are approximately \$592,000 in 2024, and \$432,000 in 2025. It is important to recognize that these permanent positions represent ongoing costs and would continue beyond the specified budget years. If the proposed plan receives council's endorsement, a service enhancement request will be submitted during the upcoming budget process. This request will provide further details and justification for the staffing plan, ensuring that adequate resources (inclusive of HR and IT costs) are allocated to support the accelerated CAT workplan.

INTERDEPARTMENTAL LIAISON

Consultation with Finance, Electric Utility, Climate Action, Planning and Development and Engineering Departments was undertaken in preparing this report.

OPTIONS

There are three options for consideration:

- 1. That Council direct staff to forward the service enhancement requests, as outlined in Attachment 1 of this report for the 2024 and 2025 Operating budget deliberation. These service enhancements would be offset by Climate Action revenues.
- 2. That Council direct staff to pursue steps required to use the Climate Action Levy to offset Climate Action Team operating costs.
- 3. That Council provide staff with other direction.

Staff recommends options 1 and 2.

ATTACHMENTS

- Attachment 1: Climate Action Team Staffing Requirements Table
- Attachment 2: Council Report Dated August 28, 2023
- Attachment 3: Climate Action Reserve Fund Bylaw

APPROVALS

This report was prepared by:
Leya Behra, Manager of Climate Action

This report was reviewed by:
Jacqueline Dairon, Acting Chief Financial Officer
Jackie Teed, Acting Director of Climate Action, Planning and Development

This report was approved by:
Serena Trachta, Acting Director of Climate Action, Planning and Development
Lisa Spitale, Chief Administrative Officer