Agenda – Executive Policy Committee – March 19, 2019

BUDGET REVIEW

Item No. 4 Working Group on Climate Change

COUNCIL DECISION:

On September 27, 2017, Council concurred in the recommendation of the Executive Policy Committee, which included the following recommendation:

4. That the Public Service be directed to submit as part of the 2019 Budget process options including all related financial and staffing implications of implementing any outstanding recommendations of the Mayor's Climate Change Working Group Report.

DECISION MAKING HISTORY:

COUNCIL DECISION:

On September 27, 2017, Council concurred in the recommendation of the Executive Policy Committee and adopted the following:

1. That the Chief Administrative Officer be directed to establish an Office of Sustainability located in the Office of the CAO, out of existing budgets and staff resources.

2. That the Office of Sustainability consist of the existing Environmental Coordinator and Sustainability Planner positions and have cross departmental jurisdiction to pursue climate change and greenhouse gas reduction initiatives as identified in the Mayor's Climate Change Working Group report.

3. That the CAO be directed to pursue opportunities for funding through the Federation of Canadian Municipalities' Green Municipal Fund as well as available federal funding to offset the implementation of the Climate Change Working Group's goals as identified by the Public Service in its review. This may also include pursuing opportunities to access external funds for staff dedicated to implementing projects aimed at reducing GHGs and addressing environmental sustainability.

4. That the Public Service be directed to submit as part of the 2019 Budget process options including all related financial and staffing implications of implementing any outstanding recommendations of the Mayor's Climate Change Working Group Report.

5. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On September 20, 2017, the Executive Policy Committee passed the following motion:

WHEREAS the Mayor's Climate Change Working Group submitted its final report in February 2017 identifying the need to ensure work is better coordinated in order to implement initiatives to address climate change and greenhouse gas emissions;

DECISION MAKING HISTORY (continued):

EXECUTIVE POLICY COMMITTEE RECOMMENDATION (continued):

AND WHEREAS the working group reviewed and assessed the status of various City of Winnipeg Climate Change commitments including the Federation of Canadian Municipalities' Partner for Climate Protection model, the City of Winnipeg's long-term development plan (OurWinnipeg), as well as new and developing funding sources available across other levels of government;

AND WHEREAS the final report indicates that the City of Winnipeg will be challenged to meet the targeted 40% reduction of greenhouse gasses from city operations, and to meet the community-wide target of reducing greenhouse gas emissions by 6% below 1998 without a more coordinated and focused action plan. The final report identifies a lack of staff and resources as a key factor underlying the City's inability to achieve more significant progress toward achieving climate goals;

AND WHEREAS one recommendation of the Mayor's Climate Change Working Group Office is that the Office of Sustainability be established in 2017, located in the Office of the CAO. It will be responsible for all sustainability initiatives related to the City and will work collaboratively with City departments, other levels of government and the community to achieve the City's goals of sustainability and environmental quality as directed by Council.

THEREFORE BE IT RESOLVED that Council direct the Chief Administrative Officer to establish an Office of Sustainability located in the Office of the CAO, out of existing budgets and staff resources.

BE IT FURTHER RESOLVED that the Office of Sustainability consist of the existing Environmental Coordinator and Sustainability Planner positions and have cross departmental jurisdiction to pursue climate change and greenhouse gas reduction initiatives as identified in the Mayor's Climate Change Working Group report.

BE IT FURTHER RESOLVED that Council direct the CAO to pursue opportunities for funding through the Federation of Canadian Municipalities' Green Municipal Fund as well as available federal funding to offset the implementation of the Climate Change Working Group's goals as identified by the Public Service in its review. This may also include pursuing opportunities to access external funds for staff dedicated to implementing projects aimed at reducing GHGs and addressing environmental sustainability.

DECISION MAKING HISTORY (continued):

EXECUTIVE POLICY COMMITTEE RECOMMENDATION (continued):

BE IT FURTHER RESOLVED that Council direct the Public Service to submit as part of the 2019 Budget process options including all related financial and staffing implications of implementing any outstanding recommendations of the Mayor's Climate Change Working Group Report.

and submitted the matter to Council.

EXECUTIVE POLICY COMMITTEE DECISION:

On September 20, 2017, the Executive Policy Committee received the report of the Winnipeg Public Service as information.

EXECUTIVE POLICY RECOMMENDATION:

On July 5, 2017, the Executive Policy Committee granted an extension of time of 30 days for the Winnipeg Public Service to review and report back on the matter.

On February 8, 2017, the Executive Policy Committee referred the Climate Change Working Group Final Report to the Winnipeg Public Service for review and report back before September 2017, said review to include the following:

1. Associated costs

2. Opportunities to implement the recommendations using exhibiting budgets wherever possible.

On December 7, 2016, the Executive Policy Committee granted an extension of time of 60 days for the Working Group on Climate Change to report back on the matter.

On April 13, 2016, the Executive Policy Committee passed the following motion:

WHEREAS the City of Winnipeg has a role to play in reducing greenhouse gas emissions and an opportunity to re-engage efforts and provide leadership from its municipal government;

DECISION MAKING HISTORY (continued):

EXECUTIVE POLICY COMMITTEE RECOMMENDATION (continued):

AND WHEREAS the City of Winnipeg began to address climate change on November 25, 1998 when Council agreed to sign on to the Federation of Canadian Municipalities (FCM) initiative, Partner for Climate Protection;

THEREFORE BE IT RESOLVED:

1. That a Working Group on Climate Change be created with the following mandate:

    A. Assess the status of the City's commitment to FCM's Partner for Climate Protection model.

    B. Review the current status of OurWinnipeg as it relates to climate change initiatives.

    C. Review new and developing climate change funding sources and partnerships.

2. That the Working Group be comprised as follows:

    - Councillor Gerbasi – Chair
    - Councillor Allard
    - Councillor Gilroy

3. That the Working Group on Climate Change report directly to the Executive Policy Committee, and conclude at the end of 2016.

ADMINISTRATIVE REPORT

Title: Climate Change Working Group Final Report – Review and Report Back

Critical Path: Executive Policy Committee

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Smith	J. Kiernan	M. Ruta	D. McNeil

EXECUTIVE SUMMARY

As described in the Climate Change Working Group (CCWG) report, in order to meet Council's corporate and community greenhouse gas (GHG) targets, operationally the Public Service should increase its capacity and reallocate resources. This will enhance urban resiliency in the face of a changing climate and increase the City's overall sustainability leadership efforts. Moreover, it will better prepare the City to manage the impact of a federal carbon levy, which is expected to begin on January 1, 2018.

The following report identifies the costs associated with the recommendations of the CCWG and how they may be offset by utilizing existing resources and leveraging new funding programs related to climate innovation, green infrastructure and salary support grants. In some cases, recommendations are achievable using existing resources with some organizational structural changes required. New federal funding opportunities are identified in the report to help offset costs wherever possible and assist the City with the transition to a low carbon path.

RECOMMENDATIONS

1. That this report be received as information.

REASON FOR THE REPORT

At its February 8, 2017 meeting, the Executive Policy Committee referred the Climate Change Working Group Final Report to the Winnipeg Public Service for review and report back before September 2017, said review to include the following:

1. Associated costs;
2. Opportunities to implement the recommendations using existing budgets wherever possible.

IMPLICATIONS OF THE RECOMMENDATIONS

There are no immediate implications associated with receiving this report as information.

HISTORY/DISCUSSION

- There is a strong commitment at the federal and municipal level to increase action on reducing our carbon footprint and sustainability. The *Pan-Canadian Framework on Clean Growth & Climate Change* follows commitments made in the United Nations Paris Agreement on Climate Change and describes the federal carbon pricing plan. In addition to prioritizing action to reduce GHG emissions, climate resiliency and adaptation, clean technology and associated jobs, the Framework underscores the need for government leadership, particularly from cities.
- The federal pricing plan describes how, beginning January 1, 2018, a price on carbon will be legislated at $10 per tonne (and increase annually by $10 per tonne) to $50 per tonne in 2022. To illustrate the economic impact of the carbon pricing plan on the City of Winnipeg, the following examples are provided:
    - In 2018 (at $10 per tonne) the total cost associated with emissions from gasoline, diesel, and natural gas consumption by fleet, transit and buildings will be approximately $1,059,000.
    - In 2022 (at $50 per tonne) the total cost associated with emissions from gasoline, diesel, and natural gas consumption by fleet, transit and buildings will be approximately $5,289,000.
- Based on the cost implications of a federal carbon levy, the key priorities for the City of Winnipeg should be increased energy efficiency and fuel switching for Winnipeg Transit and natural gas in buildings.
- Federal green infrastructure funding programs have been announced in the following program areas:
    - **Building Energy Efficiency**: $182 million ($87 million over next 5 years).
    - **Smart Grid & Renewable Energy Demonstration Projects**: $100 million over 5 years for next generation smart grid, storage, clean electricity technology demonstration projects, $200 million over 11 years ($175 million over next 5 years) for deployment of emerging renewable energy technologies.
    - **Disaster Mitigation and Adaptation Fund**: $2 billion over 11 years ($445 million over next 5 years) plus $73.5 million over 5 years for a new Canadian Centre for Climate Services.
    - **Electric Vehicle Charging:** $120 million over 5 years for EV infrastructure and technology demonstration projects.
    - **Low Carbon Economy Fund:** $2 billion over 5 years starting in 2017-2018 to support provincial and territorial actions that reduce greenhouse gas emissions and achieve significant reductions toward meeting Canada's 2030 GHG target.

- Winnipeg, with its existing organizational structure, is not best positioned to support corporate sustainability initiates and GHG accounting for 1700+ fleet, 900 buildings and facilities, and 16,700 tonnes of corporate waste. Better aligning existing resources and strategically adding new resources when required will help Winnipeg better position itself to lead and convene community climate action and preparedness, with the goal of transitioning to a community that is more climate resilient.

- The Climate Change Working Group (CCWG) report included eleven recommendations to provide a pathway for Council to achieve its climate goals and targets and support community climate change action planning that is currently underway. The eleven CCWG recommendations and a discussion of their implications are as follows:

1. **The recommended corporate short-term target is a reduction of GHGs by 10% below 1998 by 2022. Longer-term corporate targets, to 2035 and 2050, should be established following more comprehensive analysis carried out by the Public Service.**

    - The proposed CCWG target is based on the GHG inventory and analysis from 2013 and the latest update to Council which showed we had not achieved progress on the existing Council target of 40% GHG reduction below 1998. To assess progress and establish achievable and ambitious future targets, corporate emissions need to be updated and measured on a regular basis, as noted by the CCWG in the below recommendations. Therefore, a comprehensive analysis, update and review of the City's corporate emissions should be conducted by a third-party expert in GHG accounting.

    - Furthermore, corporate GHG targets should align with those proposed in the community climate action plan which is currently under development and public consultation set to officially begin in September 2017. The outcome of the community climate action plan and public engagement efforts will include recommendations for a community climate vision and targets for climate change mitigation.

2. **The City should proceed immediately with an RFP to support a comprehensive public consultation to develop a community-wide climate change action plan. This will be funded through an existing Green Municipal Fund grant (GMF) of $94,000 and include GHG targets to 2035 and 2050.**

    - The City has hired a consultant to assist with the delivery of a public engagement program and develop a community-wide climate change mitigation action plan that will be presented for Council consideration in the spring of 2018. The Action Plan will propose a climate vision and community GHG reduction targets for the short, medium and long term up to 2050.

3. **An Office of Sustainability should be established in 2017, located in the Office of the CAO. The Office of Sustainability should be responsible for all sustainability initiatives related to the City (both corporate and community-wide emissions).The Office of Sustainability would work collaboratively with City departments, other levels of government and the community to achieve the City's goals of sustainability and environmental quality as directed by Council.**

- The Public Service will explore establishing an Office of Sustainability located in the CAO's Office, which would incorporate the existing positions of Environmental Coordinator and Sustainability Planner.
- The establishment of a Sustainability Office located in the Office of the CAO would raise the profile of environmental sustainability and climate change as a priority area of work for the City of Winnipeg.
- The CCWG Recommendation to have dedicated staff established within an Office of Sustainability is a positive first step and modest in its request for resources relative to cities of comparable size to Winnipeg.
- The creation of an Office of Sustainability located in the Office of the CAO could be done by the end of 2017 with no additional funds required.
- Although it is acknowledged that minor operational costs related to the creation of an Office of Sustainability may be incurred, these are currently deemed immaterial. Office furnishings, IT equipment, and space would be found using existing resources.

4. **The Office of Sustainability should incorporate the existing positions of the Environmental Coordinator and the Sustainability Planner. The Sustainability Planner, which is currently temporary, should become a permanent position.**

    - The Sustainability Planner position is currently vacant but budgeted on a temporary basis until 2020. This could be made permanent with Council's approval to add an additional FTE to the City workforce.

5. **At minimum, an additional three dedicated staff are required in order to meet established climate targets. These additional dedicated positions should be in place by 2018 to support work in the areas of green building, waste reduction and community initiatives.**

    - A Green Building Planner would advance work on renewable energy and energy efficiency in City-owned buildings and be the lead on the City's Green Building Policies. Buildings represent 40% of our corporate emissions and proposed climate mitigation actions such as targeting carbon neutrality in new City buildings, creating a comprehensive energy management program for existing buildings, investing in renewable energy and energy benchmarking the performance of the City's 900 buildings requires dedicated staff.
    - A Waste Reduction Planner would be responsible for implementation of the Corporate Waste Reduction Strategy and will work with fleet and corporate facilities to ensure waste avoidance through sustainable procurement. The Report to Council in 2015 related to this Strategy noted that a dedicated FTE was recommended in the consultant report but no funding was available at that time. Creating a dedicated position on corporate waste reduction would demonstrate sustainability leadership, advance the existing Corporate Waste Strategy, and lower GHG emissions from City buildings and operations. Solid waste consistently ranks in the top three sources of GHG emissions in both the corporate and community inventories.

- A Community Sustainability Planner would be responsible for the development of a community-wide Climate Action Plan and implementation of municipal climate change mitigation priorities. This position could be funded by an application to FCM's Staff Salary Support Grant offered through the Municipalities for Climate Innovation Program (MCIP). Municipalities can apply beginning in the fall of 2017 and grants are provided for two years up to 80% of $175,000.
- It is estimated that approximately $187,000 in additional mill rate support would be required in order to allow for the addition of three new FTE's in the Office of Sustainability. It is important to note that there may be an opportunity to utilize existing resources for some or all of the positions noted above. For example, the duties and responsibilities of an existing position(s) within the organization may be realigned to support the work of the Office of Sustainability.

6. **A climate change cross-departmental working group should be created that will be responsible for monitoring GHG emissions and achieving carbon reduction objectives, led by the Office of Sustainability.**

    - Although not yet established, a cross-departmental technical advisory committee (TAC) is proposed as part of the development of a community-wide Climate Change Action Plan. The TAC would be better positioned to influence decision making if it were led by an Office of Sustainability that reported directly to the Office of the CAO.

7. **The Office of Sustainability should collaborate with related citizen advisory groups, and a community Stakeholder Advisory Committee should be established to guide the development of a Community Climate Change Action Plan.**

    - From the outset, the Community Climate Action Plan will seek to gather and engage interested parties, form broad coalitions of concerned local stakeolders, and organize public engagement events. Recruitment of a community stakeholder advisory committee is anticipated to begin in September 2017. This represents only the beginning of a long journey towards achieving our climate vision and targets. Promoting alignment and strong communication across groups and different community stakeholders will be a key to success.

8. **Annual reporting to Council on progress reducing greenhouse gas emissions, and continued climate change communications through *OurWinnipeg*. In terms of national and global reporting, the Public Service should continue to report through FCM *Partners for Climate Change Protection* Program and the global reporting platform Carbon Disclosure Project.**

    - Municipal Climate Reporting: The 2009 Corporate Climate Change Action Plan calls for annual reporting, but despite a limited number of updated inventories, only one report has been presented to Council, in 2016. The 2016 report to Council notes that the process of updating the corporate GHG inventory began in 2011. A number of factors are currently impeding the updating of the corporate GHG inventory. These include new cross-jurisdictional recommended methodology (FCM has recently adopted the GPC (Global Protocol for

Community-scale GHG Emission Inventories)), and minimal in-house training and expertise on GHG accounting.

- Preliminary information about potential third-party consultants with the technical expertise required to facilitate a corporate GHG inventory has been collected and a number of private sector organizations have confirmed their interest in (and ability to) lead the project. A budget of $40,000 is required to hire a consultant to develop the corporate GHG inventory report, including collection and analysis of GHG data, forecast emissions, and GHG emission reduction opportunities. The budgetary requirements for annual reporting on community climate mitigation and GHG emissions is currently unknown and will be developed as an outcome of the public engagement and community climate action plan to be presented to Council in 2018.

- If economically feasible, the Public Service will explore the opportunity of procuring GHG reporting and energy accounting software to assist with running real-time reports on Winnipeg's climate emission portfolio.

- National Climate Reporting: The Public Service continues to work within the FCM Partners for Climate Protection (PCP) Milestone framework for community and corporate climate action. With the completion of a community climate action plan, the City will be eligible to apply for PCP Milestones 2 and 3 recognition.

- International Climate Reporting: The Public Service continues to provide annual publicly available reports to the Carbon Disclosure Project (CDP), including the latest disclosure to CDP in May 2017. The benefits of CDP disclosure are to see how Winnipeg compares to peer cities and identify opportunities to partner with companies, investors and other cities taking action on climate change. CDP staff are actively involved with and participate in the annual meeting of the Urban Sustainability Directors Network (USDN). USDN is a network of over 135 local government sustainability professionals in the US and Canada, and includes staff from the City of Winnipeg.

9. **The Office of Sustainability should communicate information about emerging climate change related funding opportunities to City departments.**

    - An Office of Sustainability would regularly review and communicate with other departments about available funding opportunities from the provincial and federal government, FCM and other partnership opportunities.

    - Funding is needed for a variety of sustainability and climate action projects and programs ranging from capacity building programs to funding schemes focused on renewable energy implementation and energy efficiency investments. The development of new and creative forms of funding and financing will contribute to a more sustainable Winnipeg and put the City on a pathway to achieving its climate vision and GHG reduction targets.

    - There are a number of federal climate funding opportunities that are described in the CCWG report. The 2017 federal budget included $21.9 billion over 11 years

for green infrastructure investments including projects that reduce greenhouse gas emissions, deliver clean water, safely manage wastewater and help communities adapt to challenges that result from climate change.

- Furthermore, the Municipalities for Climate Innovation Program (MCIP) is a new five-year, $75-million program designed to encourage Canadian municipalities to better prepare for and adapt to the new realities of climate change as well as reduce greenhouse gas emissions.

- In order to access the federal grants targeting GHG reductions, the application process requires evidence of municipal commitment to address challenges related to climate change.

10. **The Public Service should collaborate with the Office of Sustainability to provide a report on best practices of sustainable procurement for consideration of the appropriate committee of Council.**

    - Procurement decisions are increasingly factoring in climate management. For example, exploring opportunities to support local food procurement, GHG benefits of fuel efficient and low carbon fleet vehicles for contracted services such as snow removal and waste hauling and examining other ways that government procures goods and services through a climate friendly and sustainability lens.

    - The Public Service has a cross-departmental Sustainable Procurement Working Group that is working on updating the Materials Management Policy and Administrative Standard to include Sustainable Procurement and with the support from a Sustainability Office would enhance efforts in this area.

11. **The Public Service should collaborate with the Office of Sustainability to review the City's sustainable asset management strategies for opportunities to cut GHG emissions and identify the risks posed by climate change and how those risks will be mitigated.**

    - Ecosystems and green infrastructure provide human health benefits and protect against natural disturbances and extreme weather events. Research shows that investing in natural assets (e.g. urban forests and wetlands) can provide lower cost solutions than compared to traditional grey infrastructure solutions.

    - Increasingly municipalities are incorporating sustainability considerations into their asset management strategy and planning for climate risk adaptation. For example, FCM's Municipal Asset Management Program (MAMP) is a five-year, $50-million program designed to help Canadian municipalities make informed infrastructure investment decisions based on sound asset management practices and by embedding climate analysis into infrastructure decisions.

FINANCIAL IMPACT

Financial Impact Statement Date: August 31, 2017

Project Name:
Climate Change Working Group Final Report – Review and Report Back

COMMENTS:

There are no direct financial implications associated with this report. However, this report outlines potential financial costs associated with the implementation of the 11 recommendations of the Climate Change Working Group Final Report. These potential costs include; approximately $187,000 in additional mill rate support for three new positions in the Office of Sustainability; and approximately $40,000 to hire a third-party consultant to review and update our corporate climate action plan and greenhouse gas emission inventory.

"Original Signed By"
Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:

- Human Resources Division, Planning, Property and Development Department

OURWINNIPEG POLICY ALIGNMENT

- Focus a significant share of growth to Centres and Corridors in a manner that:
  - Concentrates people and jobs in areas well-served by the primary transit service, located close to transit stops;
  - Encourages a built form that supports a pedestrian friendly environment while incorporating climate sensitive site and building design (01-01c, p. 36);
- Support improved energy efficiency and greenhouse gas emission reductions, and move towards compliance with contemporary building code standards (01-4, p. 54);
- Reduce the environmental impact of our activities, through strategies such as planning for sustainable energy use and greenhouse gas reduction (02-2, p. 68) ;
- Build a culture of sustainability within the Public Service through an ongoing sustainability workplace initiative (02-1, p. 65);
- Incorporate sustainable practices into civic operations, programs and services (02-1, p. 65);
- Promote citizen awareness of sustainability (02-1, p. 65);
- Establish partnerships with communities, businesses, and other public sector agencies to achieve joint goals towards a sustainable Winnipeg (02-1, p. 65); and
- Take action to sustainable a vibrant and resilient Winnipeg (02-1, p. 65)

SUBMITTED BY

Department: Planning, Property and Development
Division: Urban Planning
Prepared by: Lindsay Mierau, Environmental Coordinator
Date: August 31, 2017
File No: O:\Reports Directive\Planning and Land Use\Environment and Sustainability\Climate Change\CCWG Review and Report Back_August 31

Attachments: Climate Change Working Group Final Report



Final Climate Change Working Grp Report.p