Dear Mayor and Council,

We received a few questions regarding today’s meeting. I am circulating to all of Council.

1. Building Retrofits for Deep Carbon Reductions:
   a. The December motion references directing up to $5M from emerging priorities capital funding. Can you please provide me with a description and overview of this capital fund, and how much is budgeted in this fund?

   **ANSWER:**
   The 2019-2022 capital plan included $88 million to address emerging priorities and cost escalations over the course of the plan. The Emerging Priorities funding in the Capital Plan is reserved for major community facility renewal projects that require senior government partnership and funding (e.g. Britannia, Ray Cam, or the West End Community Centre). None of this funding has been allocated as part of 2019 budget. This funding is available to be used in future budgets, and as part of a prudent financial management strategy it is important to retain financial capacity for use throughout the 4 year capital plan period.

   b. The way I read the motion – it was directing staff to find upwards of $5M from our existing capital budget, as well as seek matching funds from other levels of government, in order to pursue building retrofits. However, the way I read the briefing note is that staff are proposing increasing the capital budgets to create a new multi-year program including additional FTE (page 12 for reference).

   **ANSWER:**
   A total of $5.5 million was contemplated in the 2019-2022 Capital Plan for City facility sustainability and resilience programs, and $1.2M was approved for Energy Optimization Program for City-owned buildings as part of 2019 budget.

   As a result of the council motion, staff proposed to advance an additional $2.2 million from the Capital Plan to increase the scope of this City facility sustainability & resilience work in 2019, for a total Energy Optimization Program budget in 2019 of $3.4 million.

   Emerging Priorities funding in the Capital Plan is reserved for major community facility renewal projects that require senior government partnership and funding (e.g. Britannia, Ray Cam, or the West End Community Centre). As such, staff recommended to allocate $1.5 million in pay-as-you-go funding from the capital plan for City facility sustainability and resilience programs to start the new Deep Emission Building Retrofits Program in 2019, as opposed to reallocating Emerging Priorities funding from major Community facility renewal, and to report back on the multi-year funding strategy for the remaining $3.5 million as part of 2020 budget process.

   Through the proposed initiative, the City will leverage the extensive administrative capacity that is being built by the BC government, including BC Hydro and other EfficiencyBC contractors.

   c. I don’t recall the motion specifying development of a multi-year program. I’m curious if staff could expand on the rationale for this approach.

   **ANSWER:**
   While the $5m motion didn’t specify a multi-year retrofit program as we explored the opportunity...
d. I'm curious why this proposed capital budget adjustment is coming now and not part of the 2020 budget development process.

ANSWER:

THIS report proposes to allocate funding in 2019 so work on these initiatives can commence as soon as possible. If we were to wait until the 2020 budget development process, funding and budget would not be allocated until January 2020 which would delay the initiative. Funding requirements for 2020 and beyond will be brought forward as part of future budget development processes.