

Report

Date May 18, 2022
Subject Climate Action and Energy Plan Reserve Fund Terms of Reference

File:

PURPOSE

To consider the revisions to the Terms of Reference for the Climate Action and Energy Plan Reserve Fund as recommended by the Environmental Advisory Committee.

BACKGROUND

With Council's adoption of the Climate Action and Energy Plan (CAEP) update on January 19, 2022, the CAEP Reserve Fund Terms of Reference needs to be updated and revised. Staff has consulted with the Environmental Advisory Committee (EAC) on three occasions (January 19, February 22, and April 26, 2022) and with Council on April 5, 2022. This report provides a CAEP Reserve Fund Terms of Reference that synthesizes these consultations and incorporates Council's vision and advice from the EAC.

DISCUSSION

The CAEP Reserve Fund and its corresponding Terms of Reference were first established in 2014, after the adoption of the original CAEP by Council in 2013. The Terms of Reference were later updated in 2017 to better focus funding towards current environmental priorities and provide outside organizations with the ability to receive funding. Given that Council adopted the 2022 CAEP Update on January 19, 2022, the CAEP Reserve Fund Terms of Reference has come up for update and revision.

At the Regular Council meeting on April, 5 2022 the Director, Engineering Projects, provided a report to Council with a CAEP Reserve Fund Terms of Reference reflecting feedback derived by staff from meetings with the EAC on January 19, and February 22, 2022. At the April 5, 2022 Council meeting, a motion was carried that:

Council refer the Climate Action and Energy Plan (CAEP) Reserve Fund Terms of Reference back to staff to incorporate the following changes:

- (1) Add an overall statement of purpose (or objectives) for the use of CAEP funds explicitly linking them to the CAEP plan: E.G. "CAEP funds must directly or indirectly address action items listed in the 2022 CAEP and/or aid the municipality with climate change adaptation and reflect the guiding principles of; efficacy, flexibility, sustainability, transparency, high visibility, innovation and collaboration".*
- (2) Eliminate the fixed distribution of funds between corporate and community emissions in favour of other criteria for prioritizing and distributing funds that are consistent with the CAEP and the prioritizing of CAEP actions.*

Staff incorporated these changes to the CAEP Reserve Fund Terms of Reference and elicited feedback from the EAC to develop a final draft version for review by Council. The redlined version incorporating Council's advice and commentary can be seen as Attachment 1. At the EAC meeting on April 26, 2022, changes to the CAEP Reserve Fund Terms of Reference, directed by Council, were endorsed by the EAC and additional recommended motions were passed that:

1. *Council amend the Climate Action and Energy Plan Reserve Fund Terms of Reference by inserting "are established as a non-profit organization or" to the beginning of bullet 5 under Applicant and Project Eligibility.*
 - Staff rationale: this revision may expand the eligibility groups, but it is noted that non-profits must comply with the B.C. Societies Act.
2. *The Environmental Advisory Committee recommends that Council amend the Climate Action and Energy Plan Reserve Fund Terms of Reference by striking out the sentence "The Environmental Advisory Committee will evaluate proposals and, where supported, provide recommendations to Council" under Funding Categories.*
 - Staff rationale: The sentence is deleted because a more thorough explanation of the process for loans and grants is included in the subsequent detailed explanations of the funding categories.
3. *The Environmental Advisory Committee recommends that Council direct staff to provide an annual report representing all transactions into and out of the Climate Action and Energy Plan Reserve Fund to the Environmental Advisory Committee.*
 - Staff rationale: this clause is intended to inform the EAC and Council of the expenditures for the previous year for informational purposes.

A redlined version adding the recommendations and amendments of the EAC to the CAEP Reserve Fund Terms of Reference can be seen as Attachment 2. The final revision of the CAEP Reserve Fund Terms of Reference proposed for adoption by Council can be seen as Attachment 3.

The final version of the CAEP Reserve Fund Terms of Reference, presented for adoption by Council, represents the culmination of engagement with both Council and the EAC to align the Terms of Reference with Council's strategic goal of Leading in Environmental Policy and the recommendations and actions for North Cowichan in the CAEP update.

OPTIONS

1. **(Recommended Option)** THAT Council replace the Terms of Reference for the Climate Action and Energy Plan Reserve Fund with the Terms of Reference as revised and presented in Attachment 3 to the Senior Environmental Specialist's report dated May 18, 2022.
 - This option supports the recommendations made by the Environmental Advisory Committee. This review and update is consistent with the 2022 CAEP Update and reflects changes in community and corporate greenhouse gas reduction actions directed by Council.
 - EAC amendments increase the flexibility of the reserve fund to support both community and corporate actions to reduce GHG emissions.

2. THAT Council replace the Terms of Reference for the Climate Action and Energy Plan Reserve Fund with the Terms of Reference as revised and presented in Attachment 3 to the Senior Environmental Specialist's report dated May 18, 2022, subject to the following amendments: *(Council to identify changes)*.
 - This option supports the recommendations made by the EAC and enables Council to make revisions.
3. Do not make any further changes to the Climate Action and Energy Plan Reserve Fund Terms of Reference other than those requested by Council on April 5, 2022. No motion is required for this option.
 - It means that Council will have considered the recommendations from the EAC meeting of April 26, 2022, and that it chooses not to adopt them.

IMPLICATIONS

The adoption of the proposed Terms of Reference with amendments will encourage community groups to immediately investigate and pursue GHG reduction actions recommended by the CAEP update.

Further amendments to the Terms of Reference may delay the uptake of community and corporate GHG reduction actions.

The financial implications to the CAEP reserve fund remain the same with the exception that there will be a formalized accounting of the transactions made each year so that each project, costs and recovery will be presented to the EAC and Council. This would include those initiatives authorized within the authority granted to the CAO.

Adoption of the proposed Terms of Reference will support communications and messaging by the Municipality with the community on GHG reduction priorities and potential actions.

RECOMMENDATION

THAT Council replace the Terms of Reference for the Climate Action and Energy Plan Reserve Fund with the Revised Terms of Reference as presented in Attachment 3 to the Senior Environmental Specialist's report dated May 18, 2022.

Report prepared by:



Dave Preikshot, PhD, RPBio
Senior Environmental Specialist

Report reviewed by:



David Conway, PEng
Director, Engineering Projects

Approved to be forwarded to Council:



Tes Swabey
Chief Administrative Officer

Attachments:

- (1) CAEP Reserve Fund Terms of Reference with amendments proposed by Council on April 05, 2022
- (2) CAEP Reserve Fund Terms of Reference with amendments proposed by the EAC on April 26, 2022
- (3) CAEP Reserve Fund Terms of Reference, Draft Final Version May 18, 2022