

**City of Phoenix
General Obligation Bond Committee
Environment & Sustainability Subcommittee
Summary Minutes
Monday, October 10, 2022**

City Council Chambers
200 W. Jefferson St.
Phoenix, Ariz.

Subcommittee Members Present

Ms. Ginger Torres, Chair
Mr. Gene D'Adamo
Mr. Pat Edwards
Mr. Ian O'Grady
Ms. Lisa Perez
Ms. Shannon Scutari
Mr. Dan Stellar
Ms. Serena Unrein

Subcommittee Members Absent

Mr. Colin Tetreault

1. CALL TO ORDER

Chair Ginger Torres called the Environment and Sustainability Subcommittee to order at 9:00 a.m. with committee members Gene D'Adamo, Pat Edwards, Ian O'Grady, Lisa Perez, Shannon Scutari, Dan Stellar, and Serena Unrein present.

2. REVIEW AND APPROVAL OF THE SEPTEMBER 22, 2022 MEETING MINUTES

Committee member Edwards made a motion to approve the minutes of the September 22, 2022 Environment and Sustainability Subcommittee meeting. Vice Chair Stellar seconded the motion, which passed unanimously, 8-0.

3. INTRODUCTORY REMARKS

Chair Torres recognized Indigenous Peoples Day and remarked the Pee Posh and O'odham tribes were the original caretakers of the Phoenix area. She explained members of this subcommittee were tasked with addressing environmental issues to ensure sustainability and equity and hoped the projects selected would allow the City flexibility to implement a wide range of programs. She reminded members that a list of projects ranked in priority order was due to the Executive Committee by the end of this meeting and the survey results would be used as a starting point for deliberations. She called on Vice Chair Stellar for any additional comments.

Vice Chair Stellar thanked her for her remarks and leadership.

4. DISCUSSION OF RANK-ORDERED LIST OF PROJECTS, PUBLIC INPUT AND SUBCOMMITTEE RECOMMENDATION

Chair Torres turned the floor to staff for presentations.

Deputy City Manager Karen Peters presented on the charge of the subcommittee and gave an overview of the GO Bond Program.

Deputy Budget and Research Director Chris Fazio presented the survey results and mentioned they were a starting point for discussion and were not binding.

Chair Torres opened the floor for public comment.

Assistant City Attorney Thomas Stack explained the rules for public comment.

Diane Barker expressed support for adding funding for education on living in the Sonoran Desert.

Vania Guevara spoke in favor of heat resiliency and expressed satisfaction with the survey results. She also expressed support for transitioning the City's fleet to electric vehicles (EV) now.

Kirin Goff expressed support for heat resiliency and was pleased with the survey results. She also expressed support for transitioning the City's fleet to EV.

Chair Torres concluded public comment and thanked those that participated.

Chair Torres explained that staff would keep track of deliberations with a live document and values would be adjusted as informal consensus was made. She asked members to wait until deliberations were complete before a motion was made to approve the overall rank order and dollar amounts. Chair Torres began deliberations and stated she was open to revising the amount given to the subcommittee.

Vice Chair Stellar suggested to start with Fuel and Oil Tank Replacement and EV Stations to possibly remove them from the list since they were ranked at the bottom.

Chair Torres clarified with Vice Chair Stellar on Fuel and Oil Tank Replacement whether he wanted consensus on whether or not to fund the project or to send it to the Executive Committee to fund through another source.

Vice Chair Stellar confirmed that was correct, in order to bring down the project total.

Committee member Edwards clarified with Vice Chair Stellar if he wanted the Fuel and Oil Tank Replacement removed from the list to leave the four remaining projects for funding.

Vice Chair Stellar clarified that he did not want the project eliminated but for the Executive Committee to consider it elsewhere and not as part of this subcommittee.

Committee member O'Grady suggested to first evaluate the Fuel and Oil Tank Replacement project and to then move forward with the rest. He indicated the project did not match the subcommittee's goals and suggested to vote on the recommendation to fund or not fund the tanks.

Vice Chair Torres asked members if they wished to fund or not fund tanks in this subcommittee.

Committee member Perez asked Ms. Peters if it was necessary to call that out when Vice Chair Stellar advised to do the same.

Ms. Peters responded that the goal of the subcommittee was to provide a ranking with funding levels and, if the consensus was not to fund that project, that is what should be put forward.

Committee Perez clarified that if this subcommittee did not want to fund the project, it would move to the Executive Committee with zero funding.

Mr. Fazio responded that the ultimate goal for this subcommittee was to recommend projects for funding, and the memo could note that the project was not recommended in this subcommittee should be considered by the Executive Committee in its deliberations.

Committee member O'Grady clarified that his intended recommendation was to vote up or down on the tanks and that moving the project to the Executive Committee with a recommendation to fund elsewhere was beyond this subcommittee's duty. He stated that since fuel tanks did not fit within the scope of this subcommittee, they should not merit funding.

Chair Torres explained the current process was to eliminate some variables to assign funding for projects remaining. She agreed with Vice Chair Stellar's recommendation and survey results to move the Fuel and Oil Tank Replacement project forward to the Executive Committee for consideration and that it should not be part of this subcommittee.

Committee member Scutari agreed with the recommendation made from Vice Chair Stellar and Chair Torres. She also stated if a formal motion was needed, she would make the motion.

Chair Torres stated she did not believe it needed a formal motion but only needed as part of deliberations. She asked if all members agreed with the recommendation, and all members did.

Chair Torres discussed the fourth ranked project, City Vehicle Electrification Stations, and reiterated Committee member Perez's comment about the process being followed by the City to transition fleet vehicles to EV and to review other funding sources.

Committee member O'Grady referenced the letter from staff dated September 26, 2022 that staff recommended not to defer the project but to decrease its current funding. He indicated concern that transitioning to EV would fall behind if money was not given in this bond program. He proposed to reduce the funding from \$16.3 million to \$5.1 million.

Committee member D'Adamo wondered how effective \$5.1 million would be for the project and recommended to eliminate it and concentrate on the top three projects.

Chair Torres requested clarification from staff that the four remaining projects were scalable and a portion of the program could still be implemented with reduced funding.

Public Works Director Joe Giudice confirmed that the remaining four projects were scalable and the City would be able to execute the project with decreased funds.

Chair Torres asked to update the Fuel and Oil Tank Replacement funding to zero and change funding for EV stations to \$5.1 million in the live worksheet. She reminded members that this was not the final recommendation but for purposes of deliberation.

Vice Chair Stellar wanted to clarify with staff that the EV memo was not recommending to decrease funds but rather the amount should be lowered if the project was funded.

Mr. Giudice clarified that any amount given to the project would be used towards infrastructure but the full amount needed was unknown. He indicated an amount less than \$16 million may still be helpful to execute some infrastructure, and a better understanding of what was needed would be known by June 2023 after studies were conducted.

Ms. Peters also noted that this was only a suggestion and not a recommendation.

Committee member Perez commented since the full amount was unknown, as well as what type of infrastructure was needed to fully transition the City's fleet to EV, she did not believe funding \$5.1 million would move the City closer to the goal.

Committee member Scutari agreed with Committee member Perez that without a strategy, money was allocated without accomplishing goals. She asked if it was possible to encourage the Executive Committee to implement a strategy.

Committee member Edwards reminded members the focus should be on projects sensitive to the environment and important to sustainability. He recommended assigning a percentage value to each of the four projects such as 60% to Energy/Water Efficiency & Renewables, 20% to Heat Resiliency, 10% to Brownfields, and 10% to EV stations to convey the subcommittee's focus to the public.

Chair Torres thanked Committee member Edwards for the suggestion and stated she had used a similar method.

Committee member Perez confirmed with staff that the Executive Committee had the right to increase funding if they wished.

Chair Torres answered these were recommendations and could be changed at some point.

Committee member Unrein believed none of the four remaining projects could reasonably be deferred because of current climate changes affecting the community, especially those of color and in lower income neighborhoods. She expressed hope the Executive Committee realized the importance to fund all four projects, especially with public interest in heat resiliency and electric vehicles.

Chair Torres asked Committee member Unrein if she agreed with the breakdown of 60%, 20%, 10%, and 10% as suggested by Committee member Edwards.

Committee member Unrein agreed it was one viable method to come to a solution.

Committee member O'Grady agreed the percentage method was a good start and suggested to use ranking to determine funding and stress to the Executive Committee which projects were deprioritized but still merited consideration.

Chair Torres agreed and believed percentages were helpful to determine if the dollar amounts were in range of the project's value and to then determine ranking from the numbers.

Committee member Edwards stated it would be easier if a consensus was made on the percentages first by having members assign a value to each category before moving forward.

Committee member Scutari stated the survey showed support for additional funding for Heat Resiliency and less funding for EV, and the record already reflected no allocation of funds for EV and Fuel Tank Replacement.

Chair Torres stated Heat Resiliency was receiving \$11 million more than initially proposed since it was not originally a prioritized project, and Electrification Stations started with zero, moved to \$16.3 million, and was now \$5.1 million.

Committee member O'Grady noted concern that EV transitioning would fall behind by 2029 if no funding was attached. He stated the transition had a modest annual budget but could accelerate its goal with more funding.

Committee member Edwards asked Committee member O'Grady if he believed the number warranted 20%.

Committee member O'Grady suggested to recommend an amount merited for each project, which would lead to a ranking order, and the Executive Committee could cut projects at the bottom if needed. He explained that trimming from the bottom may be an approach the Executive Committee uses to stay within \$500 million, especially when other subcommittees recommended totals of \$100-\$150 million.

Chair Torres commented that this subcommittee would have better knowledge to prioritize and rank the projects than the Executive Committee, and it was their responsibility to provide the Executive Committee a reasonable number close to \$25.1 million.

Vice Chair Stellar expressed concerns the projects moved forward may not get the full attention or funding they deserve if the Executive Committee needs to balance closer to \$500 million. He supported communicating with the Executive Committee that the bond amount given to this subcommittee was not sufficient to meet environment and sustainability challenges but that the best framework within the amount had been provided.

Committee member D'Adamo agreed that this subcommittee had an obligation to stay within a reasonable amount. He asked Committee member O'Grady if he was suggesting to review each project by merit and compute a realistic amount as opposed to the proposed 60%, 20%, 10%, 10% approach.

Committee member O'Grady stated the initial project costs were reliable, but he was concerned the Executive Committee may eliminate some projects if all four were pushed forward.

Committee member Edwards reminded members that the goal was to bring forward a list of projects with amounts to the Executive Committee. He recommended to first identify the categories where money would be allocated and then identify specific

projects within those categories that the Executive Committee should pay special attention to.

Chair Torres recommended to adjust the numbers back to the original budget by decreasing the amounts by 25% and requested a sum total at the bottom.

Mr. Fazio explained that the far-right column included a running total of projects. He also clarified if the subcommittee would like the spreadsheet updated to reduce the amounts by 25%.

Chair Torres confirmed that was correct.

Ms. Peters commented that staff was calculating the new totals.

Committee member Perez commented that other subcommittees also went through complicated processes to complete their charge of providing the recommended amount to the Executive Committee.

Chair Torres brought attention to the updated spreadsheet showing the new cumulative total of \$30.8 million. She mentioned this total was closer to the original amount and asked staff to clarify what the original amount was.

Ms. Peters answered that it was \$25.1 million.

Committee member Edwards asked why the cumulative total shows \$30.825 million when the original total was \$25.1 million.

Chair Torres explained the \$30.825 million was the revised total by moving all projects to the prioritized list.

Vice Chair Stellar explained it was an illustration.

Mr. Fazio explained the numbers shown a moment ago were all decreased by 25%.

Committee member Edwards asked if a new column could be added to compare the revised amounts with new amounts that add to \$25.1 million.

Ms. Peters stated an allocation would be calculated to adjust the amounts to \$25.1 million.

Committee member Edwards recommended to display the percentages from the \$25.1 million and that the subcommittee could adjust the percentages from there.

Mr. Fazio clarified with members that the amount shown currently as \$15 million for Energy/Water Efficiency & Renewable Energy, \$8.25 million for Heat Resiliency,

\$3.75 million for City Brownfields Redevelopment Projects, and \$3.825 million for City Vehicle Electrification Stations were the amounts that should be allocated for the \$25.1 million goal.

Chair Torres confirmed that was correct and asked if another column could be added to show the revised total of \$25.1 million next to the cumulative \$30.825 million.

Committee member O'Grady stated a 38% cut would be needed to bring the total down to \$25.1 million.

Chair Torres asked if it was 38% from the original amount.

Chair O'Grady confirmed that 38% was needed from the initial total.

Committee member D'Adamo asked if EV stations should be at 5% based on feedback from other committee members and survey ranking.

Chair Torres agreed and asked Committee member D'Adamo if he proposed where the other 5% should go towards.

Committee member D'Adamo stated if it was cut to 5%, that would bring totals closer to \$25 million.

Chair Torres understood that Committee member D'Adamo wished to cut out the amount completely.

Committee member Scutari asked to see a scenario with Fuel and Oil Tank Replacement removed.

Chair Torres confirmed the project was already removed.

Chair Torres brought attention to the updated spreadsheet showing the new total for Energy/Water Efficiency & Renewable Energy at \$12 million, \$6.7 million for Heat Resiliency, \$3 million for brownfields, and \$3 million for EV stations. She asked if members would like to change the EV stations percentage to 5% based on Committee member D'Adamo's suggestion and reallocate the \$1.5 million to another project.

Committee member O'Grady suggested to decrease EV funding by \$1.5 million and reallocate it to Energy/Water Efficiency based on its ranking. He wanted to avoid cutting each cost since some had more merit than others.

Committee member Scutari asked Committee member Perez to comment on the \$1.5 million proposed amount for EV since Committee member Perez had more direct experience.

Committee member Perez stated she believed the EV memo was not a charge but that staff was comfortable with implementing the project in the future even with less funding and agreed with the City's suggestion.

Chair Torres asked staff to reflect that change in the spreadsheet.

Mr. Fazio asked permission to revise the numbers in the Revised column and delete the other columns to work with one scenario at a time.

Chair Torres agreed.

Vice Chair Stellar asked staff if \$1.3 million for EVs would even have value for the project.

Mr. Giudice explained the funds could be used to investigate additional sites that were not looked at from the original study or for a smaller capital need.

Ms. Peters added there was more value on the front end rather than split over five years and staff would work to maximize its benefit.

Committee member Unrein recommended sending a separate communication along with the prioritized list that expresses \$41 million was more realistic to fund projects that could not be deferred, recognizing the subcommittee was given the task of funding \$25.1 million and it was found inadequate to address climate change concerns.

Chair Torres agreed and commented that staff would be writing the report.

Mr. Fazio brought attention to the updated screen with the new proposal.

Chair Torres asked staff if the public could view the updated screen as well.

Mr. Fazio stated that was correct.

Chair Torres asked members for any thoughts and pointed out the cumulative total was \$25.1 million.

Committee member Scutari indicated \$7.1 million for Heat Resiliency did not have enough impact in such a large bond amount and did not want to harm the Heat Resiliency Office by cutting their budget by \$4 million.

Chair Torres clarified that the Heat Resiliency Office was not being cut by \$4 million but was a supplemental to their budget and asked staff to confirm.

Ms. Peters confirmed this did not alter their budget but allocated additional money for capital needs associated with their work.

Chair Torres stated the heat resiliency measure was not funded at all in the initial proposal and was now at \$7 million for the bond process.

Committee member O'Grady suggested to zero out funding for EV stations and move the \$1.3 million to Heat Resiliency in hopes the Executive Committee would keep the cumulative total at \$25.1 million.

Chair Torres asked members if the EV stations project was still an important investment that should be conveyed to the Executive Committee and if \$1.3 million would be worthwhile.

Committee member D'Adamo indicated fewer projects would be easier for voters to see as he believed voters would view \$25 million for Environment and Sustainability and a list of projects with their amounts.

Mr. Fazio stated the City had not itemized projects with dollars in the past, and that it was usually shown by program, but the Mayor and City Council could adopt that form of ballot.

Committee member D'Adamo clarified that the ballot would show \$25.1 million for Environment and Sustainability and would not list the projects separately.

Mr. Fazio stated that it was unknown at this point how many ballot propositions there would be but, historically, projects and dollars had not been listed separately.

Committee member D'Adamo mentioned if projects were typically not listed separately, he would agree to reallocate the \$1.3 million from EV stations to Heat Resiliency and focus on areas that have the most immediate impact. He explained that only giving \$1.3 million to this vital program was not meaningful enough.

Mr. Giudice noted that the \$1.3 million could fund about fifty Level 2 chargers.

Chair Torres asked Mr. Giudice to clarify if the chargers would be for City use only or for both public and City use.

Mr. Giudice responded that the chargers would be at city facilities but could either support just the City's fleet or provide access to both the City's fleet and public.

Committee member Torres clarified that public access meant at community centers, public pools, libraries, etc. She also asked if a website would contain more information for the public on which projects were proposed with funding amounts.

Mr. Fazio confirmed public information would be available online aside from the ballot and that Council's recommendation for the bond program would be public information..

Committee member O'Grady stated word of mouth would also be important and links would be helpful in spreading the information to friends and family.

Chair Torres proposed an alternate suggestion by reducing Brownfield funding and moving it to Heat Resiliency to maintain resources for EV Stations.

Committee member O'Grady agreed with that proposal.

Vice Chair Stellar agreed.

Chair Torres suggested either removing \$200,000 from brownfields or removing \$700,000 to fund \$2.5 million for brownfields.

Vice Chair Stellar asked staff if there was a minimum amount to accomplish goals for Brownfield Redevelopment Projects.

Ms. Peters recommended not to fall below \$3 million for brownfields.

Chair Torres requested to move \$200,000 from brownfields and add it to Heat Resiliency.

Chair Torres asked members if there were any other changes.

Committee member D'Adamo wanted confirmation that \$1.3 million was to remain for EV chargers.

Chair Torres stated with the additional information provided by staff on what \$1.3 million could fund, it seemed beneficial for communities who would also have public access along with City fleet.

Committee member D'Adamo supported the suggestion and noted clarification that the funding was to remain.

Vice Chair Stellar supported the amounts and ranking order and agreed with Committee member Unrein to provide additional communication to the Executive Committee that the amount allocated was not enough to address all climate needs in the city. He added he was not in favor of reducing further by 20% to get to \$19.4

million, particularly because Energy/Water Efficiency & Renewable Energy addressed deferred maintenance issues since the last bond program.

Chair Torres agreed and wanted to ensure staff heard Committee member Unrein's suggestion for a separate narrative to the prioritized list, that the projects should be funded at their full amounts but the subcommittee stayed within \$25.1 million as directed.

Mr. Fazio clarified that at the time the comment was made, the total reflected \$40 million in the original column with EV listed at \$5.1 million. He asked if the committee would like to reflect those values in the narrative or mention the original amounts that included \$16.3 million for EV.

Chair Torres explained she believed the amounts to be \$20 million for Energy/Water Efficiency & Renewable Energy, \$11 million for Heat Resiliency, \$5 million for City Brownfields Redevelopment Projects, \$5 million for City Vehicle Electrification Stations, and \$0 for Fuel and Oil Tank Replacement and that the subcommittee indicated that the Fuel and Oil Tank Replacement project may be worthwhile to fund from another source.

Subcommittee member Perez asked when reports from other subcommittees would be available online since the first Executive Committee meeting was a week away.

Mr. Fazio explained subcommittees were in the process of finalizing memos, and three reports were posted online and would continue as they were approved by chairs.

Chair Torres clarified that this subcommittee's presentation to the Executive Committee would be on October 24.

Ms. Peters answered four of the subcommittees would report on October 17 and the other four would report on October 24, including this subcommittee.

Chair Torres asked members if they were ready to move with a motion. She recapped that the motion would finalize the current amounts, include the additional memo, and recommend that the tank replacements be funded by another source. She asked staff if separate motions were needed for each one.

Mr. Fazio suggested to first make a motion on the four projects shown on the screen and then a separate motion for the tank replacements.

Chair Torres asked if there was a motion to recommend the projects as funded on the screen in its rank priority.

Committee member Perez made the motion to approve the rankings and funding as stated below and to also recommended to move the Fuel and Oil Tank Replacements forward to the Executive Committee for their consideration without a recommended funding source from the subcommittee:

1. Energy/Water Efficiency & Renewable Energy, \$13.5 million
2. Heat Resiliency, \$7.3 million
3. City Brownfields Redevelopment Projects, \$3.0 million
4. City Vehicle Electrification Stations, \$1.3 million

Vice Chair Stellar seconded the motion.

Chair Torres asked if further discussion was needed on ranking order, proposed amounts, and on the additional recommendation of the fuel tank projects for consideration of the Executive Committee.

Committee member O'Grady stated he would be voting yes but was concerned about moving forward a project that was not funded and recommending the Executive Committee consider it for funding.

Chair Torres explained that because the City proposed the project be funded within this subcommittee, it had been determined that the project did not fit within the subcommittee's scope but may still be needed for City operations.

The motion passed unanimously, 8-0.

Chair Torres mentioned that the motion did not include the addendum stating the ideal funding would be at their original levels.

Ms. Peters responded that the memo could be included in the narrative of the report.

5. FUTURE AGENDA ITEMS

None.

6. ADJOURNMENT

Ms. Peters reminded members that this was the final meeting and thanked them for their service. She stated staff would draft the final report, which would be sent to the Chair for approval and then to the Executive Committee on October 24.

Chair Torres reminded members that the first Executive Committee meeting to discuss the reports was Monday, October 17 and Monday, October 24 would include results of this subcommittee.

Chair Torres thanked everyone that was involved in the process and explained to the members that they were all elected to serve on this subcommittee because of their expertise and knowledge on this subject and thanked them for being open and transparent. She believed the best results were achieved, given the circumstances. She thanked staff for the follow-up information provided and members of the public for participating.

Committee member Scutari thanked Chair Torres for her leadership on the subcommittee.

Chair Torres adjourned the meeting at 10:45 a.m.