



CITY COUNCIL REPORT

DATE: May 23, 2018

TO: Mayor and Council Members

FROM: Nicole Woodman, Sustainability Manager
 Kristi Markey, Accountant

THROUGH: Andy Bertelsen, Public Works Director

CC: Barbara Goodrich, Shane Dille, Kevin Treadway, and Leadership Team

SUBJECT: Environmental Management Fee



Information on the revenue earned by the \$4.00 monthly Environmental Management Fee and the programming the fee funds was requested by City Council at the April budget retreat.

Revenue Generated by the Environmental Management Fee

The Environmental Management Fee (EMF) was established in 2002 and is authorized in the Solid Waste Code Section 7-04-001-0010 FEES. As defined in the Code, a fee of \$4.00 per month per City utility bill shall be charged to fund citywide environmental programs, including, but not limited to, Environmental Management, Brownfield Land Recycling, Sustainability, Environmental Code Enforcement, and Conservation Education Programs. Fees are used to pay for services provided to the paying customers, not for general revenue purposes.

A breakdown of EMF revenue generation and Environmental Management Fund expenditures is shown below:

Environmental Management Fund	FY 17 <i>Actual</i>	FY 18 <i>Estimated</i>	FY 19 <i>Proposed</i>
EMF Revenue	\$969,946	\$999,693	\$1,019,687
Ongoing Operating Expenditures	\$763,531	\$840,372	\$1,046,047
Transfers Out	\$149,816	\$97,611	\$96,147
Indirect Costs	\$150,199	\$165,219	\$154,576
Additional programming funded with fund balance and other resources	\$93,600	\$103,509	\$277,083
Total Expenditures	\$1,063,546	\$1,103,202	\$1,296,770

Operating Expenditures by Section

Section	Program	FY 17 <i>Actual</i>	FY 17/18 <i>Estimated</i>	FY 18/19 <i>Proposed</i>
Sustainability	Climate action and adaptation, community stewards, energy efficiency and rebates, renewable energy, food policy, open space, waste prevention, and one time funding for programming	\$508,450	\$630,717	\$811,499
Environmental Management	Asbestos, lead based paint, and site assessments	\$255,081	\$209,655	\$234,548
General Fund - Code Compliance	City Code compliance	\$130,091 <i>EMF funds 50% of program</i>	\$77,886 <i>EMF funds 30% of program</i>	\$76,422 <i>EMF funds 29% of program</i>
General Fund - GFFP	Contract fee	\$19,725	\$19,725	\$19,725
Total		\$913,347	\$937,983	\$1,142,194

Programming Supported by the Environmental Management Fee

Sustainability

The Sustainability Section employs five permanent full-time staff, one full-time temporary staff, three part-time temporary staff, two full-time VISTA aides, and three NAU interns. The Section base contractual and commodity budget is broken down as follows:

Climate and Energy: \$18,270	General Sustainability: \$30,920
Community Agriculture: \$5,500	Rethink Waste: \$25,640
Community Stewards: \$10,516	Open Space: \$32,500

The Sustainability Section catalyzes community and individual actions that promote economic, environmental and social sustainability through leadership, education, and engagement. Programming includes: climate action; community agriculture; community stewards, energy efficiency; renewable energy; open space; and waste prevention.

Examples of programming include climate action planning, monitoring and reporting greenhouse gas emissions, residential energy efficiency rebates, home residential energy efficiency trainings and kits, municipal energy data management, municipal energy efficiency initiatives, municipal renewable energy development, coordinating more than 2,200 community steward volunteers and 110+ miles of community clean ups, more than 30 public events including Earth Day celebrations and Lights Out Flagstaff, management of five community gardens, free workshops on gardening and food production, management of 3,100 acres of legally designated open space, waste prevention education and behavior change marketing, waste diversion events including Drop Off Days, Master Recycler Program, installation of unified trash and recycling bins, updates to policy to achieve Council goals.

Environmental Management

Environmental Management (EM) employs two staff and pays the Public Works Section Director's salary, which oversees EM, Facilities, and Sustainability (this position has been vacant since 2015 and salary savings has been funding Sustainability Section programming). EM programming includes: asbestos; stormwater; lead-based paint; and environmental site assessments. The Asbestos Program works to ensure that City operations adhere to all applicable local, state, and federal regulations as they pertain to asbestos. The Stormwater Program works to ensure that the City Public Works Maintenance Yard and Flagstaff Airport achieves total stormwater compliance. The Lead-Based Paint Program works to ensure that City operations adhere to all applicable local, state, and federal regulations as they pertain to lead-based paint. The Environmental Site Assessment Program works to ensure due-diligence as it pertains to City property acquisition.

Code Compliance

Code Compliance employs three staff. Currently, a portion of two positions are paid by Environmental Management Fee. Initially these positions were Environmental Code Compliance and housed in Environmental Management and Sustainability Sections. At that time the two positions enforced the Solid Waste Code and performed environmental related programming such as the Adopt an Avenue litter program, now managed by Sustainability.

In 2012, the two Environmental Code Enforcement positions were moved to Community Development to begin enforcement of all City Codes to include business regulations, health and sanitation, police regulations, public ways and property, zoning code and general public assist contacts. The scope of the Flagstaff City Codes enforced are wide and cover very diverse types of issues. Code Compliance provides abandoned vehicle removal, and manages the Graffiti Buster program. Sustainability now manages the Adopt an Avenue litter program (now known as Community Stewards Program).

In the FY2019 proposed budget, the Environmental Management Fee funds approximately 29% of the total Code Compliance program.

GFFP Contract

Greater Flagstaff Forests Partnership Annual Service Provider Contract allows for the following: City forest stewardship planning and implementation of the City's forest treatments; public engagement and outreach on the city's natural resources and forest health issues; Flagstaff Watershed Protection Project administration, implementation, public engagement, and more; expertise provided through subject matter experts on the City's forest and natural resource issues through the partnership; engagement in the Fire Adapted Communities Learning Network.

Conclusion

This is informational only.