



CITY COUNCIL WORK SESSION

MEETING DATE:	October 5, 2020
AGENDA ITEM:	Final 2021 Budget Decisions
FROM:	Aimee Tihonovich, Finance Director

Today is the last work session devoted to making 2021 budget decisions. Please see the following list to be considered at this meeting.

At the October 19 work session we will review a powerpoint presentation to be made prior to the public hearing of the Budget on October 20. Council will also be asked at the October 20 to approve a resolution to adopt the 2021 budget and appropriate funds.

**City of Salida
2021 Budget
Open Items**

	<u>Department</u>	<u>Description</u>	<u>\$</u>
1	CIP	The soaking pool 2020 budget is rolled over into the 2021 requested budget, but we have learned that the \$960K is not sufficient to accomplish the vision for the soaking pools so funds either need to be increased (by an estimated \$700K), or the scope reworked. Council may also wish to consider a debt issuance to help pay for the project over time.	\$ 960,000
2	Police	Councilperson Shore asked that staff give consideration to adding funds for another police officer if call volume continues to increase. Staff is working with existing officers to maximize coverage and is utilizing overtime as necessary since there are no officers available for backfill to assist with vacation/training. Overtime is not so excessive as to be more expensive than hiring another staff member but it could eventually exhaust officers. Additional funds have not been placed in the budget but may need to be strongly considered for 2022. If Council feels appropriate to add this year, it will not exhaust the budget.	\$ 71,000 including benefits (not currently in budget)
3	Recycling	Please see following email from councilperson Alisa Pappenfort asking council to rethink the practice of recycling plastics. The City's pro-rata share of recycling costs for Chaffee County are \$32,560. Staff will make any adjustments to this upon direction from Council.	?
4	Airport	Council needs to provide final direction on whether or not to support the additional amount requested by the Airport to expand taxi lanes so more hangers can be added, this will bring the total contribution for 2021 to \$175,000 for both the City and the County. Airport staff have recommended this funding as it will help the Airport reach self sufficiency. As more hangers are added, more fuel sales and space rentals will result.	\$ 100,000
5	Grant Request	Guidestone Colorado presented to Council late July asking for a \$10,000 contribution to go toward a classroom addition to the Hutchinson Homestead and Learning Center. This contribution is not in the 2021 proposed budget. Does Council want to add this in?	\$ 10,000 (not currently in budget)
6	Grant Request	he Chaffee County Economic Development Corporation has asked that Salida, Buena Vista and Poncha Springs together match the county for funding their office. Currently, the County provides \$35,000 in funding. Salida's current funding is \$5,000 (Buena Vista is also \$5K and Ponchas Springs is \$1K). Salida's prorata share to increase the combined contribution to \$35K would be \$19,500 (a \$14,500 increase)	\$ 14,500 (not currently in budget)

2021 Budget Open Items (Continued)

	<u>Department</u>	<u>Description</u>	<u>\$</u>
7	Grant Request	Energy Smart Colorado is asking for \$2,500 to help bring down the cost of home energy assessments for City of Salida Residents. Thier proposal follows.	\$ 2,500 (not currently in budget)
8	COLA	In order to stay in synch with the market for what the City pays employees, the Employers Council recommends a COLA based on the Department of Labor's Employee Cost Index (ECI) for Government employees. As of June 30, that index is 2.4%. Currently, the budget will accommodate this amount of COLA. It is recommended that a COLA to all staff be provided on January 1 based on the latest available ECI figures up to 2.4%	\$ 124,302

Aimee Tihonovich

From: Alisa Pappenfort <alisa.pappenfort@salidaelected.com>
Sent: Thursday, September 17, 2020 9:08 AM
To: Erin Kelley; Drew Nelson; Aimee Tihonovich
Subject: for distribution to council and staff

<https://www.npr.org/2020/09/11/897692090/how-big-oil-misled-the-public-into-believing-plastic-would-be-recycled>

It's way past time to quit recycling plastic so let's budget accordingly. It is cheaper to put it in the ground where it is going to end up anyway. Better in the ground than in our waterways choking and killing species. Less than 10% is actually recycled. Same as it ever was, just worse with a multiplicity of plastic types. If I recall accurately, most plastic trash was created in the last 30 years and is growing exponentially. As we reduce gasoline consumption, big oil offsets with mountains of plastic.

Let us focus our recycling dollars on materials that can actually be recycled. Big oil does not want recycling to work, they only want the marketing to work to continue to deceive the public. We are better than this propping up an industry that only cares about their profits and participating in fooling the public in this corporate sham. Environmentalists have been had with the recycling symbols and I regret my participation with eyes half-open. Let's sharpen our pencils at a budget work session and stop the so-called recycling of plastic.

Appreciation,

Alisa Pappenfort

City Councilor

City of Salida

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www.cityofsalida.com and www.facebook.com/CityofSalida

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Request to City of Salida to bring down the cost of home energy assessments for residents

In follow-up to numerous formal and informal conversations among volunteers and City of Salida Councilmembers, Energy Smart Colorado (ESC) respectfully requests \$2,500 from the City of Salida to help bring down the cost of home energy assessments for City of Salida residents and/or businesses. This \$2,500 will be matched by funds raised by a local volunteer, Michael Kunkel.

Additionally, Chaffee County Government has committed \$5,000 to join Energy Smart Colorado. This first-year membership fee will enable ESC's Executive Director Kasey Provorse to train a Chaffee County employee on the Energy Smart platform of services and to help support the Energy Smart program launch in Chaffee County. A Chaffee County employee, Wayne "Wano" Urbonas, has volunteered to manage the launch of the Energy Smart program for Chaffee County. As outlined on the attached "Energy Smart Colorado – Chaffee County next steps," ESC will provide Wano with access to ESC's processes and software tools as well as one-on-one training on each of these programs and resources. ESC will perform various back-end tasks to recognize Chaffee County as an Energy Smart program partner on ESC's website, assessment enrollment forms, and program materials. ESC will provide marketing materials and resources to help launch the Energy Smart program in Chaffee County.

As highlighted on the attached document "Energy Smart Colorado FAQs" which had been shared at the IGA meeting in February, in addition to providing the first-year membership fee, *a successful community program launch also has local funding available to bring the assessment cost down to \$50 to \$100 for the customer. This may come from a combination of utility co-pays and local government support.*

As Xcel Energy provides the electric services for City of Salida residents, the assessment cost can be offset by a \$160 reimbursement from Xcel Energy for residential customers. Unfortunately, the gas utility provider, Atmos Energy, withdrew their funding toward home energy assessments.

Xcel Energy requires the home energy assessments be completed by Building Performance Institute (BPI) certified Building Analysts. We currently are aware of one neighboring community BPI-certified building analyst¹, Cameron Millard, from Efficiency Insights, who is an approved Xcel Energy contractor available to travel to Chaffee County to complete these assessments. To compensate for the mileage incurred to travel from Leadville to Salida homes, Efficiency Insights requests \$400 per assessment.

With the \$160 reimbursement from Xcel Energy, the cost of the assessment then becomes \$240 for Salida residents. ESC's experience indicates that homeowners are more likely to participate in the home energy assessment when the cost is no more than \$100. ESC proposes to apply City of Salida funds to bring the assessment cost to the homeowner down to \$100. This allocation is outlined on the next page.

¹ Should Chaffee County-based contractors be interested in obtaining BPI Building Analyst certification, Energy Smart Colorado, with funding support from the Colorado Energy Office, can provide partial reimbursement to the contractor(s) to obtain his/her Building Analyst certification(s).

Additionally, we encourage the allocation and analyst's installation of up to \$50 in quick fix materials (or direct installs) which provide the homeowner immediate energy savings. These direct installs may include LED bulbs, pipe wrap, low-flow aerators, programmable thermostats, water heater blankets or weatherstripping around doors and are installed based on the primary needs of the home assessed.

Finally, we propose a small amount of the City of Salida funds be allocated toward an incentive program that encourages energy improvements, as suggested by the energy assessment report, be completed. We suggest starting with \$100 to reimburse the households their initial outlay of assessment costs.

Assessment cost per household	\$ 400	not including direct installs
Xcel Energy reimbursement/offset	\$ 160	
Proposed City of Salida reimbursement/offset	<u>\$ 140</u>	Goal Number of Households: 12
Cost of Assessment for Xcel Energy customer	\$ 100	
Allocation toward home energy assessments	\$1,680	based on a goal of 12 participating households
Allocation for energy improvements rebates	\$ 500	based on 5 households making improvements
Balance available for direct install materials	\$ 320	up to \$50 installed in up to 12 households

To recognize Chaffee County's commitment to the initial membership with Energy Smart Colorado, an equivalent budget of \$2,500 from their \$5,000 contribution is proposed to bring down the cost of the energy assessments for unincorporated Chaffee County residents to no more than \$100 as well. A request will also be made to the City of Buena Vista (and potentially Poncha Springs) to support their residents' enrollment in the Energy Smart program.

Initial Budget, including Chaffee County contribution, and allocation of funds committed:

Revenue

Chaffee County – commitment for first year Energy Smart Colorado membership fee	\$ 5,000
City of Salida – proposed	\$ 2,500
Private Contributions – commitment from volunteer Michael Kunkel	<u>\$ 2,500</u>
	<u>\$10,000</u>

Expenses

First year membership toward ESC onboarding and training (10/1/20 – 9/30/21)	\$ 5,000
Program marketing requested in-kind by program partner/volunteers	
Residential assessment offsets and rebates for Salida & Chaffee County residents	<u>\$ 5,000</u>
	<u>\$10,000</u>

Additional information on launching the Energy Smart program is detailed further in the attached:

- Energy Smart Colorado FAQs – for Chaffee County updated 9.28.20
- Energy Smart Colorado – Chaffee County next steps updated 9.28.20

Energy Smart Colorado welcomes meeting with City of Salida representatives to answer questions on this proposal and to make modifications to best meet City of Salida's sustainability goals. Please contact Kasey Provorse at Kasey@EnergySmartColorado.com with questions or requests for additional information. We look forward to partnering with the City of Salida to launch the Energy Smart program in Chaffee County.



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Energy Smart Colorado FAQs – for Chaffee County

What is included in Energy Smart Colorado (ESC) membership?

Key services include

- The development of a **shared branding logo** to represent Chaffee County's designated agency and ESC as Energy Smart Partners
- Representation on **ESC's website** as an Energy Smart Partner
- Inclusion in **ESC's Formstack forms** to enroll residents and businesses interested in receiving home or commercial energy assessments
- Access to **ESC's Salesforce database** to track assessment requests, progress on these audits, direct installs made, energy savings modelling
- Access provided to designated Building Analyst(s) to **ESC's Formyoula tool** to complete energy assessments and reporting to customers
 - Connection to **Building Performance Institute (BPI) certified Building Analysts** from neighboring communities if none are certified locally
- The development of **automated processes** within these software programs to notify community partner of assessment requests, assessment report generation and rebate requests, where available
- The **development of reports** specific to the community's assessments completed, direct installs provided, and energy savings modelled from the Salesforce database
- Access to **ESC's Dropbox folders** and cloud-based storage services that include shared resources like marketing campaigns, analyst work agreements, training resources and program delivery information
- Ongoing **one-on-one training**, both in person and by phone/screen share, related to each of these aforementioned software programs and resources, as well as the process in
 - assigning assessments to local analysts;
 - tracking assessments, rebates, invoices, energy modeling and savings;
 - reporting results to utility partners and local governments
- **Support with utility conversations**, where needed, to enhance the local program
- Assistance **establishing billing** to local utilities and ensuring payments to local analysts
- Support with **presentations to local government agencies** and funders
- **Discounted purchasing** for direct install measures through ESC vendor relationships
- **Monthly team calls** with other ESC partners
- Participation in **ESC's annual partner summit**
- **Training opportunities** as developed by ESC based on ESC partner needs and gaps
- Partial reimbursement **funding to train** and/or re-certify **local contractors** as BPI Building Analysts and to earn CEUs to keep up their certifications

What is the cost to join Energy Smart Colorado?

The **first year membership fee is \$5,000** for the new community partner. This enrollment and on-boarding contribution maybe shared by several entities, including local government agencies, local businesses and/or non-profit partners.

All of the above key services and support continue following the first year, and the membership costs thereafter are currently **\$1,000 per year** for each ESC partner.

Who else is partnering with Energy Smart Colorado?

Energy Smart Colorado's current members (and their geographic territories) include

- Boulder County Sustainability Office (Boulder County)
- Cloud City Conservation Center (Lake County)
- Community Office for Resource Efficiency (CORE) (Roaring Fork Valley)
- Four Corners Office for Resource Efficiency (4CORE) (Southwest Colorado)
- Gunnison Valley Regional Housing Authority (GVRHA) (Gunnison Valley)
- High Country Conservation Center (Summit County)
- Pueblo County Energy Efficiency & Renewable Energy (Pueblo County)
- Walking Mountains Science Center (Eagle Valley)
- Yampa Valley Sustainability Council (Yampa Valley)

Energy Smart Colorado also has a statewide contract with Black Hills Energy (Colorado Gas Distribution) to reduce the cost of assessments and to encourage direct installs in their natural gas served homes.

What might a partner have in place when joining Energy Smart Colorado?

- ☐ **A climate action or sustainability plan** and/or interest in developing a residential and/or commercial energy assessment program
- ☐ An established nonprofit organization or government agency with capacity to manage the Energy Smart program. This designated agency serves as the **local community partner** and serves as the lead contact for Energy Smart Colorado. This agency should also have
 - A **staff member with dedicated time** to market the program, manage enrollment requests, contract with local analyst(s), and participate in monthly calls with ESC partners
- ☐ The established managing entity (local community partner) has **funds raised** or will be able to raise funds to contribute the enrollment fee of \$5,000 to join Energy Smart Colorado
 - Energy Smart Colorado will in turn provide one-on-one training to onboard staff at the new partner agency in Energy Smart's software, marketing and assessment tools
 - The managing entity will continue to partner with Energy Smart Colorado on an annual basis and contribute an annual membership fee of \$1,000
- ☐ **BPI-certified Building Analysts available** to complete the energy assessments
 - **If not, has local contractors very interested** and available to attend a week-long training and testing (likely held in Leadville, CO) to receive their BPI Building Analyst certification
 - Local analyst(s) in turn with capacity to perform local energy assessments
- ☐ A successful community program launch also has **local funding available to bring the assessment cost down** to \$50 to \$100 for the customer (typically an analyst is paid \$350 for a home energy assessment.) This may come from a combination of utility co-pays and local government support.
- ☐ Has a **local utility interested in partnering** in the Energy Smart program; currently in Chaffee County,
 - Xcel Energy rebates \$160 to \$200 of the assessment costs for its customers
 - Sangre de Cristo Electric Association is rebating \$100 to \$200 of the assessment costs
 - Unfortunately, Atmos Energy withdrew its auditing program support for 2020, but remains committed to a number of rebates for completed energy improvements.
- ☐ In addition, it is important to consider the development of **an incentive program that encourages the energy improvements**, as suggested by the energy assessment report, to be completed. Providing a local rebate when improvements are made, even simply \$100 to cover the initial outlay of assessment costs, allows tracking on the action customers took while better representing and reporting (back to funders) on energy savings that result from the improvements. These incentive funds are encouraged to be contributed by local governments for their constituents.



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Next Steps to launch Energy Smart Colorado (ESC) partnership in Chaffee County

Chaffee County will...

- ☒ Determine program partner/designated agency in Chaffee County to serve as Energy Smart's program implementer. This program partner should be an established nonprofit organization or government agency with capacity to manage the Energy Smart program. This designated agency serves as the local community partner and will serve as the lead contact for Energy Smart Colorado in Chaffee County. This organization or government entity should also have a staff member with dedicated time (can be 5 to 10 hours a week to start) to market the program, manage enrollment requests, contract with local analyst(s), and participate in monthly calls with ESC partners
- ☒ Determine aforementioned staff member at program partner who will oversee the Energy Smart program launch
 - ☒ Staff member will be available for trainings with ESC as indicated below
- ☐ Support marketing efforts by program partner and/or local volunteers to encourage assessment sign-ups throughout the region
- ☐ Help develop budget structure for program implementation (see draft budget on next page)

Energy Smart Colorado will...

- ☐ Confirm City of Salida contribution towards Energy Smart program implementation
- ☐ Develop a shared branding logo to represent Chaffee County's designated agency and ESC as Energy Smart Partners
- ☐ Add Chaffee County's designated agency to ESC's website as an Energy Smart Partner
- ☐ Include representation of Chaffee County's designated agency in ESC's Formstack forms to enroll residents and businesses interested in receiving home or commercial energy assessments
- ☒ Confirm the availability of a Building Performance Institute (BPI) certified Building Analyst from Leadville to complete assessment requests throughout Chaffee County
- ☐ Offer ESC's Formyoula tool to the Building Analyst to complete energy assessments and reporting to customers
- ☐ Offer partial reimbursement funding (thanks to the Colorado Energy Office (CEO)) to certify an additional Building Analyst based in Chaffee County
- ☐ Assist new Building Analyst with obtaining equipment (partial reimbursements available also in thanks to the CEO) required to perform energy assessments according to BPI standards
- ☐ Provide program implementer/staff member access to ESC's Salesforce database to track regional assessment requests, progress on these audits, direct installs made, energy savings modelling
- ☐ Automate processes within these software programs to notify community partner of assessment requests, assessment report generation and rebate requests, when available
- ☐ Develop reports specific to the community's assessments completed, direct installs provided, and energy savings from the Salesforce database
- ☐ Provide program implementer/staff member access to ESC's Dropbox folders and cloud-based storage services that include shared resources like marketing campaigns, analyst work agreements, training resources and program delivery information
- ☐ Provide staff member with ongoing one-on-one training, both in person and by phone/screen share, related to each of these aforementioned software programs and resources, as well as the process in
 - ☐ assigning assessments to local analysts;
 - ☐ tracking assessments, rebates, invoices, energy modeling and savings;
 - ☐ reporting results to utility partners and local governments

Energy Smart Colorado will (continued)...

- ☐ Discuss with Sangre de Cristo Electric Association the continuation of the assessment reimbursement as outlined in the 2019 and 2020 agreements with ESC
- ☐ Establish billing procedures to obtain reimbursements from local utilities and ensure payments to local analysts
- ☐ Provide program implementer support with presentations to local government agencies and funders
- ☐ Connect partner to discounted purchasing for direct install measures through ESC vendor relationships
- ☐ Continue its monthly team calls with ESC partners, connecting program implementer with other Energy Smart partners throughout the state
- ☐ Develop training opportunities based on ESC partner needs and gaps

Chaffee County/City of Salida partnership with Energy Smart Colorado - 2020-21 Draft Budget

Revenue

Chaffee County	\$ 5,000
City of Salida	<u>\$ 5,000</u>
	\$10,000

Expenses

Initial membership toward ESC onboarding and training	\$ 5,000	
Program marketing	in-kind by program partner/volunteers	
Residential assessment reimbursements	<u>\$ 5,000</u>	see detail below
	\$10,000	

proposed outline of residential assessment reimbursements

	goal #	cost of assessment ¹	Household payment to analyst	maximum allocation of municipal funding by household (before direct installs)	maximum allocation of municipal funding toward assessments	Direct install or rebate \$\$ available for energy improvements (if no households qualify for electric utility reimbursement) ²	total allocation of funding
residential area							
City of Salida	12	\$400	\$100	\$140	\$1,680	\$820	\$2,500
unincorporated							
Chaffee County	8	\$400	\$100	\$300	\$2,400	\$100	\$2,500

¹electric utility provider may bring the assessment cost down as shown:

Sangre De Cristo Electric reimbursement (as available)	\$100 to \$200
Xcel Energy reimbursement (applicable for City of Salida residents and others)	\$160

²available rebate dollars would increase as utility reimbursements are applied. This balance in funding could also be allocated to complete direct installs like LED bulbs, pipe wrap, low-flow aerators, programmable thermostats, water heater blankets or weatherstripping around doors during the assessment and to increase immediate energy savings.