

**CITY OF SCOTTSDALE
ENERGY ADVISORY COMMITTEE
ENVIRONMENTAL QUALITY ADVISORY BOARD**



**WEDNESDAY, APRIL 16, 2008
GRANITE REEF SENIOR CENTER, ROOM 8
1700 N. GRANITE REEF ROAD
SCOTTSDALE, ARIZONA**

SUMMARIZED MEETING MINUTES

- PRESENT:** Jimmy Leung, Vice-Chair
Bill Sheaffer, Committee Member
Richard Stegeman, Committee Member
Keith Thompson, Committee Member
- ABSENT:** Jim Mulloy, Chairman
Brian O'Donnell, Committee Member
Dave Walker, Committee Member
- STAFF:** Chuck Skidmore, Energy Management Engineer
Anthony Floyd, Green Building Program
Victor Valliere, Planning and Development Services
Joey Miller, Planning Department Intern
Larry Person, Environmental Coordinator
- OTHERS:** Brian Munson, EQAB Chair

Call to Order

Vice Chair Leung called the meeting to order at 4:33 p.m.

Roll Call

A roll call confirmed members present as stated above, noting the presence of a quorum.

Public Comment

No comments were made.

1) Approval of Minutes

COMMITTEE MEMBER STEGEMAN MOVED TO APPROVE THE MINUTES OF THE MARCH 5, 2008 MEETING. COMMITTEE MEMBER THOMPSON SECONDED. THE MOTION CARRIED UNANIMOUSLY BY A VOTE OF FOUR (4) TO ZERO (0).

2) Staff update on proposed organization of an Environmental Office by Vic Valliere with the possibility of recommending the proposal for action by the Environmental Quality Advisory Board.

Mr. Valliere presented an overview of his proposal to reorganize the City structure to create an Environmental Office. Four primary goals were identified for the project:

- Any changes should have a positive impact on Scottsdale's present and future.
- Results in a net-zero cost effect on the proposed FY08/09 budget.
- Avoid creating an additional layer of bureaucracy.
- Unites all stakeholders' interests for the good of the community.

Currently, it is difficult to determine how much the City is spending on energy costs annually. Data is collected and bills paid by many different departments. There is no one source to keep track of the total. Overall, the City is estimated to spend just over \$18 million on energy, 78% of which is for electricity. The majority of the electricity is used to supply the City's water needs. If the City realizes an energy cost savings of 3% or 4% by simply educating employees, it would result in substantial savings.

The City's fuel consumption has remained flat, but costs have soared per gallon to where \$2.7 million is now spent on fuel. That trend is not likely to reverse. The only thing the City can control is consumption.

In response to Vice Chair Leung, Mr. Valliere confirmed that the energy costs he cites in the study are very conservative. He used numbers he could defend with certainty, but there are likely areas not accounted for. With one person overseeing energy and determining how to save it, the task of tracking and managing energy use would be much easier.

Since 2001, Scottsdale has used a decentralized approach to energy management. The leading cities are using a centralized approach. A centralized office could deal with education, City initiatives, legislative oversight, energy management, coordination of efforts between departments, data collection, and reporting. Implementation would be the responsibility of each department and employee, through a fostered culture of environmental stewardship. The office could establish performance measures and define objectives for general managers to be evaluated against, to ensure that everyone is focused on the path established by Council. Council creates policy, which City staff then implements. The Environmental Office would deal with the initiatives that fall in between.

Committee Member Sheaffer said if Scottsdale had a way to quantify the progress it is making, it could serve as a leadership model for other cities. Committee Member

Thompson agreed that if the metrics could be recorded it would be easy to promote the progress.

Mr. Valliere said the Council currently has to see a return on investments within three to five years before it can support a program. Solar energy usually returns an investment over seven to nine years. The City needs to take into account not just the financial cost savings, but also other benefits such as improved air quality and overall quality of life. The Environmental Office could analyze these things and bring recommendations on policy to Council.

Given today's budget realities, it is essential that any proposal have a zero impact on the budget. The proposal recommends that a General Manager who reports directly to an Assistant City Manager lead the Office. Converting existing positions and eliminating vacant ones would realize the zero-sum cost effect.

Mr. Valliere reviewed a flow chart illustrating the proposed organizational structure. In a reactive approach, EQAB would present initiatives to Council. Upon approval, Council would give direction to the City Manager. The environmental team would work with each department, do research, conduct feasibility studies, and conduct community outreach. Having completed the research, they would draft a policy recommendation that would go back up the chain through the City Manager and to Council for approval. Additionally, in a proactive approach, the environmental team would be responsible for looking at technology and determining what options are available to improve the City.

In response to Vice Chair Leung, Mr. Valliere confirmed that the Chief Environmental Officer position was reduced down from the proposed Planning Development Services level. The intent was to allow the Environmental Officer to work with peer groups when it comes time to discuss policy. Frank Gray is seen as the right leader to move this initiative forward strategically, and to motivate and unite the staff behind it.

Vice Chair Leung and Mr. Munson inquired how current staff members would be incorporated into the new structure. Mr. Person answered that the three employees who report to Frank Gray have been re-assigned already. A separate process is required for the others who are not in his department currently.

Committee Member Thompson inquired about the location of the office. Mr. Valliere responded that the staff of the Environmental Office would be housed together in one group.

In response to Vice Chair Leung, Mr. Valliere said the new office would be more the size of a division than a department. It would be very difficult to create a General Manager position for only a few employees. If Council approves the plan, the Environmental Office will be able to be successful. Their actions will speak for themselves, and the group will eventually settle into appropriate functioning levels.

Vice Chair Leung felt the proposal was well thought out and doable.

VICE CHAIR LEUNG MOVED TO RECOMMEND THAT THE ENVIRONMENTAL QUALITY ADVISORY BOARD ENDORSE MR. VALLIERE'S PROPOSAL FOR A NEW ENVIRONMENTAL OFFICE. COMMITTEE MEMBER SHEAFFER SECONDED. THE MOTION CARRIED UNANIMOUSLY BY A VOTE OF FOUR (4) TO ZERO (0).

3) General announcements by attendees

No announcements were made.

Adjournment

With no further business to discuss, the meeting adjourned at 5:27 p.m.

Respectfully submitted,

A/V-Tronics, Inc.