#### **MINUTES**

# Eugene City Council Work Session Eugene, Oregon 97401

December 9, 2024 5:30 p.m.

**Councilors Present:** Emily Semple, Matt Keating, Alan Zelenka, Jennifer Yeh, Mike Clark, Greg Evans, Lyndsie Leech, and Randy Groves

Mayor Vinis opened the December 9, 2024, work session of the Eugene City Council in hybrid in-person and virtual format at 500 E. 4th Avenue, Eugene, OR 97401, North Building.

### 1. WORK SESSION: Update on Building Decarbonization Strategies

City Manager Sarah Medary introduced Danielle Klinkebiel, Climate Policy Analyst, and Ian Penn, Sustainability Manager, who presented an update on implementing strategies for building decarbonization identified through community engagement.

# **Councilor Discussion:**

- Mayor Vinis noted her appreciation for the succinct presentation; noted concern about
  potential prohibitions that would restrict local authority; stated interest in the connection
  between incentivizing housing construction and increasing energy efficiency.
- Councilor Yeh noted her appreciation for the information on local grants; stated her appreciation for their realistic approach to the work and commitment to communication; asked about the current utilization of the home energy auditing program.
- Councilor Keating thanked staff for their timely, clear, and critically important work; asked about the potential for a smog check program; noted his enthusiasm for their work.
- Councilor Groves asked about the cost to retrofit a house to be electric; stated it is
  valuable to know the cost of converting older homes to electricity when strategizing about
  revenue.
- Councilor Clark noted the possibility of the voluntary home energy audit becoming mandatory; asked whether that would be a local or state mandate.
- Councilor Evans noted some states have preemptively banned restrictions on natural gas; asked if a similar proposal was expected for Oregon.
- Councilor Zelenka stated there is not much focus on the largest share of emissions which
  are transportation emissions; noted appreciation for the team's level of community
  outreach; noted appreciation for their plans for leveraging state and federal resources;
  stated communication about rebates and tax credits is key to the utilization of those
  programs; noted three cities in Oregon now require home energy scores.
- Councilor Leech asked about top funding priorities; asked if the incentive navigator
  would be a dual role with the home energy auditor; asked if geothermal energy is a viable
  energy source for Eugene; asked if geothermal energy can be retrofitted or only utilized by
  new construction.

- Mayor Vinis asked if vendors of heating and cooling systems were included in community outreach; noted her excitement about working with business and building vendors around climate opportunities.
- Councilor Zelenka stated the Sustainability Commission should focus on actions that
  reduce the most greenhouse gas emissions; noted his appreciation for how they
  prioritized the twelve projects; asked about next steps to work with businesses to
  decarbonize buildings; stated there are many options for people looking for
  decarbonization incentives.
- Councilor Keating expressed interest in outreach efforts, workshops, and next steps related to commercial business decarbonization; suggested creating a public energy efficiency letter grade system to incentivize and inform the public about the decarbonization efforts of local businesses.

# 2. WORK SESSION: Climate & Sustainability Revenue Options

City Manager Sarah Medary introduced Twylla Miller, Chief Financial Officer, who presented on potential revenue sources for funding decarbonization and greenhouse gas emission reduction.

#### Councilor Discussion:

- Councilor Groves noted his concern about introducing new fees at this time; asked if Gresham received Contributions in Lieu of Tax (CILT) revenue from PG&E.
- Councilor Zelenka stated the reason we have Eugene Water and Electric Board (EWEB) pay a CILT is because you cannot have a franchise fee on a government utility; stated it has been three years since he put forth a Council poll about climate and homelessness revenue; noted his interest in investigating a bond or levy to fund action around climate and homelessness; stated support for increasing the franchise fee on Northwest Natural; noted interest in raising the construction excise tax to fund affordable housing; noted interest in the proposed climate impact fee.
- Councilor Clark stated his concern about increasing the number and amount of local fees; spoke in favor of a Senate 844 agreement for a weatherization program to help low-income homes reduce utility costs and carbon emissions; asked what would be needed to work with Northwest Natural on a weatherization program; stated support for improving our working relationship with Northwest Natural; stated hope that an improved relationship would result in financial benefit to the community.
- Councilor Yeh noted her appreciation for the work of staff and the revenue committee; asked about the potential timeline for a weatherization program; asked about staffing and potential costs for the program; stated interest in a natural gas supplier tax as a funding source for programs like weatherization; asked if staff have suggestions about how Council can support them.
- Councilor Leech stated support for a natural gas supplier tax; stated interest in the proposed navigator position; noted the challenges in accessing weatherization incentives; stated interest in further information on the climate impact fee; noted she is not ready to move forward with a levy.

- Councilor Clark asked if there should be a vote to bring something back for Council action; spoke in opposition to raising the natural gas supplier tax given that EWEB is raising its rates eight percent in the next year.
- Councilor Groves spoke in favor of including EWEB in electrification discussions; stated a supplier tax will increase rates paid by the community.
- Councilor Zelenka stated a potential supplier tax or franchise fee should include a
  portion set aside for rental assistance; spoke in favor of starting with smaller,
  administrative ideas.

The meeting was adjourned at 7:02 p.m.

Respectfully submitted,

Katie LaSala City Recorder

(Recorded by Cherish Bradshaw)

Link to the webcast of this City Council meeting here.