

# Lead by Example

## 2024 Progress Report



MAY 2024



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# 1. INTRODUCTION

## Background

The City has a long history of managing its operations to minimize the environmental impact and costs associated with City energy use, fleet fuel consumption, solid waste generation, and employee commute. Since adoption of the 2006 Conservation and Open Space Element of the General Plan, the City has had Council policy direction to be a “Model City” and to “manage its own operations to be as pollution free as possible.”

In 2020, City Council adopted a goal of communitywide carbon neutrality by 2035 and as part of that goal, Council also adopted a goal of carbon neutral municipal operations by 2030. In 2021, Council adopted Lead by Example: A Plan for Carbon Neutral Municipal Operations (referred to in this document as “Lead by Example” or “Plan”), which identifies goals, objectives, and actions for achieving the City’s municipal operations climate goal.

This Lead by Example 2024 Progress Report (Report) provides a snapshot of the City’s climate action and sustainability work completed since the July 2021 adoption of Lead by Example. The Report includes an update on key progress indicators (Chapter 2), a summary of implementation trends by plan sector (Chapter 3), and a detailed review of every action’s implementation status as of April 2024 (Appendix A). This Report is intended to act as a “check-in” in advance of the first Lead by Example plan update, scheduled for late 2024.

## Key Takeaways

Based on the work completed for the Report, staff have identified three key takeaways:

**1. The City is on the right path to achieving its goals.** Through initial implementation of the Lead by Example Plan, staff have learned many lessons and have confirmed the efficacy of the plan’s approach. The general approach of efficiency, conservation, and transitioning equipment from fossil fuel energy to electric energy is working and continues to be the way forward. As staff transitions to updating the plan, the recommended focus is on refining and optimizing the approach to achieving existing objectives rather than developing entirely new ideas.

**2. Ambitious goals provided access to resources that have allowed for rapid progress.** Council’s ambitious goals have made the City highly competitive in grant programs. The City has obtained approximately \$15.4 million in outside funding to implement Lead by Example actions since 2019. This funding has made initial progress possible and has kept the City on track to achieving its goals.

**3. Increasingly complicated work ahead requires sustained commitment.** Carbon neutral municipal operations by 2030 is an achievable but highly ambitious goal that requires policy and financial decisions to be aligned and oriented towards the goal. The next phase of work involves more complicated projects; future success depends on maintaining City focus and funding for these more challenging projects.

## Lead by Example Plan and Progress Report Development Process

The Lead by Example Plan addresses greenhouse gas emissions from four sectors (building and facility energy, fleet, employee commute, and solid waste) and includes the sequestration benefits from a fifth sector (natural solutions). The Plan also includes sectors whose emissions were not quantified (procurement, budgeting, and finance, as well as wastewater). The Lead by Example Plan focuses its carbon neutrality goal on General Fund, Parking Fund, and Transit Fund activities. Figure 1 provides the sectors and associated goals.

The planning and implementation of Lead by Example occurs over four repeating steps including evaluating existing conditions via a greenhouse gas emissions inventory, identifying key actions to eliminate greenhouse gas emissions, implementing those actions, and monitoring progress via this progress report. This cycle is intended to be completed every four years until the agency achieves its goal of carbon neutral municipal operations.



**Figure 1. Emission Sectors and 2030 Goals**

## Green Team

Given the City's long commitment to operational efficiency, it was important that the Lead by Example Plan and this Progress Report be developed and completed with the support of a group of staff members known as the "Green Team". The Green Team is a cross-departmental collaborative body of staff convened to help guide the City's approach to achieving carbon neutral municipal operations. The Green Team allows staff from each department to participate in the planning and implementation of emissions reduction measures to achieve an "all-City" approach to municipal carbon neutrality.

## Implementation Resources

The City has long invested in energy efficiency and conservation. Since 2019, climate action has been a Major City Goal with City funds directed towards achieving the more ambitious contemporary goals. A central tenet of the 2020 Climate Action Plan is that leadership brings resources and since 2019 the City has also brought in substantial funding from outside resources

totaling approximately \$15.4 million.<sup>1</sup> Table 1 provides a list of grants, fundings programs, and incentives received to date, with the totals expected to grow substantially as the City begins to access Inflation Reduction Act tax rebates and additional grant programs come online.

**Table 1. External Funding for Lead by Example Implementation**

Project	Sector	Resources	Amount
LED Lighting Retrofits	Building & Facility Energy	PG&E On-Bill Financing	\$576,857
Heat Pump Hot Water Heater Installation	Building & Facility Energy	PG&E Government and K12 Program	\$60,681
Battery Energy Storage System at WTP	Building & Facility Energy	Self-Generating Incentive Program	\$3,202,536
City Building Electrification Roadmap	Building and Facility Energy	3CE Rebate	\$70,000
Electric Fleet Vehicles	Fleet	3CE Rebate	\$68,000
Electric Vehicle Charger Installation	Fleet	3CE Rebate	\$24,048
Electric Fleet Transition Roadmap	Fleet	3CE Rebate	\$119,985
Electric Buses	Fleet	Federal Grants	\$8,893,350
Electric Buses	Fleet	State Grants	\$533,000
Electric Bus Charger Installation	Fleet	Federal Grants	\$898,093
Electric Bus Charger Installation	Fleet	State Grants	\$729,000
Open Space Climate Restoration	Natural Solutions	Wildlife Conservation Board Program	\$251,996
Open Space Climate Restoration	Natural Solutions	US Fish and Wildlife Services	\$25,000
Total			\$15,452,546

## Looking Ahead to a Carbon Neutral 2030

To achieve one of the most ambitious climate neutrality goals in the nation, the City will need to continue serving as a leader and innovator through the end of the decade. While challenging, the years ahead offer opportunity to provide excellent community services while operating a clean, fiscally responsible, and carbon-free organization.

Over the last three years, staff have learned a tremendous amount while implementing key projects. When Council adopted the Lead by Example Plan in 2021, much was still unknown about the viability or cost effectiveness of certain technologies that would be required to achieve municipal carbon neutrality. As described in Appendix A, some actions ended up being infeasible and some have ended up taking longer than expected, however the City is still making rapid

<sup>1</sup> The City has a much longer record of receiving grant funds to increase its operational efficiency; 2019 is selected as the cutoff date here to reflect the year greenhouse gas emissions were inventoried in the Lead by Example Plan.

progress on its Lead by Example work. Where actions were infeasible, staff will continue to identify alternative ways to support progress.

The next step will be to update the Lead by Example plan. Staff will make adjustments to the actions in the current plan to reflect all of the learning described in this report and return to Council in late 2024 or early 2025 to confirm that path for the next four years of action. This plan update will inform the 2025-27 and 2027-29 Financial Plans, the last two complete financial plans before the 2030 goal. To make progress on the next phase of projects, the City must continue to leverage external funds while also allocating the necessary internal staff and financial resources to implement Lead by Example projects.





## 2. KEY PERFORMANCE INDICATORS

A greenhouse gas (GHG) inventory is an accounting of the GHG emissions that have occurred as the result of activity in a calendar year. The greenhouse gas emissions inventory and related emissions forecasts provide the foundational technical analysis for staff to understand baseline conditions and monitor progress over time.

For the 2021 *Lead by Example Plan*, the City updated its 2005 municipal operations baseline inventory, completed a 2019 municipal operations inventory, and forecasted emissions for 2025 and 2030.

The City is drafting a 2022 inventory for the *Lead by Example* plan update. For this report, the City conducted a 2022 activity data “check-in”.<sup>2</sup> Table 1 provides activity data for each inventoried sector and includes the 2022 update. Note that Wastewater and Procurement sectors do not have emissions estimates associated with them and are included in this Report for reference only. A more robust inventory including greenhouse gas emission and updated 2025 and 2030 projections will be provided as part of the *Lead by Example* plan update. Key performance indicator updates by sector are provided below.

### Building and Facility Energy

The Building & Facility Energy sector focuses on emissions from energy (electricity and natural gas) used to power buildings, facilities, and equipment owned and operated by the City. Between 2019 and 2022, electricity use decreased by 3.2% and natural gas use decreased by 27%. The electricity reduction represents the continuation of a long-term reduction trend enabled by energy efficiency projects, but is expected to begin growing starting in the 2023 inventory as the result of transitioning more building systems and fleet vehicles to electricity. The primary driver of the natural gas reduction was the 2019 decommissioning of an electricity cogeneration system at the SLO Swim Center. Despite these reductions in use, emissions from this sector likely increased between 2019 and 2022. This blip was expected and is due to Central Coast Community Energy’s transition from renewable energy credits to direct investments in renewable energy projects. As those projects come online, the emissions intensity of Central Coast Community Energy’s electricity will drop rapidly and result in large emissions reductions in this sector.

### Fleet

The Fleet sector focuses on emissions from fossil fuel use (gasoline and diesel) used in fleet vehicles owned and operated by the City, including light duty vehicles, maintenance vehicles, buses, fire trucks, and police vehicles. Between 2019 and 2022, gas use decreased by 11.8% and diesel use decreased by 26.5%, and total emissions in this sector have likely decreased. The reduction in fuel consumption is the result of an increasingly efficient fleet and from a

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<sup>2</sup> 2022 is the most recent year for which all necessary data is available.

reduced transit schedule. These downward trends in fuel consumption are expected to continue as the City electrifies its gasoline and diesel fleet vehicles.

## Employee Commute

The Employee Commute sector estimates emissions from vehicle miles traveled (VMT) by employees traveling to and from work. Between 2019 and 2022, employee commute vehicle miles travelled (VMT) is estimated to have increased by over 65%. The increase is largely a function of increased staffing levels, and the impact may be mitigated by the overall increase in vehicle efficiency and private uptake of electric vehicles.

## Solid Waste

The Solid Waste sector focuses on emissions from landfilled solid waste and implementing initiatives to increase recycling and landfill diversion. In the 2021 Lead by Example Plan, emissions from solid waste were modeled using a standard factor that estimated the amount of waste generated per employee. In this Report, landfilled tons are calculated by converting the 2019 and 2022 trash service level volume from City facilities into tons by using the Municipal Solid Waste weight conversion factor provided by the U.S. Environmental Protection Agency. In 2023, a consultant was hired to perform a detailed waste characterization and generation study to determine waste disposal tonnage resulting from municipal operations. The updated inventory figures using this data will be substantially more accurate and are expected to be ready for inclusion in the Lead by Example Plan update.

**Table 1. Municipal Operations Activity Data, 2005-2022**

Sector	Activity Data	2005	2019	2022	% Change 2019-22
Building & Facility Energy	Electricity (kWh)	12,615,161	9,775,193	9,461,617	-3.2%
	Natural Gas (Therm)	133,607	154,125	111,297	-27.8%
Fleet	Gasoline (Gallons)	83,440	75,570	66,660	-11.8%
	Diesel (Gallons)	149,040	141,590	104,020	-26.5%
Employee Commute	Vehicle Miles Travelled (VMT)	1,920,620	1,947,180	3,220,555	65.4%
Solid Waste	Landfilled Waste (Tons)	156	161	165	2.5%

## 3. IMPLEMENTATION HIGHLIGHTS

The City has been busy implementing the Lead by Example Plan since it was adopted in July 2021. This section highlights some of the key successes and challenges experienced in each of the plan's sectors. It also provides an overview of the Sustainable SLO initiative. Appendix A provides a comprehensive description of progress for every action in the Lead by Example plan.

### Sustainable SLO

In the spirit of leading by example and telling the story of progress to date, the City added a new “Sustainable SLO” mark and illustrated graphic to a variety of public facilities and equipment. City assets with the Sustainable SLO mark includes electric and hybrid fleet vehicles, Big Belly trash and recycling receptacles, trailhead kiosks, public electric vehicle chargers, electric buses, active transportation greenway signs, and water fountains and bottle filling stations. In tandem with physical branding on City assets, the City ran a community education series in the winter and spring of 2024 that culminated in an Earth Month Event Series in April 2024. The mark and illustrated graphic are integrated into the City's brand standards and will be included on all Lead by Example assets moving forward.





## Building and Facility Energy

The foundation of *Lead by Example* is that the electricity grid will continue to get cleaner over time, and through efficiency and transitioning from fossil fuel appliances to electric appliances, the City will reduce and eventually eliminate emissions.

Consumption of electricity and natural gas at City buildings and facilities is the largest source of City greenhouse gas emissions, accounting for approximately 43% of inventoried emissions. Between 2019 and 2022 the City's saw a 3.2% decrease in electricity use and a 28% decrease in natural gas use.

The City has a long history of completing energy efficiency projects as part of routine maintenance. In addition to buying more efficient equipment and opportunistically changing out incandescent lighting with LED, the City completed substantial lighting retrofit projects in 2021, changing out old lighting with LEDs at City Hall, Fire Station 1, and all three parking garages.

In 2022, the City completed a comprehensive plan to transition its buildings and facilities away from fossil fuels. The Carbon neutral City Facilities Plan identifies several large projects, including electrification of part of the City Swim Center and City Hall and numerous smaller projects to complete as opportunities arise.

In 2023, the City completed a no-cost project to replace seven gas water heaters with heat pump hot water heaters and is currently looking to expand to additional water heater retrofits. Similarly, the City is working to deploy solar projects at five City sites.

Large projects are expected to be designed in 2024 and 2025 and funding for the projects will be requested as part of the 2025-27 Financial Plan. Gas use is expected to rapidly decline through 2030, especially as planned projects replacing large furnaces and boilers are implemented. Electricity use is expected to continue to increase as gas appliances are transitioned to electric appliances. Additionally, the fleet and building sectors will become more intertwined as new electric vehicles start being charged at City facilities, increasing electrical load at those sites but eliminating gas and diesel consumption.

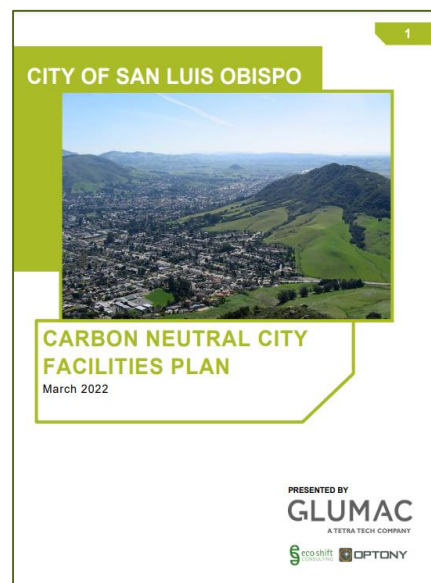
**GOAL:** Eliminate fossil fuels use in buildings and facilities by 2030.

**OBJECTIVES:**

Construct only all-electric new buildings.

Eliminate fossil fuel use to the maximum extent possible in existing buildings.

**STATUS:** On-track.



## Fleet Vehicles

The increasingly clean electricity grid also serves as the foundation for the City's fleet decarbonization goal, which focuses on transitioning from fossil fuel to electric vehicles. Consumption of gasoline and diesel by the City's vehicle fleet is the second largest source of municipal greenhouse gas emissions, accounting for approximately 42% of inventoried emissions. Between 2019 and 2022, fleet gas use decreased by 11.8% and diesel use decreased by 26.5%.

The City is making progress in its goal of 100% light duty electric vehicles. As of April 2024, the City has 15 electric vehicles, 9 plug-in hybrid vehicles, and 12 regular hybrid vehicles. The City has also installed 11 level 2 charging ports at the Corp Yard (6), City Hall (2), and the Marsh Street Parking Garage (3). The transition to electric fleet vehicles has been both harder and easier than expected. Soaring demand for the products has made finding and procuring vehicles difficult. However, the cost of the vehicles has been lower than expected, with a potential 30% tax credit through the Inflation Reduction Act and direct incentives from Central Coast Community Energy.

The City, with support from Central Coast Community Energy, completed a fleet transition plan and a charging infrastructure plan and is working to build out sufficient charging infrastructure through the end of the decade. Building out fleet charging infrastructure remains challenging; however, staff have found ways to provide sufficient charging for existing electric vehicles. To meet rising demand for fleet charging, staff are planning for the installation of additional chargers at the Utilities Administration Building, the Parks and Recreation Office, and on the ground floor of the 919 Palm Street Parking Garage.

The regulatory environment has shifted since 2021. Governor's Order N-79-20 requiring the phase out of fossil fuel public fleet vehicles was codified as regulation in the California Air Resources Board's Advanced Clean Fleet rules requiring electric fleet procurement by local governments. Fortunately, because of early leadership, the City is poised to comply with these state regulations and are well positioned to secure funding to do so.

The City has been behind schedule completing electric vehicle charging infrastructure, however staff have identified a project delivery approach to get it back on schedule and anticipates being generally on-track to achieve the Lead by Example Fleet goals. Specific challenges facing the Fleet sector include finding charging and vehicle solutions for Police Department cruisers, as well as the City's medium and heavy-duty fleets.

**GOAL:** Eliminate fossil fuels use in vehicle and equipment fleet by 2030.

**OBJECTIVES:**

Achieve 100% all-electric light duty vehicles (excluding long-range and certain public safety vehicles;

Achieve 50% zero emissions medium and heavy-duty vehicles; Achieve 100% all-electric transit fleet.;

Achieve 100% all-electric equipment, excluding certain heavy-duty equipment, pumps, and backup generators.

**STATUS:** On track.



## Employee Commute

City employees commuting to and from work generate the third largest source of inventoried emissions (15% of total). Between 2019 and 2022, it is estimated that employee vehicle miles traveled rose substantially (65%). This is in large part due to a growing work force with employees commuting from regional towns such as Atascadero, Arroyo Grande, Los Osos, and Paso Robles. The impact from this rapid increase is partially mitigated by an increase in efficient and electric private commute vehicles.

During the 2021-2023 Financial Plan the City implemented ongoing trip reduction programs to reduce vehicle miles travelled from employee and staff commutes. These efforts mostly occurred through partnership with the San Luis Obispo Council of Governments (SLOCOG), such as promotion of [irideshare.org](https://irideshare.org). During this period the City also increased the amount of secure bike parking available to staff, continued offering the TRIP program with incentives for sustainable employee computes and emergency ride-home services, and continued to provide access to showers at the workplace. In 2022, 69 employees qualified for TRIP program incentives, a 25% increase from 2019 numbers.

Due to staffing constraints and transitions, the planned update to the TRIP Program was put on hold. Initial drafts have been prepared and are currently awaiting completion of the meet and confer process with represented bargaining groups. Once finalized, the TRIP Program will be presented to the City Council for consideration and adoption.

**GOAL:** Employee commute is aligned with and substantially exceeds General Plan Mode Split Objectives by 2030.

**OBJECTIVES:**

Reduce single-occupancy commute miles 25% by 2025 and 50% by 2030;

Of the remaining single-occupancy commute miles, achieve 25% via electric vehicle by 2025 and 50% via electric vehicle by 2030.

**STATUS:** Behind schedule.





## Solid Waste

Since 2021, the Solid Waste and Recycling Program in the Utilities Department increased their staff capacity and made significant progress on municipal waste reduction efforts.

In 2023, staff hired a consultant to perform a waste characterization and generation study for municipal operations to develop a benchmark diversion percentage. The results were combined with initial data collected by a CivicSpark fellow to develop a [Municipal Waste Reduction Plan](#) (MWRP). The MWRP outlines current waste reduction practices and includes initiatives to increase diversion and reduce waste categorized into short-, medium-, and long-term goals.

The short-term goals in the MWRP, slated for completion in the current 23-25 Financial Plan, have either been started or completed. These include the rolling out of organic containers across indoor and outdoor City facilities, providing waste reduction outreach and strategies to City employees, and adopting a Sustainable Purchasing Policy. Staff have also made progress transitioning to a paper-free workplace, including switches to digital plan sets and permit applications in the Community Development Department.

Additionally, the City has begun utilizing compost created from regional green waste at the HZI Anerobic Digester for beneficial use across City parks, Laguna Lake Golf Course, community gardens, and other landscaped areas. Compost applications have reduced the City's dependence on nitrogen fertilizer, improved the health of plants, and is expected to lead to increases in soil-based carbon sequestration.

**GOAL:** Buildings, facilities, and operations are zero waste as defined by the Zero Waste International Alliance (ZWIA).

**OBJECTIVES:**

Achieve 90% reduction waste generated from municipal operations.

**STATUS:** On track.



*Uniform 3-stream bins at the Ludwick Community Center*



*Uniform 3-stream bins at the Meadow Park Neighborhood Center*

## Wastewater

Over the 2021-2023 Financial plan, the City's Water Resource Recovery Facility (WRRF) was under construction. As part of these planned upgrades, the City continued to invest in innovative sustainability equipment and processes that can reduce the facility's energy demand. One such example is the repurposing of on-site tanks to produce and capture methane that will in turn produce more than 150 kW of power to reduce energy use. Additionally, over 100 private sewer laterals were replaced in the past year, reducing the amount of water the Water Resource Recovery Facility must process.

**GOAL:** Minimize direct emissions from the provision of wastewater to the maximum extent feasible.

**STATUS:** N/A.

## Natural Solutions

The Natural Solutions category of the Lead by Example plan contains actions the City can take to increase carbon sequestration on City-owned property.

In April 2023, City Council adopted the City's first [Community Forest Master Plan](#), which sets forth an implementation plan to achieve the City's goal of planting 10,000 new trees by 2035. In support of reaching this goal, the City has initiated an interdepartmental "Keys for Trees" program in partnership with ECOSLO. Through Keys for Trees the Tourism Business Improvement District (TBID) allocates 1% of their assessment of all hotel revenue in the city towards planting trees. The official [10Tall website](#), created in partnership with Cal Poly, tracks progress on tree plantings and as of April 2024 reports that nearly 3,000 new trees have been planted in both private and public spaces.

In November 2022, the City completed its first carbon sequestration pilot project on City Open Space. The project, completed in partnership with the Coastal San Luis Resource Conservation District, spread a thin layer of compost on over 1 acre of grassland to sequester carbon, improve water retention, and improve forage quality. The City also completed a native tree and shrub planting project at City Farm SLO to sequester carbon, improve soil quality, conserve resources, and increase productivity and biodiversity. The City continues to evaluate opportunities to sequester carbon on City property and has been awarded funds to advance multi-benefit restoration projects such as Beaver Dam Analogs that can increase soil-based carbon storage.

As the City has made progress on the initial set of actions, it has become clear that the first priority is to continue to conserve open space properties in the SLO Greenbelt to protect existing carbon stocks. The second priority is to manage the City's new and existing properties to make them more resilient to extreme heat and wildfires, so their carbon stocks remain durable over time. As

**GOAL:** Optimize carbon sequestration in the City's Greenbelt and Urban Forest system.

**OBJECTIVES:**

Maintain a healthy multi-benefit Urban Forest system that increases local carbon sequestration;

City open space and Greenbelt support regenerative agricultural practices and are managed to sequester carbon (where appropriate);

Landscape management practices are climate-friendly and utilize compost from the regional anerobic digester.

**STATUS:** On track.

the City advances adaptation-focused restoration projects, the third priority is to integrate carbon sequestration practices including tree planting into City open space management.

## Procurement, Budget, and Finance

A budget is the truest reflection of an organization's values. The way that the City purchases goods and services, budgets resources, and finances projects and programs indicate its commitment to a carbon neutral organization.

In the last several years, the City has taken several actions to align its budgeting process with its carbon neutrality goals including:

- Adopting Budget Policy A.6, which states that the City will link resources with results by integrating climate risk and climate action considerations throughout all financial decisions.
- Integrating procedures for all Capital Improvement Projects to disclose how they contribute to achieving the Lead by Example goals as part of the biennial financial planning process.
- Adopting a fleet procurement policy that requires most new vehicles to be all-electric.

Due to staffing constraints and competing priorities, an updated Environmentally Preferred section of Procurement Policy has been initiated but has not been fully drafted or included in official Procurement Policy. However, the City has conducted several pilots and initiatives to see how it can reduce waste and emissions through environmentally preferred approaches to purchasing goods and services.

**GOAL:** Support and accelerate achieving the carbon neutrality goal through procurement, budget, investment, and finance processes.

**OBJECTIVES:**

Establish sustainability criteria to guide vendor selection and other procurement activities;

Establish criteria to guide budget development and selection of CIPs; Achieve 100% ESG investments across the City's portfolio;

Establish approach to enhancing circularity in City procurement and operations.

**STATUS:** Behind schedule.



## APPENDIX A. LEAD BY EXAMPLE PLAN IMPLEMENTATION PROGRESS

The below table provides an overview of actions committed to in the Lead by Example plan. Provided details for each action include a description, the department responsible for leading initiation and implementation, the status of the action, and general progress. For the “Current Status” column, actions are categorized as follows:

- Completed – This action has been initiated and implemented.
- Ongoing – This action has been initiated and implementation is ongoing.
- Initiated – This action is currently being initiated and is in the planning stages. Implementation has not yet begun.
- On Hold – This action has encountered uncertainties or barriers resulting in the need for a new or altered strategic approach. Additional support is being sought to re-assess feasibility.

Of the 59 Actions described below, 29 are completed, 20 are ongoing, 7 are initiated, and 3 are on hold.

Action	Action Description	Responsible Department	Current Status	Action Progress
<b>Administrative Action 1: Lead by Example Update</b>	The City will update Lead by Example every four years (concurrent with every other Financial Plan). The City will synch the update with the Community Plan so that each plan is updated in an alternating fashion concurrent with every Financial Plan.	Office of Sustainability	Ongoing	As part of task 1.5E in the <a href="#">Major City Goal Work Program</a> , the City will update the Lead by Example plan ahead of the 25-27 Financial Plan. Staff will initiate the subsequent update to the Lead by Example Plan in June 2024, which will result in a plan that will guide municipal climate efforts for FY25-29.
<b>Administrative Action 2: Lead by Example Update</b>	The City will monitor and report implementation to City Council on a regular basis.	Office of Sustainability	Ongoing	Lead by Example Progress Reports are the City's primary mechanism for monitoring and reporting on the Lead by Example Plan. Reports will continue to be produced every other financial plan, staggered with full Lead by Example plan updates. In addition to this report, the first to go to City Council, staff across departments have featured Lead by Example implementation progress in social media updates, community engagement efforts, and other communications.
<b>Energy Immediate Action 1</b>	Initiate conversations with PG&E and The Energy Network to explore on-bill financing opportunities for City buildings and facilities.	Office of Sustainability, Public Works	Completed	The City installed LED lights at City Hall, Fire Station 1, and three City-owned parking garages. There are currently no more on-bill financing opportunities for LED lighting retrofits. There are only a small number of facilities with non-LED lights remaining and those are being transitioned via routine maintenance as those lights reach the end of their useful life.

Action	Action Description	Responsible Department	Current Status	Action Progress
<b>Energy Immediate Action 2</b>	Review and propose edits for lawn and garden Request for Proposals	Office of Sustainability	Completed	Staff have completed reviewing and updating edits for lawn and garden Request for Proposals. A vendor has been procured with their contract running until 2026. At that time, staff plans to evaluate the use of battery powered lawn equipment as current, commercial markets are not fully equipped for this change.
<b>Energy 1.1 (21-23 FP)</b>	Initiate and complete Energy Master Plan to develop the approach to decarbonization, comprehensive energy management, and efficiency across buildings and facilities.	Office of Sustainability, Public Works	Completed	The City completed the Energy Master Plan in March 2022 with support from the consulting group, Glumac. The plan, officially named the <a href="#">"Carbon Neutral City Facilities Plan"</a> identified three priority projects located at the Swim Center, Fire Station 1 and City Hall. The plan has already been used to formulate Capital Improvement Project (CIP) requests and inform a potential ESCO decarbonization project across the three priority sites, which is currently under consideration. Staff will continue using this plan to inform future funding requests and facility decarbonization projects.
<b>Energy 1.3 (21-23 FP)</b>	Complete solar projects at SLO Swim Center, Transit Yard, and Fire Station 1 to offset energy use at key facilities.	Public Works	Ongoing	Solar project construction has been delayed and is expected to initiate in 2024. In addition to the sites mentioned in the action title, the City is also considering two additional sites at the Cultural Arts District Parking Structure and the Water Resource Recovery Facility (WRRF).
<b>Energy 1.4 (21-23 FP)</b>	Complete battery storage project at the Water Treatment Plant to promote resilience against power failure.	Utilities	Ongoing	Through the statewide <a href="#">Self-Generation Incentive Program (SGIP)</a> , staff have successfully installed a 644 kWh Tesla battery pack at the Water Treatment Plant at no cost to the city. This project has been operating since October 2023 and provides low-carbon backup power for up to seven hours, reduces emissions, and has lowered the facility's energy costs.
<b>Energy 1.5 (21-23 FP)</b>	Continue ongoing and strategic efficiency improvements to advance the goal and objectives for the Energy sector.	Public Works, Utilities	Ongoing	Staff are evaluating several funding opportunities resulting from the <a href="#">Inflation Reduction Act</a> to improve the efficiency of energy production. Staff are investigating funding for biogas energy production at the City's Water Resource Recovery Facility (WRRF). Staff at the Water Treatment Plant and WRRF are participating in Energy Load Reduction Plans (ELRPs) designed to incentivize reducing grid load during extreme peak usage and grid maintenance periods.
<b>Energy 1.6 (21-23 FP)</b>	Develop and pilot an energy monitoring and management dashboard for Utilities Department to identify additional areas for efficiency improvements and quantify the impact of existing and future actions and consider scaling after pilot phase.	Utilities	Completed	In 2020, a pilot program was developed at the Water Resource Recovery Facility (WRRF) in coordination with PG&E's Green Button Alliance's interface that gets energy usage data into the hands of the consumer. Staff have developed a dashboard to monitor power consumption at every City-owned meter and have found that this dashboard is both scalable and applicable in providing a significant benefit to staff operations. The Utilities Department is actively seeking financial resources to hire a software developer, and staff capacity to scale this program to the larger City organization.

Action	Action Description	Responsible Department	Current Status	Action Progress
<b>Energy 1.7 (21-23 FP)</b>	Identify low or no cost energy efficiency improvements at the Wastewater Resource Recovery Facility (WRRF) through ongoing participation in energy efficiency studies with PG&E to reduce energy demand and emissions for one of the City's largest energy-consuming facilities.	Utilities	Ongoing	Staff is exploring opportunities to install solar panels at the south end of the Water Resource Recovery Facility (WRRF) with the help of a Power Purchase Agreement (PPA). These solar panels will provide enough clean energy to power the recycled water pumping station facility.
<b>Energy 2.1 (23-25 FP)</b>	Initiate implementation of Energy Master Plan, continue priority retrofits, and initiate hard-to-reach retrofits to advance decarbonization and energy management across buildings and facilities.	Public Works, Office of Sustainability	Initiated	Staff have begun implementation of the <a href="#">Energy Master Plan</a> by retrofitting seven domestic water heaters with electric options and are in the initial planning stages for larger projects.
<b>Energy 2.2 (23-25 FP)</b>	Continue funding building retrofits and identifying and pursuing innovative funding and financing mechanisms such as on-bill financing.	Public Works	Initiated	Staff are continuing to identify and pursue funding options for building retrofits including heat pump installations at SLO Swim Center and City Hall and building electrifications at Fire Station 1. The 2023-25 Financial Plan also identifies the installation of solar panels at the City's Bus Yard, Fire Station 1, and Sinsheimer Pool as on-bill financing items are to be completed by 2025.
<b>Fleet Immediate Action 1</b>	Support Fleet Replacement Policy update to include requirements for all-electric light duty fleet vehicles on replacement.	Office of Sustainability	Completed	The City amended and adopted the <a href="#">Fleet Replacement Policy</a> in September 2022 which prioritizes electric vehicles in the City's fleet. The policy enforces the replacement of fleet vehicles with either an electric car or an e-bike unless specifically approved by the City Manager.
<b>Fleet Immediate Action 2</b>	Research and assess green fleet procurement case studies.	Office of Sustainability	Completed	Staff completed initial research and received grant funding from 3CE to complete <a href="#">a Fleet Electrification Study Vehicle Report</a> and a <a href="#">Charging Infrastructure Report</a> .
<b>Fleet Immediate Action 3</b>	Create GIS layer with locations of fleet parking and existing and planned EV chargers.	Office of Sustainability	Completed	A GIS layer with information on locations for fleet parking and current and on-bill EV chargers has been completed and was included on the <a href="#">Fleet Electrification Study Vehicle Report</a> and <a href="#">Charging Infrastructure Report</a> .
<b>Fleet 1.1 (21-23 FP)</b>	Expand EV charging infrastructure at strategic locations to accommodate a growing EV fleet.	Office of Sustainability	Ongoing	The City has installed six level 2 chargers at the City Corps yard, three level 2 chargers for Parking Services at the Marsh Street Parking Structure, and anticipate installing fleet charging at two more sites this fiscal year. Staff are actively working to expand electric vehicle infrastructure to accommodate a growing electric fleet.



Action	Action Description	Responsible Department	Current Status	Action Progress
<b>Fleet 1.2</b> <b>(21-23 FP)</b>	Begin priority fleet electrification of light-duty vehicles to initiate the transition to a zero-emissions fleet.	Public Works	Ongoing	Since November 2021, the City has purchased twelve electric vehicles, four Chevrolet Bolts and eight Ford F150 Lightnings. The city has plans to obtain seven more electric vehicles in FY 2024-25.
<b>Fleet 1.3</b> <b>(21-23 FP)</b>	Continue to research funding sources for charging infrastructure and monitor best practices for zero emissions medium and heavy-duty vehicles to build the foundation for a future "hard to reach" fleet transition.	Office of Sustainability, Public Works	Ongoing	Staff continues to research funding sources for fleet electric charging infrastructure and is readily exploring ways to install and operate fast chargers capable of supporting medium and heavy-duty vehicles.
<b>Fleet 1.4</b> <b>(21-23 FP)</b>	Advocate to Central Coast Community Energy (3CE) to fund a fleet electrification plan to advance the goal and objectives of the Fleet sector.	Office of Sustainability	Completed	Staff were successful in advocating to 3CE and received the necessary funds to complete <a href="#">a Fleet Electrification Study Vehicle Report</a> . The report calls for SLO to electrify 47% of its light-duty vehicles by 2025 and 99% by 2030 and 10% of medium-duty vehicles by 2025 and 48% by 2030. A majority of the 161 vehicles deemed "Best-Fit" for full electrification are light duty pick-ups, and 64 of the total are either Police or Fire fleet vehicles and would require incremental implementation to maintain department operations. As of April 2024, the City has 15 electric vehicles, 9 plug-in hybrid vehicles, and 12 regular hybrid vehicles.
<b>Fleet 2.6</b> <b>(23-25 FP)</b>	Develop plan for charging 'hard to electrify' light duty vehicles (e.g., police cruisers), medium duty vehicles, and heavy-duty vehicles and install infrastructure as feasible.	Public Works, Office of Sustainability	Initiated	Staff are assessing the procurement of two electric police cruisers and are facilitating initial conversations around electric medium-duty vehicles and the infrastructure required to support them.
<b>Commute Immediate Action 1</b>	Integrate "Lead by Example" into the Active Transportation Plan.	Office Sustainability	Completed	Lead By Example Plan action items and principles, including exploring options to get more city employees using active transportation and transit, have been integrated into the <a href="#">Active Transportation Plan</a> . This plan, adopted in February 2021, includes Policy 3.1 which ensures bicycle parking is available at government offices throughout the city and Policy 6.7 which encourages the city and local business to keep incentivizing commute via walking and biking to their employees.
<b>Commute 1.1</b> <b>(21-23 FP)</b>	Leverage updated work from home policies to provide VMT and provide additional incentives for alternative transportation for field workers and shift workers.	Human Resources, Office of Sustainability	Ongoing	Through the FY22-23 Green Team, staff organized a Green Team Subcommittee focused on employee commute with representation from Human Resources and Public Works. The City continues to support its employees in using low-carbon mobility options including walking, biking, taking the bus, and carpooling through the TRIP program.

Action	Action Description	Responsible Department	Current Status	Action Progress
<b>Commute 1.2</b> <b>(21-23 FP)</b>	Update TRIP program to reflect current Council priorities and contemporary issues such as work from home, DEI, and electric vehicles.	Human Resources, Office of Sustainability, Public Works	Ongoing	Due to staffing constraints and transitions, the formalization of the TRIP Program and Telework Policy has been put on hold. Initial drafts have been prepared and are currently awaiting internal review, as well as completion of the meet and confer process with represented bargaining groups. Once finalized, the TRIP Program will be presented to the City Council for adoption, while the Telework Policy will be formalized upon approval by the City Manager.
<b>Commute 1.3</b> <b>(21-23 FP)</b>	Develop trip reduction program to show that the City holds itself to the same standards as current development and to reduce vehicle miles travelled.	Public Works, Office of Sustainability	Ongoing	The City has implemented ongoing trip reduction programs to reduce vehicle miles travelled from employee and staff commutes. These include providing secure bike parking, access to showers at the workplace, and incentives for employees to choose sustainable modes of transportation which include extra vacation time, emergency ride home, and prizes.
<b>Commute 1.4</b> <b>(21-23 FP)</b>	Launch programs to increase employee access to bicycles (e.g., employee bike loan program).	Office of Sustainability, Public Works, Finance	On Hold	The City has not launched a program to increase employee access to bicycles.
<b>Commute 1.5</b> <b>(21-23 FP)</b>	Enhance/expand bus pass access to encourage alternate, low-carbon transportation for commute purposes.	Public Works	Ongoing	At Council's review the Transit Innovation Study, staff presented and was approved to implement a pilot program expanding discounted bus and fare options for K-12 students. The <a href="#">Transit Innovation Study</a> recommends expanding discounted or free fare options to seniors and low-income individuals. Additionally, the Transit Innovation Study recommends exploring more institutional partnerships with large employers in the area to promote more transit use for employees' commuting needs. Future collaborative efforts with the county are being considered ways to simplify the existing Downtown Access Program are under review.
<b>Commute 1.6</b> <b>(21-23 FP)</b>	Explore mobility-as-a-service to connect employees with alternate, low-carbon transportation for commute purposes.	Office of Sustainability, Public Works	On Hold	After thorough research, staff found that a mobility-as-a-service platform is not feasible for a city of San Luis Obispo's size for the sole purpose of employee commute. However, as the City develops options to increase transit ridership, it may become more feasible and be implemented at that time.
<b>Commute 1.7</b> <b>(21-23 FP)</b>	Establish electric vehicle charging policy for personal vehicles at City parking spaces to encourage use of EV's for commute purposes.	Public Works, Office of Sustainability, Finance	On Hold	The City has not yet developed an electric vehicle charger policy for personal vehicles at City parking spaces.
<b>Waste Immediate Action 1</b>	Research and assess solution case studies for recycling contamination in public spaces.	Office of Sustainability	Completed	Staff completed case study research, which, in part, informed the selection of the new Big Belly waste receptacles.

Action	Action Description	Responsible Department	Current Status	Action Progress
<b>Waste 1.1</b> (21-23 FP)	Hire a CivicSpark Fellow to support a municipal zero waste goal.	Utilities	Completed	A Civic Spark Fellow was hired from September 2021 until August 2022 and assisted the Utilities Department with drafting a preliminary Municipal Waste Reduction Plan. The Fellow collected data on municipal waste generation and diversion activities.
<b>Waste 1.2</b> (21-23 FP)	Develop a Municipal Waste Reduction Plan and conduct municipal waste characterization study to frame an approach to operations-wide solid waste reduction.	Utilities	Initiated	A consultant was hired in July 2023 to perform a waste characterization and generation study for City operations. The results include Citywide diversion data and serves as a benchmark for the Municipal Waste Reduction Plan. In addition to diversion, the completed plan identifies programmatic recommendations for staff to incorporate to increase diversion and reduce waste.
<b>Waste 1.3</b> (21-23 FP)	Adopt waste reduction and diversion ordinances to ensure consistency with ordinance directives from the Integrated Waste Management Authority.	Utilities	Ongoing	The City adopted a comprehensive waste reduction and diversion ordinance in 2021 that incorporated the regulatory requirements of <a href="#">SB 1383</a> into the City's Municipal Code. The City continues to amend and adopt waste diversion ordinances to remain in compliance with state laws such as AB1276 – Single Use Foodware Accessories and Standard Condiments, which was approved by City Council on May 7, 2024.
<b>Waste 1.4</b> (21-23 FP)	Survey office space throughout the City and assess opportunities to optimize waste reduction through the TRUE certification program.	Utilities	Completed	Staff successfully completed surveyance of City office spaces to ensure that deskside bins and outside dumpsters are accurately labeled, all facilities have 2-3 bin systems, and that trash, recycling, and food waste materials are properly source separated. Staff are updating bin infrastructure with adequate signage and have prioritized educating City employees to reduce waste in City offices through in-person outreach, newsletters, and video messaging.
<b>Waste 1.5</b> (21-23 FP)	Develop & implement paper-free workplace policy to reduce paper waste in office-based operations.	Utilities	Initiated	Staff started implementing the Statewide procurement vision outlined in <a href="#">SB 1383</a> through incorporating paper-free workplace practices. All City printers are adjusted to default to duplex printing and a recycled content paper procurement policy has been adopted. Finance and Utilities provide education to staff on the importance of procuring recycled content paper and are increasing education on SB 1383 to influence positive interdepartmental purchasing behavior.
<b>Waste 1.6</b> (21-23 FP)	Begin pilot implementation of compost application and monitoring to implement the Carbon Farm Plans described in 1.5, above, beginning in 2022 to advance carbon sequestration efforts.	Utilities	Completed	Staff have successfully completed a compost application and monitoring pilot project at Johnson Ranch Open Space and Laguna Lake Golf Course. Please see Natural Solutions 1.6 for additional detail.



Action	Action Description	Responsible Department	Current Status	Action Progress
<b>Waste 2.1</b> <b>(23-25 FP)</b>	Initiate project to right-size existing waste bins to encourage appropriate waste disposal across offices.	Utilities	Initiated	Staff conducted a City-wide building audit and hired an independent consultant to perform building walk-throughs to recommend additional diversion methods. Staff have right-sized 3 bin systems and outdoor bins at various City facilities to encourage proper source-separation. Approximately \$10,000 has been allocated to purchase indoor containers and grants are being pursued to acquire additional funding.
<b>Waste 3.1</b> <b>(27-29 FP)</b>	Continue implementing the Municipal Waste Reduction Plan to support the goal and objectives of the Solid Waste sector.	Utilities	Ongoing	Staff have initiated an on-going effort to continue implementing a waste reduction plan outlined in Waste 1.2.
<b>Wastewater Immediate Action 1</b>	Develop community engagement materials and outreach program for sewer lateral replacement policy.	Utilities, Office of Sustainability	Completed	Staff regularly hold community engagement workshops on the City's sewer lateral replacement policy. The City's <a href="#">Sewer Lateral Program website</a> features resources including financial support, to help the community more easily access information about sewer lateral replacement. Additionally, the utilities department is revising the Municipal Code to streamline the <a href="#">Sewer Use Ordinance</a> . They anticipate this revision will result in additional reduction of stormwater infiltration into the sewer which consumes energy through the treatment processes at the Water Resource Recovery Facility (WRRF.)
<b>Wastewater 1.1</b> <b>(21-23 FP)</b>	Optimize onsite energy generation to reduce external energy demand and subsequent electricity purchases.	Utilities	Completed	The Water Resource Recovery Facility (WRRF) has recently gone through an upgrade that allows it to utilize tanks on site to produce methane gas to run an engine that powers a generator that is expected to produce more than 150 kW of power. These tanks will be used to provide power and reduce the need for offsite electricity generation. Staff will be able to fully quantify increased onsite energy production when the WRRF upgrade project is completed in the latter half of 2024.
<b>Wastewater 1.2</b> <b>(21-23 FP)</b>	Continue to reduce inflow and infiltration into the wastewater collection system through capital replacement of gravity sewer mains and private sewer lateral programs, resulting in less wastewater to treat.	Utilities	Completed	Staff have replaced over 100 private sewer laterals in the last year which has successfully prevented stormwater from infiltrating the sewer system, and thereby reduced the amount of water the Water Resource Recovery Facility (WRRF) must process. To quantify the impacts of repairs completed after 2014, a Flow Study of gravity sewer mains is being conducted and is expected to be completed by summer 2024.
<b>Wastewater 1.3</b> <b>(21-23 FP)</b>	Evaluate the potential for expanded onsite energy capture and production through an ongoing partnership with the U.S. Department of Energy.	Utilities	Ongoing	The City is currently involved in the <a href="#">Sustainable Wastewater Infrastructure of the Future (SWIFt) Accelerator</a> administered by the U.S. Department of Energy. The invitation-only-program provides a nation network designed to provide education and funding opportunities to participants seeking to increase the energy efficiency of wastewater infrastructure operations. The City was invited to participate after being awarded the Water Environment Foundation's <a href="#">"Utility of the Future" award</a> in 2020.

Action	Action Description	Responsible Department	Current Status	Action Progress
<b>Natural Solutions 1.1</b> (21-23 FP)	Prepare the City's first Urban Forest Master Plan, to be brought before City Council in 2022, including a comprehensive update of tree inventory, assessment of tree canopy coverage, and implementation of an ongoing tracking system.	Public Works and Office of Sustainability	Completed	City Council adopted the City's first <a href="#">Community Forest Master Plan</a> in April 2023. This plan establishes goals to maintain and expand the urban forest, manage the urban forest for sustainability and climate resilience, foster a spirit of collaboration with other agencies and community groups, and educate and involve City residents and visitors to sustain a thriving urban forest. The plan also sets forth an implementation plan to achieve these goals. Key tasks are to improve data about the urban forest, ensure the "right tree, right place" approach to plantings, strengthen maintenance practices, and reach the City's goal of planting 10,000 new trees by 2035.
<b>Natural Solutions 1.2</b> (21-23 FP)	Partner with ECOSLO and others in the community to support the 10,000 Trees by 2035 goal through a tree planting and maintenance program.	Office of Sustainability	Completed	In support of reaching the City's goal of planting 10,000 trees by 2035, the City has initiated an interdepartmental "Keys for Trees" program in partnership with ECOSLO. Through Keys for Trees the Tourism Business Improvement District (TBID) allocates 1% of their assessment of all hotel revenue in the city towards planting trees in SLO. Through this partnership, the City and ECOSLO have planted over 40 trees per year in a variety of locations including city parks and open spaces. The official <a href="#">10Tall website</a> , created in partnership with Cal Poly, tracks progress on tree planting and as of March 2024 reports that nearly 3,000 new trees have been planted in both private and public spaces.
<b>Natural Solutions 1.3</b> (21-23 FP)	Convene an interdepartmental staff team to assess and provide recommendations for the Urban Forest Program's future role in advancing sustainability goals and objectives.	Public Works and Office of Sustainability	Ongoing	The City conducted an <a href="#">Urban Forestry Organizational Assessment</a> which provided recommendations to maximize organizational efficacy. Priority recommendations include establishing a pruning cycle performed by external contractors and reestablishing an in-house team that can answer service requests or workorders. The assessment also recommends developing a comprehensive schedule and work plan that organizes routine maintenance needs, rotation schedules, and expected staff time to complete maintenance activities.
<b>Natural Solutions 1.4</b> (21-23 FP)	Identify a strategy for a prioritized replacement schedule for downtown Ficus trees and begin implementation to ensure the long-term preservation of the Downtown street tree canopy.	Public Works and Office of Sustainability	Completed	The <a href="#">Community Forest Plan</a> , adopted by Council in April 2023, identifies a strategy to systematically remove and replace Ficus trees in downtown. The plan outlines a specific goal to have more diverse, mixed-age, and mixed-species tree canopy that is more appropriate for its surroundings to preserve the downtown tree street canopy over time. The most likely plan is for a regular 20- to 30-year replacement cycle to be established. Some trees of the same species, including Ficus microcarpa, may be replanted but they will not again be allowed to attain such enormous size in cramped sidewalk spaces.

Action	Action Description	Responsible Department	Current Status	Action Progress
<b>Natural Solutions 1.5</b> (21-23 FP)	Develop a "Carbon Farm Plan" for the City's Johnson Ranch Open Space and Calle Joaquin Agricultural Reserve ("City Farm") in 2021 to strategically implement compost application.	Office of Sustainability	Completed	With support from the Coastal San Luis Resource Conservation District, the City completed the <a href="#">"Carbon Farm Plan"</a> in December 2022. The Carbon Farm Plan analyzes two properties – Johnson Ranch Open Space and City Farm SLO. At Johnson Ranch the plan explores carbon farming practices such as prescribed grazing, silvopasture, planting a riparian forest buffer, and compost application. At City Farm SLO, reduced/no-till farming, cover cropping, mulching, riparian restoration, and hedgerow planting were analyzed (among other practices). Since completion of the plan the City has successfully implemented compost application at Johnson Ranch.
<b>Natural Solutions 1.6</b> (21-23 FP)	Begin pilot implementation of compost application and monitoring to implement the Carbon Farm Plans described in 1.5, above, beginning in 2022 to advance carbon sequestration efforts.	Office of Sustainability, Parks and Recreation	Completed	The City completed a compost application pilot project at Johnson Ranch Open Space that spread a thin layer of compost on over 1 acre of grassland to sequester carbon, improve water retention, and improve forage quality. At the Calle Joaquin Agricultural Reserve ("City Farm") the City completed a native tree and shrub planting project to improve soil quality, conserve resources, and increase productivity and biodiversity. The City continues to evaluate opportunities to sequester carbon on City Open Space Properties and has been awarded funds to advance multi-benefit restoration projects such as Beaver Dam Analogs that can increase terrestrial carbon storage.
<b>Natural Solutions 1.7</b> (21-23 FP)	Actively pursue opportunities to purchase open space lands and permanent land conservation agreements in furtherance of the City's Greenbelt Protection Program.	Office of Sustainability	Ongoing	Staff have completed a suite of open space easements within the Froom Ranch Specific Plan area, which includes an area of wetlands, the "Upper Terrace" containing natural springs, wildlife habitat, and numerous rare plants, as well as the future alignment of Froom Creek itself. Natural Resources Program staff have continued pursuing additional conservation projects within the Greenbelt.
<b>Natural Solutions 1.8</b> (21-23 FP)	Explore opportunities to utilize regional green waste digester compost for beneficial use across properties and operations.	Office of Sustainability, Public Works, Parks and Recreation	Completed	The City has applied HZI Anerobic Digester compost to parks, landscaping areas, and other City facilities. Specific applications include the Laguna Lake Golf Course, several community gardens, Emerson Park, as well as organized giveaways for the public. At locations like the golf course, compost application has reduced the City's dependence on nitrogen fertilizers. This procurement supports the City's compliance with <a href="#">SB 1383</a> .
<b>Natural Solutions 2.1</b> (23-25 FP)	Begin long-term implementation of "Carbon Farming" practices to advance carbon sequestration efforts.	Office of Sustainability	Ongoing	The City has implemented several carbon sequestration projects and activities in the <a href="#">FY21-23 financial plan</a> . Staff have organized tree plantings in the urban core and on City open space, spread compost on rangeland, and restored riparian corridors throughout the watershed. Going forward, 2 grant-funded restoration projects at Johnson Ranch Open Space and Bishop Peak will enable the City to continue researching innovative restoration techniques. These efforts on City Open Space will draw down carbon and help the SLO Greenbelt adapt to more frequent droughts, floods, and fires.



Action	Action Description	Responsible Department	Current Status	Action Progress
<b>Natural Solutions 2.2</b> <b>(23-25 FP)</b>	Continue planting trees on an annual basis towards the objective of 10,000 new trees by 2035 pending direction in the Urban Forest Master Plan to advance carbon sequestration efforts.	Office of Sustainability	Ongoing	Planting new trees and increasing canopy cover increases local carbon sequestration in the urban core and City open space. Thus far, the City and its partners have planted 3,000 of its 2035 goal of planting 10,000 new trees. The City also continues to maintain a healthy urban forest so that existing carbon stocks stored in trees' living tissues are resilient to present and future climate hazards.
<b>Natural Solutions 2.3</b> <b>(23-25 FP)</b>	Launch pilot project to strategically phase-in regional green waste digester compost for landscape management operations to promote circularity and advance carbon sequestration efforts.	Office of Sustainability, Public Works, Parks and Recreation	Completed	Staff have successfully used compost produced by regional green waste digesters at City facilities. Please see Natural Solutions 1.8 for additional detail.
<b>Procurement Immediate Action 1</b>	Research and assess case studies on green/sustainable budgeting at municipal level.	Office of Sustainability	Completed	City staff reviewed green and sustainable budgeting approaches in place at several peer-Cities and jurisdictions and found that the City's current approach and policies related to budgeting are already supportive of achieving goals in the Lead by Example plan.
<b>Procurement Immediate Action 3</b>	Adopt new policy focusing budget decisions on sustainability, resilience, and diversity, equity, and inclusion.	Office of Sustainability	Completed	On June 06, 2023, Council adopted the City's <a href="#">2023-25 Financial Plan</a> . The plan's sixth objective " <i>Integrate climate risk and climate action considerations throughout all financial decisions</i> " and item C of the Long-term Financial Planning section (see below), provide budgeting guidance related to sustainability, resilience, and diversity, equity, and inclusion. Item C. Consideration of Climate Risk and Climate Action: " <i>The City is aware of the increasingly severe and frequent natural, economic, and social disruptions presented by a rapidly changing climate. The City is also aware of the financial benefits (e.g., reduced operational costs, prudent asset management, access to green bonds, etc.) of managing climate risk and orienting towards a carbon neutral municipal operations and community. The City will include climate risk and climate action considerations in its long-term financial planning.</i> "
<b>Procurement 1.1</b> <b>(21-23 FP)</b>	Develop and implement Capital Improvement Project (CIP) climate and resilience quantification tool for 2023-25 FP to promote consistency with Council-adopted climate goals for capital projects.	Office of Sustainability, Finance, Public Works	Completed	The City initiated an effort to quantify climate emissions, resilience impacts, and benefits of Capital Improvement Projects (CIP). Given the wide variety of CIP projects, an effective quantification system was deemed infeasible and instead, staff created a qualitative section in the CIP proposal template, requiring that internal project sponsors include information about how the project is aligned with the Lead by Example Plan.
<b>Procurement 1.2</b> <b>(21-23 FP)</b>	Update and advance climate and equity budget approach for 2023-25 FP to promote consistency with Council-adopted climate goals for budget processes.	Office of Sustainability, Finance	Completed	Sustainability staff participated on the Capital Improvements Project (CIP) committee and successfully integrated sustainability and equity criteria into the CIP evaluative criteria to ensure that all decisions are made with climate and equity in mind.

Action	Action Description	Responsible Department	Current Status	Action Progress
<b>Procurement 1.3</b> (21-23 FP)	Update Environmentally Preferred section of Procurement Policy and codify in the Municipal Code to reflect broader climate and sustainability considerations.	Finance, Office of Sustainability	Completed	Staff have drafted an update to the <a href="#">Environmentally Preferred section of the Procurement Policy</a> and are continuing to work on it, ahead of inclusion in the official Procurement Policy.
<b>Procurement 1.4</b> (21-23 FP)	Conduct pilot program with IT and consider updating IT strategic plan regarding environmentally preferred equipment to identify/assess challenges and opportunities with sustainable purchasing that can be scaled to other operations and equipment.	Finance, Information Technology, Office of Sustainability	Completed	The City's pilot program evaluated several options for sustainability and found that current practices were the most sustainable alternative. The City typically purchases computers through a single provider which had made its own commitments to sustainability through electronics recycling, using recycled materials in bulk packaging, using recycled materials in new components, and use of sustainable materials like bioplastics.
<b>Procurement 2.1</b> (23-25 FP)	Develop and begin implementing Council-adopted sustainability criteria for procurement contracts.	Finance	Initiated	Staff have updated the <a href="#">purchasing policy manual</a> to include the Climate Action Plan in all City issued Request for Proposals (RFPs). The City's RFP process evaluates efforts bidders have taken towards reducing emissions within their operations and asks how sustainability is considered during project implementation.