



REQUEST FOR ACTION

Sustainability Pilot Programs Funding Request

MEETING DATE:

August 17, 2026

ORIGINATING DEPT:

Public Works

AGENDA SECTION:

Reports and Recommendations

PRESENTER:

Kayla Betzold

Action Requested:

Adopting a Resolution:

1. Authorizing \$100,000 from 2026 Council contingency funding for sustainability pilot programs, including \$75,000 for residential rebates and \$25,000 for a sustainability-focused expansion of the Building Community Grant program; and
2. Authorizing staff to finalize and implement the programs, evaluate the 2027 pilot year, and return to Council with results and recommendations.

Report Narrative:

At the April 13, 2026 Study Session, Council directed staff not to move forward with a natural gas franchise fee. Instead, Council supported staff's recommendation to develop pilot programs based on community feedback, coordinate with RPU, and return with a request for approximately \$100,000 from 2026 Council contingency funding.

Community feedback emphasized home energy improvements, direct community investment, resident-led projects, accessibility, and measurable outcomes. Since April, staff have worked with RPU and City departments to refine program concepts, costs, eligibility, and implementation requirements.

Staff recommends the following allocation:

- \$75,000 for residential rebate pilot programs:
 - Plug-in solar rebates: \$22,500
 - Battery storage rebates: \$20,000
 - Electric panel upgrade add-on rebates: \$20,000
 - Air sealing and insulation rebates: \$7,500
 - Program administration: \$5,000
- \$25,000 to expand the Building Community Grant program with funding for resident- and community-led sustainability projects.

The proposed pilot programs would use existing City and RPU program structures where possible. Staff would finalize requirements in 2026, launch ready programs in 2027, evaluate participation, costs, energy and greenhouse gas savings, and administrative needs, and return to Council with recommendations for future consideration.

The proposed pilot programs support the Council's Responsible Environmental Stewardship strategic priority and advance the Council Action Plan item to explore a natural gas franchise fee as a potential source of funding for the adopted priority. They also support the Action Plan's direction to expand residential energy efficiency and beneficial electrification programming in partnership with Rochester

Public Utilities (RPU).

Priorities & Foundational Principles:

Responsible Environmental Stewardship

Policy Considerations & DEI Impact:

The proposal responds directly to the Council and community feedback while allowing the City to test programs before considering ongoing funding.

The residential pilot programs are intended to expand access to energy efficiency, renewable energy, and electrification improvements. The Building Community Grant expansion pilot program would allow residents, neighborhood groups, and community organizations to lead sustainability projects based on local needs.

Staff would track participation and use the pilot evaluation to determine whether eligibility or program design should be adjusted.

Prior Legislative Actions & Community Engagement:

Prior Legislative Actions:

- 2025 Council Strategic Planning: Established Responsible Environmental Stewardship as a strategic priority, including Action Plan direction to explore a natural gas franchise fee and expand residential energy efficiency and beneficial electrification programs in partnership with RPU.
- November 24, 2025: Council Study Session – Presented the natural gas franchise fee engagement strategy.
- April 13, 2026: Council Study Session – Reviewed natural gas franchise fee engagement results and supported staff recommendation to develop pilot programs instead of moving forward with a franchise fee at this time.

Community Engagement:

- January – March 2026: Natural gas franchise fee community engagement identified priorities including household energy improvements, direct community investment, accessible programs, resident-led projects, and measurable outcomes.
- June 10, 2026: Sustainability and Resiliency Commission – Reviewed the pilot programs proposal.
- August 12, 2026: Sustainability and Resiliency Commission – Provided an update on the refined programs and Council funding request.

Fiscal & Resource Impact:

The proposal would use \$100,000 in one-time 2026 Council contingency funding. Existing City and RPU structures would be used where possible, with \$5,000 included for residential program administration. Implementation would require staff coordination, outreach, application review, payment processing, and evaluation. These administrative requirements would be tracked during the pilot. Continuation beyond 2027 would require future Council approval and an identified funding source. The contingency fund balance is currently \$1,000,000 however up to \$350,000 has been preliminarily approved for J3070 Wood Waste Management Site.

Alternative Action(s):

No alternative actions are suggested.

Prepared By:

Kayla Betzold

Attachments:

[Presentation - Sustainability Pilot Programs](#)

[Resolution - Sustainability Pilot Programs](#)