

APPENDIX B: BUDGET NARRATIVE

Description		Total Requested
Personnel	No funding for personnel is requested as all personnel on this project will be funded through other means	\$0
Fringe Benefits	No funding for fringe benefits is requested as all personnel-related expenses on this project are funded through other means	\$0
Materials and Supplies	Materials and supplies for 60 public meetings with an estimated 20 attendees per meeting (\$200/meeting – includes paper supplies, printing costs, purchase of pens, flipcharts, folders, any specialty engagement resources (e.g., models of resilience hubs), nametags, and light refreshments). Budget assumes 15 public events per year over the projects 4-year duration.	\$12,000
Equipment	All equipment costs will be undertaken through a residential rebate program and, as such, are included in the “other” category	\$0
Contractual	No contractual funding has been identified as part of this grant as contractor work would all be commissioned as part of equipment replacement/repair. As such, any contractual costs are subsidiary to the actual replacement of equipment and, as such, are included in the equipment budget item.	\$0
Travel	Not applicable – all travel will be within the City. Should travel support be necessary, the City of Ann Arbor will cover these needs.	\$0
Other Direct Costs – Participant Support Costs	Stipends for resident members of the Resident Advisory Council. Stipends are \$5,000 per year for 10 individuals for a 4-year period.	\$200,000
	Air handler and associated equipment to connect to “in-design” district geothermal system. Assumes 200 homes replace their furnace and air conditioners with these units at a cost of \$20,000 per household. Estimate includes installation costs as well as equipment. All work will be competitively bid, with contractors required to pay Davis-Bacon wages and comply with the City’s non-discrimination and conflict of interest policies.	\$4,000,000
	Replacement of fossil gas water heaters with heat pump water heaters. Assumes 200 units are replaced at a cost (inclusive of labor) of \$4,000 per unit. Costs are estimated but will be confirmed through a competitive bidding process with all contractors required to pay Davis-Bacon wages and comply with the City’s non-discrimination and conflict of interest policies.	\$800,000
	Replacement of fossil gas clothes dryers and washers with heat pump washer/dryer dual unit. Assumes 220 units are replaced at a cost	\$550,000

	<p>(inclusive of labor) of \$2,500 per unit. Costs are estimated based on retail pricing currently available but will be confirmed through a competitive bidding process with all contractors required to pay Davis-Bacon wages and comply with the City's non-discrimination and conflict of interest policies.</p> <p>Replacement of 100amp electrical service with 200amp service. Assumes 100 panels are upgraded at a cost (inclusive of labor) of \$1,500 per unit. Costs are estimated but will be confirmed through a competitive bidding process with all contractors required to pay Davis-Bacon wages and comply with the City's non-discrimination and conflict of interest policies.</p> <p>Contracts for the installation of insulation, air sealing, and other weatherization improvements. Costs are estimated based on current quotes received for work on numerous homes in Bryant. Estimates are \$6,500 per home for 550 homes. Final costs will be confirmed through a competitive bidding process with all contractors required to pay Davis-Bacon wages and comply with the City's non-discrimination and conflict of interest policies.</p> <p>Replacement of failing, warped, and broken windows with new highly efficient windows. Only broken or extremely damaged windows will be replaced. Assumes 110 units get \$5,000 to replace failing windows. Costs are estimated based on quote received from Forest Hills Cooperative (South Bryant) for currently failing windows. Final costs will be confirmed through a competitive bidding process with all contractors required to pay Davis-Bacon wages and comply with the City's non-discrimination and conflict of interest policies.</p>	<p>\$150,000</p> <p>\$3,575,000</p> <p>\$550,000</p>
Contingency	No contingency is included in this budget	\$0
Indirect Costs	Not applicable as no indirect cost support is being requested	\$0
TOTAL COSTS		\$9,837,000

The City of Ann Arbor does not anticipate taking any funding from this proposal other than resources needed for materials and supplies to facilitate public engagement meetings and events.

In aggregate, this means that 97% of requested funding (\$9,625,000) will go directly to making improvements in residents homes – improvements that will lower greenhouse gas emissions, reduce energy burden and lower monthly bills, improve indoor air quality and occupant comfort, and bring this neighborhood one step closer to being the first fully carbon neutral existing neighborhood in the Country. Of the remaining funding, 2% (\$200,000) will go toward stipends to compensate the resident advisors for

their time and sharing their expertise as part of the Resident Advisory Council, and 0.1% will go towards public engagement related meeting supplies (\$12,000).

Budget Assumptions:

- Material and Supply costs are estimated based on historic and current costs the Ann Arbor Office of Sustainability and Innovations invests in meaningful public outreach. These costs are inclusive of meeting materials and supplies as well as light refreshments (not catering) that help folk be present during engagement. The City will also customize engagement techniques to mirror the audiences that are targeted for engagement. That is why estimated costs are provided as part of the grant in order to allow flexibility in being responsive to the specific and unique needs of the varying stakeholders the project is trying to engage with over the four years.
- The “Other” category contains only “participant support costs” as defined by the NOFO. The first item is for engagement stipends for residents that contribute to the Resident Advisory Council.
- The additional items in the “Other” category will be competitively bid and include “participant support costs” related to the creation of the Energy Efficiency Fund and the Appliance Replacement Fund which are residential rebate programs. All of the six items in this category will be competitively bid. This is a requirement of the City’s purchasing process and will ensure the City gets the most qualified and reasonably priced vendors. All contractors will be required to comply with Davis-Bacon Act prevailing wage requirements.
 - The costs for these six items are estimated based on current working the City is doing in other projects that have similarities to the scope of work outlined in this proposal. To the fullest extent possible, we’ve provided detailed assumptions on the cost estimates to help ground our budget.
- No contingency has been included in these cost estimates but should any item deviate more than 10% from estimates, we will contact our project officer to discuss.