

BUDGET NARRATIVE

a. Budget Detail & Reasonableness of Costs

Personnel: One Project Manager will be hired at the start of the project. The Manager is anticipated to be hired at \$70,000. The Program Manager will be responsible for interacting with the municipalities and coordinating with Sustainable Westchester and the contractors hired to conduct this work. In addition, we are requesting funding to support time toward the grant for our Executive Director, 3% (\$103,000 Year 1 salary), 5% of time for the Deputy Executive Director (\$77,250 Year 1 salary), and 7% of time for the Administrative Manager (\$75,000 Year 1 salary). Raises are computed at 3% annually beginning year 2.

Reasonableness of Costs: HVRC has conducted research on job postings and public sector salary data for the Region to ensure our salaries are competitive, but reasonable. These salaries are based on that data.

CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
PERSONNEL						
Executive Director - 3% of time with 3% salary increases annually.	\$3,090	\$3,183	\$3,278	\$3,377	\$3,478	\$16,406
Deputy Executive Director - 5% of time with 3% salary increases annually.	\$3,863	\$3,978	\$4,098	\$4,221	\$4,347	\$20,507
Program Manager - 100% of time with 3% salary increases annually.	\$70,000	\$72,100	\$74,263	\$76,491	\$78,786	\$371,640
Administrative Manager & Comptroller - 7% of time with 3% increases annually.	\$5,250	\$5,408	\$5,570	\$5,737	\$5,909	\$27,874
Total Personnel	\$82,203	\$84,669	\$87,209	\$89,826	\$92,520	\$436,427

Fringe Benefits: Fringe benefits are equitably charged and applied across all grants in line with each employee's specific benefits package. Fringe costs for the five staff anticipated to be involved in the delivery and administration of the program in the above table are calculated at staff's percent contribution to the program. HVRC fringe benefits consist of the following:

- For full-time staff, paid holidays, and paid time off (vacation, personal, sick), employer paid payroll taxes, 80% contribution toward medical coverage, workers' compensation insurance, DBL/PFL, employer retirement contributions into the NYS Retirement System less employee contribution, moving benefit for those outside the region (maximum of \$500 per person).
- Part-time staff working under 30 hours per week are eligible for all benefits available to full-time employees, except for paid time off and medical coverage.

CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
FRINGE BENEFITS						
Executive Director - % of Program salary: 70%, 71%, 73%, 74%, 75%	\$2,163	\$2,260	\$2,393	\$2,499	\$2,609	\$11,924
Deputy Executive Director - % of Program salary: 39%, 39%, 40%, 41%, 41%	\$1,507	\$1,551	\$1,639	\$1,731	\$1,782	\$8,210
Program Manager - % of Program salary: 85%, 86%, 88%, 91%, 93%	\$59,500	\$62,006	\$65,351	\$69,607	\$73,271	\$329,735
Administrative Manager & Comptroller - % of Program salary: 81%, 81%, 83%, 87%, 89%	\$4,253	\$4,380	\$4,623	\$4,991	\$5,259	\$23,506
Total Fringe Benefits	\$67,423	\$70,197	\$74,006	\$78,828	\$82,921	\$373,375

The fringe benefits explanation for each program staff member presented in the above table is found below, focusing on Year 1 values for explanatory purposes. Due to the different benefits available to full-time versus part-time staff as well as differing medical coverage needs (e.g., single vs. family coverage), fringe rates are specific to the fringe benefits associated with a specific staff member. Budgeting at this level ensures that programming is properly staffed.

- The fringe benefit rate for the Program Manager is calculated at 85% of their personnel costs in Year 1, totaling \$59,500 in fringe benefit costs. The fringe rate for the Program Manager assumes family medical coverage.
- The fringe benefit rate for the Deputy Executive Director is calculated at 39% of their personnel costs in Year 1, totaling \$1,507. The Deputy Executive Director has a lower rate due to medical insurance cash-out based on single coverage.
- The fringe benefit rate for the Administrative Manager is calculated at 81% of their personnel costs in Year 1, totaling \$4,253. The Administrative Manager has a higher fringe rate because medical coverage benefits are based on a family plan.
- The fringe benefit rate for the Executive Director is calculated at 70% of their personnel costs in Year 1, totaling \$2,163. The Executive Director has a higher fringe rate because medical coverage benefits are based on a family plan.

Reasonableness of Costs: HVRC calculates fringe rate by individual employee depending on the amount of leave they are given and the cost of their medical insurance. The fringe rates for the Executive Director and Deputy Executive Director are based on their current fringe rates. Annual increases to fringe benefit costs are based on increases to payroll taxes associated with annual salary increases; increases to medical coverage, workers' compensation, and DBL/PFL based on historic annual percentage increases; and increases to employer's contribution to NYS retirement benefits associated with annual salary increases. Slight additional increases to fringe benefits costs will be due to increases in paid vacation time at set employment anniversary intervals. These cumulative increases are reflected in the below Fringe Rates table.

Fringe Rates	2025	2026	2027	2028	2029
Executive Director	70%	71%	73%	74%	75%
Deputy Executive Director	39%	39%	40%	41%	41%
Administrative Manager	81%	81%	83%	87%	89%
Program Manager	85%	86%	88%	91%	93%

Travel: There is no international travel for this project. Travel will be on an as needed basis for Project Manager and Project Coordinator attendance at municipal meetings, to provide hands-on technical assistance, and to visit project sites. The first table, Travel, details the different budget lines; the second table, Round Trip Miles, details the anticipated travel within the Region for the Project Manager.

HVRC has allocated funding for quarterly local travel trips to each construction site for the Program Manager to meet with municipalities and contractors. The exact mileage cannot yet be measured because sometimes the employee may be going to the sites from their home rather than HVRC's office, as we have a hybrid schedule, but we have made the per location estimates based on round trip visits from HVRC's office. HVRC uses the IRS rate for travel reimbursement.

Finally, the budget includes estimated costs for attendance at one conference per year for the Program Manager. As one of the goals of this project is to encourage additional municipal decarbonization projects, we intend for our staff to spread the word about the success of this project throughout the life of this grant.

Reasonableness of Costs: HVRC either used actual data or historical data to develop these travel costs.

CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
TRAVEL						
Site visits to construction sites	\$1,867	\$1,867	\$1,867	\$1,867	\$1,867	\$9,335
Train tickets to/from DC	\$516	\$531	\$547	\$563	\$580	\$2,737
Hotel - per diem DC rate @ 2 days per year, 3% increase per year.	\$522	\$538	\$554	\$571	\$588	\$2,773
Per Diem DC - \$79 per day @ 1 full day, 59.25 for first and last day of travel, 3% increase per year	\$198	\$204	\$210	\$216	\$222	\$1,050
Taxi - \$55 per year, 3% increase per year	\$55	\$57	\$59	\$61	\$63	\$295
Total Travel	\$3,158	\$3,197	\$3,237	\$3,278	\$3,320	\$16,190

Miles	Location Name	Address
	HVRC Offices	105 Ann St, Newburgh, NY 12550
44.6	City of Peekskill	2 Nelson Avenue Peekskill, NY 10566
99.4	City of White Plains	100 Martine Ave, White Plains, NY 10601

96.4	Town of Amenia	4988 NY-22, Amenia, NY 12501
65	Town of Pleasant Valley	1903 Route 44, Pleasant Valley, NY 12569
29.4	Town of Poughkeepsie	14 Abes Wy, Poughkeepsie, NY 12601
90.6	Village of Irvington	85 Main Street, Irvington, NY 10533
64.6	Village of Ossining	6 Waller Ave, Ossining, NY 10562
94.4	Village of Rhinebeck	76 East Market Street, Rhinebeck, NY 12572
90.6	Village of Tarrytown	401 Deperan Rd, Tarrytown, NY 10591
21.8	Village of Wappingers Falls	2628 South Ave, Wappingers Falls, NY 12590
696.8	Total Roundtrip Miles	

Site Visit Travel Backup:	
696.8	miles roundtrip
4	visits per year
2787.2	miles per year
\$0.67	IRS Rate
\$1,867.42	cost per year

Supplies: Software includes video conferencing, Microsoft, and Adobe applications subscriptions. Office supplies include pens, notepads, markers. We have also allocated start-up costs for new staff, as detailed below. We have also added costs for Personal Protective Equipment (PPE). Our costs for methane monitoring equipment are based on conversations with multiple engineering consultants and technical equipment vendors who estimated a ball part of \$5,000 in monitoring equipment. The additional costs are calibration costs in subsequent years.

Reasonableness of Costs: HVRC made every effort to use web searches and extensive conversations with suppliers to understand what costs are reasonable for these supplies.

CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
SUPPLIES						
Office Supplies	\$60	\$50	\$50	\$50	\$50	\$260
2x3 ft. sign for each municipality				\$900		\$900
Start Up Costs for 1 new employee (computer, monitors, docking port, keyboard, mouse, surge protector, desk, phone)	\$3,413			\$10		\$3,423
Software for program staff (zoom, MS365, adobe, Verizon, Bitdefender)	\$1,313	\$1,493	\$1,713	\$1,983	\$2,320	\$8,822
Total Supplies	\$4,687	\$1,543	\$1,763	\$2,943	\$2,370	\$13,306

New Staff Start Up Costs	
monitor (2)	\$350
docking port	\$170
keyboard	\$30
mouse	\$10
surge protector	\$25
desk	\$370
making desk	\$650
new phone	\$100
computer	\$1,609
Total Per Staff Member	\$3,314

Other: HVRC will have 11 subawards under this contract, one for each of the municipalities participating and one for Sustainable Westchester to provide technical building decarbonization knowledge and support to the municipalities and HVRC. Each municipality participating provided an initial quote for the project they plan to have completed. Contingencies and staff time were added to the quote to arrive at the subaward total. The quotes and subaward budgets are included in the GHGcalcs_HVRC-HP spreadsheet along with the GHG emissions data. HVRC has estimated project start dates and length of project for when the subawards would be paid based on conversations with municipalities.

In addition to the subawards, each municipality and HVRC will have an ICLEI membership as part of this grant. ICLEI's ClearPath software will be used to help understand the effect this project has had on their overall municipal GHG emissions. ICLEI provides a 20% discount for a 4-year membership. Therefore, we have calculated the 20% discount for 4 years. The pricing structure is a base price of \$1,200 per year per municipality, based on each municipality being under 100,000 population. The base price for HVRC is \$4,000 based on an operating budget of \$1.5-3M.

Reasonableness of Costs: HVRC worked with each municipality to ensure their subaward was based on a quote from a qualified building engineer/HVAC company. Each of the buildings is unique, with variations in cost due to that variation. The procurement process for these projects will ensure these costs are reasonable, as we will be able to compare costs and types of materials between projects and vendors.

CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
OTHER						
City of Peekskill		\$720,000	\$720,000			\$1,440,000
City of White Plains		\$858,849	\$858,850	\$858,850		\$2,576,549
Town of Amenia		\$157,466	\$157,467			\$314,933
Town of Pleasant Valley		\$329,439	\$329,439			\$658,878
Town of Poughkeepsie		\$167,475	\$167,475			\$334,950
Village of Irvington		\$500,000	\$500,000			\$1,000,000
Village of Ossining		\$187,867	\$187,867			\$375,734
Village of Rhinebeck		\$316,346	\$316,347	\$316,347		\$949,040

Village of Tarrytown		\$235,501				\$235,501
Village of Wappingers Falls		\$106,400				\$106,400
Sustainable Westchester	\$106,582	\$83,194	\$83,194	\$34,398		\$307,368
ICLEI Membership for each municipality and HVRC		\$12,800	\$12,800	\$12,800	\$12,800	\$51,200
Total Other	\$106,582	\$3,675,337	\$3,333,439	\$1,222,395	\$12,800	\$8,350,553

Indirect Charges: HVRC is requesting 10% de minimus on the Modified Total Direct Costs (MTDC). It is our interpretation that the OSHA training remains in MTDC as the trainees are HVRC employees, integral to the successful implementation of this project. (Definition of MTDC reviewed: [Title 2 Subtitle A Chapter 2 Part 200 Subpart A.](#))

HVRC's management and administrative staff are included in Personnel based on the following criteria from [Title 2, Subtitle A, Chapter 2, Part 200](#): the administrative services are integral to the project (e.g. reporting and oversight), the individuals involved will be specifically identified with the project, these costs are explicitly included in the budget, and the costs are not recovered as indirect costs.

CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Total Direct	\$276,053	\$3,834,943	\$3,499,654	\$1,397,270	\$193,931	\$9,189,851
Modified Total Direct	\$182,471	\$422,406	\$179,015	\$187,675	\$193,931	\$1,165,498
Indirect Costs						
10% de minimus on Modified Total Direct	\$18,247	\$24,241	\$17,902	\$18,768	\$19,393	\$116,551
Total Indirect	\$18,247	\$24,241	\$17,902	\$18,767	\$19,393	\$116,551
TOTAL FUNDING	\$282,300	\$3,877,184	\$3,517,556	\$1,416,038	\$213,324	\$9,306,402

b. Expenditure of Awarded Funds (15 possible points)

With 90% of HVRC's annual budget comprised of federal and state grants, HVRC is well equipped to act on this project upon the contract start date. We have deep relationships with each of the participating municipalities through our work on other grants from New York State and can begin work immediately. We have successfully executed grants from the Economic Development Administration and have been awarded our first grant from EPA. In response to a change in leadership at HVRC and the EPA award, HVRC created an Accounting & Financial Policies & Procedures Guide that aligns with EPA requirements and ensures our team is equipped to see that grant funds are spent appropriately, and projects run efficiently. This Guide details how revenues and expenditures are tracked, which staff member is responsible for what aspects of grant administration, and how separation of duties and internal controls are maintained. Sections relevant to HVRC's approach, procedures, and controls for ensuring that awarded grant funds will be expended in a timely and efficient manner are provided below as screenshots. Should HVRC's Mid-Hudson Municipal Building Electrification Coalition be selected for EPA funding, we will be able to provide the complete Guide upon request.



Hudson Valley Regional Council

Accounting & Financial Policies & Procedures Guide

Accounting and Financial Management Systems

Procedures for Drawing Funds and Advanced Payments

HVRC's procedures for drawing funds and issuing advance payments identify who is authorized to request payment from any grant or contract source; what procedures are used to verify that the requests and payments are accurate; procedures for drawing funds and advanced payments and for tracking of payments received and deposited; what support documents are required for the draw of funds or for making payments and their processing; when drawdown of funds occur and how they are drawn; and how to minimize the time elapsed between receiving federal funds and their disbursement.

e) Occurrence of Drawdown of Funds & How They are Drawn

HVRC draws down on grant or contract funds based on the schedule specific to the grant or contract. Funds are typically drawn down on a monthly or quarterly basis, unless the granting entity requires another timeframe for accessing of funds. How funds are drawn down is also specific to the granting entity. Some drawdowns are submitted via email to the granting entity program manager and others are submitted on the granting entity's online portal.

f) How Time Elapsed Between Receiving Federal Funds & Their Disbursement is Minimized

In practice, it is HVRC's preference to draw down on funds on a reimbursement basis. When advanced payments are requested, subsequent drawdown of funds on a reimbursement basis are not submitted until advanced payments have been expended, thereby returning the drawdown procedure to a reimbursement basis. By operating in this manner HVRC complies with federal provisions for minimizing the time elapsing between the drawdown of funds and disbursement. The exception to reimbursement basis drawdowns is for grants or contracts that permit advanced payments.