## Budget Narrative

This Budget Narrative and separately attached Budget Spreadsheet includes a detailed description of the project budget and demonstrates that the City of Miami will properly manage grant funds.

The total budget for this project is: **$36,880,459**

### Budget Detail (20 possible points)

This Budget provides a detailed breakdown for each GHG Reduction Measure and includes the following funding types:

* Personnel
* Fringe Benefits
* Travel
* Contractual

There are three (3) individual programs within the Climate Ready Housing Program Suite that are implementing nine (9) Greenhouse Gas Reduction Measures. The three (3) programs are the Keep Safe Miami Program, Homeowner Preservation Program, and Miami Cools Program. These programs are listed individually within each GHG Reduction Measure that it corresponds with.

**Personnel**

The Personnel funding type includes staffing costs necessary to implement the GHG Reduction Measure. Two part-time staffing positions are included as project managers for this Program Suite. These positions will perform tasks as shown in the Authorities and Roles/Responsibilities Table in Section 3.c, one for the Office of Resilience and Sustainability and one for the Office of Capital Improvements. Their work will include overseeing contractors implementing the GHG Reduction Measures; performing evaluation, metrics-tracking activities, and preparing reports summarizing these activities; planning and implementing meetings to foster collaboration between the City and the residents; developing outreach and education materials and providing outreach for stakeholders and members of the public; and working with stakeholders to expand the Green Economy and outreach to disadvantaged communities on green jobs created with CPRG funding.

Both of these positions cover work performed for all nine (9) GHG Reduction Measures.

The City of Miami is served by unionized employees. The most recent contract, scheduled to be approved by City Commission on the April 11, 2024 City Commission meeting, reflects a 5% annual performance increase (obtained by employees on their anniversary start date) plus a 6% annual cost-of-living increase (obtained by employees at the beginning of the year on October 1). These higher-than-average increases are occurring due to factors of 1) the City having lower than average salaries compared to the County and some surrounding municipalities and 2) very high inflation costs that are contributing to the housing market being unaffordable for people living within City limits. These increased costs are reflected in the budget calculations.

Each of the staff positions have a starting salary of $80,000. Because they are part-time positions, the project will absorb half of this salary (e.g., for Year 1, the salary for one position is $40,000 towards the project).

The two (2) part-time staff positions are included in each of the Measures with their salaries divided by 9.

**Fringe Benefits**

The two (2) part-time staff positions will receive fringe benefits. These benefits equal 7.65% of their salary.

Because they are part-time positions, the project will absorb half of these annual fringe benefits.

The two (2) part-time staff positions are included in each of the Measures with their fringe benefits divided by 9 and are included in each of the nine (9) GHG Reduction Measures.

**Travel**

There are two types of travel included in the budget, 1) travel to conferences and 2) local travel.

Under Travel to Conferences, it is anticipated that one person from the City, likely the ORS Project Manager, will travel to a conference or workshop to provide a presentation or discussion on the project each year. These will likely be invitations by EPA or by relevant stakeholders that have an interest in peer-to-peer learning regarding our project.

The following Travel to Conferences itemized costs are noted for each year:

* Airfare - $400 for one (1) roundtrip flight
* Luggage Fees - $25 per flight (a roundtrip flight = two (2) flights total) (total of $50 per roundtrip)
* Hotel - $250 per night for three (3) nights (total of $750)
* Per Diem - $71 per day for three (3) and a half (.5) days (total of $248.50)
* Taxi/Ride Share - $45 from airport to hotel and vice versa (total of $90 per roundtrip)

Under Local Travel, it is anticipated that the OCI Project Manager will routinely be present at the housing units where the GHG Reduction Measures are being installed. The City of Miami is 56.07 square miles with land area representing 36 square miles. With 7,951 housing units participating in the programs, it is anticipated that 520 miles will be driven each year. This cost is divided between all nine (9) GHG Reduction Measures.

* Assume local travel occurs in Years 2 – 5
* Assume local travel is 3 days per week at 10 miles each trip = 30 miles per week
  + 30\*52 = 1,560
* 1,560 miles driven \* mileage rate of $0.655/mile = $1,021.80

**Contractual**

To implement the GHG Reduction Measures, the City will have a contractor install the measures in eligible housing units for the Keep Safe Miami Program, the Homeowner Preservation Program, and the Miami Cools Program.

The Keep Safe Miami Program utilizes all nine (9) GHG Reduction Measures:

* R-01. Heat pumps or high efficiency AC retrofits and commissioning
* R-02. Solar PV (22,091 kW installed/year)
* R-03. LED lighting
* R-04. Enclosure upgrades
* R-05. Window, door, and skylight replacements
* R-06. Efficient appliances and plug load management
* R-07. Heat pump for hot water
* R-08. Solar hot water heater
* R-09. Smart thermostat

The Homeowner Preservation Program utilizes three (3) of the GHG Reduction Measures:

* R-02. Solar PV (11,776 kW installed/year)
* R-04. Enclosure upgrades
* R-05. Window, door, and skylight replacement

The Miami Cools Program utilizes four (4) of the GHG Reduction Measures:

* R-01. Heat pumps or high efficiency AC retrofits and commissioning
* R-03. LED lighting
* R-04. Enclosure upgrades
* R-09. Smart thermostat

The project assumes there are 100 multi-family buildings (4 units per building) for the Keep Safe Miami Program, 100 single-family homes for the Homeowner Preservation Program, and 50 single-family homes and 50 multi-family buildings (4 units per building) for the Miami Cools Program.

To calculate the costs, the total cost of each of the GHG Reduction Measures was determined. These costs were determined through google searches and typically the average cost was used, with the exception of Roof Trusses as we know through experience that these replacement costs tend to be higher.

The following weblinks were used to identify costs of GHG Reduction Measures as shown below:

[How Much Does a Heat Pump Installation Cost In 2024? – Forbes Home](https://www.forbes.com/home-improvement/hvac/heat-pump-installation-cost/)

[10kW Solar Panel Systems: How Much Do They Cost? | EnergySage](https://www.energysage.com/solar/10kw-solar-systems-compare-prices-installers/)

[2024 Cost to Install Light Fixtures | LEDs, Can Lights & More (thumbtack.com)](https://www.thumbtack.com/p/lighting-installation-cost)

[Fixr.com | Weather Stripping Cost | DIY and Installation Prices](https://www.fixr.com/costs/weatherstripping)

[https://www.forbes.com/home-improvement/roofing/roof-truss-cost/](https://www.forbes.com/home-improvement/roofing/roof-truss-cost/#:~:text=In%20addition%2C%20you%27ll%20need,range%20from%20%243%2C000%20to%20%2426%2C310.)

[Fixr.com | How Much Does It Cost to Replace a Roof in Florida?](https://www.fixr.com/costs/roof-replacement-florida)

[How much Does It Cost To Replace A Commercial Roof? | A to Z Roofing (atozroofingdenver.com)](https://www.atozroofingdenver.com/how-much-does-it-cost-to-replace-a-commercial-roof/)

[How Much Do Hurricane Windows Cost in April 2024? (marketwatch.com)](https://www.marketwatch.com/guides/home-improvement/hurricane-windows-cost/#:~:text=What%20is%20the%20average%20cost,to%20%242%2C800%20each%2C%20including%20installation.)

[How Much Will New Impact Doors Cost? (alcoimpact.com)](https://info.alcoimpact.com/blog/how-much-will-new-impact-doors-cost)

[Heat Pump Water Heaters: Costs, Pros & Cons – Forbes Home](https://www.forbes.com/home-improvement/plumbing/heat-pump-water-heaters/#:~:text=A%20standard%2050%2Dgallon%20hot,cost%20between%20%241%2C500%20and%20%243%2C000.)

[A Heat Pump Water Heater Is The Energy Saving Equivalent Of 7 Solar Panels & Costs ⅙ the Price - CleanTechnica](https://cleantechnica.com/2022/04/08/a-heat-pump-water-heater-is-the-energy-saving-equivalent-of-7-solar-panels-costs-%E2%85%99-the-price/)

[The 4 Best Smart Thermostats of 2024 | Reviews by Wirecutter (nytimes.com)](https://www.nytimes.com/wirecutter/reviews/the-best-thermostat/)

That total cost of the GHG Reduction Measure was then divided by the number of single-family homes or multi-family buildings and divided by four (4). While implementation is a 5-year period, measures will be installed in Years 2-5, therefore using these years gives the most accurate costs for each year for each of the measures.

Then contractor management and installation costs of $4,000 per year were added to each of the GHG Reduction Measures. This includes contractor overseeing their budget, staff installation work, tracking measures required by the City, having monthly meetings with the City, and preparing progress reports.

These numbers were then entered into the corresponding GHG Reduction Measure sheets in the Budget Spreadsheet.

Total Contractual Cost of Each Program are as follows:



**The Budget Table for each GHG Reduction Measure, as well as the total combined cost for each GHG Reduction Measure, is shown in the Budget Spreadsheet.**

### Expenditure of Awarded Funds (15 possible points)

The City of Miami has professional personnel in its Office of Resilience and Sustainability (ORS), Office of Capital Improvements (OCI), Department of Housing and Community Development, and Department of Human Services to support the execution of this significant project. The execution of these tasks involves ORS and OCI working with other key City Departments such as Procurement and Finance Departments to follow established City procedures and controls for grant management and expenditures. City of Miami Administrative Policies (APM) and Finance processes detail the procedures for grants applications, grants funding, and payment procedures including: (1) Administrative Policy (APM 8-78) - Grants and Grant Administration, which establishes the guidelines for submitting, accepting, and administering grants; (2) Accounts Payable (A/P) process lists the procedures for the payments for goods acquired by and services rendered to the City, payment processing for both physical checks and Automated Clearing House (ACH); (3) Capital Asset Records Process which outlines the six categories of Capital Assets, the usage of Oracle Capital Assets Accounting Module for assets maintenance, authorization, initiation an recording, and reporting; and (4) Accounts Receivable which outlines billing, collection, recording allowances, recording General Fund deferred revenue, and checks log / distribution.

Utilizing the aforementioned processes, procedures, and APMs, the Project Manager will work directly with the Finance Department to process the reimbursement requests timely and efficiently. The Finance Department has completed these tasks continuously as a part of their daily department responsibilities and has been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. We will complete and manage the project in compliance with federal regulations and program requirements.

### Reasonableness of Costs (10 possible points)

The attached Budget includes expenses that are reasonable, allowable, and necessary for the successful implementation of the Project. The budget includes a detailed breakout of requested funding for each work component as described in the Budget Narrative, Section a.

Each item relates to the project narrative in the Project Narrative Workplan as follows:

**Personnel:** Described in Section 1.a, Section 3.c , and Section 6.c of Project Narrative Workplan.

**Fringe Benefits:** Assumed as part of Personnel described in Section 1.a, Section 3.c, and Section 6.c of Project Narrative Workplan.

**Travel:** Described in Section 1.a, Section 3.c of Project Narrative Workplan.

**Contractual:** Described in Section 1.a, Section 3.b., Section 3.c. of Project Narrative Workplan.

Miami is allocating the following percentages of the funding to install the GHG Reduction Measures which will provide substantial benefits to disadvantaged communities.

|  |  |  |  |
| --- | --- | --- | --- |
| **BUDGET BY PROJECT** | |  |  |
| **Project Number** | **Project Name** | **Total Cost** | **% of Total** |
| 1 | *R-01. Heat pumps or high efficiency AC retrofits and commissioning* | *$7,103,360* | *19%* |
| 2 | *R-02. Solar PV (22,091 kW installed/year)* | *$7,515,637* | *20%* |
| 3 | *R-03. LED lighting* | *$505,637* | *1%* |
| 4 | *R-04. Enclosure upgrades* | *$8,525,137* | *23%* |
| 5 | *R-05. Window, door, and skylight replacements* | *$8,615,637* | *23%* |
| 6 | *R-06. Efficient appliances and plug load management* | *$2,499,637* | *7%* |
| 7 | *R-07. Heat pump for hot water* | *$899,637* | *2%* |
| 8 | *R-08. Solar hot water heater* | *$937,637* | *3%* |
| 9 | *R-09. Smart thermostat* | *$278,137* | *1%* |
| Total |  | *$36,880,459* | *100%* |