

Budget Narrative

The City of Minneapolis has 10 years of experience managing the budget of the Green Cost Share program for business and energy efficiency improvements to commercial properties. We know that it takes dedicated staff and management to ensure project funds are used appropriately and outcomes listed in the application are achieved.

One of the unique aspects of our funding approach is to complete all the 635 proposed projects in four years rather than five. The experience the City of Minneapolis, Energy Smart, Lake Street Council, and our local city partners bring to the table means we can achieve our goals far faster than a new program, which benefits our community members sooner, and allows the program to invest nearly \$500,000 more in energy efficiency projects in EJ communities rather than on program administration in year five. All the cumulative GHG, CAP/HAPS and energy cost savings would be fully realized in 2029 rather than 2030.

Of the 80% of the funding going toward direct investment in projects we will set aside 50% for eligible EJ investments. This not only ensures that the minimum Justice40 goals will be achieved but be exceeded. By having the EJ set aside up front it makes it easier for all parties to ensure we meet the J40 goals.

In this application, we are proposing to add four (4) new full-time positions to the staff of Minneapolis, St. Paul, and Energy Smart. St. Paul would be a subrecipient. We would look to the EPA for guidance on how best to manage the program with contracts or sub awards. Additional part time contractual staff will also be hired for community outreach and engagement. Our approach to community engagement with Community Based Organizations (CBO) is described earlier in the project narrative.

We are proposing to add one staff person to the Minneapolis Green Cost Share team who will coordinate this grant specifically. Minneapolis will be responsible for the contracting and coordinating of the coalition and with the EPA. Minneapolis would also disburse funds to the other partners for program funds and request reimbursements from the EPA.

We are also proposing to add a new staff person to St. Paul to establish a commercial energy efficiency program in the City. This staff person will be responsible for establishing a program like the Minneapolis' Green Cost Share that will directly disburse funding to project applicants and coordinate energy audits. They will also coordinate outreach and engagement in the City of St. Paul with support from coalition partners.

The budget also includes fringe benefits at 35% of wages and indirect costs at 10% of staff wages + fringe and 10% of the first \$50,000 annually on contracts.

There are three other cities, St. Louis Park, Edina, and Hopkins who have small existing commercial cost share programs that disburse funds directly. They are not requesting staff funding, but they do want to oversee reviewing and disbursing program cost share grants. These cities may be sub awardees or be under a contract with Minneapolis. The other seven city partners want to have all the funding and rebates managed by Energy Smart and Minneapolis. Therefore, within the application budget all program investments in renewable energy and energy efficiency projects will be considered contractual.

Regarding outreach and engagement, we are proposing using a flexible pool of funding to pursue a multi-pronged approach. We will use a portion of the funding to provide consistent branding and

information that can be shared by the cities and community-based organization. Some of the other funding would be used to partner with BIPOC community-based organizations (CBO) to engage with their communities to promote the program. This would include contracting with nonprofit organizations as well as stipends for participants.

Energy Smart and the Lake Street Council will have an existing contractual relationship with the City of Minneapolis. Earlier this year the City of Minneapolis completed a competitive Request for Proposal (RFP) process for similar services as proposed in this application. Both Energy Smart and the Lake Street Council were awarded 3-year master contracts for the services just like they would do for this grant. We would only need to issue an additional funding availability notice (FAN) to each organization so that they could build up capacity but with the capacity they already have in place we could start seeing project awarded funding this fall.