**Budget Narrative**

**Important Notes:**

* **Several identical costs repeat throughout the separate budget projects and are therefore explained thoroughly only in the first project they appear in as you read this document. This is “Building Efficiency Audits and Retrofits”, for most repeated items.**
  + **This** **includes: Personnel, Fringe Benefits, Travel, 2 CFR 200 Single Audit, and Indirect Cost.**
* **The Budget Tables can be found in the attached Budget Spreadsheet that utilized the EPA’s template.**

**Building Efficiency Audits and Retrofits**

* **Personnel**
  + Sustainability Coordinator @ $65,000/yr, .2 FTE, with $2500 annual salary increase
    - This salary will fund a new Full-time position at the City of Wichita for the five years of the grant implementation period. The hours will be evenly split among the five projects with the city setting up an equivalent hourly rate in order to make proper cost allocation easier. The salary was determined based upon existing city salaries for similar project manager positions. The Sustainability Coordinator will help organize the efforts of the Energy Manager and Sustainability Data Analyst for each project, implement to educate and engage the public on each project, and make timely reports to the EPA on each project’s progress.
  + Energy Manager @ $65,000/yr, .5 FTE, with $2500 annual salary increase
    - This salary will fund a new Full-time position at the City of Wichita for the five years of the grant implementation period. The hours will be split in half between the Buildings Audits and Retrofits project and Solar Pilot project with the city setting up an equivalent hourly rate in order to make proper cost allocation easier. The salary was determined based upon existing city salaries for similar project manager positions. The Energy Manager will assist in drafting request for funding proposals, tracking project progress, and selection of retrocommissions and retrofits.
  + Sustainability Data Analyst @ $55,000/yr .2 FTE, with $2500 annual salary increase
    - This salary will fund a new Full-time position at the City of Wichita for the five years of the grant implementation period. The hours will be evenly split among the five projects with the city setting up an equivalent hourly rate in order to make proper cost allocation easier. The salary was determined based upon existing city salaries for similar project data analyst positions. The Sustainability Data Analyst will assist in tracking GHG reduction data across all projects, applicable HAP/CAP data tracking, and other general data collection and tracking related to the five CPRG projects.
* **Fringe Benefits**
  + Full-time employees at 36% of salary
    - This percentage was calculated in coordination with the City’s Internal Auditor and grant management staff and is consistent with other Full-Time Employees at the City.
* **Travel**
  + **Travel for EPA Training/Conference:** 
    - This project budgets for travel for two conferences related to the implementation of the grant program and will be used based upon EPA hosting relevant trainings or conferences. The two years are identified as travel years for the three projects deemed most in need of training or possible presentations. Yearly travel will not be necessary for each project.
    - Airfare - $400 roundtrip @ 1 roundtrip
      * This cost was taken from the EPA’s sample budget as a reasonable estimate for travel to the East Coast from Wichita.
    - Luggage Fees - $25 per flight @ 2 flights per trip
      * This cost was taken from the EPA’s sample budget as a reasonable estimate for travel to the East Coast from Wichita.
    - Hotel - $150 per day @ 4 days per trip
      * This cost was taken from the EPA’s sample budget as a reasonable estimate for travel to the East Coast from Wichita.
    - Per Diem M&IE - $79 per day @ 4.5 days per trip
      * This cost was calculated based upon per diem rates for travel to Washington D.C. as estimated by the U.S. General Services Administration.
    - Parking - $20 per day @ 4 days per trip
      * This cost was taken from the EPA’s sample budget as a reasonable estimate for travel to the East Coast from Wichita.
    - Taxi - $45 per trip
* **Equipment**
* **Supplies**
  + Educational Materials including posters, flyers- @ $100 per year
    - This item is budgeted to cover the cost of creating and printing educational materials related to the public engagement aspect of this project. This cost will ensure that enough material can be created to distribute to all 18 building locations staff and community members and materials can be updated each year to reflect both project progress and changing federal and local energy efficiency programs.
* **Contractual**
  + Audits @$.15 per sqft: 9 Community/Recreation Centers 146730 sqft;
    - This price per square foot for audits was determined based upon the price secured for previous audits and retrofits on city properties as reported by the city’s Buildings Manager and other online price estimates.
  + 8 public Park Shelters 19,011 sqft
    - See above.
  + CityArts Gallery/Classroom Building 26460 sqft
    - See above.
  + Retrocommissioning/Other Recommended Actions @$.41 per sqft: 9 Community/Recreation Centers 146730 sqft;
    - The cost for retro-commissioning each property was taken from the 2007 ENERGY STAR Building Upgrade Manual which noted that “commissioning projects for existing buildings showed a median commissioning cost of US$0.27 per ft2, and energy savings of 15 percent.”[[1]](#footnote-16886) Adjusting for inflation since 2007 necessitates a 48% increase which brings the estimated cost up to roughly $.41, as determined by the U.S. Bureau of Labor Statistics.[[2]](#footnote-29305) An additional $10,000 per property ($170,000) is being requested for completing any suggested boiler/HVAC system retrofits that are produced by the audits. The cost was estimated at $10,000 based upon EPA’s Retrofit Cost Analyzer tool[[3]](#footnote-29004), but actual project costs will be provided to EPA following the energy audits.
  + 8 public Park Shelters 19,011 sqft
    - See above.
  + CityArts Gallery/Classroom Building 26460 sqft
    - See above.
  + $10,000 per building for performing boiler/HVAC or other identified retrofits (18 buildings)
    - This cost is separated from the projected costs for “retrocommissioning” because retrofits are often more extensive and may not be applicable to each building. However, since possible retrofits will not be identified prior to submittal of this application, this $10,000 per building figure was estimated to set an upper cost limit on the project and avoid overbudgeting based upon estimates from some commercial sources at over $25,000. Half of the buildings being targeted in this project are smaller than 5,000 sqft and performing retrofits on them may not be cost-effective, leaving additional funding for the larger 10,000+ sqft buildings.
  + 10% cost-added to account for risk
    - This cost is included to help reduce risks from unforeseen construction cost increases, supply chain issues, or other cost-related risks.
  + 2 CFR 200 Single Audit
    - Per 2 CFR 200, an entity that expends more than $750,000 is required to have a single audit performed by an independent accounting firm. On average, based on previous years, a single audit cost the City anywhere from $9,500-$12,000 depending on the program and the complexity of it. This $12,000 was budgeted once per year over the five years of the grant and split between the five projects evenly.
* **Other**
* **Indirect Charges**
  + 1.65%
    - This is the fixed rate set by the City of Wichita. This rate changes each year, so the City will work with the EPA to keep this budget updated as needed.

**Electric Vehicles and Charging Stations Project**

* **Personnel**
  + Sustainability Coordinator @ $65,000/yr, .2 FTE, with $2500 annual salary increase
    - For this project, the Sustainability Coordinator will help to track usage of the electric vehicles and charging stations and coordinate with the various departments that oversee the proposed sites to ensure smooth implementation of the project.
  + Sustainability Data Analyst @ $55,000/yr .2 FTE, with $2500 annual salary increase
    - The Sustainability Data Analyst will assist in tracking GHG reduction data resulting from the use of electric vehicles, both public and city-owned, tracking air quality improvements from the resulting displaced tailpipe emissions, and assist in reporting these reductions to the EPA.
* **Fringe Benefits**
  + Full-time employees at 36% of salary
* **Travel**
  + **Travel for EPA Training/Conference:** 
    - This project budgets for travel for two conferences related to the implementation of the grant program and will be used based upon EPA hosting relevant trainings or conferences. The two years are identified as travel years for the three projects deemed most in need of training or possible presentations. Yearly travel will not be necessary for each project.
    - Airfare - $400 roundtrip @ 1 roundtrip
    - Luggage Fees - $25 per flight @ 2 flights per trip
    - Hotel - $150 per day @ 4 days per trip
    - Per Diem M&IE - $79 per day @ 4.5 days per trip
    - Parking - $20 per day @ 4 days per trip
    - Taxi - $45 per trip
* **Equipment**
  + **5 Electric Vehicle DC "Fast" Chargers 5-year Software and Maintenance @ $55,000 per charger, $275,000**
  + 11 Level 2 Chargers with 5-year Software and Maintenance @$15,000 per charger, $165,000
  + 2 Electric Vans for Library Use, $120,000
  + 1 Electric Sedan for Library Use, $45,000
  + 1 Electric Van for Parks Dept Use, $60,000
* **Supplies**
* **Contractual**
  + All of the below costs were estimated by Evergy, the supplier of electricity for the Wichita area. These costs are reasonable for the expansion of a charging network in Wichita.
    - Installation of underground primary and pad mount transformer @Botanica, $32,000
    - Installation of underground primary and pad mount transformer @Wichita Art Museum, $20,000
    - Installation of new pad mount transformer and underground primary extension @Cowtown Museum, $25,000
    - Installation of 2nd Transformer @Carl G Brewer Community Center, $25,000
    - Installation of 2nd Transformer @Linwood Recreation Center, $25,000
    - Installation of 2nd Transformer @Alford Library Branch, $30,000
    - Installation of 2nd Transformer @Walters Library Branch, $25,000
    - Upsize transformer and possibly pad size @Advanced Learning Library Branch, $20,000
    - Installation of new pole, riser and pad mount transformer @Rockwell Library Branch, $35,000
    - Installation of new underground primary and pad mount transformer @Maya Angelou NE Library Branch, $30,000
    - Installation of new pole, primary dip, underground primary and pad mount transformer @ Westlink Library Branch, $35,000
  + Installation costs for 16 Chargers; $5,000 per charger, $80,000 total
    - This is marked separately as the cost to actually install each charger with the above costs referring to costs to set up the electrical grid for EV charging stations at each location.
  + 10% cost risk contingency, $30,200
    - This is included in order to ensure enough funding is available if costs are inflated from these estimates.
  + 2 CFR 200 Single Audit, $12,000
* **Other**
* **Indirect Charges**
  + 1.65%

**Redbud Trail Project**

* **Personnel**
  + Sustainability Coordinator @ $65,000/yr, .2 FTE, with $2500 annual salary increase
    - For this project, the Sustainability Coordinator will work with the project engineer to finish the project and ensure compatibility with the grant, work with the Data Analyst to identify reliable methods of tracking GHG reductions from this project, track usage of the pedestrian bridges once constructed.
  + Sustainability Data Analyst @ $55,000/yr .2 FTE, with $2500 annual salary increase
    - The Sustainability Data Analyst will assist in tracking GHG reduction data from this project and develop methods for tracking reductions from traffic congestion and pedestrian/bike trips.
* **Fringe Benefits**
  + Full-time employees at 36% of salary
* **Travel**
* **Equipment**
* **Supplies**
* **Contractual**
  + These cost differences were provided by the current designers of the project as without this grant funding the pedestrian bridges at these intersections will not be constructed.
    - Cost Difference to upgrade Woodlawn to Ped Overpass, $3,085,313
    - Cost Difference to upgrade Webb to Ped Overpass, $2,302,065
    - Cost Difference to upgrade Greenwich to Ped Overpass, $3,091,013
  + 2 CFR 200 Single Audit, $12,000
* **Other**
* **Indirect Charges**
  + 1.65%

**Solar Pilot Project**

* **Personnel**
  + Sustainability Coordinator @ $65,000/yr, .2 FTE, with $2500 annual salary increase
    - For this project the Sustainability Coordinator will work across the necessary City departments to identify buildings for solar projects, monitor the progress of construction of each solar installation, and track energy production from the solar panels.
  + Energy Manager @ $65,000/yr, .5 FTE, with $2500 annual salary increase
    - The Energy Manager will assist in drafting request for funding proposals, tracking project progress, and selection of sites for solar installations with all city buildings categorized after the audit is completed.
  + Sustainability Data Analyst @ $55,000/yr .2 FTE, with $2500 annual salary increase
    - The Sustainability Data Analyst will assist in tracking GHG reduction data, solar usage data, and help make this data accessible for consideration of future solar installations.
* **Fringe Benefits**
  + Full-time employees at 36% of salary
* **Travel**
  + **Travel for EPA Training/Conference:** 
    - Airfare - $400 roundtrip @ 1 roundtrip
    - Luggage Fees - $25 per flight @ 2 flights per trip
    - Hotel - $150 per day @ 4 days per trip
    - Per Diem M&IE - $79 per day @ 4.5 days per trip
    - Parking - $20 per day @ 4 days per trip
    - Taxi - $45 per trip
* **Equipment**
* **Supplies**
* **Contractual**
  + Audit of all city properties for solar viability and installation of three solar arrays on city properties: Solar Panels and Installation project #1- $400,000
    - These will be some of the first solar projects installed by the City of Wichita, so these estimates are based off of a similar project completed by Wichita State University at their Innovation Campus. $400,000 was budgeted for each for three solar projects with locations and scopes to be identified following an audit of city properties by a professional solar installation company.
  + Solar Panels and Installation project #2 - $400,000
  + Solar Panels and Installation project #3 - $400,000
  + 875kW Solar Installation @Multimodal Transit Facility; $2500 per kW - $2,200,000 total
    - This is the estimated cost provided by a contractor for a proposed 875kW solar installation on the roof of the City’s new Multimodal Transit facility. This facility is still in the process of being constructed in 2025-26.
  + 2 CFR 200 Single Audit, $12,000
* **Other**
* **Indirect Charges**
  + 1.65%

**Tree Canopy Project**

* **Personnel**
  + Sustainability Coordinator @ $65,000/yr, .2 FTE, with $2500 annual salary increase
    - The Sustainability Coordinator will stay in contact with the Parks department who will be implementing most of this project and ensure the necessary data is collected for reporting back to the EPA on GHG reductions.
  + Sustainability Data Analyst @ $55,000/yr .2 FTE, with $2500 annual salary increase
    - The Sustainability Data Analyst will assist in tracking GHG reduction data from tree planting and develop a formula to assist in future carbon sink estimations for the City of Wichita.
* **Fringe Benefits**
  + Full-time employees at 36% of salary
* **Travel**
* **Equipment**
* **Supplies**
* **Contractual**
  + Installation professional and contractor fees
    - This covers the cost of contracts for installing the trees at targeted locations.
  + Design Fee
    - This covers the cost of a contracted designer for locations these trees will be planted.
  + Maintenance annual costs
    - This covers the annual costs of maintenance contracts for the newly planted trees
  + 2 CFR 200 Single Audit, $12,000
* **Other**
  + Trees (10% to be given out to the public)
    - This covers the costs of purchasing the trees
  + Irrigation
    - This cost covers irrigation supplies and water costs
  + Education/marketing
    - This cost covers social media, information releases, and education efforts relating directly to the tree planting project.
  + Volunteer efforts
    - This cost covers support efforts and transportation related directly to the tree planting project.
* **Indirect Charges**
  + 1.65%

**Expenditure of Awarded Funds and City of Wichita Grant Management Capabilities/Policies:**

* **Applicant’s procedures for ensuring that grant funds and associated match are accounted for separately and distinctly from other sources of revenue.**

In the Enterprise Resource Planning (ERP) system, each grant award is assigned an Organization Code which has segments for the fund, department, division, activity that represents the grant and year. Project Codes are setup under the Organization Code for projects being worked on with the grant funds. The Organization and Project Codes combined track the specific grant revenues and expenditures. Within the Project Code, the different sources of revenues are tracked in separate revenue accounts called Object Codes.

* **Applicant’s written accounting policies and procedures and how often they are updated.**

The City of Wichita’s significant accounting policies are summarized in footnote 1 in the City’s Annual Comprehensive Financial Report. The City also operates under Administrative Regulations (ARs) that are formally approved by the City Manager and published on the City’s intranet which is available to all City employees. These policies cover general administration; city financing, purchasing and expenditure control; personnel; public affairs; public safety; public improvements & infrastructure; facilities, property and equipment; technology; and energy efficiency and conservation. Individual departments establish and distribute their own policies and procedures. For example, the Controller’s Office has policies for cash management and allowability of costs for federal awards and the Purchasing Division has a policy and procedures manual to serve as direction in the daily operations for all departments. These policies and procedures are reviewed and updated annually or more frequently as needed.

* **Applicant’s accounting system, when the current system was implemented, its level of automation, and type(s) of technology utilized; describe any manual accounting processes used to complement the system.**

The City’s ERP system, Tyler Technology-Munis, was implemented in 2020 (financial) and 2021 (payroll and human resources). The accounts receivable, purchasing, accounts payable, payroll and capital assets modules are integrated with the general ledger. The database engine is Microsoft SQL Server. Munis runs on a Microsoft Windows Server R2 using Intel Xeon processors. Spreadsheet Server, SQL Server Reporting Services and Microsoft Excel are used to prepare financial statements. Numerous third-party systems interfaces with Munis. Tyler Content Management is used for documentation and data repository of transactional and personnel human resource information.

* **Applicant’s procedures for monitoring the approved grant project budget and tracking expenditures at a line-item level.**

In the ERP system, each grant award is assigned an Organization Code and Project Code which is used to track revenues and expenditures discretely. The budget for that project is also loaded into the ERP system. This allows effective monitoring of revenues and expenditures by line item as compared to the grant budget. The ERP system also allows for effective start and end dates so that transactions cannot be processed against the grant outside the allowable period. The financial reports can be viewed by month, fiscal year, or grant life-to-date. The grant budgets can be setup with the expenditure control at the project level. If an expenditure transaction is entered that exceeds the approved grant budget, the ERP system will not allow the transaction to be final posted unless override approval is received from the Controller’s Office or Budget Office. Overrides will only be done if an expenditure is allowable, is within the period of performance, there is budget authority, and a budget revision is in process.

* **Applicant’s internal controls for ensuring that grant project expenditures are solely for allowable and approved purposes.**

According to the Controller’s Office Policy on Allowability of Costs for Federal Awards, the program managers are responsible for determining allowability of costs when processing payment requests and monitoring program budgets. The program managers consider the criteria outlined in 2 CFR Part 200.403. The City processes accounts payable on a decentralized basis. Program staff are responsible for entering payment documents into the ERP system, which are subsequently routed through an electronic workflow for further review. The approval path includes the Department Director, Budget Office, Purchasing, Accounting and Accounts Payable. The Department Director and Accounting reviewers are primarily responsible for affirming the allowability of costs. Those reviewers consider whether the costs are reasonable under the 2 CFR Part 200.404 guidelines.

* **Applicant’s reserve and/or capacity to manage a grant award on a reimbursement basis.**

Adequate levels of reserves are an important foundation to the City’s business and financial planning. The City maintains a policy that the General Fund reserve limit is 15% of expenditures, while the Permanent Reserve is set at 5% of General Fund expenditures. The Pension Reserve is set at 3% of total General Fund payroll expenditures. Generally, the target cash balance for other funds is 10% of expenditures. The General Fund reserve provides flexibility for cash flow and emergency needs. The City also utilizes a treasurer’s fund for the City’s pooled cash and investments and thus, grant funded activities can temporarily borrow from the City’s pooled funds until reimbursement is received.

1. <https://www.energystar.gov/sites/default/files/buildings/tools/EPA_BUM_CH5_RetroComm.pdf> Page 3 [↑](#footnote-ref-16886)
2. <https://data.bls.gov/cgi-bin/cpicalc.pl?cost1=.27&year1=200701&year2=202312> [↑](#footnote-ref-29305)
3. <https://www.epa.gov/power-sector-modeling/retrofit-cost-analyzer> [↑](#footnote-ref-29004)