

MVP Grant Summary of Considerations

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To:Justin Makuc <justin@montereyma.gov>;Dennis Lynch <djlynch132@gmail.com>;Town Administrator <admin@montereyma.gov>
Cc:Chad Cox <chad.cox@gza.com>

 1 attachments (601 KB)

DRAFT MVP Grant Budget_Attachment B_FY25-FY26.xlsx;

Hello All,

Below is a summary of our conversation including some of the pros and cons to waiting a year vs. going after culver replacement implementation funding now.

Grant Funding Background

- MVP maximum award amount for a single town is \$3million.
- The current price of the culvert replacement as estimated by GZA is \$3.6million.
- GZA estimates an additional \$200,000 for their role in construction engineering and oversight.
- BRPC has estimated approximately \$38,000 for grant administration and outreach (Justin, Roger, and Dennis - note that I did a few more calculations and added in direct costs so it came out higher than I previously quoted).

Match

- This would be a two-year grant with a match of \$838,000. In other words, everything in excess of the max ask of \$3million from MVP.
- It should be noted that the match can be split over those two years so you can cover \$300,000 the FY25 and the remaining \$538,000 in FY26.
- Some match could come from Chapter 90 funding provided you have enough for all other projects.
- Justin suggested that the Town borrow the remaining match plus some (or all) of the grant funded portion of \$3million so you have cash up front to pay for things since this is a reimbursement-based grant. I think this is a good idea.
- I've attached the draft budget which you see if divided into many tasks - this is so we can ask more reimbursements more regularly and make it so Monterey doesn't have to float too much of the cost of the project prior to reimbursement.

Pros and Cons to waiting a year to apply for grant funding:

Pros

- The match this year is not reduced for Monterey and I'm fairly certain it will be 10% next year.
- There is a statewide effort advocating for a bond to increase MVP funding to \$100 million. If this goes through there is a chance that MVP will raise the \$3million cap on grant awards for construction projects. They have been made aware that construction is very costly and that it would benefit towns to raise the cap. This is no guarantee but if it does happen you would be responsible for a lower match.
- Waiting a year will give the project time to secure all the permits.
 - This will make for a slightly cleaner application and
 - There is a chance that extra costs may be added to the project during the permitting process. For example, if MassDOT requests changes to the design and this adds costs. Waiting a year gives you a chance to ensure that all costs are included in the grant application.

Cons

- The town has built up momentum and it would be good to piggyback on this momentum
- Costs would most likely increase somewhere between 3-5% due inflation, cost of goods, and labor between now and FY26 when construction would actually begin.
- MVP has this project on their radar, so it might be good to strike while they are excited about seeing it through
- Most of the permitting is good for 2-3 years, if you wait too long (more than a year) to start the project you will need to re-permit some elements such as Wetlands Delineation.

I will be there at the Tuesday meeting either in person or online.
Till then, I hope this helps you prep for the discussion and make a decision.

Best,
Courteny



BRPC

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