

Dear Neighbor,

On June 4th, 2019, from noon to 8 pm, you will have the opportunity to vote on three capital projects that your elected officials have recommended. The information presented here augments and builds from several public hearings, and extensive publicly available documents, all intended to help you make an informed decision.

The process leading up to the presentation of these three projects is extensive and comprehensive. It starts with the three main governing Boards of the town:

- The Board of Selectmen (BOS): responsible for all town operations and facilities
- The Board of Education (BOE): responsible for all school operations and facilities
- The Board of Finance (BOF): responsible for setting the tax rates to fund town and school operations and facilities

The Town Treasurer, two members of each these Boards, along with the Board Chairs (as ex-officio members) form and serve on CPPAC, the Capital Program Priorities Advisory Committee.

Each year the BOS and BOE develop annual operating budgets which, after public input, are translated by the BOF into the required tax rate and presented to the voters. In the background, on an ongoing basis, the BOS and BOE continuously identify and track large capital needs for the town and schools: Periodic large expenditures which are best addressed through low-interest bond sales, rather than through the annual operating budget, protecting taxpayers from sudden large tax increases. Generally, once every five to ten years, the large capital needs accumulate to the point that action needs to be considered. CPPAC then meets regularly to review both the validity of the proposed projects, and their financial impact. After significant back and forth between the town and school administrations and CPPAC, a proposed referendum package emerges. That package—whittled down from a much longer list of projects—has now been unanimously recommended to the BOS. The BOS has acted to go to referendum with these projects as three separate questions:

- Should we appropriate money to repair or replace five bridges?
- Should we appropriate money to fund major school infrastructure improvements?
- Should we appropriate money to pay for the construction of a solar array to generate electricity for the schools which will more than pay for itself over time?

Just as with each year's annual operating budget, the town/school cannot move forward with financing these projects without voter approval. Accompanying pages provide summary information to help you understand why these are the right projects, and this is the right time. Along with your elected officials and professional administrators, a number of involved citizens are available to address your questions, and to help you join us in voting YES YES YES for Granby's needs.

# Official Ballot

## Referendum Granby, Connecticut June 4, 2019

### INSTRUCTIONS TO VOTERS

To vote, fill in the oval  completely next to your choice, like this .

1. Shall the Town of Granby appropriate \$13,716,000 for the cost of various bridge projects which includes the planning, design, construction, reconstruction, repair and resurfacing of various bridges located on Mousehorn Road, Simsbury Road, Donahue Road, Griffin Road, and Hungary Road in the Town of Granby including all surveys, alterations, repairs and improvements in connection therewith as well as engineering, architectural and temporary and permanent financing costs related thereto, including capitalized interest costs, and authorize the issuance of bonds and notes in the amount of \$13,716,000 to finance such appropriation?  YES  NO

2. Shall the Town of Granby appropriate \$7,100,000 for various school capital improvement projects including the planning, design, construction, reconstruction and repair of: (a) science, career and technology education spaces, (b) performing arts facilities; (c) library-media center; (d) kitchen facilities; (e) athletic fields; and (f) infrastructure and systems located in various schools all in the Town of Granby including all architectural, engineering, testing, inspection, and temporary and permanent financing costs related thereto, including capitalized interest costs, and authorize the issuance of bonds and notes in the amount of \$7,100,000 to finance such appropriation?  YES  NO

3. Shall the Town of Granby appropriate \$4,215,000 for the cost of the Solar Project which includes the installation of a ground mounted solar photovoltaic system located adjacent to the Wells Road Intermediate School in the Town of Granby (the "Town"), including, but not limited to, construction, site work, and all alterations, repairs and improvements in connection therewith, as well as interconnection, engineering, architectural and temporary and permanent financing costs, including capitalized interest costs, and authorize the issuance of bonds and notes in the amount of \$4,215,000 to finance such appropriation?  YES  NO

This is a copy of the official ballot for the Referendum on June 4, 2019. Please note that the Town is required by law to present these projects at their full gross cost, before any grants or offsets and including short-term interest and expenses, even though the Town will not actually spend that much. The actual cost estimate for the three projects is what has been accounted for in the Town's Financial Model.

**Grants and offsets** **Actual cost**  
**\$9,000,000** **\$4,716,000**

**\$2,700,000** **\$4,400,000**

**\$1,530,000** **\$2,685,000**

**Estimated cost: \$11,801,000**

**Please VOTE YES  on all three bonding questions**

# BOND REFERENDUM: BY THE NUMBERS

With the approval of all three projects, Granby plans to borrow, through the bond market and at attractive rates (estimated at below 4 percent) only what it actually needs, through two separate bond issues over the next five years. While the three projects are estimated to have a total gross cost of \$25 million, through access to state and federal grants, the **actual cost is reduced by over 52 percent.**

	<b>APPROPRIATION REQUEST*</b> (on ballot)	<b>ESTIMATED GRANTS AND OFFSETS</b>	<b>ESTIMATED COST</b>
<b>FIVE TOWN BRIDGES</b>	<b>\$13,716,000</b>	<b>(\$9,000,000)</b>	<b>\$4,716,000</b>
<b>SCHOOL INFRASTRUCTURE IMPROVEMENTS</b>	<b>\$7,100,000</b>	<b>(\$2,700,000)</b>	<b>\$4,400,000</b>
<b>SCHOOL SOLAR PROJECT</b>	<b>\$4,215,000</b>	<b>(\$1,530,000)</b>	<b>\$2,685,000</b>
<b>TOTAL</b>	<b>\$25,031,000</b>	<b>(\$13,230,000)</b>	<b>\$11,801,000</b>

\* Estimated construction, contingency, short-term interest, and bonding expenses

## Savings from Solar

Further offsetting this cost is the value of the solar array, which will reduce the Schools' annual electricity cost and generate revenue for the town through Large Renewable Energy Credits. (LREC). **The revenue estimates, even after accounting for the construction, maintenance, and financing costs are over \$5 million.**

<b>Total estimated cost to Granby</b>	<b>(\$4,100,000)</b>
<b>25 years of electricity savings</b>	<b>\$8,000,000</b>
<b>15 years of LREC credits = revenue to Town</b>	<b>\$1,600,000</b>
<b>Net Savings to Granby</b>	<b>\$5,500,000</b>

The Capital Program Priority Advisory Committee (CPPAC) evaluates the financial impact of the proposed bond referendum on taxpayers through a 10-year rolling Financial Model which includes the actual results of the past four years and projections for the next six based on numerous inputs, including: changes in the grand list; annual town and school operating budget needs; state education grants; and debt service. CPPAC modeled the impact of incurring the debt for these projects in two steps. The model results demonstrate Granby can afford this capital program—the three projects—over the next five years while keeping the new annual mill rate change in the 2 percent range. **For a Granby homeowner paying \$6,000 in property tax today, the annual cost of these projects is \$96.00 annually, or \$.26 a day.**

# BOND REFERENDUM: BY THE NUMBERS FAQs

## **Why are we being asked to vote on \$25 million in appropriations if we are actually planning to bond an estimated \$11 million?**

We are required by law to present these projects at their full gross cost—including short-term interest and other expenses—before any grants or offsets, even though the Town will not actually spend that much. The net cost, expected to be closer to \$11 million for the three projects, is what has been accounted for in the Town's Financial Model.

## **Why do taxes keep going up?**

Salaries and benefits drive most of the cost of delivering services to Granby residents and these have been increasing at an inflation rate well above the tax rate increase. The only way we have been able to deliver the same and sometimes improved services at below inflation is through taking advantage of opportunities to reduce fixed costs. As an example, the solar project is an investment today that will reduce cost and provide revenue estimated at over \$5 million over the next 25 years. These are the types of investments we need to make to keep the tax changes low and stable.

## **What is the cost if we don't spend this money?**

Over the next five to ten years, the cost to taxpayers could well be more if these projects aren't pursued now. Without the bridge projects, currently closed bridges may remain closed and others could be added to the list, undermining core community infrastructure. Also, state and federal grants that have been lined-up—which reduce Granby's cost by two-thirds—could be lost. Without the school improvements, annual operating maintenance costs will increase, educational services could be impaired, and the town's attractiveness to new residents could decline. Without the solar project, we lose revenue and cost reductions worth \$5.5 million AFTER accounting for all of the solar project costs.



# SCHOOL INFRASTRUCTURE IMPROVEMENTS

Granby Memorial High School was built in 1947 and was significantly renovated in 2000 and the Middle School is almost 30 years old. Roofs and HVAC systems are at or nearing the end of their useful life, adversely impacting the annual budget if left unaddressed. Changing educational requirements of 21st century learning need to be addressed. All these improvements are necessary and only get more expensive if we delay.

## Infrastructure and Systems

Infrastructure updates need immediate attention. This includes the replacement of the twenty-year-old roof and HVAC system with provisions for targeted air conditioning and ventilation to parts of the building including the commons, locker rooms, and gymnasiums. Alterations to the north staircase of Building 1 address safety issues posed by student congestion, which were cited in our recent NEAS&C Accreditation Report.

## Science, Career, and Technology Education Spaces

Current curriculum requires upgrades and modernization of the Technology/Wood Shop and the Family & Consumer Science spaces. Plans also provide for additional program spaces for Robotics and a Science Combination Classroom/Lab to support the increased graduation requirements.

## Food Service and Student Dining

The high school does not have a kitchen or adequate cafeteria. This need is a repeat and continuing concern of the accreditation body, NEAS&C. Opportunities to explore healthier eating and local farm-to-table programs and the related curriculum require these changes.

## Library-Media Center

Updates to innovative curriculum spaces, digital technologies, and flexible learning spaces will best meet students' learning needs. The changes will support flexible and collaborative learning spaces and make space for dedicated teaching and tutorial spaces which do not now exist.

**These essential  
infrastructure repairs  
and educational space  
upgrades are necessary  
and only get more  
expensive if we delay  
funding.**

## Performing Arts

The performing arts, an integral and growing part of the arts curriculum and high school experience, have an acute need for space for the expanding music and drama programs that our current facility cannot accommodate. We currently have no dedicated band practice space, little useable storage, and sub-optimal instructional space, even as student and community-wide interest and engagement in these services grows.

## Athletic facilities

Athletes and visitors using the stadium and fields do not have access to water and restrooms, which creates safety, health, and hygiene issues. Athletic improvements include the addition of restroom facilities, plumbed water to the fields, and four field lights to complete the original turf installation.

# SCHOOL INFRASTRUCTURE IMPROVEMENTS: FAQs

## **Why does this project include such a variety of apparently disparate pieces?**

The Board of Education continuously reviews all of its assets in an effort to identify and plan for future capital needs to incorporate into the town's long-range planning and fiscal modeling. While the variety of issues addressed in this project might appear haphazard—for example, a long-overdue kitchen in the high school, roofing and HVAC replacements, and media center renovations to accommodate modern learning spaces—it is in fact a strategic grouping of needs. If not addressed through this bond referendum, maintenance will cost more, learning will be impaired, and Granby's attractiveness to others in an era of regionalization will be diminished.

## **Why do we need a kitchen/cafeteria in the high school and why don't we have one now?**

The last major high school project (completed almost 20 years ago) excluded these standard items in order to save money, with the expectation they would be addressed in a future bond issue. That was three bond issues ago. State accreditation reviews have twice raised this as an issue of concern, since students should have access to healthy prepared food while at school.

## **Why are athletic investments included? Didn't we address this in the last referendum?**

When the athletic complex was built, several elements were deferred, including access to water and restroom facilities, lights for the second turf field, and a press box. In response to public input, we have eliminated the press box. Running water, restrooms, and lighted fields address health and safety issues, and complete this highly-used and valued community asset.

## **Why do we need new roofs and HVAC systems? It seems like we just built or renovated the schools.**

These facilities need constant maintenance and upgrades and 20 to 25 years is the expected lifespan of roofs and HVAC systems. Using bond proceeds for replacement over the next 5 years will be more cost-effective than incurring fast-increasing annual maintenance and repair expenses. As identified in the most accreditation report, HVAC upgrades will help address excessively hot areas and improve air quality in the most oppressive parts of the building.

## **Why do we need all the learning-space reconfiguration: media center; science, career, and technology; performing arts and band storage?**

Curriculum requirements have evolved significantly in the past 10+ years and Granby is committed to twenty-first century learning opportunities so our graduates can be successful in college and career pursuits. The Board goals and accreditation report support these recommended changes.

## **Why make these investments now when it is possible the State will force us to regionalize?**

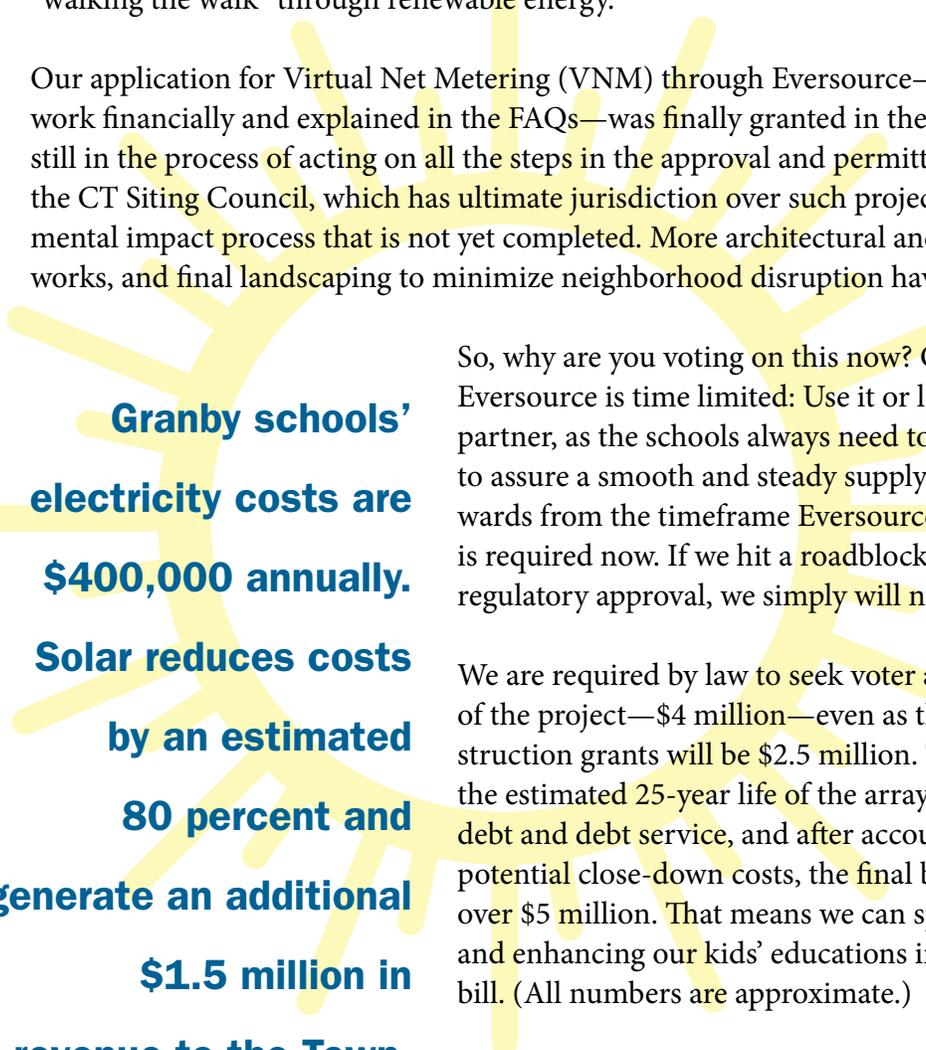
We know that what attracts people to live in Granby is its schools, and with the lowest per pupil cost in the region, we are extremely well-positioned to control our own destiny in any regionalization scenario. These investments are required for our current students' education and for us to stay competitive should regionalization happen.

# SCHOOL SOLAR PROJECT

Granby is pursuing the construction of a 1.6 MW solar array on roughly 6 of the 15 acres at Wells Road School, which would produce 2.9 kWh of electricity, or 80 percent to 100 percent of the total electricity usage for all four schools, annually.

After years of implementing energy-efficiency efforts, Granby's schools have managed their electricity cost down to \$400,000 annually. Now, in a brief window of opportunity, we have a chance to reduce this by an estimated 80 percent and generate an additional \$1.5 million in revenue to the Town by building our own solar array in an unused, overgrown field behind Wells Road School. We have been exploring saving taxpayer money through renewable energy for over four years, and after extensive analysis with support from a variety of experts (with no stake in the outcome), the opportunity is clear: a ground mounted array at Wells School is the most cost-effective, least disruptive, and environmentally sound way to reduce annual costs, produce revenue, and augment our educational curriculum by "walking the walk" through renewable energy.

Our application for Virtual Net Metering (VNM) through Eversource—required for the project to work financially and explained in the FAQs—was finally granted in the fall of 2018. As a result, we are still in the process of acting on all the steps in the approval and permitting process. Most importantly, the CT Siting Council, which has ultimate jurisdiction over such projects, has an extensive environmental impact process that is not yet completed. More architectural and engineering details are in the works, and final landscaping to minimize neighborhood disruption have yet to be detailed.



**Granby schools' electricity costs are \$400,000 annually. Solar reduces costs by an estimated 80 percent and generate an additional \$1.5 million in revenue to the Town.**

So, why are you voting on this now? Quite simply, the contract with Eversource is time limited: Use it or lose it. Eversource is a required partner, as the schools always need to remain tied to the electric grid to assure a smooth and steady supply of electricity. Working backwards from the timeframe Eversource requires, voter authorization is required now. If we hit a roadblock, such as failure to secure State regulatory approval, we simply will not borrow or spend the money.

We are required by law to seek voter approval for the full gross cost of the project—\$4 million—even as the actual cost net of State construction grants will be \$2.5 million. The financial projections for the estimated 25-year life of the array are that after paying back the debt and debt service, and after accounting for any maintenance and potential close-down costs, the final benefit to Granby taxpayers is over \$5 million. That means we can spend taxpayer money delivering and enhancing our kids' educations instead of paying a big electric bill. (All numbers are approximate.)

The solar array project for Granby's schools is still a work-in-progress, with all indications pointing to projected benefits so substantial that we can't afford not to seek your endorsement to try to make it happen. **Your YES for Solar vote assures that opportunity.**

# SCHOOL SOLAR PROJECT: FAQs

## **Why is this a Board of Education, not a Town-wide Project?**

Granby schools can offset construction costs with a 39 percent state grant, but only for projects serving exclusively the schools' needs.

## **Why are we ground mounting the array instead of using school rooftops?**

Space on the schools' roofs can only support about 30 percent of our electricity needs, and rooftop panels impairs regular roof and HVAC maintenance and replacement.

## **Why was Wells Road Intermediate School chosen for the ground mounted solar array and what about the wetlands?**

Wells Road Intermediate School has the available acreage for a ground mounted solar array with enough capacity to serve the entire district without impairing the wetlands. The project is subject to extensive environmental impact assessment by the CT Siting Council, and any construction will be done in full compliance.

## **If we don't have all the approvals in place, why do we need to decide now?**

This project works, financially, as a virtual net metering project and is subject to LREC credits, both of which are time-limited by the State and Eversource. We need voter approval now to keep pursuing the benefit, estimated at over \$5 million. If we hit a roadblock, we won't borrow the money.

## **Why do we need virtual net metering?**

Virtual net metering allows the BOE, as an Eversource customer, to credit electric generation from one location (the Wells Road array) to the other schools. The program is limited—we are approved if we act now—and without it we would need separate arrays at each school, which is not financially or practically feasible.

## **What is an LREC?**

An LREC is a Large Renewable Energy Credit, available to approved customers of Eversource who generate renewable energy and deliver it to the electric grid. Eversource is obligated to the Granby BOE, under a 15-year contract based on the proposed project, to compensate us for the generation of renewable energy. These credits—revenue to the Town that is above and beyond the direct value of the electric use offset for the schools—total over \$1.5 million.

## **What about maintenance?**

Solar panels are made of durable tempered glass and require little to no maintenance for the 25 to 35 years that they will generate power. They do not need regular cleaning or maintenance and shed snow naturally. If they are damaged, insurance and warranties come into play, all of which has been accounted for in the financial model. The model also contemplates potential removal of the array, and a return of the area to its natural state.