

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.**

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

* 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.

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

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.

