

**REPORT OF THE  
AD HOC CAPITAL COMMITTEE**

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March 24, 2010

# **REPORT OF THE AD HOC CAPITAL COMMITTEE**

## **Background**

This committee was charged with looking at the potential capital expenditures facing Granby over the next ten years. We were asked to accomplish this by using, where possible, past studies of the buildings in Town, updated for current conditions, and informal cost estimates. The purpose of this study is to give the Town a broad perspective on all the major capital expenditures the Town could reasonably expect to be facing within the next decade.

We expect that there will be a relatively limited amount of funds that taxpayers will make available for capital expenditures during this time. This will not allow Granby to create ideal solutions to the Town's problems.

Furthermore, the sheer monetary cost of potential projects makes it clear that the Town will have to find some solutions that in many instances are far from the ideal choices for the problems the Town faces.

## **How We Looked at Granby's Capital Needs**

We sorted potential major capital needs into a number of categories. The first category is for capital needs for which the Town is exclusively responsible. Included in this category are:

- the Town Hall
- the Council on Aging building
- the Highway Department Building
- the Public Safety Complex
- vehicles and major equipment for the Highway Department
- vehicles and major equipment for the Fire Department
- vehicles for the Ambulance Department

The second category is for capital needs for which major support is expected from both the Town and from the Commonwealth of Massachusetts. Included in this category are:

- School buildings
- the Library building
- major road reconstruction

The third category is for capital needs for which major support is likely to come from individual home and property owners. Likely to be included in the category is:

- construction and upgrading of sewer systems

## **Excluded from this Report**

There are three groups of capital needs that we excluded from any extensive study: those needs that have been recently addressed, those needs which are currently being extensively studied elsewhere in Town, and those needs that fall beyond our time horizon.

### **Capital Needs Recently Addressed**

Granby has been fortunate in that the Landfill receipts have allowed the Town to address, and resolve, a number of the Town's capital needs. These are: the construction of a new garage for the Highway Department; the construction of a Safety Complex for the Fire/Ambulance Department and for the Police Department; and the purchase of an existing building for the Council on Aging.

We note that these seem to be near ideal solutions for the Highway Department and for the Fire/Ambulance Department. With the exception of a still-needed sally port, this also seems to be a near ideal solution for the Police Department.

The design previously requested for a new Council on Aging building included more space than exists in the recently purchased building, plus a self-contained facility for serving meals to larger numbers of people. Nevertheless, the building is a very good resolution to the Council's most pressing problems. If, at a later time, Granby should have the financial resources to create a more ideal solution, Granby could sell this building and recoup the Town's investment.

We also note that these capital needs were able to be addressed without increasing the property taxes of Granby's residents.

### **Capital Needs Currently Being Studied Elsewhere**

Major school construction and renovation is a shared responsibility with the State carrying the major portion – at least 60% of it. This subject is a more complex problem and not the charge of our committee. We mention it for two reasons: first, the Select Board and the Town Administrator obviously need to consider it; and second, the override or overrides needed to finance it may well be the only significant overrides the Town will approve in the next 10 years.

### **Capital Needs Beyond our Time Horizon**

The Committee in Town studying sewer systems has told us that except for the possible New Ludlow Road system, any sewer projects in Granby will be beyond 10 years. A New Ludlow Road sewer system would most likely be financed by the local residents, and is therefore not included in this report.

## **Capital Needs in Granby within the Next Decade**

The remainder of this report will detail our findings about the Town's probable capital needs, and their expected costs, within the next decade.

### **Granby Public Library**

The Granby Public Library is the municipal facility most in need. The minimum recommended size for a Public Library for a Town with Granby's population is 10,500 square feet. The current library building has 2,500 square feet. It was built through a Carnegie Grant in 1917 for a population of fewer than 1000 people, with a projected capacity of 5,000 volumes. The Library building has remained fundamentally the same since 1917. Today, ninety-three years later, Granby's population is over 6000, and the same building with the same square footage serves as its Public Library, with a collection of approximately 27,000 volumes. This insufficient space has had a definite impact on Library services.

The State of Massachusetts has agreed to support Granby in building a new Library with a grant of almost \$1 million if Granby were able to include the Library in the secondary school building complex. That particular plan has recently been rejected by the committee looking at the problems of the School buildings.

However, this indicates to us that the State is aware of the current situation, and that the Board of Library Commissioners has funds to support library construction. Our estimate is that they would provide approximately a 50% reimbursement for a free-standing library building. So a \$2.0 million investment by the Town could build a library worth almost \$4 million.

The Library's current location at the end of the common does not lend itself to expansion. The Town does not own enough land there to accommodate a larger building of the required size and provide the required parking. Informal discussions with an architect have told us that it is very difficult to try to add to a Carnegie Library and have the addition blend into the original architectural design. Additionally, the land itself, because of ledge, would not be easy to build on. Those four problems, at least, would have to be overcome before an addition could be considered. There would certainly be additional costs.

Another possibility has recently arisen. With the purchase of a building for the Council on Aging, the Aldrich property will soon be available. If the buildings currently on that property were razed, there could be enough room to locate an appropriately sized Library building and accommodate the necessary parking.

We would recommend that the Town explore locating a new Library building on the Aldrich property. This could be a near-ideal solution for one of Granby's larger capital problems.

## **The Town Hall**

The Town Hall is in need of significant improvement. There is no doubt that the building is structurally unsound.

We have discussed Town Hall extensively, and have considered renovation of the current building, renovation of the building with an addition to it, and moving the Town Hall to a newly constructed building or to a different, existing building.

Granby does not presently have an “available space” problem for Town offices. Granby has rented space in the former telephone company building, and that has allowed the Town to significantly improve the physical facilities of the Town Hall occupants. Important Town offices are now split between two buildings. This certainly is not an ideal solution, but it is a very significant improvement.

Additionally, the present Police Headquarters will soon be vacated, allowing the possibility of housing additional Town offices in that building.

It is our belief that the Townspeople would not permit the present Town Hall building being destroyed or being abandoned; therefore, we did not choose to commit much time to studying the options for moving the location of Town Hall. We did enough study to conclude that building a new building would be somewhat less expensive than renovating and adding on to the present building.

We are recommending a complete renovation of Granby’s present Town Hall. The entire insides would need to be removed and rebuilt. Everything would need to be brought up to current code, including seismic strengthening. Some alterations to the building and an added elevator would be needed to provide accessibility for the handicapped.

This is not the ideal solution because it would leave the building at its current size instead of the expanded size recommended a few years ago. We are acutely aware that it is unlikely Granby will have enough capital to do everything the Town would like to do, and there are cost savings in just renovating the building without including an addition.

Another reason we are not recommending an addition to the building at this time is because of our concerns about the lot size of the property. However, we are recommending that if the building were to be renovated, it should be done in such a way that, if more space is needed in the future, an addition could be easily constructed to fit into the design.

We estimate the cost of the renovation to be \$3.5m to \$5m.

If the Town Hall is expected to be in continuous use for another four to five years before renovation is started, there is the additional risk that Granby will have to make the entrance and the first floor of the building handicapped accessible. If this happens, there could be an additional capital outlay of \$100k to \$250k. If the building were then renovated, this capital would be a lost outlay. It would be much less expensive to move the current Town offices into the vacated Police station until renovations were completed.

## **Major Road and Culvert Work**

### **Roads**

Perhaps the biggest surprise in our investigation is the realization that Granby will need to commit major capital for the repair and reconstruction of the Town's roads.

Granby has over 55 miles of roads to maintain. These include all kinds of roads from heavily traveled thoroughfares to quiet neighborhood streets. On average, a road in Granby will need some kind of repair approximately every 10 years; to maintain the roads in Town, Granby needs to "reconstruct/repair" about 5.5 miles of roads per year.

Work has fallen to under 1.5 miles per year.

A considerable part of the problem has been the result of the State failing to allow the Chapter 90 Highway Funds to keep up with the cost of repairing roads. For example, in the latter half of the 1990's Granby's Highway Funds from the State were about \$220,000; but they dropped to the \$140,000 level a few times in the following years. By the end of this past decade, the funds were back up to the \$210,000 level.

Repair costs, on the other hand, have risen steadily. It cost an average of about \$50,000 to reconstruct/repair a road in 1995, and it will cost an average of about \$150,000 in 2010. Granby reconstructed/repared about 3-4 miles of road a year in the late 1990's, but is reconstructing/repairing only about 1.4 miles of road during the current fiscal year.

There is a measurable cost to delay the needed repairs of roads. The US Department of Transportation has studied this problem and estimated that waiting until roads are in "very poor" condition before repairing them, instead of repairing them when they are in "fair" condition (a difference of an average of about four years), can quadruple the cost of repair.

Granby has an estimated backlog of \$6 million of road repair costs. We have estimated that the Town should more than triple its current annual expenditure on road reconstruction/repair to prevent the road conditions from deteriorating further. This proposed expenditure is independent of the State aid Granby receives.

Road repair is not like building repair. A road can very rapidly reach a point where not only is it not drivable, it is dangerous. A systematic approach to road maintenance that would prevent Granby's roads from deteriorating below a "good" condition would cost an estimated \$800,000 per year. A similar maintenance program that would prevent the roads from deteriorating below a "fair" condition would cost an estimated \$910,000 per year. We suggest that Granby consider raising its annual expenditures on road reconstruction/repair to institute a road maintenance program to keep the roads in at least a "good" condition to avoid much more serious problems down the road.

### **Culverts**

In addition to the road construction, there are three major culverts in Town with known deficiencies that are expected to need replacement or repair. The cost will be approximately \$130,000 within the next decade, and an additional \$150,000 within five years after that.

## **Highway Department Vehicles and Equipment**

The Town owns vehicles and equipment for the Highway Department that are worth a total (original cost) of approximately \$1.7 million. These all have varying expectations of useful life. To get a meaningful figure for an average annual replacement cost for the vehicles and equipment that are expected to be replaced, we used a straight-line depreciation calculation to reach an annual figure of about \$80,000 per year. If Granby put a similarly calculated depreciation amount into a Stabilization Fund each year, then the Fund would provide most of the capital to replace the vehicles and equipment as they reached the ends of their useful lives.

Within the next five years, Granby might expect to have to replace about \$665,000 of vehicles and equipment. Within the following five years, the Town might have to replace an additional \$389,000 worth.

## **Fire Department Vehicles and Equipment**

Fire Departments tend to have a few pieces of very expensive vehicles/equipment, and the Granby Fire Department is no different in this regard. What is different is that the Fire Department has a well thought-out plan for an actual reduction in the number of expensive pieces needed. This plan will save Granby approximately \$325,000 in replacement costs over the next ten years.

The Fire Department plan, previously approved by the Capital Improvement Committee and endorsed by this committee, is basically to combine the Reel Unit and the Tanker Unit into one consolidated unit. This requires the consolidated unit to be purchased in FY 2011, the expected time for a needed replacement of the Reel Unit.

The other major expected expense for the Fire Department is either the refurbishing of Engine 1 about mid-decade, or its replacement at the end of the decade. A cost benefit analysis will provide information to determine which is the better option.

The three other major capital items needed by the Fire Department in the next ten years are: a Suburban-type vehicle, Air Bottles, and Firefighter Clothing.

The capital costs (assuming refurbishment of Engine 1) are expected to be \$300,000 for the Reel Truck/Tanker consolidation and \$45,000 for a Suburban in FY 2011; \$225,000 for Engine 1 and \$45,000 for Air Bottles in mid-decade; and \$75,000 for Firefighter Clothing at the end of the decade.

For the longer term, we recommend that Granby start a depreciation schedule for the major Fire Department vehicles similar to the schedule for the Highway Department equipment and vehicles. The major pieces are worth \$750,000 and have a useful life of about 25 years. Putting \$30,000 into a Stabilization Fund each year would provide most of the capital to replace the vehicles as they reached the ends of their useful lives.

## **Ambulance Department Vehicles and Equipment**

The only major capital expenditure expected for the Ambulance Department is the replacement of the ambulance in FY 2017. This would cost about \$266,000. Upwards of \$100,000 may be available from the Ambulance Fund to help defray the cost.

## **Police Department Equipment**

The Police Department has not usually required expensive capital equipment, with the exception of a new Police Cruiser each year. We expect that trend to continue.

The one major piece of equipment the Police Department might require is a sally port in the new Safety Complex. The complex has an area set aside for a sally port, and various options are being considered for its construction. The cost of this may be in the range of \$50,000 to \$200,000 depending on the available options.

## **Summary**

We have considered the reasonable capital needs of Granby for the next decade, given the modest financial resources available to the Town. For this ten-year time span, the capital cost for projects, vehicles, equipment, and additions to Stabilization Funds amounts to \$20.3m. Of this, \$9.1m is for buildings, \$8.1m is for repairing roads and culverts, \$1.1m is for additions to Stabilization Funds, and \$2.0m is for vehicles and equipment.

Reasonably expected offsets include: \$2.1m highway funds, \$2.0m Library grant, \$.5m Capital Needs Equipment Stabilization Fund, \$.1m Ambulance Fund, and some small surplus value of the replaced vehicles. The net effect is that Granby could well expect to have \$15.6m in major capital expenditures over the next decade.

Respectfully submitted,

The Ad Hoc Capital Committee  
John J. Libera, Jr. Chair  
Albert H. Bail  
Stanley J. Kapinos  
Virginia P. Snopek

March 24, 2010

## **Appendix 1: Documents and Personnel Consulted**

We examined the documents from previous studies of Town building needs, including documents from the “Municipal Complex Building Committee” from 2001, and the document “Town of Granby Municipal Buildings Study” from 2003. These documents served as our principal references to the Town Hall and the Council on Aging building. We also examined documents that were part of the Library’s grant proposal.

Our Committee or individual members met with the heads of the Highway, Fire, Ambulance, and Police Departments. The department heads were all very helpful, and provided the Committee with various cost figures, department histories, and capital strategies.

We also met with James Hanifan of Caolo & Bieniek Associates, Inc., who worked on the study of Town Buildings in 2002-2003. He provided a perspective on the conditions of buildings, and probable costs of updating or replacing them.

Finally, we should note that an additional member was originally appointed to our Committee. Due to unforeseen circumstances, Mr. John Hamel was unable to participate.

## **Appendix 2: Cost Estimates**

There are a number of parameters that define our cost estimates. The replacement costs for most of the Highway Department vehicles and equipment are based on original costs. Items expected to be replaced in the near future have been updated to current costs. The replacement costs for vehicles and equipment in the Fire Department and the Ambulance Department are based on current costs.

Road repair costs are based on current costs. The estimate of State highway funds is based on current amounts.

Building costs for a Library and a sally port are based on current estimates. Renovation costs for Town Hall are based on the costs in the 2002-2003 study, updated for current conditions. Based on discussions with Mr. James Hanifan of Caolo & Bieniek Associates, Inc., the costs were increased by 50%.

There could be ancillary costs associated with major projects, such as financing costs or increased taxes. We did not try to estimate such costs.

### **Appendix 3: The Granby Free Public Library**

The Granby Public Library is the municipal facility most in need. The minimum recommended size for a Public Library for a Town with Granby's population is 10,500 square feet. The current library building has 2,500 square feet. It was built through a Carnegie Grant in 1917 for a population of fewer than 1000 people, with a projected capacity of 5,000 volumes. The Library building has remained fundamentally the same since 1917. Today, ninety-three years later, Granby's population is over 6000, and the same building with the same square footage serves as its Public Library, with a collection of approximately 27,000 volumes.

This insufficient space has had a definite impact on Library services.

The **Young Adult** collection is meant to serve as a transition between the Children's Collection and the Adult Circulating Collection. Granby's Young Adult Collection is currently located in the hallway downstairs leading to the Children's Room. Its location in a high traffic area lessens its sense of importance and sense of ownership for teens. Visual supervision of this area is difficult. Reference materials needed by teens for school assignments should be nearby, but this is not the case because of space limitations. The limited space does not allow for browsing, study areas, or computer space. Teens are social and often need to be together for projects. The limited Young Adult pass-through area makes this impossible. Space limitations have definitely impacted the young adult programming.

The **Adult** Collection tries to meet the recreational and educational needs of the community. Shelving and display areas for this collection are inadequate. The stacks are inappropriately sized and do not conform to American with Disabilities Act standards for aisle width and turnaround space. It is impossible for patrons in wheelchairs or parents with baby strollers to navigate. It is even difficult for a mother holding a youngster's hand or two adults to maneuver within the stack area. Because of space limitations there is insufficient shelving for large-print books, insufficient room to display new materials and very limited adult seating for reading of fiction and non-fiction collections.

Limited space impacts the library's ability to provide a comfortable **Periodical** reading area with current and back issues of newspapers and magazines. The periodical area consists of one magazine rack, with insufficient display and shelving and only one seat for patrons.

The **Audiovisual Collection** includes DVD's, audio CD's, Playaways (audio media players) and language learning CD's. Because of its location near the circulation desk, the space frequently becomes congested. The current high turnover rate shows high popularity for this collection, yet limited space does not allow for an increase in this collection to address demand.

The **Circulation Area** should serve as the command post for the entire library. Because of space constriction, Granby Library's Circulation Area has limited counter top work area for staff, patrons, and technology and does not include a lower height section to accommodate staff or patrons seated in wheelchairs.

The **Reference Area** should be a collection of both print and electronic reference resources, furnished with study tables and individual carrels, located away from the hustle and bustle of the Circulation Area. However, because of space limitations, the Granby Library's Reference Area is minimal. Many reference materials, such as legal information and "ready reference", are shelved in other locations. Ideally there should be room for a copier, work carrels, and computers. Granby Library's area does not have enough room for even a single carrel. The Reference Area itself and the adjacent area are so cluttered that it is difficult to maintain visual control of the space for security and to identify patrons needing reference and readers' advisory help.

The **Technical Service Area** should be an area where staff can receive and process periodicals, cover and repair books, and order and catalog books and other library materials. Granby Library's technical service area consists of a table in the back room and spills over to one of the two wooden tables in the middle of the main area.

The **Local History and Granby Historical Collection** is considerable. It consists of materials of interest to those researching the history of the Town of Granby and the environs. Church of Christ records are available on microfiche. Such an important collection should be in an archival room, secure and appropriately ventilated. No such space exists in the cramped library. Indeed, the one microfiche that is available for public use is stored behind the magazine rack.

When the library was first built, the lower level was used as a meeting room for library and community events. Since the 1950's the lower level has been used as the **Children's Room**. There are no separate dedicated areas in the Children's Room that can be used as quiet study areas. There is no water fountain, no coat hooks or cubbies for jackets, backpacks, or other items. There is insufficient seating and tables for patrons, very limited seating for adults accompanying children, and inadequate room for parents and children to share materials together.

Programs and activities require a workspace and a display area. Because the largest unused space is in the Children's Room, it serves both these purposes. In the Children's Room there are two library tables available. When pushed together, they seat eight people; when separated, they seat twelve people. The area that houses these tables is the only meeting/table space available in the library. This means that this table space, which really is meant for homework study, is often unavailable for normal patron use.

Although the Library staff have tried to make the library accessible for everyone, the space limitations are especially difficult for senior citizens. Once inside the library they are faced with little seating and narrow aisles with cluttered stacks. If they wish to use the bathroom, they have to maneuver the steep, winding stairway that leads to the only bathroom. Adult programming is often held downstairs since it provides the largest open area. Once again, access to the downstairs becomes a problem. If grandparents want to accompany their grandchildren to story hour, the stairway is again an issue.

It is space, not imagination that limits the Granby Free Public Library.

## Appendix 4: Summary of Potential Capital Costs

<b>Fiscal Year</b>	<b>Capital Cost</b>	<b>Department</b>	<b>Item</b>
2011	\$30,000	Fire	Depreciation - add to Stabilization Fund
2011	\$345,000	Fire	Replace Two Vehicles
2011	\$80,000	Highway	Depreciation - add to Stabilization Fund
2011	\$110,000	Highway	Replace Two Vehicles
2011	\$800,000	Highway	Road Repair
2012	\$30,000	Fire	Depreciation - add to Stabilization Fund
2012	\$30,000	Highway	Replace Culvert
2012	\$80,000	Highway	Depreciation - add to Stabilization Fund
2012	\$125,000	Highway	Replace Vehicle
2012	\$800,000	Highway	Road Repair
2012	\$4,000,000	Library	New Library
2012	\$75,000	Police	Build Sally Port
2013	\$30,000	Fire	Depreciation - add to Stabilization Fund
2013	\$80,000	Highway	Depreciation - add to Stabilization Fund
2013	\$130,000	Highway	Replace Two Vehicles
2013	\$800,000	Highway	Road Repair
2014	\$30,000	Fire	Depreciation - add to Stabilization Fund
2014	\$45,000	Fire	Replace Equipment
2014	\$80,000	Highway	Depreciation - add to Stabilization Fund
2014	\$115,000	Highway	Replace Two Vehicles
2014	\$800,000	Highway	Road Repair
2015	\$30,000	Fire	Depreciation - add to Stabilization Fund
2015	\$225,000	Fire	Refurbish Vehicle
2015	\$80,000	Highway	Depreciation - add to Stabilization Fund
2015	\$185,000	Highway	Replace Two Vehicles and One Equipment
2015	\$800,000	Highway	Road Repair
2015	\$5,000,000		Renovate Town Hall
2016	\$30,000	Fire	Depreciation - add to Stabilization Fund
2016	\$80,000	Highway	Depreciation - add to Stabilization Fund
2016	\$98,000	Highway	Replace One Vehicle and One Equipment
2016	\$800,000	Highway	Road Repair
2017	\$266,000	Ambulance	Replace Ambulance
2017	\$30,000	Fire	Depreciation - add to Stabilization Fund
2017	\$26,000	Highway	Replace One Vehicle
2017	\$80,000	Highway	Depreciation - add to Stabilization Fund
2017	\$800,000	Highway	Road Repair

<b>Fiscal Year</b>	<b>Capital Cost</b>	<b>Department</b>	<b>Item</b>
2018	\$30,000	Fire	Depreciation - add to Stabilization Fund
2018	\$80,000	Highway	Replace One Vehicles
2018	\$80,000	Highway	Depreciation - add to Stabilization Fund
2018	\$100,000	Highway	Replace Culvert
2018	\$800,000	Highway	Road Repair
2019	\$30,000	Fire	Depreciation - add to Stabilization Fund
2019	\$80,000	Highway	Depreciation - add to Stabilization Fund
2019	\$140,000	Highway	Replace One Vehicle
2019	\$800,000	Highway	Road Repair
2020	\$30,000	Fire	Depreciation - add to Stabilization Fund
2020	\$75,000	Fire	Replace Equipment
2020	\$45,000	Highway	Replace One Vehicle
2020	\$80,000	Highway	Depreciation - add to Stabilization Fund
2020	\$800,000	Highway	Road Repair
<b>Total</b>	<b>\$20,315,000</b>		

<b>Fiscal Year</b>	<b>Depreciation</b>	<b>Vehicles and Equipment</b>	<b>Road Repair and Culverts</b>	<b>Structures</b>	<b>Total</b>
2011	\$110,000	\$455,000	\$800,000		\$1,365,000
2012	\$110,000	\$125,000	\$830,000	\$4,075,000	\$5,140,000
2013	\$110,000	\$130,000	\$800,000		\$1,040,000
2014	\$110,000	\$160,000	\$800,000		\$1,070,000
2015	\$110,000	\$410,000	\$800,000	\$5,000,000	\$6,320,000
2016	\$110,000	\$98,000	\$800,000		\$1,008,000
2017	\$110,000	\$292,000	\$800,000		\$1,202,000
2018	\$110,000	\$80,000	\$900,000		\$1,090,000
2019	\$110,000	\$140,000	\$800,000		\$1,050,000
2020	\$110,000	\$120,000	\$800,000		\$1,030,000
<b>Total</b>	<b>\$1,100,000</b>	<b>\$2,010,000</b>	<b>\$8,130,000</b>	<b>\$9,075,000</b>	<b>\$20,315,000</b>

## **Appendix 5: A Perspective on Potential Capital Costs**

At first glance, \$20.3m seems to be an almost staggering sum of capital for a small Town to be able to raise and spend in a decade. But there is a perspective for considering this figure that makes it appear to be a little more reasonable.

There are two major buildings, a Library and a Town Hall, included in the capital needs. The Library should be eligible for a \$2m grant. A Town would usually pass an override to pay for the construction/renovation costs of two such structures. Since these two buildings have been part of the capital discussions of the Town for quite some time, Granby would normally be receptive of the idea of an override to pay for them. This is not a normal time, however, because of the economic climate and the current needs of the Schools; so it may be more difficult than usual to convince the voters to look favorably upon an override to pay for both of these projects.

The capital needs include \$2m in vehicles and equipment. If Granby had been able to institute a program in the past of placing a vehicle depreciation sum into a stabilization fund each year, then virtually the entire cost of these items would be paid through withdrawals from the fund. In fact, with the exception of the purchase of the major piece of fire apparatus in Fiscal Year 2011, the current Capital Needs Equipment Stabilization Fund, supplemented by an annual contribution of the suggested depreciation amount, should be almost sufficient to pay for Granby's replacement vehicles and equipment for the next decade.

A reasonable budget guideline for a Town is to spend between 3% and 5% of its budget on capital needs. For a Town like Granby with an annual budget of almost \$17m, a 3% to 5% capital budget would produce between \$510k and \$850k per year. This would have to cover all capital needs and repairs, with the exception of major construction projects. Our study has estimated that Granby should be spending about \$910k a year on depreciation savings and roadwork, offset by \$210k a year in Chapter 90 funds. The net of \$700k a year is in the middle of the suggested range for capital needs, except that it does not cover normal building maintenance (including the Schools), periodic major maintenance expenditures (such as roofs), and major construction and renovation work. Adding in the catch-up factor required for the Town's roads and buildings, and allowing for the recession driven reductions in the various forms of State aid to Cities and Towns, it is likely that Granby will have to make some difficult choices to balance the Town's operational and capital needs over the next decade.