

**RECOMMENDATION OF THE FINANCE COMMITTEE
SPECIAL TOWN MEETING
OCTOBER 18, 2010**

Reasons to vote in favor of this project

There are many things to like about the proposed new school building. There are significant problems with our current school buildings, and this proposed building is a partial solution to those problems. Furthermore, the building would be easily adaptable as the first step to a large, integrated school complex that would solve the problems of all the buildings. The State's share of the cost for this proposed building for grades 6 through 12 would bring in about \$28 million to Granby for construction.

The proposed school is a beautiful design, and the community could be proud of it.

We would get much more space with a new building than with a renovated building, and the designs of the spaces will be targeted toward programs. For example: the science labs will be upgraded to appropriate levels; and the Town will get an auditorium for meetings, as well as for school functions.

The electrical and HVAC systems should be much more efficient than those in the current building. The well and septic systems will solve the DEP concerns for this site, and eventually (when the complex is complete) for all the schools.

These are all admirable features, and should be recognized as such.

Reasons to vote against this project

Despite our recognition of good points about the proposed school building, the Finance Committee has an obligation to tell you that we recommend voting against this particular project. The Finance Committee is not against creating a solution for the schools. We full well understand that routine maintenance will not fix the problems. Quite the opposite: as we will explain later, the Finance Committee is willing, and believes the Town should be willing, to spend quite a bit of money on the schools.

There are two primary reasons why we recommend you vote against this project: first, this project is only the first half of a plan to solve the problems of all the schools that will eventually require a 25% to 30% increase in property taxes; and second, the tax increase required by this project will make it virtually impossible to raise the revenue necessary to fund other capital needs in Town.

We will discuss each of these issues.

An eventual 25% to 30% increase in property taxes for school buildings alone

There has been virtually no discussion about the problems at East Meadow School and West Street School since the design of an integrated school complex was rejected by the Town. The Massachusetts School Building Authority (MSBA) would have currently funded work on those schools only if they were part of a project on the same physical site that included the high school; this was no longer feasible once the Town rejected the integrated complex.

That does not mean the idea has died. If a new high school were to be built, right next to the East Meadow School, the next logical step would be to add on to East Meadow School to house the students from West Street. It is then easy to build a connector between the buildings. The resulting complex will not have the same scope as the originally proposed complex, and will not include a public library; so it will not technically be the rejected project. Even the Finance Committee agrees this would be a logical next step if financial considerations were not present.

As an alternative to adding on to East Meadow to house the primary grades, an additional new building would be proposed. Certainly no decisions have been made, but we can tell you that informed conversations have taken place that indicate virtually no one involved in the current project thinks that West Street School is worth saving.

Here is what this means financially: if the proposed project to build a new High School is approved, the Town will be on a course to require an eventual 25% to 30% increase in property taxes just to provide improvements to the schools. The Finance Committee does not believe that a 25% to 30% increase in property taxes for building new schools is affordable by the Town, and we do not believe that it is necessary for a solution for the schools.

The virtual impossibility of raising the revenue necessary to fund other capital needs

Townpeople may have an ideal vision of Granby that includes school buildings with a long, useful life expectancy, a Town Hall accommodating all Town offices, a suitably sized library and a continuation of our present level of services with the addition of trash pickup. These have all been subjects of discussions at many informal meetings around Town, and have been items for discussions at Town meetings. There even has been a formal committee report on many of these ideas.

In its report dated March 24, 2010, the Ad Hoc Capital Committee reported on potential capital expenditures facing Granby in the next decade. The full report is on the Town's website. That Committee identified:

A Town Hall that is structurally unsound and in need of a multitude of major renovations.

A Town Library that is less than one-quarter the size recommended for a town of Granby's population, with the resulting inability to adequately serve Granby's needs.

Vehicles and Equipment that are past their expected useful lives and getting more expensive to repair. Granby should be placing the annual depreciation amount of its vehicles and equipment into the Capital Equipment Stabilization Fund each year.

Road Repairs that have fallen behind as repair costs have increased while State funds for repairs have remained steady. If Granby does not increase its maintenance of the Town roads, they will deteriorate to the point where the cost of repair could quadruple.

The cost to do all of the above would be the equivalent of a permanent 8% increase in property taxes, plus a debt-exclusion increase in property taxes of about 6% for 20 years.

In addition, a major concern is developing about the cost of removal of Granby's trash after the landfill is closed. Recent estimates for this have been around \$400,000 per year. If the Town were to provide this service, it would require a permanent tax increase of around 4.7%.

To fund all the above projects and build a new High School and renovate or rebuild the other two schools would take a permanent tax increase of around 12.7%, plus a 20-year tax increase of around 6%, plus a 30-year tax increase of 25% to 30%. Individual items range from about a 1% permanent tax increase to about a 14% 30-year increase in property taxes.

These are very high property tax increases, and it is highly unlikely that the majority of Granby taxpayers would even consider the possibility of a property tax increase of this magnitude. Instead, choices are going to have to be made. We can have a lot, but we can't have it all.

What happens if the approval vote fails

Actually, the Massachusetts School Building Authority has a provision for this in their procedures. Granby would have the opportunity to submit a “plan to remedy the failed vote and a suggested timeline for such a remedy.” Remember that Granby’s need has already been clearly documented and agreed to by the MSBA, and Granby is one of only two districts in the state that have not received building assistance from the MSBA. Granby’s School Building Committee (SBC) has looked at an option that would renovate the High School, and renovation options qualify for MSBA reimbursement.

Where should we go from here

The decision making processes throughout this feasibility study have not been conducive to reaching a solution that can be supported by a town of Granby’s size and financial resources. The School Building Committee was not given any strong financial guidelines consistent with the overall financial needs and capabilities of our Town. No discussions about financial guidelines were allowed at SBC meetings. In fact, the SBC proceeded as if they did not have to operate within any financial constraints, despite the fact that they had previously voted that they would not introduce a project to the Town that would require a property tax increase of more than 10%. (That vote, by the way, was never rescinded.)

There are at least two possible ways to move forward. For example: Based on preliminary figures determined during the feasibility study and published by the SBC, a budget based on a 16% to 17% increase in property taxes should be enough to create a solution involving substantial renovation for all three schools. This is very much different from the current request for a 14% tax increase to build just one school, all the while remaining silent on the problems still to be solved in the other two schools.

And there is an alternative: the School Building Committee could refocus its efforts based on three principles: the principle of improving the physical conditions of the schools, adding in the principle of programmatic considerations, and strictly adhering to the principle of an affordable budget. Granby would get a completely different solution; but it would be a solution that the taxpayers can live with. This solution would provide Granby a school system the Town can continue to be proud of, as well as the financial possibility of an infrastructure and services it can be equally proud of.

A vote against this project is not a vote against fixing up the schools. A vote against this project is a vote for a better planning process to lead to an affordable solution for the schools. We recommend you vote against this project and save your approval for the realistic solutions that we know are available.

In conclusion

As you listen to the discussions about this project, we ask you to think about those discussions in this context: should a solution for the schools be independent of any realistic cost considerations; or should a solution be developed under a Town budget that not only provides for the needs of the schools, but also considers the other capital needs of Granby. If you are not concerned about the costs, or you are not concerned about anything in Town other than a new school building, you should vote for this project. If you are concerned about the costs, and are concerned about other capital needs of the Town, you should vote against this project and demand to be offered solutions for our schools that are consistent with the financial principles of good government.

The Finance Committee believes that something has to be done for our schools. The Finance Committee wants to do something for our schools. The Finance Committee is willing to recommend a property tax increase to fund a solution for our schools. But we believe that all this has to be done under appropriate financial constraints. This project fails that test, and we recommend you vote against it.

Thank you.

The Finance Committee
October 18, 2010

John J. Libera, Jr., Chair
Robert A. Glesmann, III, Clerk
James E. Hartley
Dana K. Ritter
Scott W. Wilson