



TOWN OF GRANBY CAPITAL IMPROVEMENT PLAN POLICY DISCUSSION

**SEWER PUMPS
PICKLEBALL COURTS
BATHROOM AT SBP**

Forward

The Town of Granby, in compliance with the Town Charter, compiles a 10-Year Capital Improvement Plan. That plan serves as a working document in support of the annual budget and to track the 250 capital projects/items that are used to support the ongoing operations of the Town.

As background, each of the approximate 250 capital projects/items in the 10-Year Capital Improvement Plan list represents the Town's best estimate of the cost to complete that project or buy that item. It is important to note that each line in the plan has not been individually scoped, sized, costed, or bid, but simply represents a starting point should a project/item be selected for execution.

Granby has historically not prefunded costs for engineers or architects (which I support as they can be very costly and overdesign) to more closely pin down costs on projects, and with a small project staff, not a lot of time is dedicated to scoping any one project prior to the time it gets funded. When funding is put into place, the real project work begins including developing and issuing a request for proposals (RFP).

Sewer Pumps

The Town of Granby delivers sanitary sewer service to a number of households and businesses in and around the Town Center. The Granby Board of Selectmen (BOS) acts as the Water Pollution Control Authority (WPCA) that oversees the sewer service delivery.

The Town accounts for the revenue and expense of running the sewer system as part of a Special Revenue Fund called the Sewer Utility Fund with the cost of operating the system borne only by the users of the system.

The Town of Granby operates three sewer pumps (Salmon Brook Park, Route 10, and Route 189) as part of this system. The pumps are approaching 50 years old, are functional, and in the last 12 months, the Town has experienced two sewer overflows, each requiring emergency maintenance.

As additional information, the Town of Granby has in place a sewer use ordinance. In early 2026, the BOS will begin the public process of examining and amending those ordinances to include updated sections on Sewer Construction, Sewer Extensions, Sewer Design and

Construction Standards, and the Town will introduce a new FOG ordinance (Fats, Oils, and Grease).

The FOG ordinance is both necessary and noteworthy as the causation of the two sewer overflows mentioned above were grease and nip bottle related.

Pictures including the pumps, rails, electrical controls, inground concrete vaults, piping, valves, and level controllers to give you an idea of the size and scope of each of the pumps are attached on pages 1 (Salmon Brook Park and Route 10) and 2 (Route 10 and Route 189).

Budget Estimate

The Town has secured three estimates of maintenance related work that should be completed on the pumps to add reliability and sustainability with the work when completed extending the life of the existing pumps by an estimated 50 years, or more.

On pages three through six of the attached materials, Public Works Director Kirk Severance has been closely working with Mike Fusick, a town resident and MDC employee who holds vast knowledge and experience in the field of sewer pumps, to compile some estimates of the work we should consider and the cost to complete that work as follows:

1. Route 10 Sewer Pump Maintenance Budget	\$874,000
2. Route 189 Sewer Pump Maintenance Budget	\$445,000
3. SBP Sewer Pump Station Budget	<u>\$100,000</u>
Total	\$1.419M

These estimates include a 20% allowance for engineering and 10% contingency.

On page seven is a comparable estimate compiled by the Simsbury Sewer Department:

1. Route 10 Sewer Pump Maintenance Budget	\$680,000
2. Route 189 Sewer Pump Maintenance Budget	<u>\$600,000</u>
Total	\$1.280M

These estimates include a 25% allowance for engineering and 15% contingency.

Finally, on pages eight through ten, Tighe and Bond produced a Technical Memorandum and they estimated the full replacement cost of both the Route 10 and 189 pump systems at \$2.6 and \$1.8 million, respectively, including a 20% engineering allowance and 25% contingency.

This \$4.4 million estimate was never considered by the Town as their scope is far greater than the work we need to consider.

Focusing on the first two estimates as being in line with the work we'd like to complete, when you add bond issuance costs (legal fees, official statement preparation, bond rating, tax exemption certificate, and printing) the request should be sized at \$1.5M.

How to Fund It

The Town of Granby is in an enviable position with a Sewer Utility Fund with a June 30, 2025 Fund Balance of \$902k. As mentioned previously, this fund is a Special Revenue fund that by design would pay for the needed maintenance work or support the debt service for the maintenance work should bonds be issued.

The Fund Balance was created from sewer assessment payments made by sewer users, so any outflow to support this maintenance work is appropriate. Accordingly, the recommendation today is to issue 20-year bonds in the amount of \$1.5M.

Annually, the Granby WPCA sets the rate for the sewer billing, usually increasing it by the inflation rate. Given the size of the Sewer Utility Fund Balance, debt service payments for this maintenance of sewer pumps should not have any material impact on the future rates should bonds be issued.

Why Bonding?

With investment rates in STIF (State Treasurer's Investment Fund) at about 4% and the bond borrowing rate around 3.5%, borrowing the full \$1.5M is recommended to allow the Fund Balance to earn a greater return than the cost of borrowing.

Our financial advisor is currently compiling the debt services costs of this initiative, and I'll provide that to the BOS and CPPAC when available.

More importantly, the cost of this initiative, a maintenance investment that will increase the life of the pumps by another 50 years, should be shared generationally, as opposed to retrospectively.

Finally, by preserving the Fund Balance, should the uncertain cost of such maintenance (the post-Covid construction market, tariffs, etc...) exceed our \$1.5M estimate, we have an available source of funding to complete the necessary work.

What is the Process?

Should the BOS approve of the changes to the 10-Year Capital Improvement Plan and refer it back to CPPAC, CPPAC will make recommendations back to the BOS. At that time, the BOS will decide to compile one or more bond referendum questions to present to voters, perhaps as early as the spring or summer of 2026.

At this juncture, let me underscore that any bond referendum question presented to voters will contain two parts – part one is the ability to appropriate funding for spending to allow the project to begin. With a source of funding in place, that is where we can begin to engage the necessary professionals to assist with the project.

The second part of the referendum question is “can the Town issue bonds?”. The timeline of issuing bonds is different and later than the start of the project work to better match the cash flow of the project and to avoid arbitrage costs when the completion of the work comes after the expected tax-exempt borrowing window.

If approved by the voters, a request for proposal (RFP) including a specific scope of the work needed to match the narrative presented above will be issued seeking competitive bids. In this instance, we hope that a mid-sized firm capable of completing this work will win the bid and assist in the final design work, avoiding some engineering costs.

Pickleball Courts at Salmon Brook Park

The Town of Granby provides pickleball courts for use by residents on the existing tennis courts at Salmon Brook Park. Due to the proximity of the courts to neighboring condominiums, the frequent “click and clack” of the pickleball has resulted in a situation where noise abatement must be considered.

In the short term, noise muffing barriers have been purchased and will be installed in the spring of 2026, but the permanent solution is to relocate the pickleball courts to a location at least 300 feet from residential housing. The addition of stand-alone pickleball courts as a Salmon Brook Park amenity is strongly supported by residents, recommended by the Parks and Recreation Board, and was also a recommendation in the GZA Parks Master Plan.

The Town accounts for the revenue and expense of running the parks system as part of a Special Revenue Fund called the Park and Recreation Fund with the cost of operating the system borne primarily by the users of the system through user and rental fees.

A conceptual picture of a pickleball complex is included on page 11 of the supporting documentation.

Budget Estimate

The Town believes that the construction of a single pickleball court with lighting approaches \$80,000. We therefore believe with efficiencies secured through scale and mobilization, that up to four courts can be completed with an allocation of \$250,000.

How to Fund It

The Town of Granby Park and Recreation Fund has a June 30, 2025 Fund Balance of \$432k. As mentioned previously, this fund is a Special Revenue Fund that by design would pay for the pickleball courts or support the debt service for them, should bonds be issued.

The Fund Balance was created from user and rental fees, so any outflow to support this project is appropriate. Accordingly, the recommendation today is to issue 20-year bonds in the amount of \$250k.

Why Bonding?

With investment rates in STIF at about 4% and the borrowing rate around 3.5%, borrowing the full \$250k is recommended to allow the Fund Balance to earn a greater return than the cost of borrowing.

Our financial advisor is currently compiling the debt services costs of this initiative, and I'll provide that to the BOS and CPPAC when available.

The cost of this amenity, if bonds are issued, will be shared generationally, as opposed to retrospectively. Finally, by preserving the Fund Balance, should the uncertain project cost exceed our estimate, we would have a source of funding to complete the necessary work.

Year-Round Bathroom at Salmon Brook Park

With the rollout of the walking path in 2024, residents are frequenting Salmon Brook Park in greater numbers. Currently, there exists no year-round accessible bathroom for convenient use by residents, especially at the northern end of the park.

The addition of a year-round bathroom as a Salmon Brook Park amenity is strongly supported by residents, recommended by the Parks and Recreation Board, and was also a recommendation in the GZA Parks Master Plan.

The Town accounts for the revenue and expense of running the parks system as part of a Special Revenue Fund called the Park and Recreation Fund with the cost of operating the system borne primarily by the users of the system through user and rental fees.

Budget Estimate

The Town believes that the construction of a year-round bathroom facility will cost \$250k. Locating power to bring to the area, selecting sewer or leech field, bringing water, and then completing a suitable construction will be challenges we face.

However, as you may recall, the Town has been awarded a STEAP Grant from the State of Connecticut in the amount of \$580,000 to extend the walking path up to the Route 20 overflow parking lot. The Town will be required to provide a \$117,000 match.

Given the work needed on this larger project, there exists a possible synergistic opportunity to use the funding for the bathroom as part of the local share and avoid mobilization costs from two contractors if the projects were separate.

How to Fund It

The Town of Granby Park and Recreation Fund has a June 30, 2025 Fund Balance of \$432k. As mentioned previously, this fund is a Special Revenue fund that by design would pay for the bathroom or support the debt service for the bathroom should bonds be issued.

The Fund Balance was created from user and rental fees, so any outflow to support this project is appropriate. Accordingly, the recommendation today is to issue 20-year bonds in the amount of \$250k.

Why Bonding?

With investment rates in STIF at about 4% and the borrowing rate around 3.5%, borrowing the full \$250k is recommended to allow the Fund Balance to earn a greater return than the cost of borrowing.

Our financial advisor is currently compiling the debt services costs of this initiative, and I'll provide that to the BOS and CPPAC when available.

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