



GRAFTON COUNTY COMMISSIONERS

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April 11, 2011

TO: Grafton County Delegation
Select boards/City Council
Town Managers/Administrators/Admin Assistants

FROM: Julie L. Clough, Grafton County Executive Director

RE: New Correctional Facility Financial Impact Information

I would like to take an opportunity to provide you with a financial update on the new correctional facility project. Since construction began ten (10) months ago we have experienced some positive developments. As many of you will remember when this project was approved in February of 2008 the Delegation gave the Board of Commissioners authority to bond up to thirty-eight (\$38M) million dollars for the project and total project costs were projected at over forty (\$40M) million dollars. Since that time and at the urging of several communities we have worked extremely diligently to both reduce the size and scope of the project and to incorporate alternative energy technologies. While I understand that this is still a very expensive project on a positive note we will only require bonding a total of thirty-three (\$33M) million dollars to complete the project. Five (\$5M) million dollars less than we were authorized. In addition we have worked hard to reduce the projected operating expenses. The original information that we provided in January, 2008 estimated that this project would impact the amount to be raised by taxes with an increase of 38.09% over a three year period. The new projections based on all the updated information bring that projection down to 22.55% over the next three years.

As stated earlier, construction began on the facility in June, 2010. Construction is progressing quickly with an estimated completion date of May, 2012.

The attached chart provides an update on the costs and tax implications of this project, it details actual increases in debt service payments and anticipated increases in operational costs for the Department of Corrections for the fiscal years 12, 13 & 14 and includes a projected impact on the amount to be raised by taxes. This information is based on a thirty-three (\$33M) million dollar bond with a twenty (20) year repayment schedule. The first bond issue for \$17.5M was sold in May, 2010 at a rate of 3.38%. The second issue for \$15.5M was sold on April 01, 2011 at a rate of 4.05%, both interest rates are lower than what was projected.



COMMISSIONERS

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There is a second spreadsheet attached that goes into the detail of the individual taxpayer from each community. This spreadsheet uses the latest available Equalized Survey including railroads & utilities as well as 2010 tax rates from DRA. It applies the projected increases in the next three (3) fiscal years to the next three tax billing years for your communities to compare if nothing else changed (equalized valuation & town tax rates) what impact would it have to someone whose tax bill was based on a two-hundred (\$200K) thousand dollar property value.

This project has been a long time in the making and now that we are underway and firming up the numbers I want to express how hard the County has worked to bring the project forward in the most fiscally responsible way possible. We have been extremely cognizant throughout the process of the taxpayers and the impacts this has on them and have we have worked hard to reach the point where we are able to report that the impacts will be less than originally projected.

If you have any questions please feel free to contact me at 603-787-6941 or by email jlclough@co.grafton.nh.us.

Grafton County
Tax Impact
\$33,000,000 Bond ~ 20 Years

	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>
Taxes	\$ 17,945,268.00	\$ 17,945,268.00	\$ 20,016,113.87	\$ 22,147,965.00
Additional Operating Costs	\$ -	\$ 797,824.00	\$ 1,265,848.00	\$ 156,398.00
Additional Debt Service	\$ -	\$ 1,273,021.87	\$ 866,003.13	\$ (75,862.50)
Taxes	\$ 17,945,268.00	\$ 20,016,113.87	\$ 22,147,965.00	\$ 22,228,500.50
% Increase		11.54%	10.65%	0.36%

Notes:

First Bond Issue \$17.5 M @ 3.38%

Second Bond Issue \$15.5 M @ 4.05%

FY 2013 & FY 2014 Assume 72.50%/27.50% Operating Costs

MUNICIPALITIES	2010 Town Tax Rate	2010 County Tax Rate	County Tax % of Total Tax	2010 County Tax bill	2011 County Tax Rate	2011 County Tax bill	2011 County Tax \$ Increase	2012 County Tax Rate	2012 County Tax bill	2012 County Tax \$ Increase	2013 County Tax Rate	2013 County Tax bill	2013 County Tax \$ Increase	County Tax Increase Over 3 Years
ALEXANDRIA	17.15	1.21	7.06%	\$242.00	1.35	\$269.93	\$ 27.93	1.49	\$ 298.67	\$28.75	1.50	\$ 299.75	\$1.08	\$57.75
ASHLAND	19.41	1.27	6.54%	\$254.00	1.42	\$283.31	\$ 29.31	1.57	\$ 313.48	\$30.17	1.57	\$ 314.61	\$1.13	\$60.61
BATH	16.91	1.42	8.40%	\$284.00	1.58	\$316.77	\$ 32.77	1.75	\$ 350.51	\$33.74	1.76	\$ 351.77	\$1.26	\$67.77
BENTON	12.83	1.4	10.91%	\$280.00	1.56	\$312.31	\$ 32.31	1.73	\$ 345.57	\$33.26	1.73	\$ 346.82	\$1.24	\$66.82
BETHLEHEM	25.06	1.34	5.35%	\$268.00	1.49	\$298.93	\$ 30.93	1.65	\$ 330.76	\$31.84	1.66	\$ 331.95	\$1.19	\$63.95
BRIDGEWATER	8.4	1.29	15.36%	\$258.00	1.44	\$287.77	\$ 29.77	1.59	\$ 318.42	\$30.65	1.60	\$ 319.57	\$1.15	\$61.57
BRISTOL	16.37	1.12	6.84%	\$224.00	1.25	\$249.85	\$ 25.85	1.38	\$ 276.46	\$26.61	1.39	\$ 277.45	\$1.00	\$53.45
CAMPTON	18.55	1.34	7.22%	\$268.00	1.49	\$298.93	\$ 30.93	1.65	\$ 330.76	\$31.84	1.66	\$ 331.95	\$1.19	\$63.95
CANAAN	20.26	1.33	6.56%	\$266.00	1.48	\$296.70	\$ 30.70	1.64	\$ 328.29	\$31.60	1.65	\$ 329.48	\$1.18	\$63.48
DORCHESTER	20.76	1.35	6.50%	\$270.00	1.51	\$301.16	\$ 31.16	1.67	\$ 333.23	\$32.07	1.67	\$ 334.43	\$1.20	\$64.43
EASTON	9.43	1.38	14.63%	\$276.00	1.54	\$307.85	\$ 31.85	1.70	\$ 340.64	\$32.79	1.71	\$ 341.86	\$1.23	\$65.86
ELLSWORTH	15.5	1.44	9.29%	\$288.00	1.61	\$321.24	\$ 33.24	1.78	\$ 355.45	\$34.21	1.78	\$ 356.73	\$1.28	\$68.73
ENFIELD	20.52	1.48	7.21%	\$296.00	1.65	\$330.16	\$ 34.16	1.83	\$ 365.32	\$35.16	1.83	\$ 366.64	\$1.32	\$70.64
FRANCONIA	14	1.34	9.57%	\$268.00	1.49	\$298.93	\$ 30.93	1.65	\$ 330.76	\$31.84	1.66	\$ 331.95	\$1.19	\$63.95
GRAFTON	18.91	1.36	7.19%	\$272.00	1.52	\$303.39	\$ 31.39	1.68	\$ 335.70	\$32.31	1.68	\$ 336.91	\$1.21	\$64.91
GROTON	12.98	1.2	9.24%	\$240.00	1.34	\$267.70	\$ 27.70	1.48	\$ 296.21	\$28.51	1.49	\$ 297.27	\$1.07	\$57.27
HANOVER	16.32	1.39	8.52%	\$278.00	1.55	\$310.08	\$ 32.08	1.72	\$ 343.10	\$33.02	1.72	\$ 344.34	\$1.24	\$66.34
HAVERHILL	19.88	1.24	6.24%	\$248.00	1.38	\$276.62	\$ 28.62	1.53	\$ 306.08	\$29.46	1.54	\$ 307.18	\$1.10	\$59.18
HEBRON	7.59	1.31	17.26%	\$262.00	1.46	\$292.23	\$ 30.23	1.62	\$ 323.36	\$31.12	1.62	\$ 324.52	\$1.16	\$62.52
HOLDERNESS	13.11	1.35	10.30%	\$270.00	1.51	\$301.16	\$ 31.16	1.67	\$ 333.23	\$32.07	1.67	\$ 334.43	\$1.20	\$64.43
LANDAFF	20.12	1.59	7.90%	\$318.00	1.77	\$354.70	\$ 36.70	1.96	\$ 392.47	\$37.78	1.97	\$ 393.89	\$1.41	\$75.89
LEBANON	23.35	1.34	5.74%	\$268.00	1.49	\$298.93	\$ 30.93	1.65	\$ 330.76	\$31.84	1.66	\$ 331.95	\$1.19	\$63.95
LINCOLN	9.2	1.36	14.78%	\$272.00	1.52	\$303.39	\$ 31.39	1.68	\$ 335.70	\$32.31	1.68	\$ 336.91	\$1.21	\$64.91
LISBON	28.61	1.36	4.75%	\$272.00	1.52	\$303.39	\$ 31.39	1.68	\$ 335.70	\$32.31	1.68	\$ 336.91	\$1.21	\$64.91
LITTLETON	22.83	1.1	4.82%	\$220.00	1.23	\$245.39	\$ 25.39	1.36	\$ 271.52	\$26.13	1.36	\$ 272.50	\$0.98	\$52.50
LYMAN	19	1.4	7.37%	\$280.00	1.56	\$312.31	\$ 32.31	1.73	\$ 345.57	\$33.26	1.73	\$ 346.82	\$1.24	\$66.82
LYME	19.17	1.45	7.56%	\$290.00	1.62	\$323.47	\$ 33.47	1.79	\$ 357.92	\$34.45	1.80	\$ 359.20	\$1.29	\$69.20
MONROE	10.05	0.76	7.56%	\$152.00	0.85	\$169.54	\$ 17.54	0.94	\$ 187.60	\$18.06	0.94	\$ 188.27	\$0.68	\$36.27
ORANGE	19.52	1.49	7.63%	\$298.00	1.66	\$332.39	\$ 34.39	1.84	\$ 367.79	\$35.40	1.85	\$ 369.11	\$1.32	\$71.11
ORFORD	25.17	1.58	6.28%	\$316.00	1.76	\$352.47	\$ 36.47	1.95	\$ 390.00	\$37.54	1.96	\$ 391.41	\$1.40	\$75.41
PIERMONT	21.68	1.35	6.23%	\$270.00	1.51	\$301.16	\$ 31.16	1.67	\$ 333.23	\$32.07	1.67	\$ 334.43	\$1.20	\$64.43
PLYMOUTH	20.09	1.26	6.27%	\$252.00	1.41	\$281.08	\$ 29.08	1.56	\$ 311.02	\$29.94	1.56	\$ 312.14	\$1.12	\$60.14
RUMNEY	18.33	1.32	7.20%	\$264.00	1.47	\$294.47	\$ 30.47	1.63	\$ 325.83	\$31.36	1.63	\$ 327.00	\$1.17	\$63.00
SUGAR HILL	17.97	1.34	7.46%	\$268.00	1.49	\$298.93	\$ 30.93	1.65	\$ 330.76	\$31.84	1.66	\$ 331.95	\$1.19	\$63.95
THORNTON	17.16	1.38	8.04%	\$276.00	1.54	\$307.85	\$ 31.85	1.70	\$ 340.64	\$32.79	1.71	\$ 341.86	\$1.23	\$65.86
WARREN	18.74	1.28	6.83%	\$256.00	1.43	\$285.54	\$ 29.54	1.58	\$ 315.95	\$30.41	1.59	\$ 317.09	\$1.14	\$61.09
WATERVILLE VALLEY	11.95	1.36	11.38%	\$272.00	1.52	\$303.39	\$ 31.39	1.68	\$ 335.70	\$32.31	1.68	\$ 336.91	\$1.21	\$64.91
WENTWORTH	17	1.17	6.88%	\$234.00	1.31	\$261.00	\$ 27.00	1.44	\$ 288.80	\$27.80	1.45	\$ 289.84	\$1.04	\$55.84
WOODSTOCK	17.31	1.45	8.38%	\$290.00	1.62	\$323.47	\$ 33.47	1.79	\$ 357.92	\$34.45	1.80	\$ 359.20	\$1.29	\$69.20

Total Bond of \$33M ~ 20 Years

*Tax bills based on \$200,000 property value

FY 13 & 14 are based on a projection of operating costs being 27.50% of total budget