



Grafton County Commissioners

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May 19, 2010

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

FROM: Julie L. Clough, Grafton County Executive Director

REF: New Correctional Facility Financial Impact Information

As most of you are aware by now the Supreme Court has upheld the ruling by the Superior Court that the vote taken by the Grafton County Delegation on February 11, 2008 was legal and has cleared the way for the construction of the new Correctional Facility. Construction is slated to begin during the first week in June with a scheduled Ground Breaking event on June 10, 2010. In addition since we last provided you with number the project has undergone a significant redesign and downsizing. In an effort to keep you informed about the costs and tax implications of this project the chart below details projected bond payments and anticipated operational costs for the Department of Corrections for the years FY 11, 12, 13 & 14 with the project impact on the amount to be raised by taxes. This information is based on a \$35,000,000 bond with a 20 year repayment schedule. This will be done in two (2) issues the first bonds of \$17.5M will be sold on Tuesday, May 25, 2010 with the second issue anticipated one (1) year from now. The first principal payment of both issues has been pushed out eighteen (18) months in order to spread-out the impact over several years. We will be using bond interest proceeds to offset the bond costs in the first two (2) years of the project. This chart is only inclusive of the impact associated with the Jail Project – no other County increases are reflected with this information.

	20 year Bond Payment	Anticipated Additional Operational costs	Difference Between fiscal years	Amount to be Raised by taxes	% Increase
FY2010				\$17,555,749.00	
FY2011	\$ 198,875.00	\$ 326,507.00	\$ 525,382.00	\$18,081,131.00	2.99%
FY2012	\$1,455,125.00	\$1,394,565.00	\$2,849,690.00	\$20,930,821.00	15.76%
FY2013	\$ 848,750.00	\$1,001,906.00	\$1,850,656.00	\$22,781,477.00	8.84%
FY2014	-\$ 36,093.75	\$ 305,428.45	\$ 269,334.70	\$23,050,812.00	1.18%

COMMISSIONERS:

DISTRICT 1: Michael Cryans ~ P.O. Box 999 ~ Hanover, NH 03755

603-448-4351

DISTRICT 2: Raymond Burton ~ 338 River Rd. ~ Bath, NH 03740

603-747-3662

DISTRICT 3: Martha Richards ~ 133 Sargent Rd. ~ Holderness, NH 03245

603-536-2279



Additionally, attached is a spreadsheet that goes into the detail of the individual taxpayer from each community. This spreadsheet uses the latest available Equalized Survey including railroads & utilities from DRA as well as 2009 tax rates from DRA – and then applies the projected increases in the next several fiscal years to see if nothing else changed (equalized valuation & town tax rates – which we know is somewhat unrealistic) what impact would it have to someone whose tax bill was based on a \$200,000 property value.

I hope that this information is helpful. I am available to answer questions at 603-787-6941 after June 2nd or anytime by email jlclough@co.grafton.nh.us.

This information is also available at our website: www.graftoncountynh.us.

