

GRAFTON COUNTY PUBLIC HEARING

Refinancing of DoC Bonds  
3855 Dartmouth College Hwy  
North Haverhill, NH 03774  
September 19, 2016

PRESENT: See attached sign in sheet

Rep. Sykes opened the public hearing at 10:10am. He stated that Richard Ranaghan, President of Northeast Municipal Advisors, was present at the meeting. He introduced Mr. Ranaghan to explain to the public what it is the county is trying to accomplish today.

Richard Ranaghan stated that back in 2010 and 2011 bonds were issued in the total amount of \$33 million to construct the new Department of Corrections. Those bonds were sold in two (2) pieces, one (1) in 2010 and the other in 2011. Together those two bonds were issued at twenty (20) years each with an interest rate of approximately 4%. He explained that as time has gone on the interest rate market has gone down. He explained that when they structured the bonds the county had an opportunity to call those bonds after ten (10) years. The county can call and pay those bonds off or refinance them. As you get closer to the ten (10) year mark and the interest rate between the old rate and the new rates is significant enough you can do what is known as an advance refinancing before the call date. They are proposing that the county do this because the interest rates are so low that they can get an interest rate on the callable portion of the last ten (10) years of the bonds of about 2%. This translates into roughly \$660,000 in savings to the county. There are a number of participants in the refinancing and all those costs are built in. The closing date as of right now is October 14<sup>th</sup>. The bonds will be priced on October 4, 2016 and the Commissioners will be responsible on that date to accept the pricing.

Representative Sykes asked for questions and or public comment.


Rep. Ladd stated that R. Ranaghan had stated that there are multiple costs within the total cost of the fees associated with the refinancing. He asked if there were any penalties to get rid of this bond we currently have right now and what the total costs are associated with this. R. Ranaghan stated that there is \$90,000 included in the bonds for issuance costs and that would pay all the consultants involved in the process.

Rep. Almy asked if the savings of \$73,000 listed on the handout for the first year is not net of the \$90,000 we have to spend. R. Ranaghan stated that the listed cost savings are after all costs have been paid.

Rep. Higgins asked what organization R. Ranaghan is speaking on behalf of. He stated that his company is Northeast Municipal Advisors, LLC. He stated that he formed the company in January after working the previous ten (10) years with Gorham Savings Bank in Gorham, Maine and retiring from there. He stated that he has been in this business for over forty (40) years. He stated that this is a municipal advisory firm; all they do is bond and note issues for cities, towns, counties and schools throughout Maine and New Hampshire.

10:18 AM Rep. Sykes closed the public hearing

Respectfully Submitted,



Stephen Darrow, Vice – Chair



# Public Hearing on Refinancing Jail Bonds

## September 19th 2016

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