



# State of New Hampshire

DEPARTMENT OF ADMINISTRATIVE SERVICES  
25 Capitol Street - Room 120  
Concord, New Hampshire 03301

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Assistant Commissioner  
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Deputy Commissioner  
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December 1, 2021

His Excellency, Governor Christopher T. Sununu  
and the Honorable Council  
State House  
Concord, New Hampshire 03301

## REQUESTED ACTION

Approval of the Report and Findings of Councilor Cinde Warmington with regard to a certain project in participation with Monadnock Community Service Center, Keene, NH.

## EXPLANATION

This item is submitted pursuant to a request by the New Hampshire Health and Education Facilities Authority. Councilor Warmington has requested that this be placed on the agenda as a regular item for the Wednesday, December 22, 2021 meeting for ratification by the Governor and Council.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles M. Arlinghaus".

Charles M. Arlinghaus  
Commissioner

CMA/dph

Attachment

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November 29, 2021

Charles Arlinghaus, Commissioner  
Department of Administrative Services  
State of New Hampshire  
State House Annex  
Concord, New Hampshire 03301

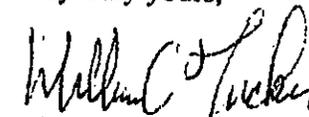
RE: New Hampshire Health and Education Facilities Authority –  
Monadnock Community Service Center Series 2021 Bonds.

Dear Commissioner Arlinghaus:

I enclose an original and ten copies of the Report and Findings of Councilor Cinde Warmington with regard to a certain project in participation with Monadnock Community Service Center, Keene, New Hampshire. Councilor Warmington has requested that this be placed on the agenda as a regular item for ratification by the Governor and Council at their meeting scheduled for Wednesday, December 22, 2021.

Thank you for your assistance in this matter.

Very truly yours,

  
William C. Tucker

/sos

enclosures

**REPORT  
AND  
FINDINGS  
OF**

CINDE WARMINGTON, designee of the Governor and Council of The State of New Hampshire, under the provisions of the New Hampshire Health and Education Facilities Authority Act, Chapter 195-D of the New Hampshire Revised Statutes Annotated, on the undertaking by the Authority of a certain project in participation with **MONADNOCK COMMUNITY SERVICE CENTER, INC.** of Keene, New Hampshire, pursuant to said Act.

**Introductory**

The New Hampshire Health and Education Facilities Authority (hereafter referred to as the “Authority”), requested of Governor Christopher T. Sununu and the Executive Council that a hearing be held pursuant to the New Hampshire Health and Education Facilities Authority Act, Chapter 195-D of the New Hampshire Revised Statutes Annotated (hereafter referred to as the “Act”), and particularly as prescribed in Section 21 of the Act. The hearing is required as the result of an application submitted to the Authority by Monadnock Community Service Center, Inc., a not-for-profit, voluntary and charitable corporation incorporated under New Hampshire law and operating behavioral and mental health facilities located in Keene, New Hampshire (hereafter sometimes referred to as the “Center”) which is a participating health care institution under RSA 195-D:3. Such application seeks the participation of the Authority, under the Act, in the financing of the acquisition, renovation, equipping, and furnishing of the land and building with appurtenant parking located at 40 Avon Street, Keene, New Hampshire (hereafter sometimes referred to as the “Project”).

Pursuant to RSA 195-D:21 above cited, the Governor and Council designated me to hold a hearing and make findings in connection with the application. Following Public Notice given in accordance with Chapter 91-A of the New Hampshire Revised Statutes Annotated, by notice published in the New Hampshire Union Leader on November 24, 2021, the hearing was held

commencing at 1:30 p.m. on Monday, November 29, 2021, in the Conference Room of the offices of the New Hampshire Health and Education Facilities Authority, One Capitol Street, Suite 200, Concord, New Hampshire 03301. All witnesses were duly sworn. A summary of testimony presented at the hearing follows:

### **Summary of Testimony**

Phillip Wyzik, the Center's Chief Executive Officer, was the first witness. He described the Center as a not-for-profit corporation, organized under New Hampshire law exclusively for charitable purposes and is recognized as a 501(c)(3) entity by the Internal Revenue Service. Mr. Wyzik stated that the Center holds real estate assets for the sole benefit of Monadnock Family Services ("Services") which is also a 501(c)(3) New Hampshire not-for-profit corporation and is the state contracted community mental health center for the southwest portion of New Hampshire. He stated that Services has been in business for more than 110 years and currently serves over 2,300 clients each year and has approximately 185 employees.

Mr. Wyzik stated that Services rents the real estate at which it provides its services from the Center and the rental payments is the Center's primary source of revenue. He stated that Services contracts annually with and is designated as an approved community mental health center by the New Hampshire Department of Health and Human Services. Services is approved for participation in the Medicare and Medicaid programs and receives revenue from those sources as well as private and third-party payers and certain contracted services.

Mr. Wyzik explained that Services licensed professionals include Psychiatrists, Advanced Registered Nurse Practitioners, Masters level Social Workers, Masters level Mental Health Counselors, Masters level Marriage and Family Therapists, and Masters and Bachelors level Alcohol and Drug Abuse Counselors as well as paraprofessionals and peer counselors.

Mr. Wyzik stated that the Center has an option to purchase property located at 40 Avon Street, Keene, New Hampshire from Antioch University. He explained that the property will be renovated and leased to Services and become Services' primary operating facility.

Mr. Wyzik further testified that the Project will be financed by the Series 2021 Bonds (the "Bonds") which will provide for the acquisition of the land and existing building along with appurtenant parking and the financing of the renovation and equipping of the property and related expenses. He stated the bond proceeds will also be used to finance the cost of issuance of the bonds.

Gigi Pratt, the Chief Financial Officer of the Center and of Services, was the next witness. Ms. Pratt stated that the Center expects to issue no more than \$4.5 million of bonds which are planned to be issued in a private placement with a local financial institution. She stated the bonds are expected to mature in no more than 30 years and will carry a fixed rate of interest although a variable rate is possible.

Ms. Pratt testified that, under the Loan Agreement with the Authority and the purchaser of the Bonds, the Center will be required to carry blanket fire and extended coverage as well as general liability insurance. Based upon her position and her familiarity with the finances of the Center, she stated her opinion that the Center would be able to meet its financial obligations under the proposed Bond issue and that the Center currently is operating in a financially responsible manner. Ms. Pratt concluded her testimony by stating her opinion that the acquisition and improvements financed as part of the Project are necessary to provide the Center's and Services' clients with appropriate and respectful behavioral and mental health facilities and services.

Bonnie S. Payette was the final witness. She stated that she is the Executive Director and Secretary of the New Hampshire Health and Education Facilities Authority, charged with the

administration of the Authority's day-to-day affairs. In her capacity as Executive Director and Secretary, she has become acquainted with the Project and the details of its financing, having worked closely with the Borrower's officers in developing the financial arrangements to be reflected in the bonds proposed to be issued. She stated that the Authority voted to issue its bonds for the Project, subject to compliance being had with all laws bearing upon such issue and the advice of counsel, including Bond Counsel. She testified that the Authority adopted a resolution on November 16, 2021, approving issuance of bonds for the Center.

Ms. Payette testified that certain documents are being prepared for execution in connection with the Project. She stated that there will be a provision in the bond documents under which the Borrower will be obligated to hold and use the Project for healthcare purposes so long as the Bonds are outstanding. She testified to language which will be in the Bond Indenture or Loan Agreement which will require that each bond issued by the Authority for the Center bear on its face the following provision:

Neither the State of New Hampshire nor any political subdivision thereof shall be obligated to pay the principal of or interest on this bond, other than from Pledged Revenues, and neither the faith and credit nor the taxing power of the State of New Hampshire or of any political subdivision thereof is pledged to the payment of the principal of or interest on this bond.

Ms. Payette testified that the bond documents will make adequate provision for the payment of principal and interest on the bonds, as well as the costs of the Project, so that the State will not be obligated in any way for their repayment.

Ms. Payette concluded her testimony by stating that, based on her familiarity with the statute under which the Authority operates, on her experience as Executive Director and Secretary of the Authority, and on the advice of counsel, including Bond Counsel, the Project is within the powers conferred by law upon the Authority.

## Findings

Upon the testimony submitted at the hearing, and upon consideration, I find as follows:

- (1) The acquisition and construction of the Project as the same is described in such testimony, will enable and assist Monadnock Community Service Center, Inc. (herein called the "Center"), a not-for-profit participating healthcare institution located in Keene, New Hampshire, to provide healthcare facilities within the State of New Hampshire (herein called the "State"); and
- (2) The Project will be leased to, or owned by, the Center, which is a financially responsible participating institution within the State; and
- (3) Adequate provision has been, or will be, made for the payment of the cost of the acquisition and construction of the Project; and under no circumstances will the State be obligated, directly or indirectly, for the payment of the principal of, or interest on, any obligations issued to finance such construction and acquisition or to provide for the refinancing of existing indebtedness on obligations to which such refinancing of existing indebtedness relates; and
- (4) Adequate provision has been, or will be, made in any lease or mortgage of the Project to be undertaken or any property leased or mortgaged in connection with the issuance of bonds or notes for the payment of all costs of operation, maintenance and upkeep of the Project by the Center so that under no circumstances will the State be obligated, directly or indirectly, for the payment of such costs; and
- (5) Adequate provision has been made to obligate the Center to hold and use the Project for healthcare purposes so long as the principal of and interest on bonds or other obligations issued by the New Hampshire Health and Education Facilities Authority (herein called the "Authority") to finance the cost of the Project, including any refunding bonds issued to refund and refinance such bonds, have not been fully paid and retired and all other conditions of the resolution or trust agreement authorizing and securing the same have not been satisfied and the lien of such resolution or trust agreement has not been released in accordance with the provisions thereof; and
- (6) The acquisition and construction of the Project will be within the authority conferred by Chapter 195-D of the New Hampshire Revised Statutes Annotated upon the Authority; and
- (7) The construction and acquisition of the Project serves a need presently not fulfilled in providing healthcare facilities within the State and is of public use and benefit.

Dated: November 29, 2021

  
Cinde Warmington  
Executive Councilor  
Designee of the Governor and Council

**RATIFICATION AND GOVERNOR' S APPROVAL**

The Governor and Council hereby ratify, confirm, approve and adopt the findings set forth in the Report and Findings attached hereto made by Cinde Warmington, the Designee of the Governor and Council to hold a hearing and make findings pursuant to Section 21 of the New Hampshire Health and Education Facilities Authority Act, Chapter 195-D of the New Hampshire Revised Statutes Annotated. The hearing was required and held as a result of an application submitted to the New Hampshire Health and Education Facilities Authority by Monadnock Community Service Center, Inc., a not-for-profit institution providing a health care program located in Keene, New Hampshire. The hearing was held on November 29, 2021, following public notice, in the Conference Room of the office of the New Hampshire Health and Education Facilities Authority, One Capitol Street, Suite 200, Concord, New Hampshire at 1:30 o'clock in the afternoon.

The Governor's signature constitutes his approval under Section 147(f) of the Internal Revenue Code of 1986, as amended, of the issuance of the bonds described herein and in the hearing conducted by the Authority on November 9, 2021 and as described in the Notices of Public Hearings published on November 29, 2021 and on December 2, 2021.

Dated: December 22, 2021

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Governor and Council:

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