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State of New Hampshire

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

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Commissioner
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Deputy Commissioner
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January 27, 2022

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 Theodore Gatsas with regard to a certain project in participation with Saint Anselm College, Goffstown, NH.

EXPLANATION

This item is submitted pursuant to a request by the New Hampshire Health and Education Facilities Authority. Councilor Gatsas has requested that this be placed on the agenda as a regular item for the Wednesday, February 16, 2022 meeting for ratification by the Governor and Council.

Sincerely,

Charles M. Arlinghaus
Commissioner

CMA/dph

Attachment

Trusted Advisors for Changing Times

January 27, 2022

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

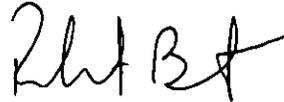
RE: New Hampshire Health and Education Facilities Authority—
Saint Anselm College Series 2022 Bonds

Dear Commissioner Arlinghaus:

I enclose an original and ten copies of the Report and Findings of Councilor Theodore Gatsas with regard to a certain project in participation with Saint Anselm College, Goffstown, New Hampshire. Councilor Gatsas has requested that this be placed on the agenda as a regular item for ratification by the Governor and Council at their January meeting, which I believe is or will be scheduled for Wednesday, February 16, 2022.

Thank you for your assistance in this matter.

Sincerely,



Robert L. Best, Esq.

RLB/
enclosures

**REPORT
AND
FINDINGS
OF**

THEODORE L. GATSAS, 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 **SAINT ANSELM COLLEGE** of Goffstown, 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 Saint Anselm College, a not-for-profit educational and charitable corporation incorporated by act of the New Hampshire Legislature and operating an institution for higher education known as Saint Anselm College located in Goffstown, New Hampshire (hereafter sometimes referred to as the "College" or "Saint Anselm") which is a participating educational institution under RSA 195-D:3. Such application seeks the participation of the Authority, under the Act, in the refinancing of certain of the College's existing indebtedness as well as the financing of certain capital expenditures (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 Friday, January 21, 2022, the hearing was held commencing at 1:00 p.m. on Thursday, January 27, 2022 at my office, located at 20 Market Street, 3rd Floor, Manchester, New Hampshire. All witnesses were duly sworn. A summary of testimony presented at the hearing follows.

Summary of Testimony

William Furlong, the Vice President for Finance and Chief Financial Officer of Saint Anselm College was the first witness. Mr. Furlong testified that Saint Anselm College is a four-year liberal arts college located in Goffstown which awards the Bachelor of Arts degrees in Biology, Economics, Business, Chemistry, Classics, Computer Science, English, Fine Arts, History, Mathematics, Philosophy, Psychology, Sociology and Theology, among others. The College also awards a Bachelor of Science degree in Nursing which is fully accredited by the New Hampshire Board of Nursing as well as the Commission on Collegiate Nursing Education. Mr. Furlong testified that the College is involved in a 3-2 program in Engineering with The Catholic University of America (Washington, D.C.) and the University of Massachusetts at Lowell, leading to a Bachelor of Arts degree from Saint Anselm and an engineering degree from the university involved. Additionally, the College awards Masters of Arts degrees in Criminal Justice.

Mr. Furlong testified that the College is accredited by the New England Commission of Higher Education. Mr. Furlong testified that it holds membership in the American Council on Education, the National Association of Independent Colleges and Universities, the Association of Catholic Colleges and Universities, the Association of American Colleges and Universities, the Association of Benedictine Colleges and Universities, the Council of Independent Colleges, and the Campus Compact for New Hampshire.

Mr. Furlong testified that the College enrolled 1,975 full-time equivalent students for the 2021-2022 school year, with approximately 1,800 of whom reside on campus.

Mr. Furlong testified that the proceeds from the Authority's Revenue Bonds, Saint Anselm College Issue, Series 2022 (the "Series 2022 Bonds" or the "Bonds") will be used to (1) to refund the Authority's Revenue Bonds, Saint Anselm College Issue, Series 2013 (the "Series 2013 Bonds"), the proceeds of which were used to: (a) finance the construction, renovation and equipping of a new student residence hall of approximately 47,000 square feet, located along Saint Anselm Drive and Rundlett Hill Road; (b) finance the construction and equipping of an electrical substation; and (c) finance miscellaneous routine capital expenditures, including, but not limited to, reimbursement of certain prior capital expenditures paid by the Borrower and the acquisition, construction, renovation, installation, furnishing and equipping of certain of the Borrower's facilities; (2) to refund the Authority's Revenue Bonds, Saint Anselm College Issue Series 2016 (the "Series 2016 Bonds" the proceeds of which were used to finance the construction, furnishing, equipping, and expansion of the College's existing student center which includes additional study space, a game room, a café, and a new events center and performance auditorium); (3) to finance and/or reimburse the costs of miscellaneous capital expenditures, equipment acquisition and installation, and construction and renovation at the facilities of the Borrower, including, but not limited to, construction and equipping of a new, approximately 50,000 square-foot academic building for the Borrower's nursing program, to include laboratory spaces, classrooms, and office spaces; (4) to fund capitalized interest on the Bonds, if any, and a debt service reserve fund, if any, for the Bonds; and (5) to pay costs of issuance with respect to the Bonds. Mr. Furlong testified that in addition to the Project costs, the Series 2022 Bond proceeds will be used to pay certain costs of issuing the Series 2022 Bonds.

Mr. Furlong testified that under the Loan and Security Agreement with the Authority, the College will be required to continue to carry blanket fire and extended coverage as well as general liability insurance.

Mr. Furlong testified that the improvements to be financed by the Series 2022 Bonds will be of public use and benefit and permit the College to continue to render an appropriate level of service to its current and future students. Based upon his position at the College, it is Mr. Furlong's opinion that Saint Anselm would be able to meet its financial obligations under the proposed Series 2022 Bond issue and that the College is currently operating in a financially responsible manner. Mr. Furlong testified that the refinancing of existing indebtedness would assist the College in lowering the cost of providing education in the State of New Hampshire (the "State").

Dev Talvadkar, a Managing Director with Stifel, Nicolaus & Company, Inc., was the second witness. He testified that he is leading the team that is serving as the College's investment banker. Mr. Talvadkar testified that the Series 2022 bonds are expected to be issued as a public offering in an amount no greater than \$32 million. Mr. Talvadkar testified that the Bonds are expected to be sold without credit enhancement and are expected to mature in approximately thirty (30) years. Mr. Talvadkar testified that through his work with the College, he has become familiar with the College's finances and as a result of his involvement with the College he is of the opinion that Saint Anselm is a financially responsible participating educational institution.

Bonnie S. Payette was the final witness called. 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 she has become acquainted with the Project and the details of its financing, having worked closely with the College's officers in developing the financial arrangements to be reflected in the Bonds

proposed to be issued. She testified that the Authority adopted a resolution on January 25, 2022, approving issuance of bonds for Saint Anselm College for the Project, subject to compliance being had with all laws bearing upon such issue and the advice of counsel, including Bond Counsel.

Ms. Payette testified that Certain documents are being prepared for execution in connection with the Project, including a Bond Indenture to be entered into between the Authority and the Trustee for the current bond issue and a Loan and Security Agreement intended for execution between the College and the Authority and if any of the Bonds are purchased by a financial institution, the bond purchaser. She stated that there will be a provision in the Loan Agreement under which the College is obligated to hold and use the Project for educational purposes so long as the Series 2022 Bonds are outstanding. She testified that there will be language in the bond documents requiring that each bond issued by the Authority for Saint Anselm College 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 Series 2022 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 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 construction and acquisition of the Project and the refinancing of existing indebtedness, as the same is described in such testimony, will enable and assist Saint Anselm College (herein called the "College"), a not-for-profit institution for higher education, to provide educational facilities within the State of New Hampshire (herein called the "State"); and

(2) The Project, and the project to which the refinancing of any existing indebtedness relates, will be leased to, or owned by, the College, 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 construction and acquisition of the Project, as well as any refinancing of existing indebtedness; 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 or 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 College 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, or will be, made to obligate the College to hold and use the Project for educational 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 construction and acquisition of the Project or any refinancing of existing indebtedness 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 educational facilities within the State and is of public use and benefit; and

(8) The refinancing of existing indebtedness will assist the College in lowering the cost or providing education within the State and is being done in connection with a project being provided by the College.

Dated: January 27, 2022



Theodore L. Gatsas
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 Theodore L. Gatsas, 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 Saint Anselm College, a not-for-profit institution for higher education located in Goffstown, New Hampshire. The hearing was held on January 27, 2022, following public notice published in the New Hampshire Union Leader on January 21, 2022, at the offices of the Honorable Theodore L. Gatsas, 20 Market Street, 3rd floor, Manchester, NH.

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 held by the Authority on February 4, 2-2022, as described in the Notice of Public Hearing published on January 21, 2022 and January 28, 2022 in the New Hampshire Union Leader.

Dated: February 16, 2022

Governor Christopher T. Sununu

Councilor Joseph D. Kenney

Councilor Cinde Warmington

Councilor Janet Stevens

Councilor Theodore L. Gatsas

Councilor David K. Wheeler