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State of New Hampshire

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

Charles M. Arlinghaus
Commissioner
(603) 271-3201

Joseph B. Bouchard
Assistant Commissioner
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Catherine A. Keane
Deputy Commissioner
(603) 271-2059

February 18, 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 Joseph D. Kenney with regard to a certain project in participation with NH Oddfellows' Home dba Presidential Oaks, Concord, NH.

EXPLANATION

This item is submitted pursuant to a request by the New Hampshire Health and Education Facilities Authority. Councilor Kenney has requested that this be placed on the agenda as a regular item for the Wednesday, March 9, 2022 meeting for ratification by the Governor and Council.

Sincerely,

Charles M. Arlinghaus
Commissioner

CMA/dph

Attachment

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February 16, 2022

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

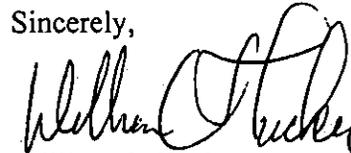
Re: New Hampshire Health and Education Facilities Authority –
New Hampshire Odd Fellows' Home Series 2022 Bonds

Dear Commissioner Arlinghaus:

I enclose an original and ten copies of the Report and Findings of Councilor Joseph D. Kenney with regard to a certain project in participation with New Hampshire Odd Fellows' Home dba Presidential Oaks, Concord, New Hampshire. Councilor Kenney 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, March 9, 2022.

Thank you for your assistance in this matter.

Sincerely,



William C. Tucker

WCT/tav
Enclosures

REPORT
AND
FINDINGS
OF

Joseph D. Kenney, 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 NEW HAMPSHIRE ODD FELLOWS' HOME d/b/a Presidential Oaks, of Concord, 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 New Hampshire Odd Fellows' Home d/b/a Presidential Oaks, a private, not-for-profit and charitable corporation (hereafter sometimes referred to as the "Institution" or "Presidential Oaks") which operates a retirement community located in Concord, New Hampshire, and constitutes a "nursing home" as that term is defined in the Act. Presidential Oaks is a participating health care

institution under RSA 195-D:3. Such application seeks the participation of the Authority, under the Act, in the refinancing of certain existing indebtedness, and in the financing of certain miscellaneous construction, renovation and equipping of the Institution's healthcare facilities in Concord (hereafter sometimes referred to as the "Project").

Pursuant to RSA 195-D:21, 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 February 11, 2022, the hearing was held commencing at 1:00 p.m. on Tuesday, February 15, 2022, in the Conference Room of the Authority, 1 Capitol Street, Suite 200, Concord, New Hampshire.

All witnesses were duly sworn, A summary of testimony presented at the hearing follows:

Summary of Testimony

Jeffrey Schwartz, the Chief Executive Officer of the Institution, was the first witness. He described the Institution, known as Presidential Oaks, as a not-for-profit corporation which owns and operates a retirement community in Concord, The Institution offers a continuum of care with 52 independent living units, 24 assisted living beds, and a healthcare facility with 85 skilled rehabilitation, long-term care, and hospice beds. As of February 7, the Institution had 2 independent living residents, 18 residents in assisted living and 51 individuals in its healthcare facility.

Mr. Schwartz stated that the Project consists of: (1) refinancing the Authority's Revenue Bonds, Presidential Oaks Issue, Series 2012 currently outstanding in the principal amount of approximately \$2,431,000; (2) paying the costs of miscellaneous construction, renovation and equipping of certain of the Institution's facilities; (3) establishing a debt service reserve fund; and (4) paying certain costs of issuance and other costs related to the Bonds.

Mr. Schwartz stated that the Authority expects to issue for the benefit of Presidential Oaks up to \$4,500,000 of Bonds which will be purchased in a direct placement with Merrimack County Savings Bank. Mr. Schwartz explained that the bond issue is expected to be secured by a mortgage on Presidential Oaks' facilities as well as a security interest in its business assets.

Mr. Schwartz stated that, in his opinion, Presidential Oaks will be able to meet its financial obligations under the proposed bond issue and that the Institution currently is operating in a financially responsible manner. Mr. Schwartz explained that the refinancing will assist Presidential Oaks in lowering the cost of providing retirement and assisted living as well as skilled nursing care facilities by lowering its debt service obligations and will be done in connection with the Project. In concluding his testimony, Mr. Schwartz stated that, in his judgment, the Project is necessary to provide the community's residents with the quality of retirement, assisted living and skilled nursing care to which the Institution's Board is committed.

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 the financing and the proposed bonds to be issued.

Ms. Payette stated that the Authority has 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 January 25, 2022; approving issuance of bonds for New Hampshire Odd Fellows' Home d/b/a Presidential Oaks.

Ms. Payette testified that certain documents are being prepared for execution in connection with the Project. She stated that there is a provision in the bond documents under which the Institution is obligated to hold and use the Project for health care purposes so long as the Bonds are outstanding. She testified to the language in the bond documents which requires that each bond issued by the Authority for the Institution 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 revenues provided by the Institution, 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 the 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.

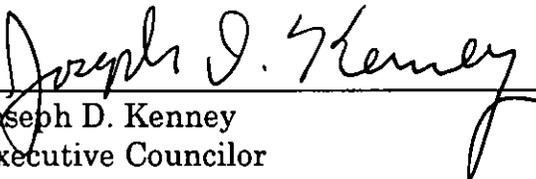
Findings

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

- (1) The construction and acquisition of the Project; and the refinancing of existing indebtedness as the same is, described in such testimony, will enable and assist New Hampshire Odd Fellows' Home d/b/a Presidential Oaks (herein called the "Institution"), a not-for-profit corporation which is located in Concord, New Hampshire, to provide health care facilities within the State of New Hampshire (herein called the "State"); and
- (2) The Project, and the project to which the refinancing of existing indebtedness relates, will be leased to, or owned by, the Institution, 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 and any refinancing of existing indebtedness related thereto; 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 Institution 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 Institution to hold and use the Project for health care 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 and the 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 health care facilities within the State and is of public use and benefit; and
- (8) The refinancing of existing indebtedness will assist the Institution in lowering the cost of providing health care facilities within the State and is being done in connection with the Project.

Dated: February 15, 2022



Joseph D. Kenney
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 Joseph D. Kenney, 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 New Hampshire Odd Fellows' Home d/b/a Presidential Oaks, a not-for-profit corporation which is located in Concord, New Hampshire and provides retirement, assisted living and skilled nursing care facilities within the State of New Hampshire. The hearing was held on February 15, 2022, following public notice, in the Conference Room of Health and Education Facilities Authority, 1 Capitol Street, Suite 200, Concord, New Hampshire, at 1:00 p.m. 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 February 22, 2022, as described in the Notices of Public Hearing published on February 11, 2022, and February 15, 2022.

Dated: March 9, 2022

Governor: Christopher T. Sununu

Councilor: Joseph D. Kenney

Councilor: Cinde Warmington

Councilor: Janet Stevens

Councilor: Theodore L. Gatsas

Councilor: David K. Wheeler