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State of New Hampshire

DEPARTMENT OF ADMINISTRATIVE SERVICES

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Charles M. Arlinghaus
Commissioner

Catherine A. Keane
Deputy Commissioner

Sheri L. Rockburn
Assistant Commissioner

June 11, 2025

Her Excellency, Governor Kelly A. Ayotte
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Approval of the Report and Findings of Councilor Janet Stevens with regard to a certain project in participation with The Mental Health Center for Southern NH, d/b/a CLM Center for Life Management in Derry, NH.

EXPLANATION

This item is submitted pursuant to a request by the New Hampshire Health and Education Facilities Authority. Councilor Stevens has requested that this be placed on the agenda as a regular item for the Wednesday, July 9, 2025 meeting for ratification by the Governor and Council.

Sincerely,

Charles M. Arlinghaus
Commissioner

CMA/dph

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June 11, 2025

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

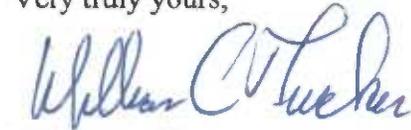
RE: New Hampshire Health and Education Facilities Authority –
Center for Life Management Revenue Bonds

Dear Commissioner Arlinghaus:

I enclose an original and ten copies of the Report and Findings of Councilor Janet Stevens with regard to a certain project in participation with The Mental Health Center for Southern New Hampshire, d/b/a CLM Center for Life Management, located in Derry, New Hampshire and Salem, New Hampshire. Councilor Stevens 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, July 9, 2025.

Thank you for your assistance in this matter.

Very truly yours,



William C. Tucker

WCT/ath
Enclosures

**REPORT
AND
FINDINGS
OF**

JANET STEVENS, 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 THE MENTAL HEALTH CENTER FOR SOUTHERN NEW HAMPSHIRE d/b/a CLM CENTER FOR LIFE MANAGEMENT of Derry, New Hampshire, pursuant to said Act.

Introductory

The New Hampshire Health and Education Facilities Authority (hereafter referred to as the “Authority”), requested of Governor Kelly A. Ayotte 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 The Mental Health Center for Southern New Hampshire d/b/a CLM Center for Life Management, a not-for-profit, voluntary corporation incorporated under New Hampshire law and operating behavioral and mental health facilities located in Derry and Salem, New Hampshire (hereafter sometimes referred to as “CLM” or the “Center”) which is a participating healthcare institution under RSA 195-D:3. Such application seeks the participation of the Authority, under the Act, in the refinancing of the Authority’s Center for Life Management Revenue Bonds, Series 2015 (the “Series 2015 Bonds”) and 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 June 6, 2025, the hearing was held commencing

at 4:15 p.m. on Tuesday, June 10, 2025, in the second floor Board Room of CLM Center for Life Management, 10 Tsienneto Road, Derry, New Hampshire. All witnesses were duly sworn. A summary of testimony presented at the hearing follows:

Summary of Testimony

Diana Lachapelle, CLM's Vice President and Chief Financial Officer, was the first witness. She described the Center as a voluntary, not-for-profit corporation organized under New Hampshire law exclusively for charitable purposes. Ms. Lachapelle stated that the Center provides behavioral and mental health services, including child, adolescent and family services, adult services, senior services and emergency services from its current locations in Derry and Salem. During fiscal year 2024, CLM provided more than 468,360-units of service to its clients.

Ms. Lachapelle testified that the Center contracts annually with, and is designated as an approved community mental health center by the New Hampshire Department of Health and Human Services. The Center is approved for participation in the Medicare and Medicaid programs, and receives revenues from those sources as well as private and third party payors and certain towns in its service area, grant support, HUD funds, and certain contract services income.

Ms. Lachapelle explained that the Center's 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.

Ms. Lachapelle testified that the Project to be financed by the Authority's Revenue Bonds, Center for Life Management Series 2025 (the "Bonds") consists primarily of the refinancing of the Series 2015 Bonds, which refinanced the Authority's Series 2006 Bonds, the proceeds of which were used primarily for the acquisition of land and the construction and furnishing of CLM's centralized facility at 10 Tsienneto Road, Derry, New Hampshire.

Ms. Lachapelle stated that CLM expects to issue approximately \$2.5 million of Bonds

which will refinance the approximately \$2.023 million of the outstanding Series 2015 Bonds. The 2025 Bond proceeds will also be used to pay the cost of building out and furnishing unfinished space on the second floor of its Tsienneto Road property to provide fifteen new offices, remodeling seven restrooms, and paying for routine capital expenditures. Bond proceeds will also be used to finance the costs of issuance relating to the 2025 Bonds. She testified that the Bonds are planned to be issued in a private placement with a financial institution which is expected to be M&T Bank and that the Bonds are expected to mature in approximately 10 years and carry a variable rate of interest. She explained that CLM may enter into an interest rate swap agreement for all or a portion of the Bonds.

Ms. Lachapelle testified that, under the Loan Agreement with the Authority and the purchaser of the Bonds, CLM will be required to continue 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 CLM would be able to meet its financial obligations under the proposed Bond issue and that CLM currently is operating in a financially responsible manner. Ms. Lachapelle concluded her testimony by stating her opinion that the improvements financed as part of the Project are necessary to provide the Center's clients with appropriate and respectful behavioral and mental health facilities and services.

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 and the financial arrangements to be reflected in the bonds proposed to be issued. She testified 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 May 13, 2025, approving the issuance of bonds for The Mental Health Center for

Southern New Hampshire d/b/a CLM Center for Life Management.

Ms. Payette testified that certain documents are being prepared for execution in connection with the Project, including the Loan Agreement intended for execution by the Center, the Authority, and the purchaser. She stated that there is a provision in the Agreement under which the Center will be obligated to hold and use the Project for healthcare purposes so long as the Bonds are outstanding. She testified to the language in the Loan Agreement which requires that each bond issued by the Authority for The Mental Health Center for Southern New Hampshire d/b/a CLM Center for Life Management 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 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 refinancing of existing indebtedness, as the same is described in such testimony, will enable and assist The Mental Health Center for Southern New Hampshire d/b/a CLM Center for Life Management (herein called the "Center"), a not-for-profit participating healthcare institution located in Derry and Salem, New Hampshire, to provide healthcare 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 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 construction and acquisition of the Project and the 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 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 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 healthcare facilities within the State and is of public use and benefit; and
- (8) The refinancing of existing indebtedness will be in connection with a project provided by the Center.

Dated: June 10, 2025



Janet Stevens
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 Janet Stevens, 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 The Mental Health Center for Southern New Hampshire d/b/a CLM Center for Life Management (the “Center”), a voluntary, not-for-profit behavioral and mental health services provider located in Derry, New Hampshire. The hearing was held on June 10, 2025, following public notice published in the New Hampshire Union Leader on June 6, 2025, in the second floor Board Room of the Center, 10 Tsienneto Road, Derry, New Hampshire at 4:15 p.m.

The Governor’s signature constitutes her 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 June 24, 2025, and as described in the Notice of Public Hearing published on June 16, 2025 in the New Hampshire Union Leader.

Dated: July 9, 2025

Governor: Kelly A. Ayotte

Councilor: Joseph D. Kenney

Councilor: Karen Liot Hill

Councilor: Janet Stevens

Councilor: John Stephen

Councilor: David K. Wheeler