

3C mae



State of New Hampshire

DEPARTMENT OF ADMINISTRATIVE SERVICES

25 Capitol Street

Concord, New Hampshire 03301

(603) 271-3201 | Office@das.nh.gov

Charles M. Arlinghaus
Commissioner

Catherine A. Keane
Deputy Commissioner

Sheri L. Rockburn
Assistant Commissioner

September 12, 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 David K. Wheeler with regard to a certain project in participation with Southern New Hampshire Medical Center in Nashua, NH.

EXPLANATION

This item is submitted pursuant to a request by the New Hampshire Health and Education Facilities Authority. Councilor Wheeler has requested that this be placed on the agenda as a regular item for the Wednesday, October 1, 2025 meeting for ratification by the Governor and Council.

Sincerely,

Charles M. Arlinghaus
Commissioner

CMA/dph

Attachment

WILLIAM C. TUCKER
GREGORY G. PETERS
FRANK P. SPINELLA, Jr.
DEAN B. EGGERT
MICHAEL R. MORTIMER
KATHLEEN C. PE AHL, Of Counsel
RICHARD THORNER
CHARLES F. CLEARY
CHRISTINE GORDON
TODD J. HATHAWAY
ALISON M. MINUTELLI
MICHAEL J. TIERNEY
DONNA J. BROWN
CRAIG S. DONAIS
ALYSIA M. CASSOTIS
CHRISTOPHER P. MCGOWN
TIERNEY M. CHADWICK
ABBY TUCKER



Attorneys At Law
Market Street
Manchester, New Hampshire 03101
Telephone (603) 669-4140
Facsimile (603) 669-6018
www.wadleighlaw.com
Direct Dial: 603-206-7200
btucker@wadleighlaw.com

ALLISON M. TAMPOSI
STEPHEN M. BENNETT, Of Counsel
ELIZABETH E. EWING
JEFFREY D. ODLAND
SHELIAH M. KAUFOLD
JOHN B. FITZGERALD
FRANK B. MESMER, Jr. Of Counsel
WILLIAM P. REDDINGTON
MICHAEL G. EATON
CATHERINE C. BOUSQUET
MORGAN G. TANAFON
GRETCHEN M. WADE
JOSEPH J. DUMAIS
JOSHUA S. DEYOUNG
SEAN A. DENIS
GAVIN E. GRAY
ELIZABETH BEDSOLE

September 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 –
Southern New Hampshire Medical Center Issue, Series 2025 Bonds

Dear Commissioner Arlinghaus:

I enclose an original and ten copies of the Report and Findings of Councilor David K. Wheeler with regard to a certain project in participation with Southern New Hampshire Medical Center, headquartered in Nashua, New Hampshire. Councilor Wheeler 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, October 1, 2025.

Thank you for your assistance in this matter.

Very truly yours,

A handwritten signature in blue ink that reads "William C. Tucker".

William C. Tucker

WCT/ath
Enclosures

**REPORT
AND
FINDINGS
OF**

DAVID K. WHEELER, 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 **SOUTHERN NEW HAMPSHIRE MEDICAL CENTER**, Nashua, 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 Southern New Hampshire Medical Center, a voluntary not-for-profit hospital located in Nashua, New Hampshire (the “Hospital”), which is licensed by the New Hampshire Department of Health and Human Services and is a participating healthcare institution under RSA 195-D:3. Such application seeks the participation of the Authority, under the Act, in 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 September 4, 2025, the hearing was held commencing at 9:00 a.m. on Thursday, September 11, 2025, in the Conference Room A/B/C/D of

Southern New Hampshire Medical Center, 10 Prospect Street, Nashua, New Hampshire. All witnesses were duly sworn. A summary of testimony presented at the hearing follows:

Summary of Testimony

Colin T. McHugh, the President and Chief Executive Officer of the Hospital, was the first witness. He described the Hospital as a voluntary not-for-profit corporation organized under New Hampshire law exclusively for charitable purposes.

Mr. McHugh stated that the Hospital is licensed for 188 beds, of which 105 beds are medical/surgical, 8 beds are pediatric, 11 beds are intensive/coronary care, 17 beds are obstetrics/gynecology, and 18 beds are behavioral health. Mr. McHugh described the Hospital as providing services characteristic of an acute care, community hospital to medical, surgical, obstetric, and emergency care patients in a primary service area consisting of Nashua and 12 other communities and a secondary service area consisting of some 11 communities.

Mr. McHugh testified that the Hospital provides a full spectrum of inpatient and outpatient services. The Hospital is licensed by the New Hampshire Department of Health and Human Services and is accredited by Det Norske Veritas, commonly referred to as “DNV”. The Hospital is approved for participation in the Medicare and Medicaid programs and is a member of the New Hampshire Hospital Association and the American Hospital Association. Mr. McHugh stated that the Hospital has a clinical affiliation with Massachusetts General Hospital with which it has collaborative programs in stroke care, cancer treatment, vascular surgery, and pediatric specialties. This affiliation brings the expertise of the Boston-based institution directly to the Nashua community, ensuring that its patients receive the highest level of care close to home. The Hospital also collaborates with Lahey Hospital (Burlington, MA) to provide more advanced cardiac care procedures.

Mr. McHugh stated that the proceeds of the Bonds proposed to be issued (the “Series 2025 Bonds”) will be used to finance the construction, renovation and equipping of the Hospital’s main facility in order to create a new heart and vascular center. Mr. McHugh testified that the demand for interventional and diagnostic cardiac procedures has increased beyond current capacity, and both physical space and equipment improvements are needed in order to serve a strong community need for cardiac care. Mr. McHugh stated that the current cath lab is located on the first floor of the Hospital while the interventional radiology (IR) lab is located on a separate floor. The new Heart and Vascular Center will include two state-of-the-art cath labs, one state-of-the-art IR lab, 12 patient bays for prep and recovery and will relocate the two labs to one location which will create greater efficiency, reduce wait times, and improve access to lifesaving treatments. In conclusion, Mr. McHugh stated that the bond proceeds may also be used to pay for miscellaneous capital expenses and the cost of issuance of the Series 2025 Bonds.

The next witness was Kenneth Matsis, Senior Vice President of Finance and Chief Financial Officer of the Hospital. Mr. Matsis stated that the Series 2025 Bonds are planned to be issued in a private placement with a financial institution which is expected to be TD Public Finance, LLC. The bonds are expected to mature in approximately ten years and carry a fixed rate of interest. Mr. Matsis testified that under a Loan Agreement with the Authority, the Hospital will be required to carry blanket fire and extended coverage as well as general liability insurance and professional liability insurance. Mr. Matsis explained that, in his view, the Project will be of public use and benefit and will permit the Hospital to continue to render an appropriate level of service to its current and future patients. Based upon his position as Senior Vice President of Finance and Chief Financial Officer at the Hospital and his familiarity with the finances of the Hospital and Southern New Hampshire Health System, Inc. (the “System”) which will also be obligated on the

Series 2025 Bonds as a member of the Obligated Group, he stated his opinion that the Hospital and the System would be able to meet their financial obligations under the proposed bond issue and that the Hospital and the System are currently operating in a financially responsible manner.

Bonnie S. Payette was the final witness called. She stated that she is the Executive Director 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 proposed financing for the Hospital. She testified that the Authority adopted a resolution on September 9, 2025, approving the issuance of the Series 2025 Bonds for the benefit of the Hospital in an amount not to exceed \$25 million dollars and that the resolution is 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 Series 2025 Bonds and a Loan Agreement intended for execution between the Hospital and the Authority. She stated that there will be a provision in the Loan Agreement under which the Hospital will be obligated to hold and use the Project for healthcare purposes so long as the Series 2025 Bonds are outstanding. She testified that there will be language in the Bond Indenture requiring that each Series 2025 Bond issued by the Authority for Southern New Hampshire Medical 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 Series 2025 Bonds, as well as the cost 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

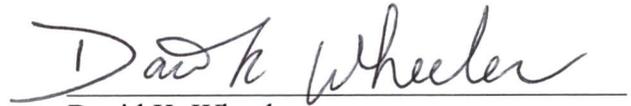
Upon the testimony submitted at the hearing, and upon consideration, I find as follows:

- (1) The construction and acquisition of the Project, as the same is described in such testimony, will enable and assist the Southern New Hampshire Medical Center (herein called the “Hospital”), a voluntary and not-for-profit corporation which is licensed by the New Hampshire Department of Health and Human Services and located in Nashua, 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 Hospital, 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 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 for the payment of all costs of operation, maintenance and upkeep of the Project by the Hospital 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 Hospital 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 or notes issued to refund and refinance such bonds

or notes, have not been fully paid and retired and all other conditions of the resolution or trust agreement authorizing and securing the same have been satisfied and the lien of such resolution or trust agreement has been released in accordance with the provisions thereof; and

- (6) The construction and acquisition of the Project, as the same is described in such testimony, 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 described in the testimony serves a need presently not fulfilled in providing healthcare facilities within the State and is of public use and benefit.

Dated: September 11, 2025

A handwritten signature in cursive script that reads "David K. Wheeler". The signature is written in black ink and is positioned above a horizontal line.

David K. Wheeler
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 David K. Wheeler, 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 Southern New Hampshire Medical Center, a voluntary not-for-profit hospital licensed by the New Hampshire Department of Health and Human Services which is located in Nashua, New Hampshire and provides healthcare facilities within the State of New Hampshire. The hearing was held on September 11, 2025 following public notice published in the New Hampshire Union Leader on September 4, 2025, in Conference Room A/B/C/D of Southern New Hampshire Medical Center, 10 Prospect Street, Nashua, New Hampshire at 9:00 a.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 obligations described herein and in the hearing conducted by the Authority on September 11, 2025, and as described in Notice of Public Hearing published on September 4, 2025 in the New Hampshire Union Leader.

Dated: October 1, 2025

Governor: Kelly A. Ayotte

Councilor: Joseph D. Kenney

Councilor: Karen Liot Hill

Councilor: Janet Stevens

Councilor: John Stephen

Councilor: David K. Wheeler