3B - 9/16/26

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

August 25, 2026

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 John Stephen with regard to a certain project in participation with Elliot Hospital, Manchester, NH.

EXPLANATION

This item is submitted pursuant to a request by the New Hampshire Health and Education Facilities Authority. Councilor Stephen has requested that this be placed on the agenda as a regular item for the Wednesday, September 16, 2026 meeting for ratification by the Governor and Council.

Sincerely,

Charles M. Arlinghaus
Commissioner

CMA/dph

Attachment

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August 24, 2026

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

RE: ***Business Finance Authority of the State of New Hampshire Revenue Bonds Elliot Hospital Issue, Series 2026***

Dear Commissioner Arlinghaus:

I enclose an original and one copy of the Report and Findings of Councilor John Stephen with regard to a certain project in participation with Elliot Hospital of the City of Manchester, located in Manchester, New Hampshire. Councilor Stephen has requested that this be placed on the agenda for ratification by the Governor and Council at their meeting scheduled for Wednesday, September 16, 2026.

Thank you for your assistance in this matter.

Very truly yours,

William C. Tucker

WCT/ath
Enclosures

REPORT
AND
FINDINGS
OF

JOHN STEPHEN, designee of the Governor and Council of The State of New Hampshire, under the provisions of Chapter 195-D of the New Hampshire Revised Statutes Annotated, as amended (the "Act") on the undertaking by the Business Finance Authority of the State of New Hampshire, (the "Authority") of a certain project in participation with **ELLIOT HOSPITAL OF THE CITY OF MANCHESTER**, of Manchester, New Hampshire, pursuant to said Act.

Introductory

The Business Finance Authority of the State of New Hampshire (hereafter referred to as the "Authority"), requested of Governor Kelly A. Ayotte and the Executive Council that a hearing be held pursuant to 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 Elliot Hospital of the City of Manchester, a not-for-profit charitable corporation incorporated under New Hampshire law and operating hospital facilities located in Manchester, New Hampshire (the "Hospital" or "Elliot"), 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 refinancing of certain indebtedness (collectively, 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 August 12, 2026, the hearing was held commencing at 1:00 p.m. on Monday, August 24, 2026, in my office at 814 Elm Street, Suite 390, Manchester, New Hampshire. All witnesses were duly sworn. A summary of testimony presented at the hearing follows:

Summary of Testimony

Michael S. Turilli, the Senior Vice President and Chief Financial Officer of the Elliot, was the first witness. He described the Elliot as a not-for-profit corporation organized under New Hampshire law exclusively for charitable purposes.

Mr. Turilli stated that the Hospital is licensed for 296 beds of which 250 are currently staffed. He described the Hospital as providing, in conjunction with its Elliot Health System affiliates, a broad spectrum of inpatient and outpatient services at the Hospital's main campus in Manchester. The Hospital is a premier health care provider in many disciplines and is the designated Level II Regional Trauma Center for the greater Manchester area. The main campus is also home to the Solinsky Center for Cancer Care, the Max K. Willscher Urology Center and the area's only Level III Neonatology. The Hospital also operates urgent care centers in Londonderry, Bedford, and at its River's Edge Ambulatory Care Center in Manchester.

Mr. Turilli testified that the Project involves the refinancing of the Hospital's outstanding revenue bonds, New Hampshire Health and Education Facilities Authority Revenue Bonds, Elliot Hospital Issue Series 2016 (the "Prior Bonds"), the proceeds of which were used to refund earlier bond issues and other financings which were used to (i) finance the construction and equipping of the River's Edge Ambulatory Care Center, (ii) fund the renovation and equipping of the Hospital's main campus, and (iii) fund other renovations, equipment purchases, and other capital improvements to the Hospital's facilities. Proceeds of the Authority's 2026 Bonds (the "Bonds") may also be used to fund a debt service reserve fund and pay costs of issuing the Bonds.

Mr. Turilli stated that the Bonds will be issued in an amount not exceeding $112,000,000, will have fixed rates of interest and will mature in approximately 12 years. The Bonds are expected to be sold in a public offering underwritten by Barclays Capital Inc., but if market conditions indicate, the Bonds may be sold in a private placement. Mr. Turilli stated that the Bonds are expected to result in a savings in excess of 5% to the Hospital, which equates to an expected savings of over $5,000,000 over the twelve-year life of the Bonds.

Mr. Turilli confirmed that, under the Loan Agreement with the Authority, the Hospital will be required to continue to carry blanket, fire, and extended coverage as well as general liability insurance.

Mr. Turilli testified that based on his position as Senior Vice President and Chief Financial Officer of Elliot and his familiarity with the finances of Elliot, it is his opinion that Elliot will be able to meet its financial obligations under the Series 2026 Bonds and the Hospital is currently operating in a financially responsible manner. Mr. Turilli concluded his testimony by stating that it is his opinion that the Project is necessary to provide the Hospital's patients and other clients with appropriate health care facilities and services and the Project will be of public use and benefit.

Bonnie S. Payette was the final witness called. She stated that she is employed by the Authority and oversees the lending to and bond issuances for non-profit organizations. In her position with the Authority, 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 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 August 17, 2026, approving issuance of bonds for Elliot Hospital of the City of Manchester.

Ms. Payette testified that certain documents are being prepared for execution in connection with the Project. She stated that there will be provisions in the bond documents under which the Hospital will be obligated to hold and use the Project for healthcare purposes so long as the

Series 2026 Bonds are outstanding, and to maintain appropriate insurance coverages. She testified to language which will be in the Bond Indenture which will require that each bond issued by the Authority for Elliot Hospital of the City of Manchester 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 at 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 refinancing of existing indebtedness, as the same is described in such testimony, will enable and assist Elliot Hospital of the City of Manchester (herein called the "Hospital"), a not-for-profit participating healthcare institution located in Manchester, 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 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 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 obligations 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 Business Finance Authority of the State of New Hampshire (herein called the "Authority") to finance the cost of the Project, including any refunding bonds or obligations issued to refund and refinance such bonds or obligations, 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 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 refinancing of existing indebtedness will assist the Hospital in lowering the cost of providing healthcare services within the State.

Dated: August 24, 2026

John Stephen
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 John Stephen, the Designee of the Governor and Council to hold a hearing and make findings pursuant to Section 21 of the Business Finance Authority of the State of New Hampshire 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 Business Finance Authority of the State of New Hampshire by Elliot Hospital of the City of Manchester, a not-for-profit hospital licensed by the State of New Hampshire and located in Manchester, New Hampshire. The hearing was held commencing at 1:00 p.m. on Monday, August 24, 2026, in the office of Councilor John Stephen at 814 Elm Street, Suite 390, Manchester, New Hampshire.

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 bond obligations described herein and in the Notice of Public Hearing published on August 12, 2026, in the New Hampshire Union Leader.

Dated: September 16, 2026

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Governor: Kelly A. Ayotte

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Councilor: Joseph D. Kenney

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Councilor: Karen Liot Hill

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Councilor: Janet Stevens

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Councilor: John Stephen

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Councilor: David K. Wheeler