



# State of New Hampshire

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DEPARTMENT OF ADMINISTRATIVE SERVICES  
OFFICE OF THE COMMISSIONER  
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Concord, New Hampshire 03301

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May 19, 2016

Her Excellency, Governor Margaret Wood Hassan  
and the Honorable Council  
State House  
Concord, New Hampshire 03301

### REQUESTED ACTION

Approval of the Report and Findings of Councilor Colin Van Ostern with regard to a certain project in participation with Dublin School, Inc., Dublin, New Hampshire.

### EXPLANATION

This item is submitted pursuant to a request by the New Hampshire Health and Education Facilities Authority. Councilor Van Ostern has requested that this be placed on the agenda as a regular item for the Wednesday, June 1, 2016 meeting for ratification by the Governor and Council.

Sincerely,

Vicki V. Quiram  
Commissioner

VVQ/dph

Attachment

**REPORT  
AND  
FINDINGS  
OF**

**COLIN VAN OSTERN**, 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 **DUBLIN SCHOOL, INC.**, Dublin, New Hampshire, pursuant to said Act.

**Introductory**

The New Hampshire Health and Education Facilities Authority (hereafter referred to as the “Authority”), requested of Governor Maggie Hassan 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 (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 Dublin School, Inc. an independent boarding and day school that is located in Dublin, New Hampshire (the “Borrower” or the “School”). Such application seeks the participation of the Authority, under the Act, in the financing of the construction, equipping, and furnishing of a new dormitory building, a new administration building and other capital projects at the School’s main campus facility (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 May 2, 2016, the hearing was held commencing at 9:00 a.m. on Monday, May 16, 2016, in the Conference Room of the Authority, located at 54 South State Street, Concord, New Hampshire. All witnesses were duly sworn. A summary of testimony presented at the hearing follows:

### **Summary of Testimony**

Jennifer Whitesel, the Business Manager of Dublin School, Inc., was the first witness. She described the School as an independent boarding and day school organized under New Hampshire law exclusively for charitable purposes.

Ms. Whitesel stated that the School has operated in Dublin since 1935. The School is an independent boarding and day school that serves grades 9 through 12 and has an enrollment of approximately 155 students, of which approximately 72% are boarding students, and 28% are day students. Ms. Whitesel also stated that the School has a 4:1 teacher to student ratio and an average class size of eight to twelve students. The School is accredited by the New England Association of Schools and Colleges (NEASC). The School is a Member of The Association of Boarding Schools (TABS), the National Association of Independent Schools (NAIS), Independent School Association of Northern New England (ISANNE) and Association of Independent Schools in New England (AISNE).

Ms. Whitesel testified that the Project will consist of the construction, equipping and furnishing of a new administration building of approximately 4,400 square feet, a dormitory building for the housing of twenty-four students and three faculty apartments, an addition of approximately 400 square feet to the existing recital hall and the renovation of two faculty houses. Additionally, bond proceeds will be used to finance routine capital expenditures and miscellaneous construction, renovation, improvements and equipping of the school's facilities and to fund capitalized interest, if any, with respect to the Bonds. Ms. Whitesel further testified that bond proceeds will also be used to pay certain costs of issuing the Bonds.

Ms. Whitesel stated that the Borrower expects the Bonds to be issued in a principal amount not to exceed \$4 million. The School expects to have the Bonds issued as a private placement with TD Bank, N.A. The Bonds are expected to mature in no more than twenty (20) years.

Ms. Whitesel testified that, under the Loan Agreement with the Authority, the School will be required to maintain appropriate insurance coverage.

Ms. Whitesel explained that the Project would be of public use and benefit and would expand the School's facility, providing it with an increased capacity for its boarding students and better allowing it to serve its students' needs. Based upon her position as Business Manager of the School, she stated her opinions that the Borrower would be able to meet its financial obligations under the proposed bond issue and that the School is currently operating in a financially responsible manner.

David C. Bliss was the final witness called. He stated that he 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 his capacity as Executive Director, he has become acquainted with the Project and the details of its financing, having worked closely with the Borrower's officers in developing the financial arrangements to be reflected in the bonds proposed to be issued. He 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. He testified that the Authority adopted a resolution on April 21, 2016, approving issuance of bonds for Dublin School, Inc.

Mr. Bliss testified that certain documents are being prepared for execution in connection with the Project. He stated that there is a provision in the Loan Agreement under which the Borrower will be obligated to hold and use the Project for educational purposes so long as the

Bonds are outstanding. He testified to the language in the bond documents which will require that each bond issued by Dublin School, Inc. 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.

Mr. Bliss 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.

Mr. Bliss concluded his testimony by stating that, based on his familiarity with the statute under which the Authority operates, on his 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 Dublin School, Inc. (the "Borrower"), an independent boarding and day school that is located in Dublin, New Hampshire, to provide educational services within the State of New Hampshire (the "State"); and

(2) The Project will be leased to, or owned by, the Borrower, 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; 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

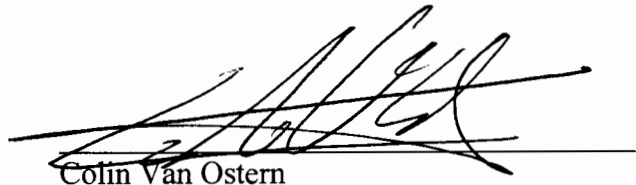
issuance of bonds or notes for the payment of all costs of operation, maintenance and upkeep of the Project by the Borrower so that under no circumstances will the State be obligated, directly or indirectly, for the payment of such costs; and

(5) Adequate provision has been made to obligate the Borrower 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 (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 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 services within the State and is of public use and benefit.

Dated: May 16, 2016



Colin Van Ostern  
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 Colin Van Ostern, 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 (the "Authority") by Dublin School, Inc., an independent boarding and day school that is located in Dublin, New Hampshire and provides educational services within the State of New Hampshire. The hearing was held on Monday, May 16, 2016, in the Conference Room of the Authority, 54 South State Street, Concord, New Hampshire, at 9:00 o'clock in the morning.

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, as described in the Notice of Public Hearing published on May 2, 2016.

Dated: June 1, 2016

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Governor and Council:

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