



VICKI V. QUIRAM  
Commissioner  
(603) 271-3201

MAY 19 '16 AM 10:08 DRG 3C dm

# State of New Hampshire

DEPARTMENT OF ADMINISTRATIVE SERVICES  
OFFICE OF THE COMMISSIONER  
25 Capitol Street – Room 120  
Concord, New Hampshire 03301

JOSEPH B. BOUCHARD  
Assistant Commissioner  
(603) 271-3204

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

## 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, June 1, 2016 meeting for ratification by the Governor and Council.

Sincerely,

Vicki V. Quiram  
Commissioner

VVQ/dph

Attachment

**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 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 (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 not-for-profit hospital located in Nashua, New Hampshire (the “Hospital” or “Southern New Hampshire”), which is licensed by the 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 financing of certain capital equipment and certain routine capital expenditures by the Hospital (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 May 3, 2016, the hearing was held commencing at 10:00 a.m. on Tuesday, May 17, 2016, in the Nashua Room of Southern New Hampshire

Medical Center, 8 Prospect Street, Nashua, New Hampshire. All witnesses were duly sworn. A summary of testimony presented at the hearing follows:

**Summary of Testimony**

Paul Trainor, the Vice President of Finance and Controller of the Hospital, was the first witness. He described the Hospital as a not-for-profit corporation organized under New Hampshire law exclusively for charitable purposes.

Mr. Trainor stated that the Hospital is licensed for 188 beds, of which 116 beds are medical/surgical, 8 beds are pediatric, 11 beds are intensive/coronary care, 23 beds are obstetrics/gynecology, and 30 beds are behavioral health. Mr. Trainor 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 11 other communities and a secondary service area consisting of some 11 communities.

Mr. Trainor 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 and Germanischer Lloyd (DNV GL). 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. Trainor stated that the Hospital plans to lease certain capital equipment through a tax exempt equipment lease which is expected to be with Banc of America Public Capital Corp. The lease will be in a principal amount not to exceed \$12 million and will have a seven year term. Lease proceeds will be used for medical, information technology, telecommunication, and other equipment.

Mr. Trainor testified that, under the Lease Agreement with the Authority, the Hospital will be required to continue to carry appropriate insurance coverage.

Mr. Trainor explained that, in his view, the Project would be of public use and benefit and would permit the Hospital to continue to render an appropriate level of service to its current and future patients. Based upon his position as Vice President of Finance and Controller at Southern New Hampshire, he stated his opinion that the Hospital would be able to meet its financial obligations under the proposed lease and that the Hospital is currently operating in a financially responsible manner.

David Bliss was the final witness called. He stated that he 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 his capacity as Executive Director he has become acquainted with the Project and the details of its financing, having worked with the Hospital's officers in developing the financial arrangements to be reflected in the lease proposed to be issued. He stated that the Authority plans to enter into the lease, subject to compliance being had with all laws bearing upon such lease and the advice of counsel, including Bond Counsel. He testified that the Authority adopted a resolution on April 21, 2016, approving the lease for Southern New Hampshire Medical Center.

Mr. Bliss testified that certain documents are being prepared for execution in connection with the Project, including the Master Lease Agreement to be entered into among the Authority, the Hospital, and the lessor which is expected to be Banc of America Public Capital Corp. He stated that there is a provision in the lease under which the Hospital is obligated to hold and use the Project for healthcare purposes so long as the lease is outstanding. He testified to the language of the lease which requires that neither the State of New Hampshire nor any political subdivision

thereof shall be obligated to pay the principal of or interest on the lease obligations, other than from revenues provided by the Hospital, and neither the faith or credit nor the taxing power of the State of New Hampshire or any political subdivision thereof is pledged to the payment of the principal of or interest under the lease.

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 Southern New Hampshire Medical Center (herein called the "Hospital"), a not-for-profit hospital which is licensed by the 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 construction and the 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 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 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 healthcare facilities within the State and is of public use and benefit.

Dated: May 17, 2016

A handwritten signature in black ink that reads "David K. Wheeler". The signature is written in a cursive style with a horizontal line underneath it.

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 not-for-profit hospital licensed by the 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 May 17, 2016 following public notice, in the Nashua Room of Southern New Hampshire Medical Center, 8 Prospect Street, Nashua, New Hampshire at 10:00 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 Notice of Public Hearing published on May 3, 2016.

Dated: June 1, 2016

\_\_\_\_\_  
Governor and Council:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**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 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 (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 not-for-profit hospital located in Nashua, New Hampshire (the “Hospital” or “Southern New Hampshire”), which is licensed by the 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 financing of certain capital equipment and certain routine capital expenditures by the Hospital (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 May 3, 2016, the hearing was held commencing at 10:00 a.m. on Tuesday, May 17, 2016, in the Nashua Room of Southern New Hampshire

Medical Center, 8 Prospect Street, Nashua, New Hampshire. All witnesses were duly sworn. A summary of testimony presented at the hearing follows:

**Summary of Testimony**

Paul Trainor, the Vice President of Finance and Controller of the Hospital, was the first witness. He described the Hospital as a not-for-profit corporation organized under New Hampshire law exclusively for charitable purposes.

Mr. Trainor stated that the Hospital is licensed for 188 beds, of which 116 beds are medical/surgical, 8 beds are pediatric, 11 beds are intensive/coronary care, 23 beds are obstetrics/gynecology, and 30 beds are behavioral health. Mr. Trainor 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 11 other communities and a secondary service area consisting of some 11 communities.

Mr. Trainor 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 and Germanischer Lloyd (DNV GL). 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. Trainor stated that the Hospital plans to lease certain capital equipment through a tax exempt equipment lease which is expected to be with Banc of America Public Capital Corp. The lease will be in a principal amount not to exceed \$12 million and will have a seven year term. Lease proceeds will be used for medical, information technology, telecommunication, and other equipment.

Mr. Trainor testified that, under the Lease Agreement with the Authority, the Hospital will be required to continue to carry appropriate insurance coverage.

Mr. Trainor explained that, in his view, the Project would be of public use and benefit and would permit the Hospital to continue to render an appropriate level of service to its current and future patients. Based upon his position as Vice President of Finance and Controller at Southern New Hampshire, he stated his opinion that the Hospital would be able to meet its financial obligations under the proposed lease and that the Hospital is currently operating in a financially responsible manner.

David Bliss was the final witness called. He stated that he 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 his capacity as Executive Director he has become acquainted with the Project and the details of its financing, having worked with the Hospital's officers in developing the financial arrangements to be reflected in the lease proposed to be issued. He stated that the Authority plans to enter into the lease, subject to compliance being had with all laws bearing upon such lease and the advice of counsel, including Bond Counsel. He testified that the Authority adopted a resolution on April 21, 2016, approving the lease for Southern New Hampshire Medical Center.

Mr. Bliss testified that certain documents are being prepared for execution in connection with the Project, including the Master Lease Agreement to be entered into among the Authority, the Hospital, and the lessor which is expected to be Banc of America Public Capital Corp. He stated that there is a provision in the lease under which the Hospital is obligated to hold and use the Project for healthcare purposes so long as the lease is outstanding. He testified to the language of the lease which requires that neither the State of New Hampshire nor any political subdivision

thereof shall be obligated to pay the principal of or interest on the lease obligations, other than from revenues provided by the Hospital, and neither the faith or credit nor the taxing power of the State of New Hampshire or any political subdivision thereof is pledged to the payment of the principal of or interest under the lease.

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 Southern New Hampshire Medical Center (herein called the "Hospital"), a not-for-profit hospital which is licensed by the 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 construction and the 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 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 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 healthcare facilities within the State and is of public use and benefit.

Dated: May 17, 2016

A handwritten signature in black ink, reading "David K. Wheeler", written over 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 not-for-profit hospital licensed by the 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 May 17, 2016 following public notice, in the Nashua Room of Southern New Hampshire Medical Center, 8 Prospect Street, Nashua, New Hampshire at 10:00 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 Notice of Public Hearing published on May 3, 2016.

Dated: June 1, 2016

\_\_\_\_\_  
Governor and Council:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_