



LINDA M. HODGDON  
Commissioner  
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# State of New Hampshire

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

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

November 25, 2013

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 Debora B. Pignatelli with regard to a certain project in participation with Peterborough Retirement Community at Upland Farm, Inc. d/b/a RiverMead, Peterborough, New Hampshire.

## EXPLANATION

This item is submitted pursuant to a request by the New Hampshire Health and Education Facilities Authority. Councilor Pignatelli has requested that this be placed on the agenda for the Friday, December 20, 2013 meeting for ratification by the Governor and Council.

Sincerely,

*Joseph Bouchard* Assistant Commissioner  
*Linda M. Hodgdon* Commissioner  
*for*

LMH/mcc

Attachment

**REPORT  
AND  
FINDINGS  
OF**

**DEBORA B. PIGNATELLI**, 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 **PETERBOROUGH RETIREMENT COMMUNITY AT UPLAND FARM, INC. d/b/a RIVERMEAD** of Peterborough, 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 Peterborough Retirement Community at Upland Farm, Inc. d/b/a RiverMead, a private, not-for-profit and charitable corporation (hereafter sometimes referred to as "RiverMead") operating a continuing care retirement community located in Peterborough, New Hampshire, which constitutes a "nursing home" as that term is defined in the Act. RiverMead 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 of RiverMead's existing indebtedness 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 Union Leader on November 8, 2013, the hearing was held commencing at 10:00 a.m. on Friday, November 22, 2013, in Conference Room 1 at RiverMead, 150 RiverMead Road,

Peterborough, New Hampshire. All witnesses were duly sworn. A summary of testimony presented at the hearing follows:

### **Summary of Testimony**

M. Karen Wirein, the Chief Financial Officer of RiverMead, was the first witness. She described RiverMead as a not-for-profit corporation which owns and operates a continuing care retirement community in Peterborough, New Hampshire. RiverMead opened in December, 1995 and was originally comprised of 114 independent living units (including 26 cottages), 53 assisting living units (including 17 special care beds), 27 skilled nursing beds, a wellness center and over 35,000 square feet of community and amenity space (the "Main Campus").

In 2012, RiverMead commenced construction of an expansion of its facilities, known as The Village, on land across the street from the Main Campus. The Village included 30 new independent living apartments, 10 new independent living cottages, 20 one- bedroom assisted living units, 30 indoor parking stalls, and a one story community center which includes dining, specialty areas, and amenity areas which are used by all residents of RiverMead. The Village was completed and opened to residents in early 2013.

Ms. Wirein testified that RiverMead earned accreditation from the Continuing Care Accreditation Commission in 2002. RiverMead's skilled nursing and assisted residential care facilities are licensed by the Department of Health and Human Services of the State of New Hampshire. In accordance with the provisions of New Hampshire law relating to continuing care retirement communities, RiverMead's nursing care beds are open only to residents of the community and their spouses and are not supported by the Medicaid program.

Ms. Wirein testified that the Bond proceeds would be used to refinance RiverMead's Series 1998 Bonds, the proceeds of which were used to refinance the Authority's 1994 Bonds, the proceeds of which were used to finance the purchase of land at 150 RiverMead Road, Peterborough, New Hampshire and the construction of the buildings and improvements which comprise the Main Campus. She further testified that bond proceeds may also be used to finance miscellaneous routine capital expenditures and to pay certain costs of issuing the Bonds. Ms.

Wirein testified that RiverMead expects to issue no more than \$17,500,000.00 of bonds. RiverMead expects to have the Bonds issued as a private placement and has received a commitment letter from People's United Bank to purchase the Bonds. The Bonds are expected to have a maturity of approximately 15 years.

Ms. Wirein testified that under the Loan Agreement with the Authority, RiverMead will be required to maintain appropriate insurance coverage. She further stated that the refinancing of the existing indebtedness would assist RiverMead in lowering the cost of providing continuing care retirement community facilities in New Hampshire. Based upon her position as Chief Financial Officer of RiverMead, she stated her opinion that RiverMead would be able to meet its financial obligations under the proposed bond issue and that RiverMead currently is operating in a financially responsible manner.

David C. Bliss was the second 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 with RiverMead'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 November 21, 2013, approving issuance of bonds for Peterborough Retirement Community at Upland Farm, Inc. d/b/a RiverMead.

Mr. Bliss testified that certain documents are being prepared for execution in connection with the Project. He stated that there will be a provision in the bond documents under which RiverMead is obligated to hold and use the Project for continuing care retirement community and health care purposes so long as the Bonds are outstanding. He testified to the language in the bond documents which requires that each bond issued by the Authority for Peterborough

Retirement Community at Upland Farm, Inc. d/b/a RiverMead 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 refinancing of existing indebtedness and the construction and acquisition of the Project, as the same is described in such testimony, will enable and assist Peterborough Retirement Community at Upland Farm, Inc. d/b/a RiverMead (herein called "RiverMead"), a not-for-profit continuing care retirement community located in Peterborough, New Hampshire, to provide continuing care (including nursing care) within the State of New Hampshire (herein called the "State"); and

(2) The Project will be leased to, or owned by, RiverMead, 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 costs of the Project and the refinancing of existing indebtedness related thereto; 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 relate; 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 RiverMead 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 RiverMead to hold and use the facilities being refinanced by 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 refinancing of existing indebtedness and the financing of capital expenditures constituting the Project will assist the Borrower in providing retirement community facilities and 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 and the financing of capital expenditures constituting the Project will assist the Borrower in providing retirement community facilities and healthcare facilities within the State and is of public use and benefit.

Dated: November 22, 2013

  
Debora B. Pignatelli, 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 Debora B. Pignatelli, 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 Peterborough Retirement Community at Upland Farm, Inc. d/b/a RiverMead, a not-for-profit continuing care retirement community which is located in Peterborough, New Hampshire. The hearing was held on November 22, 2013, following public notice, in Conference Room 1 at RiverMead, 150 RiverMead Road, Peterborough, New Hampshire at 10:00 o'clock in the forenoon.

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 Notice of Public Hearing published on November 8, 2013.

Dated: December 20, 2013

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Governor and Council:

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