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William F. Dwyer
STATE TREASURER

**THE STATE OF NEW HAMPSHIRE
STATE TREASURY**

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April 22, 2015

Her Excellency, Governor Margaret Wood Hassan
And the Honorable Council
State House
Concord, NH 03301

Requested Action

Adoption of the attached resolution pursuant to RSA 6:13 and RSA 6:13-b, permitting the State Treasurer to borrow up to \$200 million in general funds and up to \$15 million in highway funds on a short-term basis, is requested. The resolution allows the Treasurer to determine the most advantageous form of borrowing and to enter into such agreements as may be necessary to effect such borrowings, provided that the final maturity date does not exceed June 30, 2020 for general funds and a period of not more than one year for highway funds.

Explanation

The State historically faces an imbalance in its cash flows during the 3rd and 4th quarter of each fiscal year. This imbalance in cash flows is exacerbated by the 2014 Medicaid Enhancement Tax ("MET") settlement with medical care providers, resulting in the shifting of MET revenues from October to April of each fiscal year. This resolution provides the Treasurer with flexibility by authorizing a variety of borrowing mechanisms, including appropriate inter-fund borrowing and/or issuance of notes. The five-year authorization, through June 30, 2020, for any general fund borrowing undertaken pursuant to the resolution provides for additional flexibility needed when the State Treasury faces potential liquidity challenges.

This borrowing authorization is to address operating cash reserves in the event that they are depleted during the heavy disbursement period from January through June. Amounts borrowed will be repaid whenever it is projected that adequate cash reserves are available to meet current obligations, which typically occurs well in advance of fiscal year-end. At this time, no additional borrowings under this authorization are contemplated.

Respectfully,

William F. Dwyer
State Treasurer

The Governor and Council hereby certify that the attached resolutions were adopted at their meeting on May 6, 2015.

Governor

Councilor

Councilor

Councilor

Councilor

Councilor

A true copy

Attest:

Secretary of State

Resolved: that the State Treasurer is hereby authorized in accordance with RSA 6:13 to borrow from time to time on the State's credit such sums as may be necessary for the payment of obligations of the State, in an aggregate principal amount outstanding at any time, together with any amounts then outstanding pursuant to the resolution of the Governor and Council adopted March 10, 2010, not to exceed \$200,000,000. Said resolution of the Governor and Council adopted March 10, 2010 is hereby superseded by this resolution. As provided in RSA 6:13, the State Treasurer shall determine the form, amounts, dates, maturities and other details of the bonds or notes (the "General Fund Obligations") authorized hereunder, provided that the final maturity date of any such General Fund Obligations shall not be later than June 30, 2020.

Further Resolved: that the State Treasurer is hereby authorized in accordance with RSA 6:13-b to borrow from time to time on the State's credit for a period of not more than one year such sums as may be necessary for the payment of obligations of the State, in an aggregate principal amount outstanding at any time not to exceed \$15,000,000. As provided in RSA 6:13-b, the short term loans authorized hereunder (the "Highway Fund Obligations") shall be repaid from highway income or from federal reimbursement for highway purposes.

Further Resolved: that the State Treasurer is authorized to borrow on an interfund basis from available funds of the State or to provide for the sale of the General Fund Obligations and the Highway Fund Obligations (collectively, the "Obligations") to a purchaser or purchasers on a competitive sale basis, to an underwriter or syndicate of underwriters on a negotiated basis, or to a purchaser or purchasers on a private placement basis, or any combination thereof, as the State Treasurer shall deem appropriate and in the best interests of the State; to authorize distribution of a preliminary official statement, a notice of sale, preliminary private placement memorandum or offering memorandum, in connection with the marketing and sale of the Obligations, to execute and deliver a contract of purchase to the underwriter(s) on a negotiated basis or a placement agreement to the purchaser(s) on a private placement basis, and a final official statement, private placement memorandum or offering memorandum; and that the State Treasurer is authorized to execute and deliver all other documents and instruments necessary or convenient in connection with the issuance of the Obligations, including without limitation, an Information Statement or Supplement pertaining to the State.

Further Resolved: that, if the State Treasurer determines it to be advisable in connection with the sale of any Obligations pursuant to this resolution, in accordance with RSA 6:13, the State Treasurer is hereby further authorized to execute and deliver any agreements or amendments to existing agreements and all other documents and instruments necessary or convenient in connection with the issuance of the Obligations, in such forms as the State Treasurer deems appropriate.

Further Resolved: that if the Obligations are to be issued on a tax-exempt basis as shall be determined by the State Treasurer, the State Treasurer is authorized to covenant on behalf of the State that the State will pay any rebate due to the United States in connection with the issuance of the Obligations, and that the State will take all lawful action necessary to comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Obligations in order that interest on the Obligations be or continue to be excluded from gross income for federal income tax purposes.

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