



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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Commissioner
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June 5, 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 Christopher C. Pappas with regard to the purchase of certain capital equipment and the refinancing of certain existing indebtedness in connection with the Saint Anselm College, Goffstown, New Hampshire.

EXPLANATION

This item is submitted pursuant to a request by the New Hampshire Health and Education Facilities Authority. Councilor Pappas has requested that this be placed on the agenda for the Wednesday, June 5, 2013 meeting for ratification by the Governor and Council.

Sincerely,

Linda M. Hodgdon
Commissioner

LMH/rjk

Attachment

**REPORT
AND
FINDINGS
OF**

CHRISTOPHER C. PAPPAS, 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 **SAINT ANSELM COLLEGE** of Goffstown, 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 Saint Anselm College, a not-for-profit educational and charitable corporation incorporated by act of the New Hampshire Legislature and operating an institution for higher education known as Saint Anselm College located in Goffstown, New Hampshire (hereafter sometimes referred to as the "College" or "Saint Anselm") which is a participating educational institution under RSA 195-D:3. Such application seeks the participation of the Authority, under the Act, in 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 May 6, 2013, the hearing was held commencing at 10:00 a.m. on Tuesday, May 21, 2013 in Room 001 of Joseph Hall, Saint Anselm College, Goffstown, New Hampshire. All witnesses were duly sworn. A summary of testimony presented at the hearing follows.

Summary of Testimony

Harry E. Dumay, the Vice President for Finance and Chief Financial Officer of Saint Anselm College was the first witness. He stated that Saint Anselm College is a four-year liberal arts college located in Goffstown which awards the Bachelor of Arts degrees in Biology, Business and Economics, Chemistry, Classics, Computer Science, English, Fine Arts, History, Mathematics, Philosophy, Psychology, Sociology and Theology, among others. The College also awards a Bachelor of Science degree in Nursing. The College is involved in a 3-2 program in Engineering with the University of Notre Dame (Indiana), The Catholic University of America (Washington, D.C.), Manhattan College (Riverdale, New York) and the University of Massachusetts at Lowell, leading to a Bachelor of Arts degree from Saint Anselm and an engineering degree from the university involved.

The College is accredited by the New England Association of Schools and Colleges, Inc. It holds membership in the American Council on Education, the National Association of Independent Colleges and Universities, the Association of Catholic Colleges and Universities, the Association of American Colleges and Universities, the Association of Benedictine Colleges and Universities, the Council of Independent Colleges, and the Campus Compact for New Hampshire. In addition to its baccalaureate program in nursing, which is fully accredited by the New Hampshire Board of Nursing, Saint Anselm offers a hybrid RN to BSN degree program. The nursing program has been accredited by the Commission on Collegiate Nursing Education.

Mr. Dumay testified that the College enrolled 1918 full-time equivalent students for the 2012-2013 school year, some 1746 of whom resided on campus.

Mr. Dumay testified that the proceeds from the Authority's Revenue Bonds, Saint Anselm College Issue, (the "Series 2013 Bonds") will be used to finance certain of the College's capital expenditures over the next three years, including the construction, furnishing and equipping of an approximately 47,000 square foot new dormitory having approximately 87 rooms and housing approximately 150 students at an approximate cost of \$9,500,000 and

construction and equipping of an electrical substation. In addition to the Project costs, the Series 2013 Bond proceeds will be used to pay certain costs of issuing the Series 2013 Bonds.

Mr. Dumay stated that the College expects to issue up to \$15 million of Series 2013 Bonds (exclusive of any original issue discount). He testified that the College has engaged Piper Jaffray & Co. as its investment banker. Saint Anselm expects to have the Series 2013 Bonds issued in a public offering. The Series 2013 Bonds are expected to mature in thirty (30) years and will carry a fixed rate of interest.

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

Mr. Dumay explained that the improvements to be financed by the Series 2013 Bonds will be of public use and benefit and permit the College to continue to render an appropriate level of service to its current and future students. Finally, and based upon his position at the College, he stated his opinion that Saint Anselm would be able to meet its financial obligations under the proposed Series 2013 Bond issue and that the College is currently operating in a financially responsible manner.

Keith Morgan, a Managing Director with Piper Jaffray & Co., the College's investment banker, who testified by telephone, was the next witness. He stated that the Series 2013 Bonds are expected to be sold by way of a public offering without credit enhancement. The Series 2013 Bonds are expected to mature in approximately thirty (30) years. Mr. Morgan testified that he has become familiar with the College's finances as a result of his involvement with the College and that, based upon such familiarity, he is of the opinion that Saint Anselm is a financially responsible participating educational institution.

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 College's officers in developing the financial arrangements to be reflected in the bonds proposed to be issued. He testified that the Authority adopted a resolution on April 18, 2013, approving issuance of bonds for Saint Anselm College for the Project, subject to compliance being had with all laws bearing upon such issue and the advice of counsel, including Bond Counsel.

Mr. Bliss testified that certain documents are being prepared for execution in connection with the Project, including the Bond Indenture to be entered into between the Authority and the Trustee for the Series 2013 Bonds and the Loan Agreement intended for execution between the College and the Authority. He stated that there is a provision in the Loan Agreement under which the College is 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 Indenture which requires that each bond issued by the Authority for the Saint Anselm College 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 Series 2013 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 Saint Anselm College (herein called the "College"), a not-for-profit institution for higher education, to provide educational facilities within the State of New Hampshire (herein called the "State"); and

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

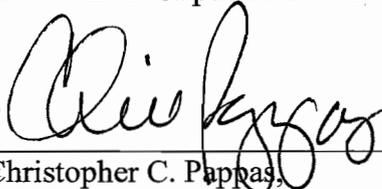
(4) Adequate provision has been, or will be, made in any lease or mortgage of the Project to be undertaken or any property leased or mortgaged in connection with the issuance of bonds or notes for the payment of all costs of operation, maintenance and upkeep of the Project by the College so that under 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 College 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 (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 or any 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 construction and acquisition of the Project serves a need presently not fulfilled in providing educational facilities within the State and is of public use and benefit; and

Dated: May 21, 2013



Christopher C. Pappas,
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 Christopher C. Pappas, 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 Saint Anselm College, a not-for-profit institution for higher education located in Goffstown, New Hampshire. The hearing was held on May 21, 2013, following public notice, in Room 001 of Joseph Hall, Saint Anselm College, 100 Saint Anselm Drive, Goffstown, New Hampshire at 11:00 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 bonds described herein, as described in the Notice of Public Hearing published on May 6, 2013.

Dated: June 5, 2013

Governor and Council
