MONTANA FACILITY FINANCE AUTHORITY

Board Meeting & Retreat

Red Lion Ridgewater Inn and Suites
209 Ridgewater Drive, Polson

July 18, 2016

MEMORANDUM

Montana Facility Finance Authority
Department of Commerce
2401 Colonial Drive, 3rd Floor
P.O. Box 200506, Helena MT 59620
(406) 444-0259

To: Members of the MFFA Board

From: Michelle Barstad, Adam Gill & Linda Wendling

Date: March 9, 2016

Subject: MFFA Board Meeting Wednesday, March 16, 2016

Enclosed, please find board meeting materials for our upcoming MFFA Board Meeting:

Monday, July 18, 2016
At the Red Lion Ridgewater Inn and Suites in Polson

The Board meeting will begin at 9:30 and will conclude with lunch. The rooms include a full breakfast buffet, featuring eggs, sausage links, waffles, biscuits & gravy, fruit, and a selection of cereals. We will then transition into the board retreat.

Several of the financings we expected to be before the board at this meeting have moved to the September meeting. The result is that we will be able to hold the board meeting and retreat all in the same day and conclude with dinner at the Marchi's.

ROOMS HAVE BEEN RESERVED FOR SUNDAY AND MONDAY NIGHTS for Bill, Kim, Matt, Dick, Joe and Bob. The Authority will pay for the rooms with the MFFA credit card, but additional charges will be on your individual credit cards. IF YOU WON'T BE STAYING EITHER SUNDAY OR MONDAY NIGHT, PLEASE NOTIFY ME SO I CAN CANCEL THE ROOM.

As you can see from the agenda, there will be two financings before the board and both are refinancing of existing debt.

Since this is our retreat and it is summer, attire will be VACATION casual.

As always, please call or write if you have any questions.

MONTANA FACILITY FINANCE AUTHORITY

Board Meeting
Red Lion Ridgewater Inn and Suites
209 Ridgewater Drive, Polson

July 18, 2016
9:30

MEETING AGENDA

9:30 I. CALL TO ORDER

A. Roll Call

II. PUBLIC COMMENT on Board Related Items (5 minutes)

III. FINANCINGS

(Tab 1) 9:40 A. North Valley Hospital (Stand Alone)

1. Loan Summary
2. Resolution No. 16-08

Joining in Person:

Randy Nightengale, CFO, NEMHS
Bob Murdo, Bond Counsel-Jackson, Murdo & Grant
Dennis Beams, Bond Purchaser-Glacier Bank
Jennifer Wheeler, Bond Purchaser-Glacier Bank

(Tab 2) 10:30 B. Marias Medical Center (MLP)

1. Loan Summary
2. Resolution No. 16-09

Joining in Person:

Randy Nightengale, CFO, Marias Medical Center
Kreg Jones, Placement Agent-DA Davidson

Joining by Phone:

Erin McCrady, Bond Counsel, Dorsey

BREAK

(Tab 3) 11:45 IV. GENERAL ADMINISTRATIVE

A. Approval of Meeting Minutes (05/24)

B. Financials

1. Budget -v- Actual
2. Revenue Graph
3. Staff Approved Loans

C. Gateway CONCLUSION

D. Upcoming and/or Potential Financings

V. MISCELLANEOUS

VI. CALENDAR

BOARD MEETINGS	CONVENTIONS
September 19	
	September 27 (travel) NAHEFFA Chicago, convention 28 - 29 (Jon, Dick, Michelle, TBD Larry?)
	September 28-29 MHA Billings (Adam)
December 5 – Dinner	
December 6 – Meeting	

CALL-IN INSTRUCTIONS

Call: 1-877-273-4202
Conference Room: 994 0970 #

LUNCH

BOARD RETREAT

1:00 Chuck Samuels

Retreat Discussion Topics:

- **Additional legislative authority**
- **Fees**
- **Personnel**

North Valley Hospital
Whitefish, Montana
Stand-Alone Private Placement
Loan Summary

ELIGIBLE HEALTH FACILITY

North Valley Hospital (the "Hospital") is a 25-bed critical access hospital located in Whitefish, Montana. The hospital has been in operation since 1955 and operates in an 84,000 square foot hospital that was built in 2009. The corporation includes the hospital, two primary care clinics (Columbia Falls and Eureka), a midwife clinic in Kalispell, a psychiatric clinic, a geriatric clinic, and an outpatient physical therapy practice. The Hospital is exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code

The Hospital entered into an affiliation agreement with Kalispell Regional Healthcare System ("KRHS"). Effective May 1, 2016, KRHS became the sole member of the North Valley Hospital Corporation. The Hospital will retain its Foundation and have its own Board of Trustees.

PROJECT AND COST

The financing will refund the Hospital Revenue Bonds Series 2012 and 2014. The affiliation with KRHS will allow the Hospital to access credit on improved terms, allowing for a reduced rate and an extended maturity. The details of the financing are below:

Sources:		
Issue Series 2016 Bonds		20,775,000
TOTAL	**$**	**20,775,000**
Uses:		
Refund Series 2012 Bonds		19,211,452
Refund Series 2014 Bond		1,463,190
Cost of Issuance		100,358
TOTAL	**$**	**20,775,000**

PROGRAM Stand Alone Private Placement to Glacier Bank

LOAN TERM 15 years

INTEREST RATE 2.85% for 10 years, then resetting to the current 5-year Federal Home Loan Bank (FHLB) Index (Intermediate/ Long-Term, Fixed-Rate Advance, Bullet Rate) plus 2.25% for the last 5 years. The rate has a floor of 2.85% and a ceiling of 5.55%.

CLOSING DATE August

SECURITY Mortgages on the Hospital properties in Whitefish, Columbia Falls and Eureka as well as a UCC on the equipment and furnishings.

RATING North Valley Hospital is an affiliate of Kalispell Regional Healthcare System which is the umbrella corporation for Kalispell Regional Medical Center. The terms of the financing include a requirement from KRHS to guaranty the loan. Rating agencies consider the full financial portfolio of an organization including affiliates when assessing a rating. Kalispell Regional Medical Center has a rating from Standard and Poor of A- with a Stable Outlook that was affirmed in December 2015. In addition, Standard & Poor was aware of the possible affiliation at the time the rating was reviewed

INVESTOR LETTER

Glacier Bank Corp is considered a "sophisticated investor" and will perform its own due diligence and internal analysis of the Hospital's ability to repay the debt. Glacier Bank will sign an investor letter indicating that it is satisfied that all of its questions have been appropriately answered.

UTILIZATION

	FY 2012	FY 2013	FY 2014	FY 2015
Admissions	1,446	1,529	1,544	1,618
Total Patient Days	4,874	4,916	4,831	4,743
Avg. Length of Stay	3.1	3.2	3.1	2.9
Births	482	469	498	541
Surgeries	1,997	2,007	1,931	1,913
Emergency Room Visits	7,646	7,736	7,316	7,558
P.T. Procedures	6,718	6,444	7,291	7,919
Respiratory Procedures	3,627	3,388	5,764	3,697
Lab Tests	114,242	121,918	119,898	123,208
Imaging	18,246	17,828	18,258	18,809

PAYOR MIX

	FY 2013	FY 2014	FY 2015	FY 2016
Commercial	43%	39%	37%	39%
Medicare	32%	36%	38%	36%
Medicaid	11%	10%	13%	15%
Other Government	3%	2%	3%	2%
Private Pay	11%	12%	10%	8%

COMPETITION

As the Hospital is now an affiliate of KRHS, it is no longer in direct competition with it. KRHS currently operates, manages or is affiliated with hospitals in Kalispell, Whitefish, and Libby, effectively encompassing the Hospital's primary service area. According to Standard & Poor, prior to the affiliation, North Valley held 11% of the regional market, with KRHS managed or affiliated hospitals holding 84%. The nearest regional competitors are St. Joseph Hospital in Polson (65 miles), St. Luke Community Hospital in Ronan (75 miles) and Clark Fork Valley Hospital in Plains (95 miles).

GOVERNANCE

The Hospital is governed by a board of directors consisting of not less than 10 and not more than 15 individuals. At least five board seats must be held by physicians. One physician seat and one community member seat are held by appointed representatives of Kalispell Regional Health System. Other community member seats are selected for experience and relevant areas of interest and expertise. The President of the Medical Staff serves as an Ex-Officio Director with voting privileges.

Each elected Director holds office for a term of three years for a maximum of three consecutive terms and until a successor is elected. The President of the Medical Staff's term is for as long as the individual holds that particular title.

MANAGEMENT

Tate Kreitinger was appointed interim CEO of North Valley Hospital in 2016.   Prior to that he served as Vice President of Finance and Business Development at Kalispell Regional Healthcare since May 1, 2004, and in April, 2008 was named CEO for The Health Center (a specialty surgery and outpatient clinic that is a joint venture between KRHS and local physicians). Prior to his current positions at KRHS, Mr. Kreitinger was Chief Financial Officer for Community Medical Center, Missoula, Montana, and served in management positions beginning in 1989 with four other healthcare systems in North Dakota and Minnesota. He received his M.B.A. from St. Thomas University, St. Paul, Minnesota, his undergraduate degree in Accounting from North Dakota State University, Fargo, North Dakota and his degree in Healthcare Administration from Concordia College, Moorehead, Minnesota.

Randy Nightengale has served as the CFO of North Valley Hospital as well as the Regional CFO for Kalispell Regional Medical Center since 2011. Prior to North Valley Hospital, he served as CFO in Critical Access Hospitals in Kansas and Colorado and carries over a decade of experience.   He holds a Masters of Science in Accounting from Tabor College-Wichita and a Bachelor of Arts in Business Administration from Tabor College-Hillsboro. He is a Certified Public Accountant and a Certified Health Care Professional by the Healthcare Financial Management Association.

Christina Thomas, RN, MHA, ACHE, Chief Operations Officer has had a 35 year career in healthcare including 33 years as Registered Nurse and 27 years in leadership roles.   Her experience includes a range of clinical areas including subacute, acute and outpatient services, and serving in Director and Executive capacities. She has been at North Valley Hospital for the past 2 1/2 years as the Chief Clinical Officer and in her current role as Chief Operations Officer for approximately one year.

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HISTORICAL FINANCIALS

Audited Financials as of 6/30	2013	2014	2015
Assets			
Cash & Cash Equivalents	6,760,698	2,688,399	5,161,364
Investments	-	-	-
Receivables	6,958,612	7,924,496	6,956,991
Inventory	1,306,538	951,111	1,042,237
Current Assets Whose Use is Limited	48,567	684,151	732,639
Eletronic Health Record Incentive	-	3,290,030	164,821
Other Current Assets	668,686	1,222,291	1,425,225
Total Current Assets	**$15,743,101**	**$16,760,478**	**$15,483,277**
Fixed Assets (net of depreciation)	29,727,240	31,260,564	30,225,860
Board Designated Funds	4,291,751	4,319,776	3,345,679
Assets Held in Trust	2,057,540	400,126	397,372
Other Assets	1,660,246	1,628,786	1,339,294
Total Assets	**$53,479,878**	**$54,369,730**	**$50,791,482**
Liabilities			
Accounts Payable & Accrued Expenses	5,933,345	6,793,664	6,753,379
Current Portion of Long-Term Debt	1,318,605	1,372,327	1,426,057
Other Current Liabilities	144,899	63,129	-
Total Current Liabilities	**$7,396,849**	**$8,229,120**	**$8,179,436**
Long-Term Debt	22,012,268	20,637,522	19,956,353
Other Long-Term Liabilities	-	-	-
Unrestricted Fund Balance	22,624,434	23,874,302	21,316,399
Restricted Fund Balance	1,446,327	1,628,786	1,339,294
Total Liabilities & Fund Balance	**$53,479,878**	**$54,369,730**	**$50,791,482**
Revenue and Expense			
Net Patient Service Revenue	41,319,714	42,917,769	45,069,765
Eletronic Health Record Incentive	436,036	3,290,030	35,015
Other Operating Revenue	431,315	641,480	698,134
Interest	983,748	931,273	892,892
Depreciation & Amortization	3,105,061	4,020,065	4,614,072
Salary & Benefits	18,213,899	20,721,569	23,587,034
Other Operating Expenses	18,579,043	21,595,689	19,833,767
Operating Income	**$1,305,314**	**($419,317)**	**($3,124,851)**
Gain on Sale of Ins Company	-	1,507,522	85,609
Other Nonoperating Revenue	487,990	161,663	481,339
Excess of Revenue Over Expenses	**$1,793,304**	**$1,249,868**	**($2,557,903)**

Key Ratios	2013	2014	2015	Moody's Baa FY 2014 Median Ratios
Days Cash on Hand	106.79	59.15	70.07	151.0
Days in Patients Accounts Receivable	59.87	56.66	45.71	47.3
Cushion Ratio (x)	4.91	3.11	3.76	12.0
Current Ratio (x)	2.13	2.04	1.89	2.2
Operating Margin	3.09%	-0.90%	-6.82%	1.3%
Excess Margin	4.20%	2.58%	-5.52%	3.9%
Debt to Capitalization	49.31	46.36	48.35	42.7
Debt Service Coverage (x)	2.61	2.76	1.30	3.6
Average Age of Plant	7.54	6.75	6.85	11.0

INTERIM FINANCIALS

Interim/unaudited financials for ten months ended April 30, 2016 show a year-to-date operating loss of $940,316, which compares to a prior period net operating loss of $1,085,856 for a total variance of $145,540. Roughly $600,000 of the FY 2016 operating loss was due to the accrual of tail insurance premiums payable upon termination of liability policies being transferred to KRHS.

Non-Operating Income of $555,545 offsets the net loss and brings it down to $384,771. This compares favorably to the budgeted net loss of $670,599.

FINANCIAL OBSERVATIONS

Revenues

The hospital has seen solid growth in patient revenues since FY 2013. Revenue has grown from $41.3 million in FY 2013 to an annualized net revenue of $51.5 million in FY 2016, an increase of $10.2 million in three years. In addition to net revenue growth, Days in Accounts Receivable has decreased since FY 2013 to an annualized 40.5 days for the period ending April 30, 2016.

The growth in revenue is partially offset by the increase in salary and benefits which has grown from $18.2 million in FY 2013 to an annualized amount of $26.45 million in FY 2016. This has been driven by expanded hiring to meet local demand , implement the electronic health records and staff the new Columbia Falls clinic.

Income

While FY 2015 shows a decline in net income relative to FY 2014, it should be noted that FY 2014 net income was boosted by $3.2 million from the electronic health record incentive and a gain of $1.5 million from the sale of the mutual insurance agency that the Hospital was a member of. The same sources only provided a total of $120,624 in FY 2015, a drastic reduction compared to the $4.8 million received in FY 2014.

Debt Service Coverage

The Debt Service Coverage has declined since FY 2013 to 1.30x in part from new lending to finance the Columbia Falls clinic and the overall decline in net income which is due to capital outlays and increased staffing to accommodate the change to electronic health records.

Outstanding/Past MFFA Loans

Series	Original Issue	Outstanding 6/30/2016	Maturity	Project
Stand Alone Revenue Bond, Series 2012	$ 25,000,000	$ 19,211,452	2/2/2027	Refund 2009 Taxable HUD Insured Loan
Stand Alone Revenue Bond, Series 2014	$ 1,500,000	$ 1,463,190	12/20/2030	Construct Columbia Falls Professional Center

Foundation

The North Valley Hospital Foundation was formed in 1999 for the sole purpose of supporting North Valley Hospital operations and assisting with capital. The foundation has assets of approximately $1.55 million as of June 30, 2015.

Anticipated Financial Changes Due to Project

An analysis of the financing was compiled by the Hospital showing that annual debt service will be reduced by over $625,000. This translates to cash flow savings of over $52,000/month. Because the maturity of the debt is extended, there are no net interest savings from this financing. A pro forma demonstrating the impact is below:

	FY 2013	FY 2014	FY 2015	Pro Forma*
Revenues Minus Expenditures	1,793,304	1,249,868	(2,557,903)	(2,557,903)
Add Depreciation/Amortization	3,105,061	4,020,065	4,614,072	4,614,072
Interest Expense	983,748	931,273	892,892	892,892
Available for Debt Service	5,882,113	6,201,206	2,949,061	2,949,061
Existing Debt Service	2,302,353	2,303,600	2,318,949	N/A
Debt Service on Refunding Bonds	N/A	N/A	N/A	1,733,454
Total Debt Service	2,302,353	2,303,600	2,318,949	1,733,454
Debt Service Ratio Calculation	2.55	2.69	1.30	1.70

*The proforma is based on FY 2015 audited financials. The interest and debt service have been backed out and replaced with the interest and debt service based on Glacier Bank's terms.

Strengths

- Refunding will result in significant annual cash flow savings
- Affiliation with Kalispell allows for new partnership and growth opportunities
- Strong revenue growth in FY 2015 and current period FY 2016

Concerns

- Both FY 2014 and 2015 showed large net operating losses

Recommendation

Approval is recommended based upon the following considerations:

- Glacier Bank has conducted their own due diligence on the Hospital and has completed their own internal analysis of the Hospital's ability to repay the debt.
- Significant cash flow savings as a result of the refunding.
- Strong revenue growth since FY 2013.

RESOLUTION NO. 16-08

RESOLUTION RELATING TO A REFUNDING REVENUE BOND, SERIES 2016 (NORTH VALLEY HOSPITAL PROJECT); MAKING FINDINGS WITH RESPECT TO THE REFUNDING AND THE BOND; AUTHORIZING AND APPROVING THE SALE AND ISSUANCE OF THE BOND SECURED BY MORTGAGES, BY A GUARANTY FROM KALISPELL REGIONAL HEALTHCARE SYSTEM AND BY PAYMENTS TO BE RECEIVED PURSUANT TO A LOAN AGREEMENT, AND AN ASSIGNMENT OF THE AUTHORITY'S INTEREST IN THE LOAN AGREEMENT AND PAYMENTS THEREUNDER TO THE OWNER OF THE BOND; AND AUTHORIZING THE EXECUTION OF DOCUMENTS.

BE IT RESOLVED by the Montana Facility Finance Authority (the "Authority"), as follows:

ARTICLE I

RECITALS

Section 1.01. The Authority is authorized by Montana Code Annotated, Title 90, Chapter 7, Parts 1, 2 and 3, as amended (the "Act"), to issue and sell its revenue bonds or notes and refunding bonds or notes and loan the proceeds thereof to one or more institutions (as defined in the Act) to finance, refinance or provide reimbursement for certain allowable costs of acquiring, constructing and equipping eligible facilities (as defined in the Act). Bonds or notes so issued are payable solely from the revenues and assets derived from the participating institutions (as defined in the Act) and do not constitute a debt, liability or obligation of the State of Montana (the "State") or a pledge of the faith and credit thereof. The Authority is required to secure the bonds or notes by pledging the revenues received from the participating institutions. The Authority may also secure the bonds or notes by mortgages, assignments and other security devices deemed advantageous by the Authority pursuant to a trust agreement between the Authority and a corporate trustee.

Section 1.02. North Valley Hospital (the "Corporation") is a Montana nonprofit corporation authorized to do business in the State. It is an affiliate of Kalispell Regional Healthcare System.

Section 1.03. The Corporation originally obtained financing to acquire, equip and construct its hospital facility at 1600 Hospital Way in Whitefish, Montana on January 15, 2009 through a U.S. Department of Housing and Urban Development Section 242 Insured Mortgage Loan of Prudential Huntoon Paige Associates, Ltd., in the principal amount of $27,000,000 under FHA Project No. 093-13003 (the "Taxable HUD Insured Loan").

On January 30, 2012, the Corporation undertook the complete redemption of the Taxable HUD Insured Loan, in part with Corporate funds, and in part with the proceeds of the Authority's Revenue Bond, Series 2012 (North Valley Hospital Project) in the principal amount of $25,000,000 (the "Series 2012 Bond). On December 10, 2014, the Corporation undertook the design, construction and equipping of a primary care clinic with on-site laboratory and radiology services located at 1675 Talbot Road in Columbia Falls, Montana, in part with Corporate funds and in part with the proceeds of the Authority's Revenue Bond, Series 2014 (North Valley Hospital – Columbia Falls Clinic Project) in the principal amount of $1,500,000 (the "Series 2014 Bond").

Section 1.05. The Corporation now proposed to undertake the current refunding (the "Refunding") of the outstanding Series 2012 Bond and the Series 2014 Bond. The costs of the Refunding is currently estimated to be $21,000,000.

Section 1.05. The Corporation has requested that the Authority, acting pursuant to and in accordance with the Act, authorize the issuance of its Montana Facility Finance Authority Refunding Revenue Bond, Series 2016 (North Valley Hospital Project) (the "Series 2016 Refunding Bond"), in a principal amount of not to exceed $21,000,000, the proceeds of which will be loaned by the Authority to the Corporation to fund the costs of the Refunding (the "Loan"). The Corporation will pay the Series 2016 Refunding Bond issuance costs from the proceeds of the Series 2016 Refunding Bond. Under the provisions of the Act, the Series 2016 Refunding Bond shall be a special, limited obligation of the Authority payable solely from revenues, including loan repayments from the Corporation and the guaranty of Kalispell Regional Healthcare System (the "Guaranty"), and shall not constitute a debt, liability, obligation or pledge of the faith, credit or taxing powers of the State.

Section 1.06. The Authority has heretofore called and noticed, and conducted, a public hearing as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), with respect to the financing of the Refunding and the issuance and sale of the Series 2016 Refunding Bond. At the public hearing, all persons who appeared were afforded an opportunity to express their views with respect to the proposal to issue the Series 2016 Refunding Bond to finance the Refunding. Following the public hearing but prior to the issuance of the Series 2016 Refunding Bond, the Governor of the State is expected to approve the issuance of the Series 2016 Refunding Bond.

Section 1.07. The following documents relating to the Series 2016 Refunding Bond have been prepared, which documents in proposed form are before this Authority at this meeting and shall be placed on file in the office of the Authority:

(a) The Financing Agreement (the "Financing Agreement") to be entered into by and between the Authority and the Corporation;

(b) The Loan Agreement (the "Loan Agreement") to be entered into by the Authority and the Corporation;

(c) The Depository Trust Agreement (the "Depository Agreement") to be entered into by and between the Authority and Glacier Bank, in its capacity as depository bank (the "Depository Bank") and Series 2011 Bond registrar (the "Registrar");

(d) The Real Property Mortgage covering Corporation owned property in Flathead and Lincoln Counties in Montana, dated as of the date of issuance of the Series 2011 Bond, between the Corporation and the Authority (the "Mortgage");

(e) The Promissory Note of the Corporation (the "Series 2016 Obligation") authorized to be executed and delivered by the Corporation and which is secured by the Mortgages;

(f) The Assignment of Loan Documents (the "Assignment"), to be executed by the Authority in favor of Glacier Bank, in its capacity as the Owner of the Series 2016 Refunding Bond;

(g) The form of the Series 2016 Refunding Bond (the "Series 216 Refunding Bond Form"); and

(h) The Tax Agreement, to be entered into by and among the Corporation, the Depository Bank and the Authority.

Section 1.08. Unless the context requires otherwise, the terms defined in Section 1.01 and elsewhere in the Financing Agreement shall, for all purposes of this Resolution (including the recitals and exhibits hereto), be incorporated herein by this reference, and shall have the meanings specified in such places, such definitions to be equally applicable to both the singular and plural forms of any of the defined terms.

ARTICLE II

FINDINGS

Based on information provided by the Corporation and such other facts and circumstances as the Authority deems relevant, the Authority hereby finds, determines and declares as follows:

(a) Each of the facilities being refinanced by the Refunding is an "eligible facility" within the meaning of the Act, and will be owned and/or operated by the Corporation, which is an "institution" within the meaning of the Act;

(b) The Loan payments to be made by the Corporation pursuant to the Loan Agreement and the Series 2016 Obligation are scheduled to be sufficient to pay the principal of, and interest on the Series 2016 Refunding Bond, when due, to maintain sufficient reserves therefor, to meet all other obligations in connection with the Loan Agreement and to provide for costs of servicing and securing the Series 2016 Refunding Bond and the Loan;

(c) The amount of principal and interest estimated to be payable on the Series 2016 Refunding Bond is less than the amount of principal and interest estimated payable of the Series 2012 Bond and the Series 2014 Bond;

(d) Based solely upon information provided and representations made by the Corporation, the Revenues are expected to be sufficient to provide for the payment of the principal of and interest on the Loan as due;

(e) Pursuant to the Depository Agreement, the Loan payments and amounts payable under the Loan Agreement and the Series 2016 Obligation are pledged to the payment of the principal of, and interest on the Series 2016 Refunding Bond;

(f) Based solely on information provided and representations made by the Corporation, to the extent required under Montana law, the facilities to be refinanced by the Refunding were reviewed and approved by the appropriate regional and state health planning boards and received any approval required by Montana Code Annotated, Title 50, Chapter 5, Part 3, as amended;

(g) Based solely on information provided and representations made by the Corporation, the facilities being refinanced through the Refunding did not and do not significantly affect the quality of the human environment, within the meaning of Montana Code Annotated, Section 75-1-201(1)(b)(iii);

(h) The Facilities financed with the proceeds of the Series 2012 Bond and the Series 2014 Bond are or will be owned and/or operated by the Corporation for the purpose of fulfilling its obligations to provide health care facilities;

(i) Based solely upon information provided and representations made by the Corporation, the Corporation has sufficient experience and expertise to operate the facilities being refinanced; and

(j) Based solely upon information provided and representations made by the Corporation, the Refunding is financially feasible and the Corporation will have sufficient revenues to provide for the payment of the principal of and interest on the Loan, as due.

The foregoing findings and determinations are made pursuant to the Act and are not made for the benefit of, and may not be relied upon by the Owner of the Series 2016 Refunding Bond.

ARTICLE III

APPROVAL AND AUTHORIZATIONS

Section 3.01. Subject to compliance with the terms of the Act and this Resolution, the Refunding is hereby approved, and the Authority shall make the Loan to the Corporation for the purpose of providing the financial assistance requested by the Corporation therefor. To fund the Loan, the Authority hereby authorizes the issuance of the Series 2016 Refunding Bond and the sale of the Series 2016 Refunding Bond to Glacier Bank, in its capacity as the purchaser and original Owner of the Series 2016 Refunding Bond (the "Purchaser"), at par, subject to the following, which the Executive Director is hereby authorized to approve:

(a) the principal amount of the Series 2016 Refunding Bond; provided that such principal amount shall not exceed $21,000,000;

(b) the initial tax-exempt interest rate for the first ten years of the Series 2016 Refunding Bond at 2.85% and the subsequent tax-exempt interest rate for the remaining five years of the Series 2016 Refunding Bond shall be a minimum of 2.85% and a maximum rate of 5.55%;

(c) the final maturity of the Series 2016 Refunding Bond shall be fifteen years from the date of issuance of the Series 2016 Refunding Bond; and

(d) the provisions for prepayment, purchase and redemption of the Series 2016 Refunding Bond prior to its stated maturity.

Such approval by the Executive Director shall be conclusively evidenced by the Executive Director's execution of the documents approved herein.

The Series 2016 Refunding Bond shall be dated its date of issuance and shall be issued as a single fully registered bond, without number, in substantially the form of the Series 2016 Refunding Bond presented to this Board today.

The Series 2016 Refunding Bond shall be a special limited obligation of the Authority, payable solely from the money and investments in the Bond Fund.

The State is not liable on the Series 2016 Refunding Bond. The Series 2016 Refunding Bond is not a debt of the State, and neither the faith and credit nor the taxing power of the State is pledged to the payment of the principal of or the interest on the Series 2016 Refunding Bond. The Owner of the Series 2016 Refunding Bond shall have no right to compel the exercise of the taxing power, if any, of the State or any political subdivision thereof to pay any principal of or interest on the Series 2016 Refunding Bond.

The Series 2016 Refunding Bond shall be secured by the Mortgage and by a pledge of the money and investments in the Bond Fund. As additional security for the Series 2016 Refunding Bond, the Authority shall assign its rights, title and interests in the Series 2016 Obligation, the Loan Agreement, the Guaranty and all other loan documents to the Owner of the Series 2016 Refunding Bond, without recourse, pursuant to the Assignment.

The Series 2016 Refunding Bond shall be executed on behalf of the Authority with the facsimile or manual signatures of the Chair or the Executive Director of the Authority, and shall be authenticated by an authorized representative of the Registrar.

Section 3.02. The Authority hereby authorizes, accepts, approves and agrees to all the terms and conditions of the following documents, in substantially the forms available to the Authority on this date, with such additions, deletions and modifications as are hereafter deemed by the Chair or the Executive Director of the Authority, or any one or more of them acting alone or in combination, to be in the best interest of the Authority, which documents authorize, *inter alia*, the delivery of the Series 2016 Refunding Bond; the Loan of the proceeds of the Series 2016 Refunding Bond to the Corporation for the Refunding; the appointment of Glacier Bank as the Depository Bank and Registrar; the establishment with the Depository Bank of a "Bond Fund" as a special trust fund for the payment of and security for the Series 2016 Refunding Bond; the pledge of the money and investments in the Bond Fund as security for the Series 2016 Refunding Bond; and the assignment or delegation, as appropriate, of the Authority's rights, title and interest in the Loan Agreement, the Series 2016 Obligation, the Guaranty and all other loan documents to the Owner, without recourse, as additional security for the Series 2016 Refunding Bond:

(a) The Financing Agreement,

(b) The Loan Agreement,

(c) The Depository Agreement,

(d) The Series 2011 Obligation,

(e) The Mortgage;

(f) The Assignment;

(g) The Tax Agreement;

(h) The Guaranty; and

(i) All other certificates, documents and other papers which, in the judgment of either the Chair or the Executive Director of the Authority (whoever actually executes such documents), are necessary to the sale and delivery of the Series 2016 Refunding Bond, and the Loan of the proceeds thereof to the Corporation for the Refunding.

Section 3.03. The Chair or the Executive Director of the Authority, or any one or more of them acting alone or in combination, are each hereby authorized and directed to execute or endorse and assign, as appropriate, for and on behalf of the Authority, and to deliver to the parties entitled to executed copies of the same, the Financing Agreement, the Loan Agreement, the Depository Agreement, the Tax Agreement, the Assignment and the certificates, documents and other papers described in Section 3.02(i) hereof, in each case, with such additions, deletions and modifications as are hereafter deemed by the Chair or the Executive Director of the Authority (whoever actually executes such documents) to be necessary to conform such documents to each other and/or to be in the best interests of the Authority. The Chair or the Executive Director of the Authority are hereby authorized and directed to execute, for and on behalf of the Authority, the Series 2016 Refunding Bond, and to deliver the same to the Purchaser in consideration of payment in full of the purchase price therefor. The Chair or the Executive Director of the Authority, or any one or more of them acting alone or in combination, are authorized, for and on behalf of the Authority, to endorse to the Owner, without recourse, any and all negotiable instruments made payable to the Authority in payment for the Series 2016 Refunding Bond. The Chair or the Executive Director of the Authority, or any one or more of them acting alone or in combination, are hereby authorized and directed to take such other actions to consummate the sale of the Series 2016 Refunding Bond as may be necessary or desirable.

Section 3.04. The Series 2016 Refunding Bond shall not be valid or obligatory for any purpose or be entitled to any right or benefit hereunder unless an authorized representative of the Registrar shall have manually signed on the Series 2016 Refunding Bond a certificate of authentication. Such certificate of authentication shall be conclusive evidence that the Series 2016 Refunding Bond so authenticated has been duly issued under this Resolution, and that the Owner is entitled to the benefits hereof.

Section 3.05. The Authority, the Registrar, the Corporation and their respective successors, each in its discretion, may deem and treat the Owner as the absolute owner of the Series 2016 Refunding Bond for all purposes; and neither the Authority, the Registrar, the Borrower, nor their respective successors shall be affected by any notice to the contrary. Payment of or on account of the principal of and interest on the Series 2016 Refunding Bond shall be made only to or upon the order of the Owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Series 2016 Refunding Bond to the extent of the sum or sums so paid.

Section 3.06. If the Series 2016 Refunding Bond becomes mutilated, lost, stolen or destroyed, the Registrar may authenticate and deliver a new Series 2016 Refunding Bond of the same outstanding principal amount, interest provisions and maturity and of like tenor and effect in substitution therefor, all in accordance with the provisions of applicable State law. Or, if the mutilated, lost, stolen or destroyed Series 2016 Refunding Bond has matured, the Registrar may, at its option, pay the same without the surrender thereof. However, no such substitution or payment shall be made unless the applicant shall furnish (a) evidence satisfactory to the Registrar of the destruction or loss of the original Series 2016 Refunding Bond and of the ownership thereof; (b) any written affidavit required by applicable State law; and (c) any such additional security and indemnity as may be required by the Registrar. No substitute Series 2016 Refunding Bond shall be furnished unless the applicant shall reimburse the Authority and the Registrar for their expenses in the furnishing thereof. Any such substitute Series 2016 Refunding Bond so furnished shall be clearly marked "Duplicate."

Section 3.07. The Authority hereby appoints the Depository Bank to serve as the initial Registrar for the Series 2016 Refunding Bond. The Registrar shall keep proper registry and transfer records in which shall be noted the registration and transfer of the Series 2016 Refunding Bond, in the manner and to the extent specified in this Resolution. The Registrar for the Series 2016 Refunding Bond shall be one or more associations or corporations organized and doing business under the laws of the United States or any state thereof, authorized under such laws to exercise trust powers, having a combined capital and surplus of at least $20,000,000 and subject to supervision or examination by federal or state authority. In case at any time the Registrar shall cease to be eligible in accordance with the provisions of this Section 3.07 and another association or corporation is eligible, the Registrar shall resign immediately in the manner and with the effect specified in the following paragraph. The Registrar may resign and be discharged by giving to the Authority, the Owner and the Borrower 90 days' advance written notice. Such resignation shall take effect on the day specified in such notice but the resigning Registrar shall not be discharged from its obligations on such date unless another Registrar has been appointed or is acting hereunder. For so long as Glacier Bank is the Owner of the Series 2016 Refunding Bond, the Authority shall not remove the Depository Bank as the Registrar unless the Depository Bank fails to qualify to serve as the Registrar pursuant to this Section 3.07

or has breached its obligations as Registrar hereunder. The Registrar may be removed by the Authority at any time after Glacier Bank is no longer owner of the Series 2016 Refunding Bond, either with or without cause, by an instrument or instruments in writing, appointing a successor to the Registrar so removed, filed with the Registrar and the Corporation.

ARTICLE IV

FEES

As authorized by Section 90-7-211 of the Act, the Authority may assess certain initial planning service fees and annual planning services fees. <u>The Authority hereby determines that the initial planning service fee for the Series 2016 Refunding Bond shall be determined in accordance with current policy and is currently estimated to be the greater of 15 basis points (0.15%) or $25,000 times the original principal amount of the Series 2016 Refunding Bond upon issuance and the annual planning service fee for the Series 2016 Refunding Bond shall be 5 basis points (0.05%) times the then- outstanding principal amount of the Series 2016 Refunding Bond, unless and until changed by the Authority</u>. No Owner of the Series 2011 Bond or any other outstanding bonds of the Authority shall have any interest in such funds or any right, by contract or otherwise to direct the application of such funds to the payment or security of such bonds.

ARTICLE V

LIMITED LIABILITY OF AUTHORITY AND STATE OF MONTANA

The Series 2016 Refunding Bond is a special, limited obligation of the Authority, payable solely from the Bond Fund, and shall be secured by the Mortgage and a pledge of the money and investments in the Bond Fund and the Guaranty. The Series 2016 Refunding Bond shall not constitute or give rise to a pecuniary liability of the Authority or a charge against the credit or general taxing powers, if any, of the State.

PASSED AND APPROVED BY THE MONTANA FACILITY FINANCE AUTHORITY this July 18, 2016.

____
By: Jon Marchi
Its: Chair

Marias Medical Center
Shelby, MT
Master Loan Program
Loan Summary

ELIGIBLE HEALTH FACILITY

Marias Medical Center (the "Hospital") operates a 21-bed critical access hospital and an assisted living facility in Shelby, MT. It also owns a 44-bed skilled nursing facility and contracts its management to EmpRes Healthcare. The Hospital is organized and reported as a proprietary fund in the Toole County (the "County") basic financial statements. As organized, the Hospital is exempt from payment of federal and state income taxes.

Effective June 2014, the Hospital signed a master services agreement with Kalispell Regional Healthcare System ("KRHS") for agreed upon services, as well as other various healthcare services.

PROJECT AND COST

Bond issue will refund the existing 2005A Master Loan Program Health Care Facilities Revenue Bond that was issued in the amount of $4,030,000 to refinance Series 1996 and 1997 bonds issued by Toole County. The 1996 bonds refinanced prior bonds that financed the costs of constructing and equipping an addition to the hospital and nursing home. The 1997 bonds originally financed the constructions of the assisted living facility. The outstanding balance as of June 30 is $2,070,000.

Sources:		
Bond Proceeds		1,905,000
Debt Service Fund		57,500
Debt Service Reserve Fund		346,797
Cash for COI		87,175
TOTAL	**$**	**2,396,471**
Uses:		
Refund MLP Series 2005A		2,078,577
Debt Service Reserve Fund		190,500
Cost of Issuance		125,275
Rounding Amount		2,120
TOTAL	**$**	**2,396,471**

PROGRAM Master Loan Program

LOAN TERM 12 years

INTEREST RATE TBD

CLOSING DATE September 2016

MATURITY DATE January 2028

SECURITY

BOI enhancement of the bonds. The BOI will be secured by a pledge of legally available revenues of Marias Medical Center.

RATING

The Hospital is unrated and too small to pursue a rating. The Master Loan Program (the "Program") is secured by a pledge of the Montana Board of Investments to replenish the reserve fund if it is drawn upon. The Program received a rating of Aa3 from Moody's in August of 2012 and AA from Fitch in July of 2015.

INVESTOR LETTER

The investor will be determined by a RFP process. The investor will provide a letter stipulating that; 1) it is considered a "sophisticated investor"; 2) has conducted its own due diligence on the Program and Marias; 3) made its own internal analysis in advance of purchasing the bonds; and, 4) it is satisfied that all of its questions have been appropriately answered.

UTILIZATION

Hospital	2013	2014	2015	Interim FYTD 5/30/16
Licensed Beds	25	25	25	25
Admissions	327	274	246	233
Total Patient Days	980	1,042	1,123	888
Average Length of Stay (days)	3.32	4.53	5.20	3.32
Occupancy Rate	10.74%	11.42%	12.31%	10.60%
Births	24	28	32	26
Emergency Visits	1,523	1,550	1,550	1,418

Nursing Home	2013	2014	2015
Licensed Beds	63	63	63
Beds in Operation	63	63	63
Swing Bed Days	488	462	442
Total Patient Days	13,921	11,679	12,109
Occupancy Rate	60.54%	50.79%	52.66%

Average Length of Stay spiked between FY 2013 and FY 2015. The Hospital has worked to educate providers on the rule for Critical Access Hospitals that limits the length of stay for acute care beds to 96 hours. Average length of stay has dropped to 3.32 days as of May 30, 2016.

PAYOR MIX

	2013	2014	2015
Medicare Advantage	1%	1%	4%
Medicaid	15%	18%	17%
Medicare	36%	38%	35%
Self Pay	12%	10%	12%
BCBS	15%	13%	14%
Commercial	16%	15%	14%
Champus	1%	2%	1%
Other	1%	1%	1%
Workers Comp	2%	2%	2%

GOVERNANCE

Marias Medical Center is currently overseen by the Toole County Commission which acts as the Hospital Board. On October 6, 2014, the Hospital Board was dissolved by the County and the County Commission took over their duties. This was in response to a series of resignations over the disputed dismissal of a physician as well as harassment of Hospital Board members. There are ongoing discussions to shift back to a volunteer board; however, the exact timeframe and circumstances have not been set.

MANAGEMENT

Jessica Brusven is currently the Interim CEO as well as the Controller at Marias Medical Center. In her 6 years at Marias Medical Center, she has also served in various roles, including the Toole County Health Foundation Director, Director of Marketing and Public Relations, Quality Coordinator, and Better Health Improvement Specialist. She also serves on the Shelby Area Chamber of Commerce Board of Directors, Marias Medical Center Auxiliary, Health Toole County Coalition and Toole County Health Department Advisory Board. Jessica earned her Bachelor's in Accounting and Business Management from University of Maryland University College.

Randy Nightengale has served as the Regional CFO for Kalispell Regional Medical Center since 2011. In that role, he serves as the CFO for Marias as well as North Valley Hospital. He also acted as the interim CEO of Marias in 2015. He served as CFO in Critical Access Hospitals in Kansas and Colorado and carries over a decade of experience. He holds a Masters of Science in Accounting from Tabor College-Wichita and a Bachelor of Arts in Business Administration from Tabor College-Hillsboro. He is a Certified Public Accountant and a Certified Health Care Professional by the Healthcare Financial Management Association.

HISTORICAL FINANCIALS

FISCAL YEARS ENDED	6/30/2013	6/30/2014	6/30/2015	Interim 5/30/2016
ASSETS				
Cash & Cash Equivalents	$ 7,185	$ 39,562	$ 411,423	$ (372,038)
Investments	-	-	-	-
Patient Recvbls (net) & Due from 3rd-Party	3,510,670	1,935,515	2,092,313	1,711,433
Other Receivables	345,913	298,108	30,874	364,919
Inventory	403,119	464,769	539,743	515,823
Current Assets Whose Use is Limited	426,563	429,387	86,765	179,686
All Other Current Assets	37,013	37,013	-	-
Total Current Assets	**4,730,463**	**3,204,354**	**3,161,118**	**2,399,823**
Fixed Assets	23,757,866	24,343,774	24,323,673	21,438,612
Accumulated Depreciation	15,339,915	16,626,230	17,697,655	17,310,790
Fixed Assets (net)	8,417,951	7,717,544	6,626,018	4,127,822
Board Designated Funds	-	-	370,986	367,913
Assets Held in Trust	-	-	-	-
Other Assets	111,043	-	301,141	301,141
Total Assets	**$ 13,259,457**	**$ 10,921,898**	**$ 10,459,263**	**$ 7,196,699**
LIABILITIES & FUND BALANCE				
Accounts Payable & Other Accrued Expenses	984,035	940,557	1,507,278	885,902
Current Portion of Long-Term Debt	466,070	471,553	459,363	356,030
Total Current Liabilities	**1,450,105**	**1,412,110**	**1,966,641**	**1,241,932**
Long-Term Debt (Less Current Portion)	4,347,935	3,876,382	3,457,569	2,655,378
Other Long-Term Liabilities	-	-	4,711,143	4,322,196
Unrestricted Fund Balance	3,519,981	1,927,480	31,018	(999,139)
Restricted Fund Balance	3,941,436	3,705,926	292,892	(23,668)
Fund Balance	7,461,417	5,633,406	323,910	(1,022,807)
Total Liabilities & Fund Balance	**$ 13,259,457**	**$ 10,921,898**	**$ 10,459,263**	**$ 7,196,699**
REVENUES & EXPENSES				
Gross Patient Service Revenue	18,987,029	16,386,574	13,956,401	12,496,858
Deductions from Patient Service Revenue	4,759,788	4,303,705	1,031,748	3,487,887
Net Patient Service Revenue	14,227,241	12,082,869	12,924,653	9,008,971
Other Operating Revenue	203,118	411,098	490,595	450,376
Total Operating Revenue	**14,430,359**	**12,493,967**	**13,415,248**	**9,459,347**
Interest	183,123	150,856	164,860	68,581
Depreciation & Amortization	999,980	1,397,358	1,216,285	895,594
Other Operating Expenses	13,629,873	13,085,236	13,274,255	9,692,895
Total Operating Expenses	**14,812,976**	**14,633,450**	**14,655,400**	**10,657,070**
Income from Operations	(382,617)	(2,139,483)	(1,240,152)	(1,197,723)
Nonoperating Revenue	224,443	311,472	471,109	372,431
Excess of Rev Over Exp Excl Extraord	**$ (158,174)**	**$ (1,828,011)**	**$ (769,043)**	**$ (825,292)**
Interest Expense	183,123	150,856	164,860	68,581
Amortization & Depreciation Expense	999,980	1,397,358	1,216,285	895,594
Funds Available for Debt Service	**$ 1,024,929**	**$ (279,797)**	**$ 612,102**	**$ 138,883**

Key Ratios	2012	2013	2014	2015	Moody's 2014 Baa Medians
Current Ration	3.57	3.26	2.27	1.61	2.20
Cushion Ratio	0.01	0.01	0.06	1.23	12.00
Days Cash on Hand	0.15	0.19	1.09	21.25	151.00
Days in Accounts Receivable	92.01	90.07	58.47	59.09	47.30
Operating Margin	-0.18%	-2.65%	-17.12%	-9.24%	1.30%
Excess Margin	2.51%	-1.08%	-14.28%	-5.54%	3.90%
Debt to Capitalization	54.16%	55.26%	66.79%	91.43%	42.70%
Debt Service Coverage (x)	2.32	2.10	-0.45	0.96	3.60

FINANCIAL OBSERVATIONS

Marias Medical Center has been struggling for several years after the controversial dismissal of a long-term physician resulting in dramatically reduced admissions and revenues. The impact on revenue was worsened by turnover in physicians, and a poor nursing home audit that resulted in costly facility changes and legal defense expenses. The Hospital is in the process of turning its finances around through contractual partnerships with Kalispell Regional Healthcare System and EmpRes Healthcare as well as the continued support of the County.

What Happened

In January of 2014, Marias dismissed a long-serving physician resulting in a major rift in Shelby. The dismissal prompted lawsuits, the dissolution of the Hospital Board, a recall campaign attempt against a County Commissioner and a steep decline in utilization of the hospital by community members. Supporters of the dismissed doctor boycotted the Hospital, primarily seeking treatment in Cut Bank 25 miles away.

The drop in admissions had an immediate financial impact with FY 2014 reporting a loss of $1.8 million. The impact is seen in Net Patient Revenues which dropped from $14.2 million in FY 2013 to $12.9 million in FY 2015.

Adding to the revenue decline was a March, 2015 audit of the nursing home by the State of Montana. The audit found significant issues and levied an initial fine of $1.8 million against the Hospital. Through negotiation, building improvements and changes in management, Marias was able to bring the fine down to $50,000, but the costs of defense, as well as maintenance and repairs to settle the dispute, were significant.

The above series of events had a devastating impact on the Hospital with a total loss from July 1, 2013 through May 31, 2016 of $3.46 million. The net loss has depleted the Hospital's unrestricted fund balance and available cash. The ongoing net loss has also devastated its Debt Coverage Ratio, bringing it down to 0.96x for FY 2015, below the 1.50x required in the Bond covenants.

How Marias is Recovering

The Hospital is making strides to improve revenues and rebuild assets. It has done so through partnerships with Kalispell Regional Health System, EmpRes Healthcare and the continued support of Toole County.

In June of 2014, the Hospital signed a Master Services Agreement with KRHS which includes, but is not limited to telehealth, IT services, health information management, and pharmacy, cardio, and echo services. Part of the current services includes the use of KRHS's Regional CFO. The services agreement with KRHS has allowed Marias to improve its efficiency and breadth of services while holding down increases in operating costs.

The nursing home had long been a drain on the Hospital's finances, due in part to cost report allocation implications. The Hospital had been in discussion with EmpRes Healthcare over management of the nursing home prior to the audit. After the audit, the discussions with EmpRes were accelerated. Effective January 1, 2016 nursing home management was transferred to EmpRes. This transfer was a major factor in reducing the fine levied by the state. For EmpRes' management services, the Hospital pays a subsidy of $300,000 per year. Even with the annual fee, the Hospital expects to realize net savings of up to $400,000 per year going forward. The initial contract with the County is for five years with an option to renew for another five years.

Marias Medical Center is a component unit of Toole County, and until the community dispute, was overseen by a volunteer Board. In the wake of the dispute, Toole County was forced to step in and act as the Hospital board after harassment of board members by community members and several resignations. The County Commission has been a strong supporter of the Hospital and has been providing material support while the Hospital regains its footing.

The local unrest caused by the dismissal of the physician pre-dates the Hospital's financial problems and will likely continue into the future. However, the impact is being mitigated by the partnerships that allow the Hospital to access resources outside the community and limit its exposure to local politics. With the aid of its partnerships and the support of the County, Marias anticipates it will be able to restore its assets and build on recent improvements. The cost savings of the refunding will provide additional flexibility to the Hospital and further improve its financial situation.

ANTICIPATED FINANCIAL CHANGES DUE TO PROJECT

D.A. Davidson, serving as placement agent, compiled an analysis of the impact of the refunding. Assuming a fixed rate of 3.00%, a refunding is estimated to result in $39,000 in annual cash flow savings and net present value savings of $120,208 over the life of the bonds.

OUTSTANDING/PAST MFFA LOANS

Series	Original Issue	Outstanding 5/1/2016	Maturity	Project
Master Loan Program Series 2005A	$ 4,030,000	$ 2,070,000	1/1/2028	Refund the Series 1996 Master Loan Program Bonds and Series 1997 Bonds issued to Toole County
Totals	**$ 4,030,000**	**$ 2,070,000**		

FINANCE TEAM MEMBERS

Finance Team Member	Firm	Primary
Bond Counsel	Dorsey, Whitney	Erin McCrady
Purchaser	TBD	
Placement Agent	DA Davidson	Kreg Jones

STRENGTHS

- Refunding will decrease the cost of debt service and improve cash flow
- The County continues to provide strong support for the Hospital
- Partnerships with KRHS and EmpRes have strengthened the Hospital's financials

WEAKNESSES

- The Hospital losses from FY 2014 to present total over $3.46 million
- The Fund Balance has been depleted and Liabilities currently exceed Assets in the interim financials for FY 2016
- Successive difficulties have diminished the Hospital's ability to weather future issues without intervention by the County
- Support from County is predicated on local politics and therefore subject to change at least with every election, if not more often

RECOMMENDATION

Approval is recommended based upon the Hospital strengthening its financial position by lowering its borrowing costs.

CERTIFICATE AS TO RESOLUTION

I, the undersigned, being the duly qualified and acting recording officer of the Montana Facility Finance Authority (the "Authority"), hereby certify that the attached resolution is a true copy of Resolution No. 16-09, entitled: "RESOLUTION RELATING TO HEALTH CARE FACILITIES REVENUE REFUNDING BONDS TO BE ISSUED UNDER THE MASTER LOAN PROGRAM FOR A LOAN TO TOOLE COUNTY, MONTANA FOR MARIAS MEDICAL CENTER; AUTHORIZING AND APPROVING THE SALE AND ISSUANCE OF BONDS AND THE LOAN SECURED BY PAYMENTS TO BE RECEIVED PURSUANT TO A BOND RESOLUTION AND PLEDGE AND ASSIGNMENT OF THE AUTHORITY'S INTEREST IN THE BOND RESOLUTION AND PAYMENTS THEREUNDER AND IN A CAPITAL RESERVE ACCOUNT AGREEMENT WITH THE BOARD OF INVESTMENTS TO A TRUSTEE; AND AUTHORIZING THE EXECUTION OF DOCUMENTS" (the "Resolution"), on file in the original records of the Authority in my legal custody; that the Resolution was duly adopted by the Authority at a meeting on July 18, 2016, and that the meeting was duly held by the Authority and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

WITNESS my hand officially as such recording officer this 18th day of July, 2016.

____

Michelle Barstad
Executive Director

RESOLUTION NO. 16-09

RESOLUTION RELATING TO HEALTH CARE FACILITIES REVENUE REFUNDING BONDS TO BE ISSUED UNDER THE MASTER LOAN PROGRAM FOR A LOAN TO TOOLE COUNTY, MONTANA FOR MARIAS MEDICAL CENTER; AUTHORIZING AND APPROVING THE SALE AND ISSUANCE OF BONDS AND THE LOAN SECURED BY PAYMENTS TO BE RECEIVED PURSUANT TO A BOND RESOLUTION AND PLEDGE AND ASSIGNMENT OF THE AUTHORITY'S INTEREST IN THE BOND RESOLUTION AND PAYMENTS THEREUNDER AND IN A CAPITAL RESERVE ACCOUNT AGREEMENT WITH THE BOARD OF INVESTMENTS TO A TRUSTEE; AND AUTHORIZING THE EXECUTION OF DOCUMENTS

BE IT RESOLVED by the Montana Facility Finance Authority (the "Authority"), as follows:

Section 1. Recitals.

1.01. The Authority is authorized by the Montana Health Facility Authority Act, Montana Code Annotated, Title 90, Chapter 7, Parts 1, 2 and 3, as amended (the "Act"), to issue revenue bonds to finance or refinance eligible facilities (as defined in the Act) and to enter into agreements regarding the facilities being financed or refinanced by the revenue bonds for, among other things, considerations sufficient, in the judgment of the Authority, to pay the principal of and interest on the revenue bonds when due.

1.02. The Authority has developed its Master Loan Program (the "Program") pursuant to which the Authority proposes to issue its revenue bonds in one or more series and use the proceeds thereof to make loans to certain eligible institutions (the "Institutions") for the purpose of financing or refinancing the costs of constructing, acquiring and equipping health facilities or refund bonds issued for such purposes and paying certain costs incidental to the authorization, issuance and sale of the bonds. Pursuant to such authorization, the Authority has issued its Health Care Facilities Revenue Bonds, Series 1994, Series 1995A, Series 1996, Series 1998, Series 2000, Series 2001, Series 2005, Series 2006, Series 2007, Series 2008 and Series 2010.

1.03. Sections 90-7-317 through 90-7-320 of the Act establish a capital reserve account in an enterprise fund credited to the Authority (the "Capital Reserve Account") which the Authority may pledge, in whole or in part, as security for the payment of bonds issued by the Authority and authorize the Board of Investments of the State of Montana (the "Board of Investments") to loan money to the Authority for deposit in the Capital Reserve Account. Bonds heretofore issued under the Program are secured by the Capital Reserve Account.

1.04. The Series 2005 Bonds include a series of bonds entitled "Health Care Facilities Revenue Bonds (Master Loan Program—Marias Medical Center Project, Shelby, Montana), Series 2005A" and which were originally issued in the aggregate principal amount of $4,030,000 (the “Series 2005A Bonds”). The proceeds of the Series 2005A Bonds were loaned (the “2005A Loan”) to Toole County, Montana, a Montana political subdivision (the “County”), which owns and operates Marias Medical Center, an acute care critical access hospital, skilled nursing home and assisted living facility located in Shelby, Montana (the “Facilities”), in order to (i) refund the Authority’s Health Care Facilities Revenue Bonds (Master Loan Program—Toole County Project, Shelby, Montana), Series 1996A (the “Series 1996A Bonds”), (ii) refund the County’s Health Facilities Revenue Bonds, Series 1997 (the “Series 1997 Bonds”), (iii) make a deposit to a debt service reserve fund for the Series 2005A Bonds, and (iv) pay expenses incurred in connection with the issuance of the Series 2005A Bonds. The Series 1996A Bonds were issued to finance an addition to the hospital and nursing home facility comprising part of the Facilities, which included physician offices, examination rooms, treatment rooms, and other amenities. The Series 1997 Bonds were issued to finance the costs of designing, constructing and equipping the assisted living facility comprising part of the Facilities.

1.05. The Borrower has requested that the Authority issue its Series 2016 Bonds (as hereinafter defined) under the Act and pursuant to the Program in an aggregate principal amount of up to $2,100,000 and loan the proceeds thereof to the Borrower to be used, with other available funds of the Borrower, for the following purposes: (i) to refund the Series 2005A Bonds maturing on and after January 1, 2017 (the “Refunded Bonds”), (ii) to make a deposit to a debt service reserve fund for the Series 2016 Bonds, and (iii) to pay expenses incurred in connection with the issuance of the Series 2016 Bonds and the refunding.

1.06. The Authority has requested the Board of Investments to make a loan to the Authority the proceeds of which will be deposited in a subaccount in the Capital Reserve Account and used to secure the Series 2016 Bonds upon the terms and conditions contained in the Board of Investments Agreement (as hereinafter defined).

Section 2. <u>Determinations and Approvals</u>.

2.01. <u>Program Approval</u>. The Authority hereby determines that the issuance of its Health Care Facilities Revenue Refunding Bonds (Master Loan Program—Marias Medical Center Project), Series 2016 (the “Series 2016 Bonds”) is in the best interests of the State of Montana (the “State”) and authorizes its staff, together with Dorsey & Whitney LLP, as bond counsel to the Authority (“Bond Counsel”), to prepare documents necessary to issue the Series 2016 Bonds. The Authority approves the issuance of its Series 2016 Bonds, the proceeds of which shall be loaned to the Borrower in the maximum principal amount of $2,100,000 (the “2016 Loan”) for the purposes set forth in Section 1.05 hereof. The Series 2016 Bonds shall not constitute a debt, liability, obligation or pledge of the faith and credit of the State, but shall be payable solely from the revenues and assets of the Borrower and the Capital Reserve Account. D.A. Davidson & Co. will act as placement agent with respect to the Series 2016 Bonds (the “Placement Agent”). The Series 2016 Bonds shall be sold to a financial institution (the “Purchaser”) pursuant to a Bond Purchase Agreement among the Authority, the Borrower and the Purchaser (the “Bond Purchase Agreement”).

2.02. The Authority hereby authorizes and directs any one or more of the Executive Director, the Associate Director, the Chair or the other members of the Authority to negotiate the sale of the Series 2016 Bonds to the Purchaser. The Series 2016 Bonds shall be in the aggregate principal amount, mature on such dates, bear interest at such rates per annum, be subject to redemption, bear such date, and be sold at such purchase price as are set forth in the Bond Purchase Agreement; provided that:

(a) The total aggregate principal amount of the Bonds shall not exceed $2,100,000 (exclusive of any premium or discount thereon);

(b) The net present value of debt service savings to be achieved by the refunding of the Refunded Bonds is not less than 3.50% of the principal amount of the Refunded Bonds; and

(c) The term of the 2016 Loan and the Series 2016 Bonds shall not exceed the term of the 2005A Loan and the Refunded Bonds.

Section 3. General.

3.01. The following documents relating to the Series 2016 Bonds will be prepared and entered into:

(a) Amendment to Capital Reserve Account Agreement (the "Amendment to Agreement"), amending and supplementing the Capital Reserve Account Agreement as heretofore amended and supplemented (the "Original Board of Investments Agreement"), to be entered into by the Authority and the Board of Investments (the Original Board of Investment Agreement, as amended and supplemented by the Amendment to Agreement, is referred to herein as the "Board of Investments Agreement");

(b) Supplemental Indenture of Trust (the "Supplemental Indenture"), amending and supplementing the Master Indenture of Trust, dated as of October 1, 1994 as heretofore amended and supplemented (the "Original Indenture"), to be entered into by the Authority and U.S. Bank National Association, as Trustee (the "Trustee"); and

(c) Promissory note to be executed and delivered by the Authority to the Board of Investments pursuant to the Board of Investments Agreement (the "Note").

In addition, the Borrower will adopt a bond resolution (the "Bond Resolution") and issue its Health Facilities Revenue Bond, Series 2016 (the "County Bond") to the Authority to evidence the 2016 Loan and as security for the Series 2016 Bonds.

3.02. The loan repayments or other amounts payable by the Borrower to the Authority under the County Bond, the Bond Resolution, and other agreements to be entered into in connection with the issuance of the Series 2016 Bonds shall be sufficient, if paid timely and in full, to pay the principal of, premium, if any, and interest on the Series 2016 Bonds as and when the same shall become due and payable.

3.03. The Borrower shall make payment either directly or through the Authority of any and all costs incurred by the Authority in connection with the Series 2016 Bonds, whether or not they are issued.

Section 4. Commitment Conditional. The approval by the Authority of the issuance of the Series 2016 Bonds is subject to the approval by the Board of Investments of the loan to the Authority with respect to the Series 2016 Bonds as described in Section 1.06 hereof. The Authority retains the right in its sole and absolute discretion to withdraw from participation and accordingly not issue the Series 2016 Bonds should the Authority at any time prior to the execution and delivery of the Bond Purchase Agreement by the Authority determine that it is in the best interests of the Authority not to issue the Series 2016 Bonds or should the parties to the transaction be unable to reach agreement as to the terms and conditions of any of the documents required for the financing.

Section 5. Findings. Based on such facts and circumstances as this Authority deems relevant, the Authority hereby finds, determines and declares as follows:

(a) in accordance with the terms of the County Bond and the Bond Resolution, the payments of the Borrower to the Authority are to be sufficient to pay the principal of, premium, if any, and interest on the Series 2016 Bonds when due, to maintain a debt service reserve fund therefor, to meet all other obligations in connection with the County Bond and the Bond Resolution and to provide for costs of administering and securing the Series 2016 Bonds;

(b) the facilities refinanced by the Series 2016 Bonds are authorized to be refinanced by the issuance of the Series 2016 Bonds pursuant to the Act;

(c) pursuant to the Supplemental Indenture, the payments to be made to the Authority under the County Bond and the Bond Resolution and amounts payable under the Board of Investments Agreement are pledged to the payment of the Series 2016 Bonds;

(d) the facilities to be refinanced by the Series 2016 Bonds will be operated by health institutions for the purpose of fulfilling their obligation to provide health care facilities;

(e) based solely on information provided and representations made by the Borrower, the amount of the loan does not exceed the total cost of the eligible health facility being refinanced; and

(f) the Borrower has provided information showing that the facilities to be refinanced by the Series 2016 Bonds are financially feasible and there will be sufficient revenues to assure that principal and interest payments are made when they become due.

Section 6. Execution of Documents and Series 2016 Bonds.

6.01. The Executive Director of the Authority or any one or more of the officers of the Authority are hereby authorized and directed to execute the Bond Purchase Agreement, the Supplemental Indenture, the Amendment to Agreement, the Note and such other agreements and documents to be executed by the Authority in connection with the issuance of the Series 2016 Bonds, in the name and on behalf of the Authority, and in such form as is approved by the officer or officers executing the same, which approval shall be conclusively presumed by the execution thereof.

6.02. The Chair or the Executive Director, or any one or more of such officers, are authorized to prepare and execute the Series 2016 Bonds as prescribed in the Supplemental Indenture and deliver them to the Trustee, together with a certified copy of this resolution and the other documents required by the Supplemental Indenture and the Bond Purchase Agreement for authentication of the Series 2016 Bonds by the Trustee and delivery by the Trustee of the Series 2016 Bonds to the Purchaser.

6.03. The Executive Director and other officers of the Authority, are authorized and directed to prepare and furnish to the Placement Agent, the Purchaser and Bond Counsel, when the Series 2016 Bonds are issued, certified copies of all proceedings and records of the Authority relating to the Series 2016 Bonds, and such other affidavits, certificates and documents as may be required to show the facts relating to the legality and marketability of the Series 2016 Bonds as such facts appear from the books and records in the officers' custody and control or as otherwise known to them, or as may be necessary or desirable to accomplish the issuance and sale of the Series 2016 Bonds, and all such certified copies, certificates, affidavits and documents, including any heretofore furnished, shall constitute representations of the Authority as to the truth of all statements of fact contained therein.

Section 7. Limited Liability of Authority and State. The Series 2016 Bonds and the Authority's obligations under the Bond Purchase Agreement, the Supplemental Indenture, the Amendment to Agreement and the Note shall be special, limited obligations of the Authority payable solely from and secured by the payments required to be made by the Borrower or others (except to the extent payable from the proceeds of the Series 2016 Bonds) and will not constitute or give rise to a pecuniary liability of the Authority or a charge against the general credit or taxing powers of the State of Montana.

Section 8. Authority Fees. As authorized by Section 90-7-211 of the Act, the Authority may assess certain initial planning service fees and annual planning service fees. The Authority hereby determines that the initial planning service fee for the Series 2016 Bonds shall be 30 basis points (0.30%) times the original principal amount of the Series 2016 Bonds upon issuance, and the annual planning service fee for the Series 2016 Bonds shall be 10 basis points (0.10%) times the then-outstanding principal amount of the Series 2016 Bonds, unless and until changed by the Authority. No holder of the Series 2016 Bonds or any other bonds of the Authority outstanding from time to time shall have any interest in such funds or any right, by contract or otherwise, to direct the application of such funds to the payment or security of such bonds.

PASSED AND APPROVED BY THE MONTANA FACILITY FINANCE AUTHORITY this 18th day of July, 2016.

____

Jon Marchi
Chair

MONTANA FACILITY FINANCE AUTHORITY
Board Meeting
May 24, 2016

2401 Colonial, 3rd Floor
Helena, Montana
May 24, 2016
12:00 P.M.

MINUTES

BOARD MEMBERS PRESENT:	Jon Marchi Bill Kearns Dick King Larry Putnam Joe Quilici Kim Rickard Matt Thiel
BOARD MEMBERS ABSENT:	None
STAFF PRESENT:	Michelle Barstad, Executive Director Adam Gill, Associate Director
GUESTS:	Peg Norgard, CEO, Northeast Montana Health Systems (via phone) Kreg Jones, Placement Agent, DA Davidson (via phone) Erin McCrady, Bond Counsel, Dorsey & Whitney (via phone)

CALL TO ORDER

Chairman Marchi called the May 24, 2016 board meeting of the Montana Facility Finance Authority (the "Authority") to order at 10:05 A.M. The meeting convened with seven members of the Board present.

PUBLIC COMMENT

The meeting was opened for public comment. *No comments were received.*

FINANCINGS

Executive Director, Michelle Barstad provided information on the following financing for board deliberation:

Northeast Montana Health Systems
Ms. Barstad introduced Peg Norgard, CEO of Northeast Montana Health Systems ("NEMHS"), Kreg Jones, Placement Agent with DA Davidson and Erin McCrady, Bond Counsel with Dorsey & Whitney. Ms. Barstad described the financing; a forward purchase to refund the Master Loan Program Series 2007

Bonds which financed the expansion and renovation of the facilities in Wolf Point and Poplar. Mr. Jones explained that a forward purchase would allow NEMHS to commit to refunding the Series 2007 bonds before the call date, thereby locking in a lower interest rate than what may be available when the bonds become callable in January of 2017. The refunding will be a private placement and that an RFP will be sent out to several banks nationally and locally to purchase the bonds. Mr. Jones estimated the net present value savings of the financing to be $770,000 over the life of the bonds which is 7.85% of the value of the refunded Series 2007 Bonds.

Ms. Norgard discussed NEMHS' efforts to collect aged receivables from Indian Health Services.

Bond Counsel, Erin McCrady, outlined the parameters resolution including the parameters of issuance of no more than $9,850,000, a net present value savings of at least 6%, and no change in maturity.

Member King moved for adoption of Resolution 16-07, as amended. Member Putnam seconded the motion which passed unanimously.

GENERAL ADMINISTRATIVE

Minutes
Member Rickard moved approval of the meeting minutes for March 16, 2016. Member Kearns seconded the motion which passed unanimously.

Accounting
Ms. Barstad, presented the Budget-vs-Actual, as well as a chart showing FY 2016 budgeted and received revenues from annual service fees. Mr. Gill presented the Staff Approved Loans, noting that monthly income from loan payments has grown from just under $24,000 in July of 2015 to just under $40,000 in May of 2016 Mr. Gill also presented the Reserve Balances.

Potential Financings
Ms. Barstad discussed potential financings coming in the calendar year and the anticipated dates of those financings.

Ms. Barstad provided an update on Gateway Community Services. The legal documents are in the process of being signed and the transfer should be complete by the end of the fiscal year.

CALENDAR

BOARD MEETINGS	CONVENTIONS
July 17-19 – Polson Board Retreat	
September 19	
	September 27 (travel) NAHEFFA Chicago, convention 28 - 29 (Michelle, TBD)
	September 28-29 MHA Billings (Adam)
December 5 – Dinner	
December 6 – Meeting	

The upcoming July retreat and board meeting was discussed. Ms. Barstad asked Board members to contact her with items for discussion.

ADJOURN

Chairman Marchi adjourned the meeting at 11:10 AM.

APPROVE: ___________________________ Jon Marchi, Chairman

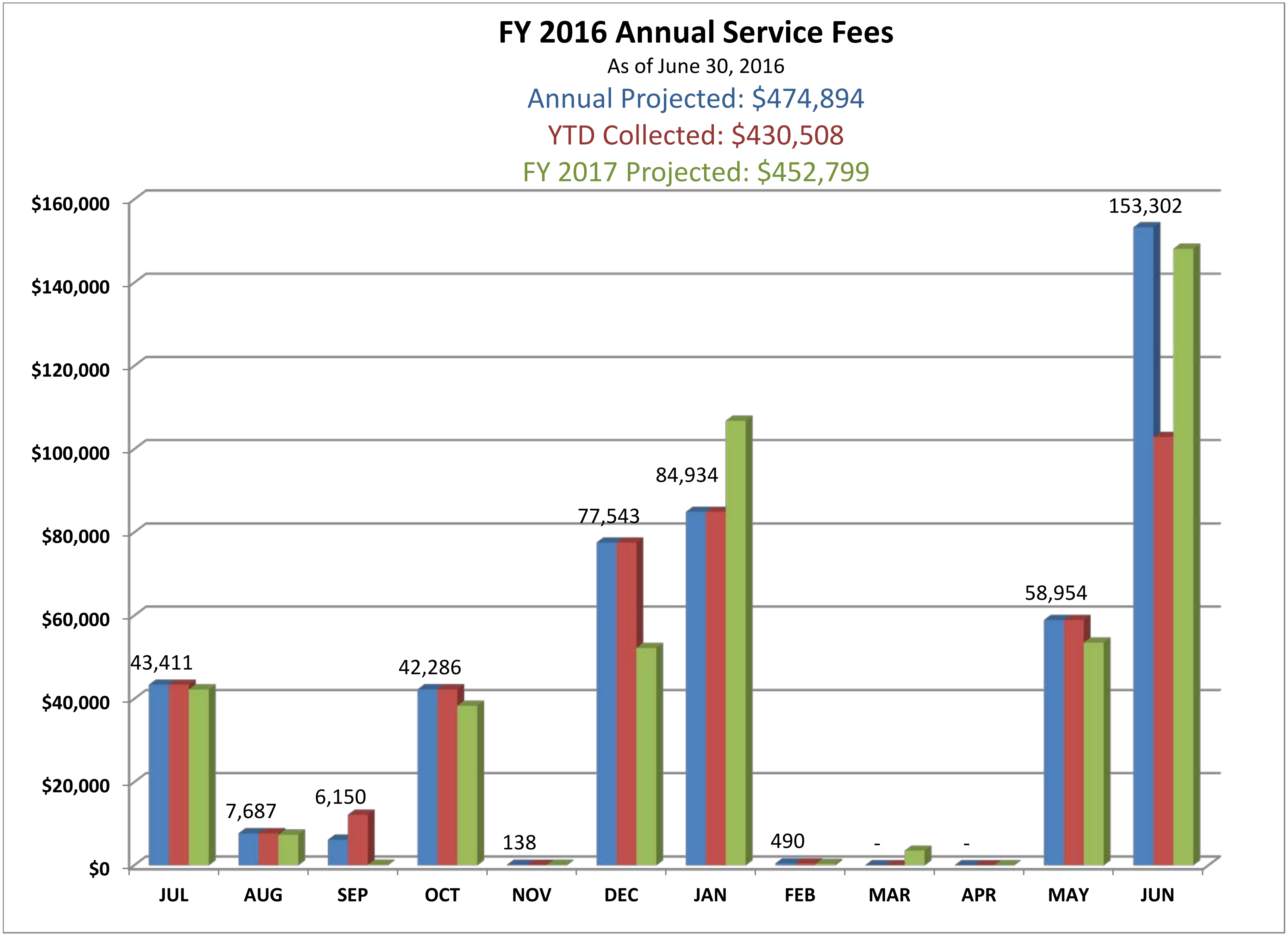
ATTEST: ____________________________ Michelle Barstad, Executive Director

APPROVAL DATE: ________________

Montana Facility Finance Authority
Budget v. Actual Expenses
06/30/16
100% Expended

Legislative		Year to Date			
Budget	Category	Budget	Actual	$ Variance	% Variance
$557,000	**A) INCOME**	**$557,000**	**636,702**	79,702	14%
50,000	Application Fees	50,000	109,978	59,978	120%
465,000	Annual Fees	465,000	472,655	7,655	2%
42,000	Investment Income	42,000	49,933	7,933	19%
	Pension Revenue		4137		
$269,837	**B) PERSONAL SERVICES EXPENSE**	**$269,837**	**165,977**	(103,860)	-38%
263,537	Salaries & benefits	263,537	209,569	(53,968)	
6,300	Board Per Diem	6,300	4,400	(1,900)	
	Compensated Absences		-47,992		
$180,646	**C) OPERATING EXPENSES**	**$180,646**	**122,235**	(58,411)	-32%
42,220	Contracted & Other Services	42,220	18,209	(24,011)	-57%
	Misc. Other Services		10,945		
	Legal Services		4,089		
	Legislative Audit		939		
	ITSD		2,237		
3,485	Supplies/Materials/Equipment	3,485	4,778	1,293	37%
7,792	Communications	7,792	4,273	(3,519)	-45%
19,282	Travel	19,282	18,922	(360)	-2%
25,495	Rent	25,495	25,457	(38)	0%
	Building Rent		25,457		
	Other Rent		0		
8,988	Repairs & Maintenance (& condo fees)	8,988	8,274	(714)	-8%
53,609	Miscellaneous	53,609	42,321	(11,288)	-21%
	Commerce Department Services		26,506		
	Administration (statewide) Indirect Costs		1,269		
	Education		3,945		
	Other Miscellaneous		10,602		
19,775	BOI Administrative Support	19,775	29,396	9,621	49%
	OPEB Expense		2,508		
	Pension Expense		13,816		
$106,517	**REVENUES IN EXCESS OF EXPENSES (A-B-C)**	**106,517**	**302,772**	196,255	184%
60,000	Grants-Obligated/Paid	0	0		
	Current Year Increase in Net Assets		302,772		
$46,517	Prior Period Adjustments		(10,691)		
	INCREASE (DECREASE) IN NET ASSETS		292,081		

* Income presented on CASH basis. GAAP accrual accounting would reflect approximately $16,382.40 less income annually, or 3.48%



FY 2016 Annual Service Fees
As of June 30, 2016
Annual Projected: $474,894
YTD Collected: $430,508
FY 2017 Projected: $452,799
$160,000
$140,000
$120,000
$100,000
$80,000
$60,000
$40,000
$20,000
$0
43,411
7,687
6,150
42,286
138
77,543
84,934
490
-
-
58,954
153,302
JUL
AUG
SEP
OCT
NOV
DEC
JAN
FEB
MAR
APR
MAY
JUN

MONTANA FACILITY FINANCE AUTHORITY

Staff Approved Loans & Grants

5/16/2016 - 7/19/2016

Commitments Pending

Borrower	*Location*	*Date Approved*	*Term*	*Interest*	*Amount*	*Project*	*Program*
Total Pending Direct Loans:					**$ -**		

Loans Made by Staff:

Borrower	*Location*	*Date Funded*	*Term*	*Interest*	*Amount*	*Project*	*Program*
Total Loans Made by Staff:					**$ -**		

Funds Available Under

Direct Loan Program:

Loan Fund: (6/30/2016)	1,949,384
Total Outstanding Loans: (6/30/2016)	(1,561,439)
Pending Approvals from above:	-
Loans Funded since 6/30/2016	-
Payments Received through 7/15/2016	36,111
Total Available to Loan at 7/19/2016	**$ 424,056**

Grants Paid/Approved since 6/30/2016

Grantee	*Location*	*Date*	*Approved* / *Paid*	*Amount*	*Project*	*Program*
N/A						
Total Grants:				**$ -**		

2016

JULY

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
RETREAT 17	18	19	20	21	22	23
24/31	25	26	27	28	29	30

AUGUST

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

SEPTEMBER

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	BOARD MTING	20	21	22	23	24
25	26	27	28	29	30	

OCTOBER

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23/30	24/31	25	26	27	28	29

NOVEMBER

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

DECEMBER

S	M	T	W	T	F	S
				1	2	3
4	BOARD DNNR	BOARD MTING	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

2017

JANURARY

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

FEBRUARY

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				

MARCH

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

APRIL

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23/30	24	25	26	27	28	29

MAY

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

JUNE

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

HOLIDAYS AND OBSERVANCES

1-Jan	New Year's Day	4-Jul	Independence Day	11-Nov	Veterans Day
18-Jan	MLK Day	5-Sep	Labor Day	24-Nov	Thanksgiving Day
15-Feb	Presidents' Day	10-Oct	Columbus Day	26-Dec	Christmas Day Ob.
30-May	Memorial Day	8-Nov	Election Day		

CONFERENCES - 2016

July 17-19	Board Retreat Polson, MT	Sep 29-30	Montana Hospital Assoc
Sep 29-30	NAHEFFA Chicago, IL	Apr 3-5, 2017	NAHEFFA Alexandria, VA