

*The  
Authority*  
**REVIEW**  
~2015~



MONTANA  
FACILITY  
FINANCE  
AUTHORITY

*Providing flexible financing options  
for non-profit health care  
and community service providers.*

**BOARD** A seven member board appointed by the Governor.



(Back row, L-R): Matt Thiel, attorney; Joe Quilici, retired business owner and former state representative 1971-1999; Larry Putnam, healthcare consultant/former hospital administrator; Jon Marchi, chairman, venture capital/ranching.  
 (Front row, L-R): Kim Rickard, business manager, laborer's union; James (Bill) Kearns, bank chairman; and Richard King, economic development consultant.

The Montana Facility Finance Authority (MFFA) is pleased to report another year of enabling Montana's health care and prerelease facilities, large and small, to face changing demands. 2015 was a year of refinancings that saved our clients millions of dollars and making available low-cost loans from the improved Direct Loan Program to finance small projects. We are pleased to carry out these essential services without spending a single tax dollar.

Low interest rates spurred refinancings by facilities wanting to reduce interest costs and free up capital for use in other vital areas. Likewise, financings through the improved Direct Loan program allowed Montana nonprofit providers to upgrade vital equipment and invest in new services to provide quality health care in communities where availability and distance can impede timely evaluation, diagnosis and care.

Milestones and achievements in 2015 included:

- Issuing \$83 million in tax-exempt bonds (seven bond issues/eight series) and \$551,669 in direct loans (four loans) raising our total financings since 1983 to over \$2.5 billion.
- Saving our Montana providers approximately \$7.4 million over the life of their bonds by refunding their bonds.

- Improving the Direct Loan Program by increasing borrowing capacity from \$200,000 to \$300,000; extending loan terms from 5 to 7 years and reducing the interest rate from 3% to 2%. This was a result of the Board recognizing the need of small hospitals to access inexpensive financing to upgrade equipment and expand services.

MFFA believes that tax-exempt bonds should be preserved as a proven and much-needed financing tool for our clients and the communities they serve. Rest assured that we will vigilantly monitor the national conversations on tax-exempt bonds and the tax overhaul proposals as they continue to be debated after the elections. Further, we will keep a close eye on the economic conditions and be ready to respond as circumstances require.

Continued thanks go to our dedicated and forward looking Board of Directors, our professional staff, borrowers, financial institutions, and associates.

The future belongs to those who embrace change with appropriate well thought through action. Our Directors and team can handily face the challenges as they come. We are ready.

*Jon Marchi*  
Chairman of the Board

*Michelle Barstad*  
Executive Director

## AUTHORITY STAFF



Michelle Barstad  
*Executive Director*  
406-444-0259  
mbarstad@mt.gov



Adam Gill  
*Associate Director*  
406-444-5435  
adamgill@mt.gov

**General Counsel:** Robert Murdo  
Jackson, Murdo & Grant, P.C., Helena MT 59601

### Montana Facility Finance Authority

#### Street Address

2401 Colonial Drive, Third Floor, Helena Mt 59601

#### Mailing Address

P.O. Box 200506, Helena Mt 59620-0506

**Phone:** 406-444-0052, **Fax:** 406-444-0019

[www.mtfacilityfinance.com](http://www.mtfacilityfinance.com)

**BILLINGS, Yellowstone County**  
**Alternatives, Inc.**

\$5.1 million direct placement to refinance bonds originally issued in 2006 which financed the construction of the Passages Women's Prerelease Facility.

Interest Rate: 2.875% Term: 11 years Pricing Date: 9/3/2015

*Benefit: Reduced interest rate will save Alternatives an estimated \$272,621 over 11 years.*



**BILLINGS, Yellowstone County**  
**St. John's Lutheran Ministries**

\$4.2 million direct placement issued to refinance bonds originally issued in 2011 to finance a Transitional Care Facility.

Interest Rate: Variable Term: 35 years Pricing Date: 7/13/2015

*Benefit: Reduced interest rate and extended maturity.*



## **BOZEMAN, Gallatin County** **Bozeman Health Services**

\$30 million to finance a portion of the costs to construct a medical office building in Bozeman, a hospital in Big Sky and refund bonds.

Interest Rate: \$22,000,000 at 2.24% and \$8,000,000 at 5.70%  
Term: 30 years Pricing Date: 10/23/15

*Benefit: Provide services to under-served community and implement current technology.*



## **BOZEMAN, Gallatin County** **Bozeman Health Services**

\$18 million in bonds to refinance bonds originally issued in 2005 to finance an expansion of the Aspen Pointe independent living facility.

Interest Rate: Variable Term: 20 years Pricing Date: 8/27/2015

*Benefit: Reduced interest rate will save Bozeman Health an estimated \$1.85 million over 20 years.*



**HELENA, Lewis & Clark County  
St. Peter's Hospital**

\$14.95 million direct placement to refinance bonds originally issued in 2007 to construct a Medical Office Building.

Interest Rate: 2.02% Term: 7 years  
Pricing Date: 4/27/15

*Benefit: Reduced term and interest rate will save St. Peter's an estimated \$4.36 million over seven years.*



**HELENA, Lewis & Clark County  
Shodair Children's Hospital**

\$4.5 million direct placement to refinance bonds originally issued in 2005 to finance a 20-bed therapeutic facility including a new therapy pool.

Interest Rate: 2.40% Term: 10 years  
Pricing Date: 4/28/15

*Benefit: Reduced term and interest rate will save Shodair an estimated \$900,000 over ten years.*



**LEWISTOWN, Fergus County  
Community, Counseling and  
Correctional Service, Inc.**

\$6.2 million direct placement to refinance bonds issued in 2006 to finance the construction of the Nexus facility, an 88-bed methamphetamine treatment center in Lewistown.

Interest Rate: 2.720% Term: 11 years  
Pricing Date: 11/3/2015

*Benefit: Reduced interest rate will save CCCS, Inc. an estimated \$308,090 over 11 years.*



### **BAKER, Fallon County** **Fallon Medical Complex**

\$39,500 loan to purchase two diagnostic machines.

Interest Rate: 3.00% fixed    Term: 4 years  
Pricing Date: 11/15/2014

*Benefit: Better equipment to serve its clients.*



### **SUPERIOR, Mineral County** **Mineral Community Hospital**

\$65,798 loan to purchase a replacement x-ray machine.

Interest Rate: 2.00% fixed    Term: 5 years  
Pricing Date: 9/8/2015

*Benefit: Replaces a vital piece of medical equipment*



### **CONRAD, Pondera County** **Pondera Medical Center**

\$141,297 to purchase an ultrasound machine.

Interest Rate: 3.00% fixed    Term: 5 years  
Pricing Date: 4/9/2015

*Benefit: Allows the hospital to do more prenatal and cardiac procedures locally.*



### **ENNIS, Madison County** **Madison Valley Medical Center**

\$300,000 to purchase a mammography machine.

Interest Rate: 2.00% fixed    Term: 7 years  
Pricing Date: 9/21/2015

*Benefit: Provides a new service in the community, increases revenues and creates one job.*



MONTANA

FACILITY

FINANCE

AUTHORITY

P.O. BOX 200506

Helena, MT 59620-0506

### **MONTANA FACILITY FINANCE**

**AUTHORITY**, by putting into practice cutting-edge financing solutions, continues to help Montana's vital nonprofits provide valuable services that:

- Help *people*
- Improve *places*
- Upgrade *things*