

A photograph of the Glendive Medical Center building under a clear blue sky. In the foreground, two tall flagpoles stand on a landscaped area with dry grass. The left flagpole holds the United States flag, and the right flagpole holds the Montana state flag, which features a yellow sun, a blue sky, and a green landscape with a river and mountains. The building is a modern, single-story structure with a red metal roof and large glass windows. A covered entrance with stone pillars is visible on the right side. A person and a child are walking near the entrance. The text "GLENDIVE MEDICAL CENTER" is visible on the building's facade.

Montana Facility Finance

# AUTHORITY REVIEW

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

- 2017 -

## 2017 MFFA Authority Review

**Board:** Appointed by the Governor



(Back Row, L-R): Bill Kearns, bank chairman; Larry Putnam, healthcare consultant/former hospital administrator; Matt Thiel, attorney; Kent Burgess, former administrator St. John's Lutheran Ministries.

(Front Row, L-R): Paul Komlosi, economic development consultant; Kim Rickard, business manager, laborer's union; John Rogers, former director of the Governor's Office of Economic Development.

The Montana Facility Finance Authority (MFFA) is pleased to report, despite political and market uncertainty, another year of improving access to healthcare across Montana. Refinancings were a major part of our work in 2017 which, along with new tax-exempt bond issuances, will save our clients millions of dollars over the next several years. We also saw an increase in volume for our Direct Loan and Trust Fund Loan programs which provide low-cost capital for smaller projects. We are proud to provide this essential service without spending a single tax dollar.

Milestones and achievements in 2017 included:

- Issuing \$84 million in tax-exempt bonds (five bonds/five series), over \$850,000 in direct loans (four loans) and over \$700,000 in Trust Fund loans (two loans) raising our total financings structured since 1983 to almost \$2.9 billion.
- Saving our Montana providers approximately \$6.3 million over the life of the bonds by refunding their existing bonds.

- Worked with the Montana Resource Efficiency Program to help seven hospitals and one nursing home access free energy efficiency audits.

Tax reform caused significant concern this year with the House of Representatives version of the Tax Cuts and Jobs Act threatening the private activity bonds the MFFA relies on to provide its services. However, due to the efforts and outreach of finance authorities and their partners around the nation, private activity bonds were preserved. The MFFA was privileged to have the cooperation and support of many partners including the Montana Department of Commerce, the Governor's Office, the Montana Hospital Association, the National Association of Health and Education Facility Finance Authorities and several banks and other financing partners. Through the dedication of our partners, board and staff, the MFFA can continue to provide access to low-cost capital financing.

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

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## ***Glendive Medical Center, Inc.***

### **Glendive, Dawson County**

\$21,470,000 issued to refund Master Loan Program Series 2008 Bonds used for acquisition and renovation of facilities.

Interest Rate: 2.75%

Term: 16 years

Pricing Date: 8/29/17

Closing Date: 8/29/17

*Benefit: Reduced interest rate and improved cash flow will result in a savings of over \$2.8 million over 16 years.*



## ***Benefis Health System Obligated Group***

### **Great Falls, Cascade County**

\$28,300,000 issued to refund Series 2011B Bonds and taxable note which originally funded the construction of the Grandview Assisted Living Facility and renovated a nursing facility.

Interest Rate: Variable

Term: 13 years

Pricing Date: 6/20/2017

Closing Date: 6/22/2017

*Benefit: Reduced interest rate will result in savings of \$2.7 million over 13 years.*



## ***Marcus Daly Memorial Hospital***

**Hamilton, Ravalli County**

\$15,000,000 issued to finance the construction of a new operating room suite.

Interest Rate: 3.45%

Term: 20 years

Pricing Date: 11/28/2017

Closing Date: 12/15/2017

*Benefit: Brand new 26,000 sqft operating room suite including three new operating rooms, a dedicated OR for cesareans, room for future expansion, a parking lot, and helicopter pad. Construction is estimated to create up to 90 jobs.*



## *Marcus Daly Memorial Hospital*

### **Hamilton, Ravalli County**

\$9,505,000 issued to refinance existing taxable debt whose original purpose was expansion of the Hospital.

Interest Rate: 3.92%  
Term: 20 years

Pricing Date: 1/26/2017  
Closing Date: 6/22/2017

*Benefit: Consolidation and simplification of the Hospital's debt enabled it to expand its operating rooms.*



## ***Northeast Montana Health Services, Inc.***

### **Wolf Point & Poplar, Roosevelt County**

\$9,820,000 issued to refund the existing 2007 Master Loan Program Health Care Revenue Bond that was issued for \$12,515,000 to renovate and expand the hospital.

Interest Rate: 2.81%

Term: 15 years

Pricing Date: 1/9/2016

Closing Date: 1/31/2017

*Benefit: The refunding of the current 2007 Bonds is expected to result in a net present value savings of \$795,000.*





### ***Spring Meadow Resources, Inc.***

#### **Helena, Lewis & Clark County**

Purchase group home/farm near Butte, MT on 91 acres that has six beds for people with developmental disabilities.

Amount: \$380,000  
Interest Rate: 3.91%  
Term: 20 years

Pricing Date: 4/11/2017  
Closing Date: 6/1/2017

*Benefit: Expand group home services for developmentally disabled adults.*



### ***Northeast Montana Health Services***

#### **Wolf Point & Poplar, Roosevelt County**

Purchase and install new boiler for nursing home and complete asbestos mitigation.

Amount: \$321,013  
Interest Rate: 4.04%  
Term: 7 years

Pricing Date: 3/24/2016  
Closing Date: 4/13/2017

*Benefit: Cost savings from energy efficiency and maintaining the viability of the building.*



***Pondera Medical Center***

**Conrad, Pondera County**

Purchase new VOIP telephone system.

Amount: \$125,000

Interest Rate: 2.07%

Term: 5 years

Pricing Date: 2/7/2017

Closing Date: 3/30/2017

*Benefit: Replace outdated system that could not be expanded.*



***Northern Rockies Medical Center, Inc.***

**Cut Bank, Glacier County**

Purchase telemetry equipment.

Amount: \$141,614

Interest Rate: 2.00%

Term: 7 years

Pricing Date: 5/31/2017

Closing Date: 8/31/2017

*Benefit: Replace aging equipment to avoid diverting patients to other facilities.*



### ***Deer Lodge Medical Center***

#### **Deer Lodge, Powell County**

Purchase a 3D mammography unit.

Amount: \$300,000

Interest Rate: 2.00%

Term: 4 years

Pricing Date: 12/5/2016

Closing Date: 3/9/2017

*Benefit: Replace and upgrade vital medical equipment.*



### ***Intermountain Deaconess Children's Services***

#### **Helena, Lewis & Clark County**

Purchase new electronic health records system.

Amount: \$300,000

Interest Rate: 2.00%

Term: 7 years

Pricing Date: 5/1/2017

Closing Date: 10/5/2017

*Benefit: New system will enhance productivity and reduce operating costs.*

# Montana Facility Finance Authority

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The Montana Facility Finance Authority offers unique financings for vital nonprofits, providing innovative fiscal solutions that:

- Help *People*
- Build *Communities*
- Advance *Technology*
- Modernize *Facilities*

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