



## *The Authority Review ~2018~*

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): Bill Kearns, retired bank chairman; Larry Putnam, 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; and John Rogers, former director of the Governor's Office of Economic Development

The Montana Facility Finance Authority (MFFA) is pleased to report another year of improving access to healthcare across Montana. 2018 featured a number of important milestones at MFFA. We celebrated 35 years in operation and we also crossed the \$3 billion mark in total financings. And to share in our excitement, we developed a new grant program focused on identifying potential savings through energy efficiency. Overall, it was another great year serving Montana hospitals.

Expansion, renovations and re-financings were a major part of our work in 2018. The tax-exempt financings that funded these activities will save our clients millions of dollars. We saw continued interest in our Direct Loan and Trust Fund Loan programs which provide low-cost capital for smaller projects.

Milestones and achievements in 2018 included:

- Issuing \$408.5 million in tax-exempt bonds (six bonds/eleven series), over \$323,000 in Direct Loans (three loans) and over \$3.43 million in Trust Fund loans (four loans).

- We also continued to grow our granting capacity, helping rural healthcare providers develop capital improvement plans as well as providing them with guidance on how to save funds through energy efficiency. Four grants of up to \$15,000 each were awarded under the Montana Capital Assistance Program and ten grants of up to \$15,000 each were awarded under the Energy Efficiency Program.

Our growth in 2018 is the continuation of years of work ensuring access to low-cost capital financing and development services.

We're very proud of what we accomplished over the last 35 years, including:

- Serving as conduit issuer for \$3.30 billion in bonds that helped healthcare providers grow with their communities and ensure even our farthest corners have access to quality medical services.
- Issuing more than \$8.15 million in Direct Loans and \$19.08 million in Trust Fund Loans to cover capital projects.
- Providing over \$560,000 in grants to help healthcare providers make capital improvement plans and determine savings from energy efficiency measures.

Our continued thanks go to our dedicated and forward-looking Board of Directors, our professional staff, financing partners, financial institutions, and associates. We thank you for your support and we look forward to another fantastic 35 years serving Montana hospitals.

## AUTHORITY STAFF



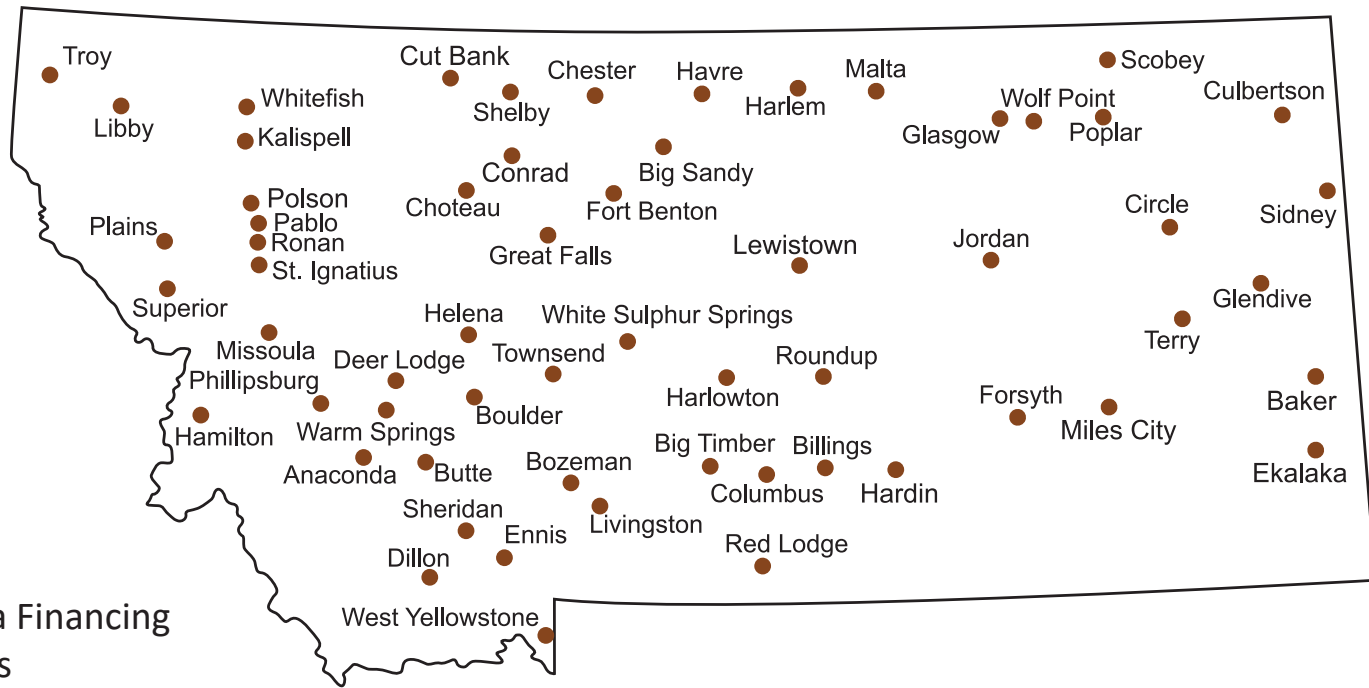
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Montana Financing  
Locations

## Counties served in the last 35 years

Beaverhead County  
Big Horn County  
Blaine County  
Broadwater County  
Carbon County  
Carter County  
Cascade County  
Chouteau County  
Custer County  
Daniels County  
Dawson County

Deer Lodge County  
Fallon County  
Fergus County  
Flathead County  
Gallatin County  
Glacier County  
Hill County  
Jefferson County  
Lake County  
Lewis and Clark County  
Liberty County

Lincoln County  
Madison County  
McCone County  
Mineral County  
Missoula County  
Musselshell County  
Park County  
Phillips County  
Pondera County  
Powell County  
Ravalli County

Richland County  
Roosevelt County  
Rosebud County  
Sanders County  
Silver Bow County  
Teton County  
Toole County  
Valley County  
Wheatland County  
Yellowstone County





## Bonds

MFFA enables qualified borrowers to access the tax-exempt capital markets which provide financing at lower interest rates. Bond issues can be structured with fixed or variable interest rates and with or without credit enhancement. Bonds are available through our Stand-Alone and Master Loan Programs. In 35 years MFFA has issued over 180 Bonds totaling \$3.2 billion worth of funding.



## Big Horn County

### *Big Horn Hospital Association*

This project will renovate the Emergency Department, expand the patient wing and construct a new entrance and lobby.



**Amount:** \$11,000,000

**Interest Rate:** 4.30%; 3.83%

**Term:** 5 years; 20 years

**Pricing Date:** 10-02-2018

**Closing Date:** 11-01-2018

## BENEFIT

The renovation and expansion will improve staff efficiency and potentially decrease staff expenses. Improvements to the heating and cooling equipment will lower building infrastructure costs.

## Deer Lodge County

### *Montana State Hospital*

To refinance the existing Series 1997 Bonds which were used to construct the current facility.



**Amount:** \$4,575,000

**Interest Rate:** 2.99%

**Term:** 4 years

**Pricing Date:** 6-11-2018

**Closing Date:** 7-24-2018

## BENEFIT

The refinance is projected to yield the Hospital \$640,264 in annual cash flow savings totaling \$2.7 million in cash flow savings to the General Fund.



## Flathead County

### *Kalispell Regional Hospital*

To construct the new Montana Children's Medical Center and refund Series 2014 and Series 2016 Facility Revenue Notes.



**Amount:** \$100,000,000

**Interest Rate:** 4.14%

**Term:** 30 years; 8 years

**Pricing Date:** 9-26-2018

**Closing Date:** 9-28-2018

## BENEFIT

The Montana Children's Medical Center will be the only facility in the State specifically designed for pediatric patients and their families and will be the only facility offering 24/7 pediatric surgery and neurosurgery.

## Gallatin County

### *Bozeman Deaconess Health Services*

To construct a three-story hospital-grade building attached to the main facility. The new building will house a 20-bed combined Intensive Care and Pediatric Care Units and will renovate space to expand administrative space and ambulatory space, and remodel its cafeteria.



**Amount:** \$68,715,000

**Interest Rate:** 4.00%

**Term:** 30 years

**Pricing Date:** 4-11-2018

**Closing Date:** 4-26-2018

## BENEFIT

The project is estimated to create 35-40 new construction jobs and the new space will expand and improve services and will have a positive financial impact and a positive health outcome for the community.

## Sanders County

### *Clark Fork Valley Hospital*

To refinance a 2004 Rural Development guaranteed loan that financed the expansion of the Hospital's facilities.



**Amount:** \$6,177,000

**Interest Rate:** 4.50%

**Term:** 18 years

**Pricing Date:** 1-22-2018

**Closing Date:** 2-28-2018

## BENEFIT

The refinance is estimated to save the Hospital \$1.8 million in cash flow savings and net present value savings of \$1.29 million over the life of the loan.

## Yellowstone County

### *Billings Clinic*

For the expansion of its Surgery Center, Endoscopy services, Cardiac Catherization Lab renovation, and refunding of Series 2008A/B and Series 2011A/B Bonds.



**Amount:** \$218,130,000

**Interest Rate:** 3.69%; 4.25%; Variable, Variable

**Term:** 30 years; 20 years; 19 years; 26 years

**Pricing Date:** 9-12-2018

**Closing Date:** 10-1-2018

### BENEFIT

The project will assist the Clinic with growing its service capacity, will allow for more streamlined efficiency, and will allow the Clinic to increase the capacity / configure inpatient beds which is expected to increase revenues. The refunding of Series 2008A/B and Series 2011A/B Bonds will provide \$2.1 million in net present savings.

## Trust Fund Loans:

Trust Fund Loans come from the Permanent Coal Tax Trust Fund managed by the Montana Board of Investments. Loan amounts from \$250,000 - \$1,500,000, and terms up to 20 years are available depending on the borrower's need. Since 2000, MFFA has issued 29 Trust Fund Loans totaling \$19.08 million worth of funding.





## Fergus County

### *Central Montana Medical Center*

The purchase of Interventional Radiology equipment including an Ultimax-I Multipurpose X-Ray System, Drx-1 System, and Velocity upgrade.



**Amount:** \$796,267

**Interest Rate:** 3.53%

**Term:** 5 years

**Pricing Date:** 6-11-2018

**Closing Date:** 10-25-2018

## BENEFIT

The new equipment will better support the increased demand for interventional radiology services and will provide new services to the area.

## Glacier County

### *Glacier Community Health Center*

To finance a 2,700 sqft expansion of the Health Center's behavioral health facilities.



**Amount:** \$656,566

**Interest Rate:** 3.89%

**Term:** 20 years

**Pricing Date:** 9-21-2017

**Closing Date:** 7-19-2018

## BENEFIT

The expansion will significantly increase the capacity of the behavioral health programs currently offered by the Health Center.

## Musselshell County

### *Roundup Memorial Hospital*

The construction of a new building to expand its physical therapy services.



**Amount:** \$480,000

**Interest Rate:** 4.34%

**Term:** 15 years

**Pricing Date:** 8-07-2018

**Closing Date:** 12-19-2018

## BENEFIT

The construction will provide an increase in the number of physical therapy patients the hospital can serve.

## Powell County

### *Deer Lodge Medical Center*

The construction of a new medical office building and lab, as well as renovation of the current facility.



**Amount:** \$1,500,000

**Interest Rate:** 3.75%

**Term:** 15 years

**Pricing Date:** 4-30-2017

**Closing Date:** 4-26-2018

## BENEFIT

The expansion will allow for an increase in the number of patients the hospital can serve and create the potential for additional services in the future.



## Direct Loans:

Direct loans are staff-approved loans of up to \$300,000 and terms of up to seven years, for eligible capital projects including construction and renovation, facility acquisition, refinancing of qualified outstanding debt, and the purchase of equipment. Since 1994, MFFA has issued 88 Direct Loans totaling \$8.15 million worth of small-dollar funding.





## Choteau County

### *Big Sandy Medical Center*

Purchase electronic health records software and a computer server.



**Amount:** \$63,950

**Interest Rate:** 2.87%

**Term:** 7 years

**Pricing Date:** 8-23-2018

**Closing Date:** 10-25-2018

## BENEFIT

The upgrades automate certain processes in the laboratory, improving work efficiency and accuracy.

## Daniels County

### *Daniels Memorial Health Center*

Purchase and installation of a new boiler and other capital upgrades to the heating system.



**Amount:** \$160,000

**Interest Rate:** 2.89%

**Term:** 7 years

**Pricing Date:** 8-30-2018

**Closing Date:** 10-25-2018

## BENEFIT

The new boiler and energy upgrades are expected to save the Hospital \$45,509 on energy costs annually.

## Phillips County

### *Phillips County Hospital Association*

Remodel the nurses station and purchase a new phone system and IT cabling.



**Amount:** \$99,070

**Interest Rate:** 2.09%

**Term:** 7 years

**Pricing Date:** 12-21-2017

**Closing Date:** 2-22-2018

## BENEFIT

The phone system and remodel improves work-flows and efficiency and saves the Hospital \$9,100 on an annual basis.

## **MCAP Grants:**

The Montana Capital Assistance Program (“MCAP”) assists Critical Access Hospitals (CAH), small rural hospitals (those with less than 50 beds), or other eligible health care facilities with the development of a Capital Improvement Plan to assess the feasibility of proposed capital expenditures. This \$15,000 grant program funds four specific areas: Scope of Service Review, Facility Master Plan, Capital Financing Plan, and Legal Assistance. Since 2001 MFFA has issued 58 MCAP Grants totaling \$497,852.01.

## **EEP Grants:**

Unveiled in July 2018, the Energy Efficiency Program (EEP) was created to help eligible facilities save on energy costs. The grant pays for an engineer from the National Center for Appropriate Technologies (NCAT) to visit the facilities and perform an energy audit. The audits are then used for guidance on energy conservation measures. The grant pays for up to \$15,000 of the audit while the facilities match 10%. Since its inception, in July of 2018, the MFFA has approved more than 10 grants totaling \$120,000.

**Location:** Choteau County  
**Facility:** Missouri River Medical Center  
**Grant Type:** MCAP

**Location:** Daniels County  
**Facility:** Daniels Memorial Healthcare  
**Grant Type:** MCAP

**Location:** Dawson County  
**Borrower:** Glendive Medical Center  
**Grant Type:** Energy Efficiency Program

**Location:** Dawson County  
**Facility:** Heritage Assisted Living  
**Grant Type:** Energy Efficiency Program

**Location:** Lake County  
**Facility:** St. Joseph Assisted Living Center  
**Grant Type:** Energy Efficiency Program

**Location:** Rosebud County  
**Facility:** Rosebud Health Care Center  
**Grant Type:** MCAP

**Location:** Sheridan County  
**Facility:** Sheridan Memorial Hospital  
**Grant Type:** MCAP

**Location:** Lake County  
**Facility:** St. Joseph Medical Center  
**Grant Type:** Energy Efficiency Program



# 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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