

MONTANA FACILITY FINANCE AUTHORITY
Board Meeting

Montana Facility Finance Authority Office
2401 Colonial Drive, Helena

February 6, 2020

“Enhance Montana healthcare and community capabilities through access to cost-effective capital financing and development services.”



**MONTANA FACILITY FINANCE AUTHORITY
CONFERENCE CALL BOARD MEETING**

February 6, 2020

MEETING AGENDA

- 10:00**
- I. CALL TO ORDER**
 - A. Roll Call
 - B. Approval of Meeting Minutes (12/10)

 - II. PUBLIC COMMENT** on Board Related Items

 - III. GENERAL ADMINISTRATIVE**
 - A. Legislative Update**

 - B. Financials**
 - 1. Budget -v- Actual
 - 2. Revenue Graph
 - 3. Reserve Balances
 - 4. Staff Approved Loans & Grants

 - C. Miscellaneous**
 - 1. Anticipated Financings
 - 2. NAHEFFA Spring Conference

CALL-IN INSTRUCTIONS

Call: 1-877-273-4202

Conference Room: 994 0970 #

Enhance Montana healthcare and community capabilities through access to cost-effective capital financing and development services.

MONTANA FACILITY FINANCE AUTHORITY
Board Meeting (Helena, MT)
December 10, 2019
10:00 A.M.

MINUTES

BOARD MEMBERS PRESENT: Larry Putnam, Chair
Bill Kearns, Vice-Chair
Jan Bastian (via phone)
Paul Komlosi
Kim Rickard
John Rogers
Matt Thiel

BOARD MEMBERS ABSENT:

STAFF PRESENT: Adam Gill, Executive Director
Seth Lutter, Associate Director
Colin Gunstream, Financial Specialist

GUESTS: Jim Kerins, Managing Consultant – Communication and Management Services, LLC.
Bob Murdo, Authority Counsel – Jackson, Murdo & Grant
Nathan Bilyeu, Authority Counsel – Jackson Murdo & Grant

BOARD MEETING

CALL TO ORDER

Chair Putnam called the December 10, 2019 board meeting of the Montana Facility Finance Authority (the “Authority”) to order at 10:00 A.M. The meeting convened with all seven members of the Board present.

Minutes

Amendments were requested to the October 23, 2019 meeting minutes. Member Thiel moved for approval of the amended meeting minutes.. Member Komlosi seconded the motion which passed unanimously.

PUBLIC COMMENT

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

GENERAL ADMINISTRATIVE

Legislative Update

Mr. Gill discussed the upcoming legislative session and legislative goals for the Authority. Specifically, approval was sought to pursue the passage of a Commercial Property-Assessed Clean Energy bill and an attempt to expand the Authority's list of eligible borrowers to include all Montana 501(c)(3) nonprofits. Vice Chair Kearns motioned for approval of the Authority to actively pursue these legislative goals. Member Komlosi seconded the motion which passed unanimously.

Financials

Mr. Gill presented the Budget-v-Actual results and the Reserve Balances. Mr. Gunstream presented the Revenue Graph and Mr. Lutter discussed Staff Approved Loans and Grants.

DISCUSSION TOPICS

Executive Director Review

Jim Kerins, Managing Consultant – CMS, joined the Board and conducted the annual review for the Executive Director. Mr. Lutter and Mr. Gunstream were absent for this portion of the meeting.

MISCELLANEOUS

Anticipated Financings and Related Matters

Mr. Gill discussed potential financings for the upcoming year and the anticipated dates of those financings.

2020 Calendar

The 2020 calendar was discussed and board meetings were set for 2020.

BOARD MEETING CALENDAR

BOARD MEETINGS
February 6, 2020, Helena, MT
April 9, 2020, TBD
June 11, 2020, TBD
August 13, 2020, TBD
October 15, 2020, TBD
December 10, 2020, Helena, MT

ADJOURN

Chair Putnam adjourned the meeting at 1:10 P.M.

APPROVE: _____
Larry Putnam, Chair

ATTEST: _____
Adam Gill, Executive Director

APPROVAL DATE: _____

Montana Facility Finance Authority
Budget v. Actual Expenses
12/31/19
50% Expended

Legislative Budget	Year to Date			
	Category	Budget	Actual	\$ Variance % Variance
\$722,000	A) INCOME	\$246,751	485,369	238,618 97%
75,000	Application Fees	37,500	134,548	97,048 259%
547,000	Annual Fees	159,251	272,622	113,371 71%
100,000	Investment Income	50,000	78,199	28,199 56%
\$270,350	B) PERSONAL SERVICES EXPENSE	\$135,175	138,336	3,161 2%
263,350	Salaries & benefits	131,675	135,386	3,711
7,000	Board Per Diem	3,500	2,950	(550)
\$276,543	C) OPERATING EXPENSES**	\$103,272	100,577	(2,694) -3%
49,650	Contracted & Other Services	24,825	22,069	(2,756) -11%
	Misc. Other Services		12,381	
	Legal Services		6,513	
	Legislative Audit		2,164	
	ITSD		1,011	
12,044	Supplies/Materials/Equipment	6,022	7,655	1,633 27%
7,824	Communications	3,912	2,902	(1,010) -26%
19,365	Travel	9,683	14,027	4,345 45%
27,188	Rent	13,594	16,426	2,832 21%
	Building Rent		15,685	
	Other Rent		741	
156	Repairs & Maintenance	78	77	(2) -2%
50,316	Miscellaneous	25,158	29,734	4,576 18%
	Commerce Department Services		19,578	
	Administration (statewide) Indirect Costs		2,070	
	Education		4,675	
	Other Miscellaneous		3,411	
0	Equipment	0	0	
40,000	BOI Administrative Support**	20,000	7,688	(12,312) -62%
\$175,107	REVENUES IN EXCESS OF EXPENSES (A-B-C)	8,305	246,456	238,151 2868%
330,000	Grants-Obligated/Paid	191,556	108,639	
(\$154,893)	Current Year Increase in Net Assets		137,817	
	INCREASE (DECREASE) IN NET ASSETS		137,817	

* Income presented on CASH basis. GAAP accrual accounting would reflect approximately \$3,200.53 less income annually, or < 0.6%

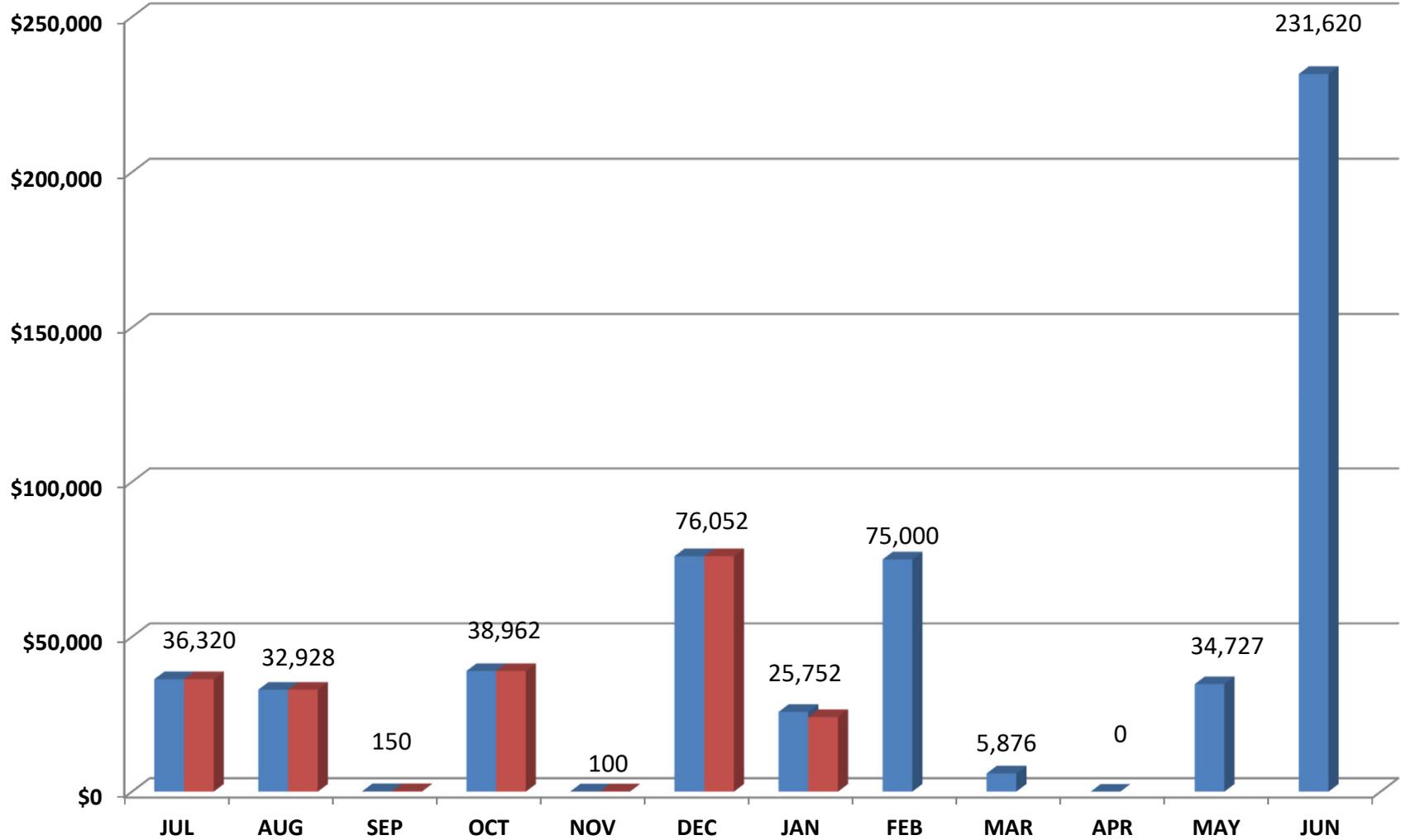
FY 2020 Annual Service Fees

As of January 27, 2020

Annual Projected: \$557,488

YTD Projected: \$210,265

YTD Collected: \$208,600



**Montana Facility Finance Authority
Reserve Balances
12/31/2019**

		<u>Current Balance</u>	<u>Policy Guideline</u>
A/E 06015	Operating Account Summary		
	Total Fund Balance Available Net Capital Reserve "B" Balance	3,229,201	
	Less: Working Capital Reserve Requirement	1,613,786	1,613,786 (a)
	Available for Restricted Capital Reserve "A"	1,615,415	10,295,227 (b)
	Fund Balance: Sub-Total	<u>3,229,201</u>	<u>11,909,013</u>
A/E 06015	Trust Fund Loan Pool		
	RC 710300, Accounts 521190	12,707	
	Plus: Prior Year End Capital Reserve "B" Fund Balance Sub Total	368,549	
	Capital Reserve "B" Fund Balance	<u>381,256</u>	<u>534,666 (d)</u>
A/E 06012	Direct Loan Program		
	Current Program Fund Balance	4,587,471	
	Less: Outstanding Loan Balance	3,470,965	
	Funds Available to Loan from Direct Loan Program	1,116,506	
	Fund Balance: Sub-Total	<u>4,587,471</u>	<u>4,555,548 (c)</u>
	Total Projected Fund Balance	<u>8,197,928</u>	<u>16,999,227</u>

Notes:

Policy Guidelines - Minimum Funding Requirements

(a) Twice the current Fiscal Year annual budget.	806,893
(b) 10% of the outstanding BOI enhanced bond balance as of 7/1/19	102,952,272
(c) \$3,542,709 as of 7/1/19 plus YTD loan payments, account investment earnings.	4,555,548
(d) 10% of the Trust Fund Loan Pool Balance as of 7/1/19	5,346,663

MONTANA FACILITY FINANCE AUTHORITY

Staff Approved Loans

12/1/2019 - 12/31/19

Submitted Applications

<u>Borrower</u>	<u>Location</u>	<u>Date Submitted</u>	<u>Term</u>	<u>Interest</u>		<u>Amount</u>	<u>Project</u>
Marias Health Services	Shelby	09/25/19	10	2.25%	\$	500,000	Clinic Construction/Renovation
						\$ 500,000	

Total Pending Direct Loans:

Approved Applications

<u>Borrower</u>	<u>Location</u>	<u>Date Approved</u>	<u>Term</u>	<u>Interest</u>		<u>Amount</u>	<u>Project</u>
Fallon Medical Complex	Baker	06/11/19	5	2.00%	\$	300,000	Purchase CT Scanner
Missions United	Billings	10/03/19	5	2.00%	\$	500,000	Reimbursement of Capital Upgrades
						\$ 800,000	

Total Approved Direct Loans:

Funds Available Under

Direct Loan Program:

Loan Fund: (12/31/2019)	4,587,471
Total Outstanding Loans: (12/31/2019)	(3,470,965)
Approved Applications from above:	(800,000)
Total Available to Loan at 12/31/2019	\$ 316,506

Funded Applications from 7/1/19:

<u>Borrower</u>	<u>Location</u>	<u>Date Funded</u>	<u>Term</u>	<u>Interest</u>		<u>Amount</u>	<u>Project</u>
Central Montana Medical Center	Lewistown	07/11/19	10	2.26%	\$	335,870	Refinancing Trust Fund Loan
Job Connections	Billings	07/18/19	10	2.26%	\$	298,470	Refinancing Trust Fund Loan
Northeast Montana Health Services	Wolf Point	07/31/19	4	2.00%	\$	498,531	Refinancing Trust Fund Loan
McCone County Health	Circle	09/03/19	7	2.00%	\$	99,100	Boiler Upgrades
Eastern Montana Community Mental Health	Miles City	11/12/19	10	2.25%	\$	500,000	Facility Upgrade & Refinance
Dahl Memorial Healthcare	Ekalaka	12/17/19	7	2.00%	\$	175,000	EHR Upgrade
						\$ 1,906,971	

Total Loans Funded since 7/1/19

MONTANA FACILITY FINANCE AUTHORITY

Staff Approved Grants

12/1/2019 - 12/31/19

Commitments Pending

<u>Facility</u>	<u>Location</u>	<u>Date Submitted</u>	<u>Date Approved</u>	<u>Date Paid</u>	<u>Amount</u>	<u>Project</u>	<u>Program</u>
Missoula YWCA (final)	Missoula, MT	11/12/2018	11/12/2018		\$ 7,500	Energy Efficiency Grant	EEP
Immanuel Lutheran Communities (final)	Kalispell, MT	11/23/2018	11/23/2018		\$ 7,500	Energy Efficiency Grant	EEP
Phillips County Hospital (final)	Malta, MT	10/10/2019	10/10/2019		\$ 7,500	Energy Efficiency Grant	EEP
St. Luke's Community Healthcare	Ronan, MT	9/5/2019	9/5/2019		\$ 15,000	Capital Improvement Plan	MCAP
Liberty Medical Center	Chester, MT	7/29/2019	7/29/2019		\$ 15,000	Energy Efficiency Grant	EEP
Phillips County Hospital (prelim)	Malta, MT	10/10/2019	10/10/2019		\$ 7,500	Energy Efficiency Grant	EEP
Immanuel Lutheran Communities (prelim)	Kalispell, MT	11/23/2018	11/23/2018		\$ 7,500	Energy Efficiency Grant	EEP

Total Pending Grants:

\$ 67,500

Grants Paid since 7/1/2019

<u>Grantee</u>	<u>Location</u>	<u>Date</u>	<u>Approved</u>	<u>Paid</u>	<u>Amount</u>	<u>Project</u>	<u>Program</u>
Valley View Home	Glasgow, MT	5/14/2019	5/14/2019	6/11/2019	\$ 15,000	Energy Efficiency Grant	EEP
Roundup Memorial Hospital	Roundup, MT	5/1/2019	5/1/2019	7/22/2019	\$ 10,144	Capital Improvement Plan	MCAP
Madison Valley Medical	Ennis, MT	8/21/2018	8/21/2018	7/24/2019	\$ 15,000	Facility Master Planning	MCAP
Prairie County Hospital District	Terry, MT	10/19/2019	10/19/2019	8/8/2019	\$ 13,912	Facility Master Planning	MCAP
Marcus Daly Memorial Hospital	Hamilton, MT	9/25/2019	9/25/2019	10/6/2019	\$ 15,000	Capital Improvement Plan	MCAP
Roosevelt Medical Center	Culbertson, MT	6/11/2019	6/11/2019	12/4/2019	\$ 10,000	Energy Efficiency Grant	EEP
Cabinet Peaks Medical Center	Libby, MT	8/13/2019	8/13/2019	12/4/2019	\$ 15,000	Energy Efficiency Grant	EEP
Roosevelt Medical Center	Culbertson, MT	11/30/2018	11/30/2018	12/30/2019	\$ 14,583	Capital Improvement Plan	MCAP

Total Grants:

\$ 108,639

2020

JANUARY

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	Brd Mtg	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

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	Brd Mtg	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

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
24/31	25	26	27	28	29	30

JUNE

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

JULY

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	

AUGUST

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

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	19
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	Brd Mtg	16	17
18	19	20	21	22	23	24
25	26	29	30	29	30	31

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	5
6	7	8	Brd Mtg	Brd Mtg	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

HOLIDAYS AND OBSERVANCES

1-Jan New Year's Day Ob.	4-Jul Independence Day	26-Nov Thanksgiving Day
20-Jan MLK Day	7-Sep Labor Day	25-Dec Christmas Day
17-Feb Presidents' Day	12-Oct Columbus Day	
25-May Memorial Day	11-Nov Veterans Day Ob.	

CONFERENCES

Mar 30-Apr 1, 2020 PaceNation, Columbus, OH	Sep 16-18, 2020 NAHEFFA, Milwaukee, WI	
Apr 27-29, 2020 NAHEFFA, Charleston, SC	Sep 30-Oct 2, 2020 MHA, Billings, MT	
May 28-29, 2020 MEDA, Helena MT	Fall, 2020 HFMA Fall Conf., MT	