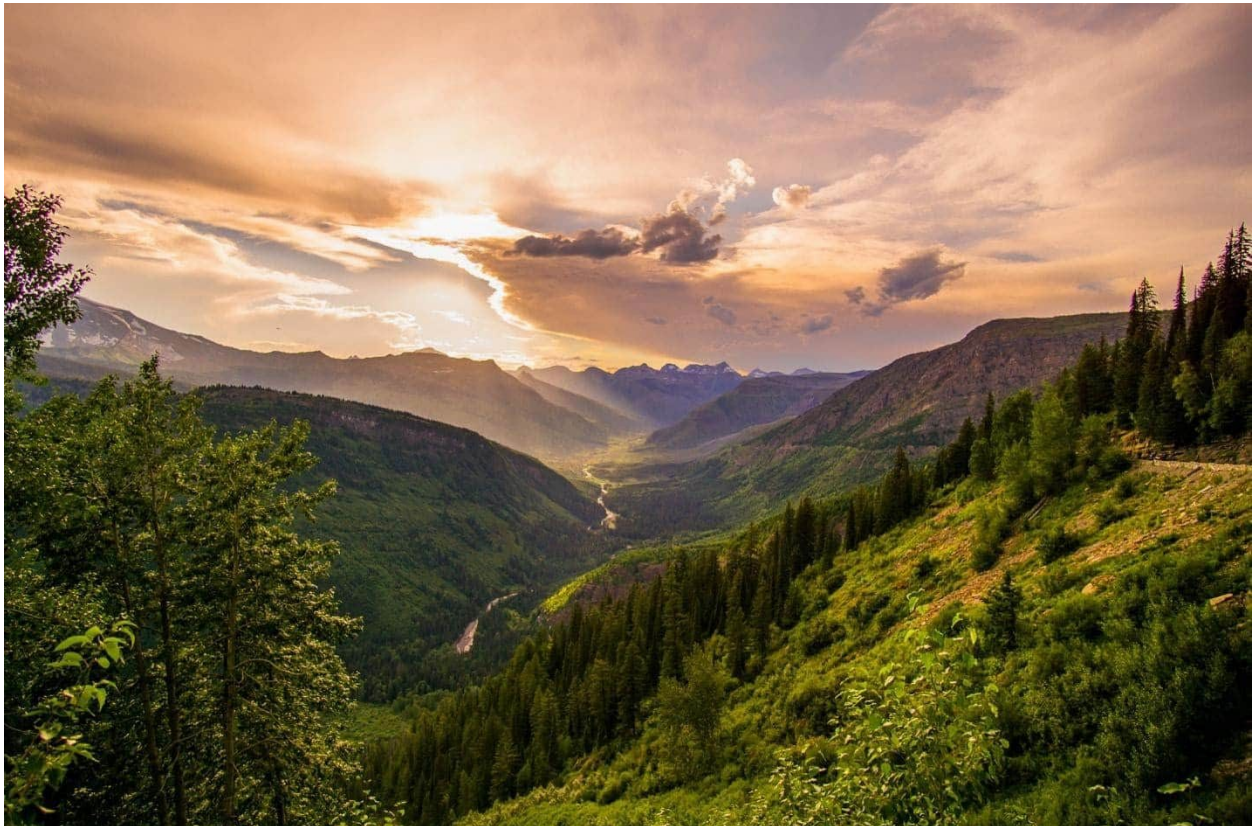


**MONTANA FACILITY FINANCE AUTHORITY**  
Board Meeting

**Montana Facility Finance Authority Office**  
**2401 Colonial Drive, Helena**

**June 7, 2022**

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



# MEMORANDUM

Montana Facility Finance Authority

Department of Commerce  
2401 Colonial Drive, 3<sup>rd</sup> Floor  
P.O. Box 200506, Helena MT 59620  
(406) 444-0259

**To:** MFFA Board Members  
**From:** Adam Gill, Seth Lutter & Monica Birlut  
**Date:** May 31, 2022  
**Subject:** MFFA Board Meeting Tuesday, June 7, 2022

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

10:00 AM Tuesday, June 7, 2022  
MFFA Offices in the Large Conference Room

We have one financing to discuss at this board meeting as well as our standard reports and staff will provide an update on anticipated financings.

Central Montana Medical Center will be before the board to request approval of two Trust Fund Loans both are paired with Direct Loans. One loan will refinance existing debt at a lower rate and longer term while the second loan will cover the costs of a new MRI machine. We will also review our regular reports.

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

## ZOOM INSTRUCTIONS

<https://mt-gov.zoom.us/j/4064440259?pwd=Q3hESVo0d0NpTEk1bHA2eXVHdTRsdz09>

Meeting ID: 406 444 0259

Password: 845632

**OR**

Dial by Telephone: +1 (406) 444-9999

Meeting ID: 406 444 0259

Password: 845632

**MONTANA FACILITY FINANCE AUTHORITY**

**Board Meeting**

**MFFA Offices  
2401 Colonial Ave  
June 7, 2022**

**MEETING AGENDA**

- 10:00**     **I. CALL TO ORDER**  
A. Roll Call  
B. Approval of Meeting Minutes (4/21)
- II. PUBLIC COMMENT** on Board Related Items
- III. FINANCINGS**  
1. Loan Summary  
2. Resolution No. 22-02  
3. Resolution No. 22-03  
    Joining in person:  
    Scott Merkle, CFO - Central Montana Medical Center
- IV. GENERAL ADMINISTRATIVE**  
**A. Financials**  
1. Budget -v- Actual  
2. Reserve Balances  
3. Staff Approved Loans & Grants  
4. Revenue Chart  
**B. Legislative Update**  
**C. Miscellaneous**  
1. Outreach & Marketing Report  
2. Anticipated Financings
- V. CALENDAR**
- 11:30**     **DISMISS**

**ZOOM INSTRUCTIONS**

<https://mt.gov.zoom.us/j/4064440259?pwd=Q3hESVo0d0NpTEk1bHA2eXVHdTRsdz09>

Meeting ID: 406 444 0259

Password: 845632

**OR**

Dial by Telephone: +1 (406) 444-9999

Meeting ID: 406 444 0259

Password: 845632

**MONTANA FACILITY FINANCE AUTHORITY**  
**Board Meeting (Conference Call)**  
**April 21, 2022**  
**10:00 A.M.**

**MINUTES**

**BOARD MEMBERS**

**PRESENT:**

Vu Pham (via phone)  
Mel Reinhardt (via phone)  
Paul Komlosi (via phone)  
Kim Rickard (via phone)  
Jade Goroski (via phone)  
John Iverson (via phone)

**BOARD MEMBERS**

**ABSENT:**

Matt Thiel (Excused)

**STAFF PRESENT:**

Adam Gill, Executive Director  
Seth Lutter, Associate Director  
Monica Birlut, Accountant

**GUESTS:**

Nathan Bilyeu, Authority Counsel – Jackson, Murdo & Grant (via phone)  
Bob Murdo, Authority Counsel – Jackson, Murdo & Grant (via phone)

**BOARD MEETING**

**CALL TO ORDER**

Board Chair Vu Pham called the April 21, 2022, board meeting of the Montana Facility Finance Authority (the “Authority”) to order at 10:00 A.M. The meeting convened with all but one member of the Board present.

Minutes

Board Member John Iverson motioned to approve the February 15, 2022, board meeting minutes. Board Member Kim Rickard seconded the motion which passed unanimously.

**PUBLIC COMMENT**

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

**GENERAL ADMINISTRATIVE**

Financials

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

Red Tape Review

Mr. Gill presented some initial information on the red tape review which included potential changes to legislative measures for the MFFA. There was discussion but no Board approval was required.

Anticipated Financings

Mr. Gill presented the anticipated financings including C-PACE financings and potential C-PACE county districts.

**BOARD MEETING CALENDAR**

BOARD MEETINGS
June 7, 2022
August 16, 2022
October 18, 2022
December 12-13, 2022

**ADJOURN**

Chair Pham adjourned the meeting at 10:49 A.M.

APPROVE: \_\_\_\_\_  
Vu Pham, Chair

ATTEST: \_\_\_\_\_  
Adam Gill, Executive Director

APPROVAL DATE: \_\_\_\_\_

**Central Montana Medical Facilities, Inc. dba  
Central Montana Medical Center  
Lewistown, Montana  
Trust Fund Loan Program  
Loan Summary**

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**ELIGIBLE HEALTH FACILITY**

Central Montana Medical Facilities, Inc. (“Corporation”) dba Central Montana Medical Center (“Hospital”) operates a 25-bed critical access hospital and physician clinic in Lewistown, Montana. The Corporation also owns an 85-bed nursing facility adjoined to the Hospital. The Hospital provides home/health, hospice care, rehabilitation services, inpatient/outpatient surgical services, obstetrics, emergency care, intensive care, and radiology services. The nursing facility’s building, equipment and operations is leased to EmpRes Montana Healthcare, LLC. The Corporation established a management services agreement with Billings Clinic to assist with management and advisory services. Central Montana Medical Facilities, Inc. is organized as a Montana non-profit corporation and has been recognized by the Internal Revenue Service as exempt from federal income taxes under Internal Revenue Code Section 501(c)(3).

**PROJECT AND COST**

The Authority received two loan requests from the Corporation in February 2022. The loans total \$2.23 million. The first project of \$1 million will be used to purchase an MRI machine. The second project will be to refinance an existing MFFA Direct Loan (199629) and Trust Fund Loan (724-10328). The expected benefit of the first project is the continued capability of performing MRI testing at local location, nearest location is over 100 miles if not available locally. The refinance of MFFA Direct loan and Trust Fund Loan will save \$3,016 per month.

**SOURCES AND USES**

<b>Sources:</b>	
<b>MRI Machine</b>	
MFFA Trust Fund Loan # 724-20036	625,000
MFFA Direct Loan # 2210527	375,000
<b>Refinancing</b>	
MFFA Direct Loan # 2210632	375,000
MFFA Trust Fund Loan # 724-20037	857,592
<b>TOTAL</b>	<b>\$ 2,232,592</b>
<b>Uses:</b>	
MRI system purchase	1,000,000
Refinance MFFA DL # 199629	247,062
Refinance MFFA TFL # 724-10328	985,530
<b>TOTAL</b>	<b>\$ 2,232,592</b>

<b><u>PROGRAM</u></b>	Trust Fund and Direct Loan Combination
<b><u>LOAN TERM</u></b>	5 Years on the MRI and 10 Years on the refinance
<b><u>INTEREST RATE</u></b>	2.25% Direct Loan and 2.75% Trust Fund Loan for 10-year refinance 2.00 % Direct Loan and 2.32 % Trust Fund Loan per annum for 5-year MRI
<b><u>PAYMENT</u></b>	\$11,676 monthly for 10-year refinancing \$17,617 monthly for 5 years for the MRI
<b><u>CLOSING DATE</u></b>	Est July 2022
<b><u>MATURITY DATE</u></b>	2027 for 5-year DL & TFL loan 2032 for 10-year DL & TFL loan
<b><u>SECURITY</u></b>	New MRI system

**UTILIZATION STATISTICS**

<b>Volume Indicators</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
# of Licensed Beds	25	25	25
Beds in Operation	25	25	25
Admissions with swing beds	138	145	99
Total Patient Days with swing beds	1,705	1,440	1,004
Average Length of Stay	140	123	141
Average Length of Stay with swing beds	142	120	84
Occupancy Rate	4.58%	4.18%	4.68%
Outpatient Visits			
Lab Visits	48,477	47,374	49,351
X-Ray Visits	4,676	3,712	5,781
MRI Visits	635	604	918
Nuc Med Visits	88	62	82
Ultrasound Visits	1,679	1,716	2,085
CT Visits	870	1,036	1,238
Emergency Department	5,216	4,797	4,448

**PAYOR MIX**

<b>Central MT Medical Center</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Medicare	46%	42%	49%
Medicaid	13%	14%	13%
Private Insurance	37%	40%	31%
Private Pay	4%	4%	8%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## **EXECUTIVE MANAGEMENT TEAM**

**Cody Langbehn**, Chief Executive Officer of the Corporation has more than twenty-five years of health care leadership experience. Cody was the vice president and Montana regional director at Pacific Source Health Plans. He also served as CEO/Administrator at St Luke's Wood River Medical Center in Ketchum, Idaho. Before that he served as the executive director of regional operations at Billings Clinic and before that he was CEO at Pioneer Medical Center in Big Timber. Cody graduated from Fergus High School and received a bachelor's degree in health care administration from Concordia College in Moorhead and a master's degree in health administration from Montana State University in Billings.

**Scott Merkle**, Chief Financial Officer of the Corporation has over twenty-five years of healthcare finance experience as both controller and CFO. Scott worked with Grady Memorial in Atlanta and Jackson in Miami. Most of his recent work has been with Critical Access Hospitals and he has worked with accounting and HER systems including both Lawson and Cerner. Scott is a CPA and a Fellow in the Healthcare Financial Management Association. He is a CMA and a board member of the Institute of Management Accountants and serves on matrix for HFMA.

**Rick Poss**, Chief Operating Officer of the Corporation began his healthcare career as Respiratory Therapist in 1984 at University of Iowa Hospital and Clinics. In 1988 he accepted a supervisory position with the former Montana Deaconess Medical Center, currently Benefis East in Great Falls. In August 1990 Rick started employment with Central Montana Medical Center as the department manager of Cardiopulmonary Care. In fall, 2017 Rick became the interim CEO of Wheatland Memorial Healthcare in Harlowton. His current positions are Director of Ancillary Services for Central Montana Medical Center and interim CEO of Wheatland Memorial Healthcare.

**Abbey Wichman**, Director of Compliance & Risk Management of the Corporation. Abbey received her bachelor's degree in Microbiology from Montana State University. She received her certification in Medical Laboratory Science from the Colorado Center-Medical Laboratory Science. She worked as a Generalist and Microbiologist at Presbyterian/St Lukes Medical Center. She served cancer patients learning about bedside care while utilizing her Laboratory background.

**Torie Poser**, Director of Physician Services of the Corporation. Prior to her current role Torie worked at Central Montana Medical center as a Clinic Manager for three years and Human Resources Manager for eight years. Torie received her master's degree in Industrial/Organizational Psychology from Minnesota State University, Mankato.



## HISTORICAL FINANCIALS

FISCAL YEARS ENDED	6/30/2019	6/30/2020	6/30/2021 Unaudited
<b><u>ASSETS</u></b>			
Cash & Cash Equivalents	1,629,679	12,430,092	5,316,077
Investments	-		
Patient Recvbls (net) & Due from 3rd-Party Payors	7,367,797	7,442,282	5,514,953
Other Receivables	1,421,323	652,484	8,654,971
Inventory	780,241	700,672	930,285
Current Assets Whose Use is Limited	507,826	568,151	5,109,327
All Other Current Assets	446,722	440,143	1,111,278
<b>Total Current Assets</b>	<b>\$ 12,153,588</b>	<b>\$ 22,233,824</b>	<b>\$ 26,636,891</b>
Fixed Assets	42,485,663	44,724,239	46,242,985
Accumulated Depreciation	30,015,702	31,536,920	32,921,235
Fixed Assets (net)	12,469,961	13,187,319	13,321,750
Board Designated Funds	4,158,582	3,964,696	5,324,068
Assets Held in Trust	-	-	-
Other Assets	3,372,091	3,817,486	
<b>Total Assets</b>	<b>\$ 32,154,222</b>	<b>\$ 43,203,325</b>	<b>\$ 45,282,709</b>
<b><u>LIABILITIES</u></b>			
Accounts Payable & Other Accrued Expenses	3,847,192	5,152,246	10,584,929
Current Portion of Long-Term Debt	530,832	564,743	397,085
Other Current Liabilities	-	12,112,270	3,781,948
<b>Total Current Liabilities</b>	<b>\$ 4,378,024</b>	<b>\$ 17,829,259</b>	<b>\$ 14,763,962</b>
Long-Term Debt (Less Current Portion)	4,723,623	5,341,301	4,802,492
Other Long-Term Liabilities	-	-	-
Unrestricted Fund Balance	20,348,829	16,862,898	22,470,560
Restricted Fund Balance	2,703,746	3,169,867	3,245,695
Fund Balance	23,052,575	20,032,765	25,716,255
<b>Total Liabilities &amp; Fund Balance</b>	<b>\$ 32,154,222</b>	<b>\$ 43,203,325</b>	<b>\$ 45,282,709</b>
Gross Patient Service Revenue			
Deductions from Patient Service Revenue			
Net Patient Service Revenue	32,843,703	31,556,572	35,806,438
Other Operating Revenue	4,314,709	4,235,232	11,256,908
<b>Total Operating Revenue</b>	<b>\$ 37,158,412</b>	<b>\$ 35,791,804</b>	<b>\$ 47,063,346</b>
Interest	203,077	234,634	182,378
Depreciation & Amortization	1,473,452	1,564,662	1,863,751
Other Operating Expenses	34,140,789	37,623,024	41,878,157
<b>Total Operating Expenses</b>	<b>\$ 35,817,318</b>	<b>\$ 39,422,320</b>	<b>\$ 43,924,286</b>
Income from Operations	\$ 1,341,094	\$ (3,630,516)	\$ 3,139,060
Nonoperating Revenue	783,135	111,989	2,151,564
<b>Excess of Rev Over Exp Excl Extraord Items</b>	<b>\$ 2,124,229</b>	<b>\$ (3,518,527)</b>	<b>\$ 5,290,624</b>

## KEY RATIOS

Key Ratios	FY 2019	FY 2020	FY 2021	S&P Ratings	Montana
				FY 2021	CAH
				Median Ratios	Median Ratios
Current Ratio	2.78	1.25	1.46	1.46	1.90
Cushion Ratio	7.47	21.42	13.95	13.95	13.39
Days Cash on Hand	61.52	158.07	90.47	90.47	252.20
Days in Accounts Receivable	72.37	75.90	42.77	42.77	52.58
Operating Margin	3.61%	(10.14)	6.67	6.67	2.83
Excess Margin	5.60%	-9.80%	10.75%	10.75%	5.99%
Debt Service Coverage	4.91	(2.25)	9.82	9.82	7.03
Debt to Capitalization	18.84%	24.06%	17.61%	17.61%	28.02%

## FINANCIAL OBSERVATIONS

The hospital had a great year in FY 2021. The total assets increased, the total operating revenues increased, and the hospital saw a significant increase in net income.

### Interim Financials- six months ending December 31, 2021

The Hospital saw an increase in patient receivables to \$6.56 million in FY 2022 compared to \$4.98 million in FY 2021. Total liabilities decreased from \$19.58 million in FY 2021 to \$19.32 million in FY 2022. The decrease is due to the decrease in long term liabilities from \$4.80 million in FY 2021 to \$4.51 million in FY 2022.

The audit of FY 2021 financial statements has not been completed by the auditors, Eide Bailly, because the significant grant funding requires a more detailed audit. In addition, the auditors are waiting on HRSA rules to determine how to spend COVID-19 funds when also receiving cost-based reimbursements.

### Assets / Liabilities:

- Cash & cash equivalents decreased from \$12.43 million in FY 2020 to \$5.31 million in FY 2021. The decrease is due to the treatment of COVID-19 funds as restricted funds (\$4 million COVID funds, \$3.7 million PPP loan) in FY 2021.
- The Hospital saw an increase in other receivables from \$652,484 in FY 2020 to \$8.65 million in FY 2021. This increase is due to the timing differences in recognition of the funds mentioned above and differences between the FY 20 audited and FY 21 unaudited presentations.
- Current assets whose use is limited increased from \$568,151 in FY 2020 to \$5.11 million in FY 2021. This increase is due to Helmsley Foundation cancer center grant funds of \$5.9 million, recognized as revenue in FY 2021.
- Other assets appears to decrease between FY 20 and FY 21, however this is only a presentation difference. FY 21 investments will be recategorized as other assets in the audit.
- Other current assets increased from \$440,143 in FY 2020 to \$1.11 million in FY 2021. This change is due to auditors reclassing workers comp deposits and rent deposits/prepaid rent.

- Total assets increased from \$43.20 million in FY 2020 to \$45.28 million in FY 2021. This was driven by the hospital's strong net income in FY 2021.
- Accounts payable & Other accrued expenses increased from \$5.15 million in FY 2020 to \$10.58 million in FY 2021. This is due to recording the deferred revenue of Helmsley Foundation cancer center grant funds in the amount of \$5.9 million in FY 2021.
- Other current liabilities decreased from \$12.11 million in FY 2020 to \$3.78 million in FY 2021. This is due to a refundable advance due to paydown of the Medicare advance payments and auditor reclassifications in the facility's ledger.

#### Revenues and Expenses:

- Total operating revenue increased from \$35.79 million in FY 2020 to \$47.06 million in FY 2021. This is due to the increase in net patient service revenue from \$31.55 million in FY 2020 to \$35.80 million in FY 2021. In addition, other operating revenue increased from \$4.23 million in FY 2020 to \$11.25 million in FY 2021, which is due to recognizing revenue from COVID and Helmsley cancer grant funds.
- The operating expenses increased from \$39.42 million in FY 2020 to \$43.92 million in FY 2021. The increase is due to the increase in cost of contract labor and patient care during COVID 19.
- The net income saw a significant increase from (\$3.51) million in FY 2020 to \$5.29 million in FY 2021. The increase is due to the increase in net patient service revenue and other operating revenue.
- Non-operating revenue increased from \$111,989 in FY 2020 to \$2.15 million in FY 2021. This is due to the increase in investments in FY 2021.
- Unrestricted fund balance increased from \$16.86 million in FY 2020 to \$22.47 million in FY 2021. This is due to recognition of COVID 19 and Helmsley grant revenue.

#### PRO FORMA

<b>Pro Forma</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>Pro Forma FY 2021</b>
Revenues Minus Expenditures	2,124,229	(3,518,527)	5,290,624	5,290,624
Add Depreciation/Amortization	1,473,452	1,564,662	1,863,751	1,863,751
Interest Expense	203,077	234,634	182,378	182,378
Available for Debt Service	3,800,758	-1,719,231	7,336,753	7,336,753
				-
Existing Debt Service	774,842	765,466	747,121	712,062
Debt Service on New Money	N/A	N/A	N/A	211,404
Total Debt Service	774,842	765,466	747,121	923,466
				-
Debt Service Ratio Calculation	4.91	(2.25)	9.82	7.94

The pro forma includes the Hospital's unaudited financials for FY 2021 with the existing debt service of \$712,062. The debt service of \$175,176 for the loans to refinance was subtracted from the existing debt service of \$747,121. The refinance debt service amount of \$140,117 was added to the existing debt, resulting the total debt of \$923,466.

The Hospital indicates that the purchase of the MRI system is essential to improving the Hospital's operations. Although no cost savings were considered, it is reasonable to believe that the purchase

of the MRI system will yield efficiency savings to the Hospital. The refinancing will provide annual cashflow savings of over 35,059.

### **TOTAL DEBT SUMMARY**

<b>Lender</b>	<b>Type of Loan</b>	<b>Original Amount</b>	<b>Issue Date</b>	<b>Outstanding 04/15/2022</b>	<b>Maturity</b>	<b>Security</b>
MFFA	Direct Loan	\$335,870	7/11/19	\$247,062	5/15/29	Nuclear medicine system
MFFA	Trust Fund	\$796,267	6/19/18	\$253,543	9/15/23	Radiology X-Rays Equipment
MFFA	Trust Fund	\$1,200,000	2/12/19	\$985,530	3/15/30	Electronic Health Record upgrade
Mid-Rivers Telephone Cooperative	Loan	\$300,000	10/2014	\$73,874	8/31/24	Emergency and Laboratory Equipment
First Bank of Montana	Hospital Revenue Note	\$4,500,000	5/2014	\$3,256,705	5/1/34 with a \$2.1M balloon payment due	Property – 408 Wendell Avenue Emergency and Laboratory addition and remodel
<b>Totals</b>		<b>\$7,132,137</b>		<b>\$ 4,816,714</b>		

### **STRENGTHS**

- Revenues are strong and have continued to grow in FY 2021
- For FY 2021, funds available for debt service is \$7.33 million and debt service coverage ratio at 9.37. The Hospital retired a large portion of debt which greatly help its debt coverage ratio.
- The Hospital has a management services agreement with Billings Clinic.
- The refinance of MFFA Direct loan and trust fund loan will save \$3,016 in monthly payments.

### **WEAKNESSES**

- The Hospital's financial performance has been inconsistent, showing a net loss in FY 2020 and a net gain in FY 2019 and FY 2021
- Debt service coverage has declined to (2.25) in FY 2020. The Hospital has added a significant amount of debt in the past years.
- Difficult operating environment for rural healthcare.

### **RECOMMENDATION**

The MFFA has a reasonable expectation of loan repayment by Central Montana Medical Center and approval is recommended for these reasons:

- The Hospital can cover its debt obligations including the three outstanding loans as per debt service coverage ratio and funds available for debt service in FY 2021.
- The Hospital has a strong profit and a positive operating margin in FY 2021
- Strong history of doing business with MFFA

RESOLUTION NO. 22-02

RESOLUTION ON A PROPOSAL TO MAKE A LOAN TO CENTRAL MONTANA MEDICAL FACILITIES, INC. PURSUANT TO TITLE 90, CHAPTER 7, AND TITLE 17, CHAPTER 6, PART 3, MONTANA CODE ANNOTATED, AS AMENDED; APPROVING THE RELATED LOAN APPLICATION; APPROVING THE PROJECT AND THE TERMS AND CONDITIONS OF THE LOAN AND THE EXECUTION OF DOCUMENTS RELATED THERETO.

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

Section 1. Recitals.

1.01. The Authority is authorized pursuant to Title 90, Chapter 7, and Section 17-6-308(4) Montana Code Annotated, as amended (hereinafter referred to as the "Act"), to make a loan from the Permanent Coal Tax Trust Fund for a capital project as defined in the Act. Central Montana Medical Facilities, Inc. dba Central Montana Medical Center a Montana non-profit corporation with its operations located in Lewistown, Montana, (the "Obligor") has presented a proposal to the Authority requesting the Authority assist the Obligor with financing a new MRI machine located at 408 Wendell Ave, Lewistown, MT (the "Project") by making a loan or loans to the Obligor in the aggregate principal amount not to exceed \$625,000 (the "Loan").

1.02. The Authority determines that the Loan is for a capital project as described in the Act and does not exceed 10% of the \$15,000,000 amount of the Permanent Coal Tax Trust Fund to be administered under the Act by the Authority.

1.03 The Authority has received the Obligor's Loan application and deems the application complete and determines that the Project is eligible for financing under the Act.

1.04 The Authority and the Board of Investments of the State of Montana have calculated the interest rate for the Loan in accordance with a commitment letter specifying the date through which the commitment is valid, the interest rate and term of the Loan.

1.05 The following documents relating to the Project and the Loan will be prepared and shall be placed on file in the office of the Authority:

(a) A Loan Agreement (with exhibits and attachments), the "Loan Agreement," with the Authority as Lender and Obligor as borrower,

(b) A Mortgage and Security Agreement, the "Mortgage", if applicable and

(c) A Note in the principal amount of the Loan from the Obligor to the Authority (the "Note").

## Section 2. Findings.

2.01. Based on the application, the Authority hereby finds, determines and declares as follows:

(a) the Obligor is an "institution" and the Project consists of the financing or refinancing of "eligible facilities" within the meaning of the Act, in that the improved facility is a critical access hospital;

(b) the amount of the Loan to the Obligor pursuant to the Loan Agreement based solely on information provided and representations made by the Obligor will not exceed the total eligible costs of the Project;

(c) pursuant to the Loan Agreement, the Loan repayments will be sufficient to pay the principal of, and interest on the Note as due, to meet all other obligations in connection with the Loan Agreement and to provide for costs of servicing and securing the Note;

(d) the Project is to be operated by the Obligor for the purpose of providing medical services;

(e) based solely upon information and representations provided by the Obligor, the Obligor will have sufficient revenues to provide for the payment of the principal of and interest on the Loan as due;

(f) pursuant to Section 17-6-308(4). MCA, the Loan Agreement will provide that principal and interest payments on the Loan will be deposited in the Coal Severance Tax Permanent Fund until all principal and interest has been paid;

(g) the Project is not subject to certificate of need approval under Montana Code Annotated, Title 50, Chapter 5, Part 3, as amended; and

(h) the Loan complies with the terms of the Authority's Trust Fund Loan Pool Policy.

## Section 3. Approval and Authorizations.

3.01. The Project and the Loan are hereby approved by the Authority.

3.02. The forms of (a) the Loan Agreement and the attachments thereto and (b) the Note, filed with the Authority are approved. The Chairman, Executive Director, or any one or more of such officers of the Authority are hereby authorized and directed: (i) to execute the Loan

Agreement and its Exhibits and Attachments in the name and on behalf of the Authority, upon execution thereof by the other parties thereto; and (ii) to file or record any security instruments in the name of, and on behalf of, the Authority. The above-referenced documents shall be executed in substantially the form previously approved, subject to such additions thereto or deletions therefrom as are approved by the officers executing the same, which approval shall be conclusively presumed by the execution thereof, and such other documents as required by the Authority's counsel shall also be executed at the closing.

Section 4. Application and Planning Fees.

4.01 As authorized by Section 90-7-211 of the Act, the Authority may assess certain initial planning service fees and annual planning service fees to be paid by participating institutions (as defined in the Act) in connection with any application to the Authority for financial assistance. The initial planning service fee will be one percent (1%) of the final loan amount. The annual planning service fee for the Obligor will be 50 basis points (.50%) of the outstanding amount of the Loan, assessed each month and included in the amortization schedule provided to the Obligor, unless and until changed by the Authority.

Passed and approved by the Authority this 7<sup>th</sup> day of June, 2022.

MONTANA FACILITY FINANCE AUTHORITY

ATTEST:

\_\_\_\_\_  
By: Vu Pham  
Its: Chairman

\_\_\_\_\_  
By: Adam Gill  
Its: Executive Director

RESOLUTION NO. 22-03

RESOLUTION ON A PROPOSAL TO MAKE A LOAN TO CENTRAL MONTANA MEDICAL FACILITIES, INC. PURSUANT TO TITLE 90, CHAPTER 7, AND TITLE 17, CHAPTER 6, PART 3, MONTANA CODE ANNOTATED, AS AMENDED; APPROVING THE RELATED LOAN APPLICATION; APPROVING THE PROJECT AND THE TERMS AND CONDITIONS OF THE LOAN AND THE EXECUTION OF DOCUMENTS RELATED THERETO.

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

Section 1. Recitals.

1.01. The Authority is authorized pursuant to Title 90, Chapter 7, and Section 17-6-308(4) Montana Code Annotated, as amended (hereinafter referred to as the "Act"), to make a loan from the Permanent Coal Tax Trust Fund for a capital project as defined in the Act. Central Montana Medical Facilities, Inc. dba Central Montana Medical Center a Montana non-profit corporation with its operations located in Lewistown, Montana, (the "Obligor") has presented a proposal to the Authority requesting the Authority assist the Obligor with refinancing its current Trust Fund Loan # 724-10328 and Direct Loan #199629 (the "Project") by making a loan or loans to the Obligor in the aggregate principal amount not to exceed \$857,592 (the "Loan").

1.02. The Authority determines that the Loan is for a capital project as described in the Act and does not exceed 10% of the \$15,000,000 amount of the Permanent Coal Tax Trust Fund to be administered under the Act by the Authority.

1.03 The Authority has received the Obligor's Loan application and deems the application complete and determines that the Project is eligible for financing under the Act.

1.04 The Authority and the Board of Investments of the State of Montana have calculated the interest rate for the Loan in accordance with a commitment letter specifying the date through which the commitment is valid, the interest rate and term of the Loan.

1.05 The following documents relating to the Project and the Loan will be prepared and shall be placed on file in the office of the Authority:

(a) A Loan Agreement (with exhibits and attachments), the "Loan Agreement," with the Authority as Lender and Obligor as borrower,

(b) A Mortgage and Security Agreement, the "Mortgage", if applicable and



(c) A Note in the principal amount of the Loan from the Obligor to the Authority (the "Note").

## Section 2. Findings.

2.01. Based on the application, the Authority hereby finds, determines and declares as follows:

(a) the Obligor is an "institution" and the Project consists of the financing or refinancing of "eligible facilities" within the meaning of the Act, in that the improved facility is a critical access hospital;

(b) the amount of the Loan to the Obligor pursuant to the Loan Agreement based solely on information provided and representations made by the Obligor will not exceed the total eligible costs of the Project;

(c) pursuant to the Loan Agreement, the Loan repayments will be sufficient to pay the principal of, and interest on the Note as due, to meet all other obligations in connection with the Loan Agreement and to provide for costs of servicing and securing the Note;

(d) the Project is to be operated by the Obligor for the purpose of providing medical services;

(e) based solely upon information and representations provided by the Obligor, the Obligor will have sufficient revenues to provide for the payment of the principal of and interest on the Loan as due;

(f) pursuant to Section 17-6-308(4). MCA, the Loan Agreement will provide that principal and interest payments on the Loan will be deposited in the Coal Severance Tax Permanent Fund until all principal and interest has been paid;

(g) the Project is not subject to certificate of need approval under Montana Code Annotated, Title 50, Chapter 5, Part 3, as amended; and

(h) the Loan complies with the terms of the Authority's Trust Fund Loan Pool Policy.

## Section 3. Approval and Authorizations.

3.01. The Project and the Loan are hereby approved by the Authority.

3.02. The forms of (a) the Loan Agreement and the attachments thereto and (b) the Note, filed with the Authority are approved. The Chairman, Executive Director, or any one or more of such officers of the Authority are hereby authorized and directed: (i) to execute the Loan

Agreement and its Exhibits and Attachments in the name and on behalf of the Authority, upon execution thereof by the other parties thereto; and (ii) to file or record any security instruments in the name of, and on behalf of, the Authority. The above-referenced documents shall be executed in substantially the form previously approved, subject to such additions thereto or deletions therefrom as are approved by the officers executing the same, which approval shall be conclusively presumed by the execution thereof, and such other documents as required by the Authority's counsel shall also be executed at the closing.

Section 4. Application and Planning Fees.

4.01 As authorized by Section 90-7-211 of the Act, the Authority may assess certain initial planning service fees and annual planning service fees to be paid by participating institutions (as defined in the Act) in connection with any application to the Authority for financial assistance. The initial planning service fee will be one percent (1%) of the final loan amount. The annual planning service fee for the Obligor will be 50 basis points (.50%) of the outstanding amount of the Loan, assessed each month and included in the amortization schedule provided to the Obligor, unless and until changed by the Authority.

Passed and approved by the Authority this 7<sup>th</sup> day of June, 2022.

MONTANA FACILITY FINANCE AUTHORITY

ATTEST:

\_\_\_\_\_  
By: Vu Pham  
Its: Chairman

\_\_\_\_\_  
By: Adam Gill  
Its: Executive Director

**Montana Facility Finance Authority**  
**Budget v. Actual Expenses**  
**05/31/22**  
**92% Expended**

Legislative Budget	Category	Year to Date			
		Budget	Actual	\$ Variance	% Variance
<b>\$805,824</b>	<b>A) INCOME</b>	<b>\$542,387</b>	<b>1,068,533</b>	526,146	97%
135,000	Application Fees	123,750	466,289	342,539	277%
545,824	Annual Fees	304,054	525,968	221,914	73%
125,000	Investment Income	114,583	76,276	(38,307)	-33%
<b>\$336,241</b>	<b>B) PERSONAL SERVICES EXPENSE</b>	<b>\$308,221</b>	<b>324,400</b>	16,179	5%
329,241	Salaries & benefits	301,804	321,550	19,746	
7,000	Board Per Diem	6,417	2,850	(3,567)	
<b>\$364,634</b>	<b>C) OPERATING EXPENSES**</b>	<b>\$270,081</b>	<b>208,283</b>	(61,798)	-23%
109,041	Contracted & Other Services	99,954	57,782	(42,172)	-42%
	Misc. Other Services		22,654		
	Legal Services		32,438		
	Legislative Audit		1,034		
	ITSD		1,655		
14,633	Supplies/Materials/Equipment	13,414	17,891	4,477	33%
7,587	Communications	6,955	3,530	(3,425)	-49%
24,324	Travel	22,297	22,557	260	1%
33,283	Rent	30,509	21,645	(8,865)	-29%
	Building Rent		21,033		
	Other Rent		612		
156	Repairs & Maintenance	143	3,994	3,851	2693%
70,054	Miscellaneous	64,216	80,885	16,669	26%
	Commerce Department Services		41,389		
	Administration (statewide) Indirect Costs		1,706		
	Education		4,035		
	Other Miscellaneous		33,755		
0	Capital Leases	510	0		
35,000	BOI Administrative Support**	32,083	0	(32,083)	-100%
<b>\$104,949</b>	<b>REVENUES IN EXCESS OF EXPENSES (A-B-C)</b>	<b>-35,915</b>	<b>535,850</b>	571,765	-1592%
150,000	Grants-Obligated/Paid	43,000	25,000		
(\$45,051)	Current Year Increase in Net Assets		510,850		
	<b>INCREASE (DECREASE) IN NET ASSETS</b>		510,850		

\* Income presented on CASH basis. GAAP accrual accounting would reflect approximately \$10,831 less income annually, or < 2.12%

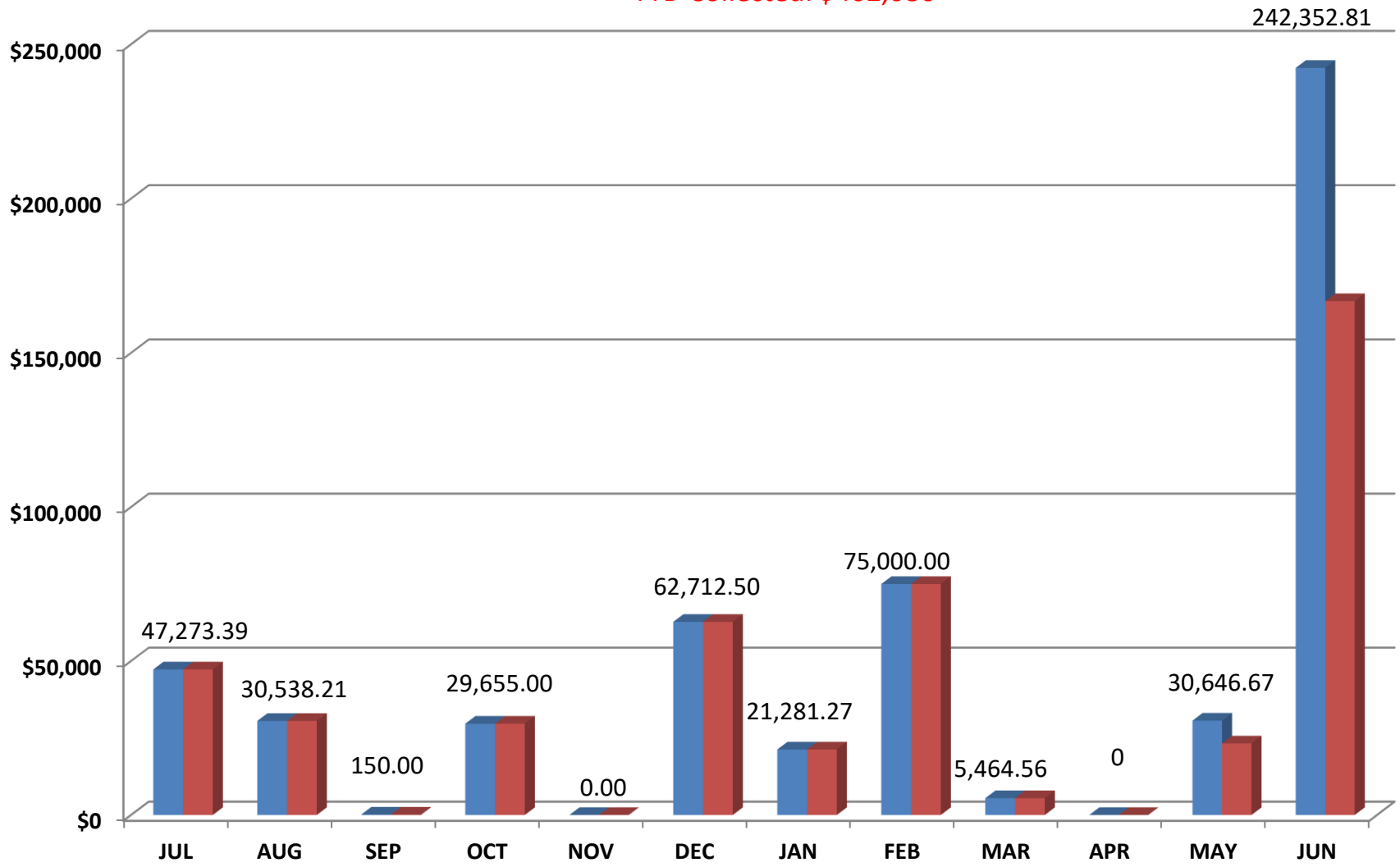
# FY 2022 Annual Service Fees

As of May 31, 2022

Annual Projected: \$545,074

YTD Projected: \$545,074

YTD Collected: \$462,086



<b>A/E 06015</b>	<b>Operating Account Summary</b>	<u><b>Current Balance</b></u>	<u><b>Policy Guideline</b></u>
	Total Fund Balance Available Net Capital Reserve "B" Balance	3,987,656	
	Less: Working Capital Reserve Requirement	1,448,686	1,448,686 (a)
	Available for Restricted Capital Reserve "A"	<u>2,538,970</u>	<u>10,699,500 (b)</u>
	Fund Balance: Sub-Total	<u><u>3,987,656</u></u>	<u><u>12,148,186</u></u>
<b>A/E 06015</b>	<b>Trust Fund Loan Pool</b>		
	RC 710300, Accounts 521190	56,205	
	Plus: Prior Year End Capital Reserve "B" Fund Balance Sub Total	<u>368,549</u>	
	Capital Reserve "B" Fund Balance	<u><u>424,754</u></u>	<u><u>1,193,713 (d)</u></u>
<b>A/E 06012</b>	<b>Direct Loan Program</b>		
	Current Program Fund Balance	4,896,868	
	Less: Outstanding Loan Balance	3,159,115	
	Funds Available to Loan from Direct Loan Program	<u>1,737,752</u>	
	Fund Balance: Sub-Total	<u><u>4,896,868</u></u>	<u><u>4,826,438 (c)</u></u>
	Total Projected Fund Balance	<u><u>9,309,277</u></u>	<u><u>18,168,337</u></u>

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Notes:

Policy Guidelines - Minimum Funding Requirements

(a) Twice the current Fiscal Year annual budget.	724,343
(b) 10% of the outstanding BOI enhanced bond balance as of 7/1/19	106,995,000
(c) \$3,542,709 as of 7/1/19 plus YTD loan payments, account investment earnings.	4,826,438
(d) 10% of the Trust Fund Loan Pool Balance as of 7/1/19	11,937,131

**MONTANA FACILITY FINANCE AUTHORITY**

**Staff Approved Grants**

**4/1/2022-5/31/2022**

**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>
<b>Total Pending Grants:</b>					<b>\$ -</b>		

**Grants Paid since 7/1/2021**

<u>Grantee</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>
Butte Spirit Center	Butte, MT	06/24/21	7/6/2021	9/2/2021	\$ 3,000	Energy Efficiency Grant	EEP
Wheatland Memorial Healthcare	Harlowtown, MT	2/26/2021	2/26/2021	10/4/2021	\$ 25,000	Capital Improvement Plan	MCAP
Liberty Medical Center	Chester, MT	2/6/2020	2/6/2020	11/15/2021	\$ 14,982	Capital Improvement Plan	MCAP
<b>Total Grants:</b>					<b>\$ 42,982</b>		

**MONTANA FACILITY FINANCE AUTHORITY**

**Staff Approved Loans**

**4/1/2022-5/31/2022**

**Submitted Applications**

<u>Borrower</u>	<u>Location</u>	<u>Date Submitted</u>	<u>Term</u>	<u>Interest</u>	<u>Amount</u>	<u>Project</u>
Central Montana Medical Center	Lewistown	02/02/22	5	2.00%	\$ 375,000	MRI Machine
Central Montana Medical Center	Lewistown	02/02/22	10	2.25%	\$ 375,000	Refinance TFL & DL
<b>Total Pending Direct Loans:</b>					<b>\$ 750,000</b>	

**Approved Applications**

<u>Borrower</u>	<u>Location</u>	<u>Date Approved</u>	<u>Term</u>	<u>Interest</u>	<u>Amount</u>	<u>Project</u>
<b>Total Approved Direct Loans:</b>					<b>\$ -</b>	

**Funds Available Under**

**Direct Loan Program:**

Loan Fund: (5/31/2022)	4,896,868
Total Outstanding Loans: (5/31/2022)	(3,159,115)
Approved Applications from above:	-
<b>Total Available to Loan at 5/31/2022</b>	<b>\$ 1,737,753</b>

**Funded Applications from 7/1/21:**

<u>Borrower</u>	<u>Location</u>	<u>Date Funded</u>	<u>Term</u>	<u>Interest</u>	<u>Amount</u>	<u>Project</u>
Rimrock Foundation	Billings	09/01/21	3	2.00%	\$ 500,000	Building Purchase
Fallon Medical Complex	Baker	09/16/21	5	2.00%	\$ 238,938	TFL Refinance
<b>Total Loans Funded since 7/1/21</b>					<b>\$ 738,938</b>	

# 2022

## 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	Board Mtg	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	25	26	27	28
29	30	31				

## JUNE

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

# 2023

## 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	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	

### HOLIDAYS AND OBSERVANCES

**1-Jan**      **New Year's Day**  
**16-Jan**     **MLK Day**  
**20-Feb**     **Presidents' Day**  
**30-May**     **Memorial Day**

**4-Jul**       **Independence Day**  
**5-Sep**      **Labor Day**  
**11-Oct**     **Columbus Day**  
**11-Nov**     **Veterans Day Ob.**

**24-Nov**     **Thanksgiving Day**  
**26-Dec**     **Christmas Day Ob.**

### CONFERENCES

**Sep 14-16, 2022**    **NAHEFFA, Bozeman**  
**Sep 19-23, 2022**   **MHA, Billings**