

**MONTANA FACILITY FINANCE AUTHORITY**  
Board Meeting

**Montana Facility Finance Authority Office**  
**1712 9th Ave, Helena**

**April 12, 2023**

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



# MONTANA FACILITY FINANCE AUTHORITY

## Department of Commerce

1712 9th Ave.  
PO Box 200506  
Helena, MT 59620-0506  
406.444.5435  
www.mtfacilityfinance.com



## MEMORANDUM

**To:** MFFA Board Members  
**From:** Adam Gill, Seth Lutter, Monica Birlut, and Carolyn Jones  
**Date:** April 5, 2023  
**Subject:** MFFA Board Meeting Wednesday, April 12

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

10:00 AM Wednesday, April 12  
Via Zoom

We will have one resolution before the board as well as our usual reports.

Benefis Health System is seeking to amend the rate structure of their Series 2017 Bonds due to the impending end of the London Interbank Overnight Rate (LIBOR) as a rate-setting benchmark. LIBOR is disappearing across the whole of the bond market in the next year. The new rate benchmark used by Benefis will be based on the Secured Overnight Financing Rate (SOFR).

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**

**Via Zoom**

**April 12, 2023**

**MEETING AGENDA**

- 10:00**
- I. CALL TO ORDER**
    - A. Roll Call
    - B. Approval of Meeting Minutes (2/22)
  - II. PUBLIC COMMENT** on Board Related Items
  - III. FINANCINGS**
    - A. Benefis Health System**
      - 1. Loan Summary
      - 2. Resolution No. 23-01
    - Joining by Phone:  
Lina Thoreson – Bond Counsel, Orrick
  - 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**
- 11:00**                    **DISMISS**

**ZOOM INSTRUCTIONS**

<https://mt->

[gov.zoom.us/j/4064440259?pwd=Q3hESVo0d0NpTEk1bHA2eXVHdTRsdz09](https://mt-gov.zoom.us/j/4064440259?pwd=Q3hESVo0d0NpTEk1bHA2eXVHdTRsdz09)

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**MONTANA FACILITY FINANCE AUTHORITY**  
**Board Meeting (Conference Call)**  
**February 22, 2023**  
**10:00 A.M.**

**MINUTES**

**BOARD MEMBERS  
PRESENT:**

Vu Pham (via phone)  
Paul Komlosi (via phone)  
Matt Thiel (via phone)  
Kim Rickard (via phone)  
Mel Reinhardt (via phone)

**BOARD MEMBERS  
ABSENT:**

John Iverson  
Jade Goroski

**STAFF PRESENT:**

Adam Gill, Executive Director (via phone)  
Seth Lutter, Associate Director (via phone)  
Monica Birlut, Accountant (via phone)  
Carolyn Jones, C-PACE Program Manager (via phone)

**GUESTS:**

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

**BOARD MEETING**

**CALL TO ORDER**

Board Chair Vu Pham called the February 22, 2023, board meeting of the Montana Facility Finance Authority (the “Authority”) to order at 10:00 A.M. The meeting convened with all but two members of the Board present.

Minutes

Board Member Matt Thiel moved for approval of the December 13, 2022 board meeting minutes. Board Member Paul Komlosi 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.

**SPECIAL PURPOSE TOPICS**

Legislative Update

Mr. Gill provided a legislative update including bond cap, public hearings, and market access bills.

Anticipated Financings

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

Montana Healthcare Market

Mr. Gill discussed the changes in Montana’s healthcare market and potential mergers.

**BOARD MEETING CALENDAR**

BOARD MEETINGS
April 12, 2023

**ADJOURN**

Chair Pham adjourned the meeting at 10:38 A.M.

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

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

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

RESOLUTION NO. 23-01

RESOLUTION REGARDING AMENDMENTS TO DOCUMENTS RELATING TO THE MONTANA FACILITY FINANCE AUTHORITY HOSPITAL REVENUE BONDS, SERIES 2017A (BENEFIS HEALTH SYSTEM OBLIGATED GROUP); AND AUTHORIZING THE SIGNING AND DELIVERY OF DOCUMENTS (the “Resolution”)

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

Section 1. Recitals.

1.01. The Authority is authorized by Montana Code Annotated, Title 90, Chapter 7, Parts 1, 2 and 3, as amended (the “Act”), to issue and sell its revenue bonds and to lend the proceeds of the bonds to one or more institutions to finance, refinance or provide reimbursement for allowable costs of the acquisition, construction, reconstruction, repair, alteration, enlargement, improvement and equipping of eligible facilities, all as defined in the Act (“Facilities”), or to refund indebtedness incurred for such purpose. On June 22, 2017 (the “Issue Date”), the Authority issued \$28,300,000 of its Hospital Revenue Bonds, Series 2017A (Benefis Health System Obligated Group) (the “Bonds”) pursuant to the Act and a Trust Agreement, dated as of June 1, 2017 (the “Original Trust Agreement”), between the Authority and Wells Fargo Bank, National Association (now succeeded by Computershare Trust Company, N.A.), (the “Trustee”) and loaned the proceeds thereof to Benefis Health System, Inc., a Montana nonprofit corporation (the “Borrower”), pursuant to a Loan Agreement, dated June 1, 2017 (the “Loan Agreement”, between the Authority and the Borrower, for the purpose described in the Original Trust Agreement and the Loan Agreement. Capitalized terms used by not defined herein have the meaning defined in the Original Trust Agreement or the Amended and Restated Trust Agreement (defined herein).

1.02. On the Issue Date, the Bonds were sold directly to JPMorgan Chase Bank, National Association, as initial purchaser and sole Holder of 100% of the Bonds (the “Purchaser”) and JPMorgan Chase Bank, National Association continues to hold the Bonds as sole Holder on the date hereof.

1.03. The Bonds currently bear interest in an Index Interest Rate Period bearing interest at the LIBOR Index Rate.

1.04. The Purchaser and the Borrower desire to amend and restate the Original Trust Agreement pursuant to an Amended and Restated Trust Agreement, dated as of June 1, 2017 and to be amended and restated as of May 1, 2023 (the “Amended and Restated Trust Agreement”), between the Authority and the Trustee, and to be consented to by the Borrower and the Purchaser, in order to (i) replace the LIBOR Index Rate provisions with Term SOFR Index Rate provisions; and (ii) have the Bonds, commencing on the Amendment Date, begin bearing interest at the Term SOFR Index Rate in a Term SOFR Index Rate Period.

1.05. A copy of the Amended and Restated Trust Agreement has been placed on file in the office of the Authority:

Section 2. Approval and Authorizations.

2.01. Any one of the Executive Director, the Chair, or any other member of the Authority is authorized to approve in the name and on behalf of the Authority the final form of the Amended and Restated Trust Agreement. Any one of the Executive Director, the Chair, or any other member of the Authority is also authorized to approve in the name and on behalf of the Authority, and is authorized to sign and deliver, any subsequent amendments, waivers or consents entered into or given in accordance with Amended and Restated Trust Agreement and any of the documents authorized in connection with the original issuance of the Bonds. The approval of the final forms of the Amended and Restated Trust Agreement, and those other documents shall be conclusively evidenced by the signing and delivery of those documents by the Executive Director or the Chair or any other member of the Authority.

2.02. The Chair or any one or more other members of the Authority and the Executive Director are authorized to prepare and sign replacement Bonds as prescribed in the Amended and Restated Trust Agreement and deliver them to the Trustee, together with any other documents required for authentication of the replacement Bonds by the Trustee and delivery by the Trustee of the replacement Bonds to the Purchaser.

2.03. The Executive Director, the Chair, or any other member of the Authority, is authorized and directed to prepare and furnish to the Purchaser and to bond counsel, in connection with the Amended and Restated Trust Agreement and any further amendments to the documents relating to the Bonds, certified copies of all proceedings and records of the Authority relating to Bonds, and such other affidavits, certificates and documents as may be required to show the facts relating to the legality and marketability of the Bonds as such facts appear from the books and records in the officers' custody and control or as otherwise known to them, or as may be necessary or desirable to accomplish the amendments relating to the Bonds and its documents, and all such certified copies, certificates, affidavits and documents, shall constitute representations of the Authority as to the truth of all statements of fact contained therein.

2.04 PASSED AND APPROVED BY THE MONTANA FACILITY FINANCE AUTHORITY this 12th day of April, 2023.

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Vu Pham, Chair

**Montana Facility Finance Authority**  
**Budget v. Actual Expenses**  
**03/31/23**  
**75% Expended**

Legislative Budget	Year to Date			
	Category	Budget	Actual	\$ Variance % Variance
<b>\$799,694</b>	<b>A) INCOME</b>	<b>\$508,427</b>	<b>594,088</b>	85,661 17%
120,000	Application Fees	90,000	46,144	(43,856) -49%
554,694	Annual Fees	324,677	364,544	39,867 12%
125,000	Investment Income	93,750	183,400	89,650 96%
<b>\$406,024</b>	<b>B) PERSONAL SERVICES EXPENSE</b>	<b>\$304,518</b>	<b>297,973</b>	(6,545) -2%
399,024	Salaries & benefits	299,268	296,623	(2,645)
7,000	Board Per Diem	5,250	1,350	(3,900)
<b>\$376,282</b>	<b>C) OPERATING EXPENSES**</b>	<b>\$207,919</b>	<b>\$168,971</b>	(38,949) -19%
94,462	Contracted & Other Services	70,846	30,271	(40,576) -57%
	Misc. Other Services		11,207	
	Legal Services		12,083	
	Legislative Audit		5,122	
	ITSD		1,859	
15,072	Supplies/Materials/Equipment	11,304	34,286	22,982 203%
7,587	Communications	5,690	2,863	(2,828) -50%
24,344	Travel	18,258	15,250	(3,008) -16%
4,789	Equipment Lease	3,592	404	(3,188) -89%
	Building Lease	21,792	20,992	(800) -4%
156	Repairs & Maintenance	117	117	0 0%
95,816	Miscellaneous	71,862	64,788	(7,074) -10%
	Commerce Department Services		44,040	
	Administration (statewide) Indirect Costs		3,016	
	Education		7,664	
	Other Miscellaneous		10,067	
35,000	BOI Administrative Support**	26,250	0	(26,250) -100%
<b>\$17,388</b>	<b>REVENUES IN EXCESS OF EXPENSES (A-B-C)</b>	<b>-4,010</b>	<b>127,144</b>	131,154 -3270%
150,000	Grants-Obligated/Paid	25,000	12,560	
(\$132,612)	Current Year Increase in Net Assets		114,584	
	<b>INCREASE (DECREASE) IN NET ASSETS</b>		114,584	

\* Income presented on CASH basis. GAAP accrual accounting would reflect approximately \$4,634 less income annually, or < 0.8%



# MFFA Reserve Balances

AS OF 4/3/2023

A/E		<u>Current Balance</u>	<u>Policy Guideline</u>
<b>A/E 06015</b>	<b>Operating Account Summary</b>		
	Total Fund Balance Available Net Capital Reserve "B" Balance	3,347,970	
	Less: Working Capital Reserve Requirement	1,710,610	1,710,610 (a)
	Available for Restricted Capital Reserve "A"	1,637,360	11,583,840 (b)
	Fund Balance: Sub-Total	<u>3,347,970</u>	<u>13,294,450</u>
<b>A/E 06015</b>	<b>Trust Fund Loan Pool</b>		
	RC 710300, Accounts 521190	45,268	
	Plus: Prior Year End Capital Reserve "B" Fund Balance Sub Total	1,220,400	
	Capital Reserve "B" Fund Balance	<u>1,265,668</u>	<u>1,265,668 (d)</u>
<b>A/E 06012</b>	<b>Direct Loan Program</b>		
	Current Program Fund Balance	4,994,873	
	Less: Outstanding Loan Balance	3,261,445	
	Funds Available to Loan from Direct Loan Program	1,733,428	
	Fund Balance: Sub-Total	<u>4,994,873</u>	<u>4,902,643 (c)</u>
	 Total Projected Fund Balance	 <u>9,608,511</u>	 <u>19,462,761</u>

Notes:

Policy Guidelines - Minimum Funding Requirements

(a) Twice the current Fiscal Year annual budget.	855,305
(b) 10% of the outstanding BOI enhanced bond balance as of 7/1/22	115,838,401
(c) \$4,905,556 as of 7/1/22 plus YTD loan payments, account investment earnings.	4,902,643
(d) 10% of the Trust Fund Loan Pool Balance as of 7/1/22	12,656,678

**MONTANA FACILITY FINANCE AUTHORITY**

**Staff Approved Loans**

**2/1/2023-3/31/2023**

**Submitted Applications**

**Borrower**

**Location    Date  
Submitted**

**Term**

**Interest**

**Amount**

**Project**

**Total Pending Direct Loans:**

**\$ -**

**Approved Applications**

**Borrower**

**Location    Date  
Approved**

**Term**

**Interest**

**Amount**

**Project**

All Nations Health Center

Missoula

01/27/23

5

3.76%

\$ 300,000

Land Purchase

**Total Approved Direct Loans:**

**\$ 300,000**

**Funds Available Under**

**Direct Loan Program:**

Loan Fund: (3/31/2023)

4,994,873

Total Outstanding Loans: (3/31/2023)

3,261,445

Approved Applications from above:

(300,000)

**Total Available to Loan at 3/31/2023**

**\$ 1,433,428**

**Funded Applications from 7/1/22:**

**Borrower**

**Location    Date  
Funded**

**Term**

**Interest**

**Amount**

**Project**

Central Montana Medical Center

Lewistown

07/15/22

8

2.15%

\$ 375,000

Refinance TFL & DL

Big Sandy Medical Center

Big Sandy

10/14/22

5

3.35%

\$ 85,000

Land and mobile home purchase

Central Montana Medical Center

Lewistown

11/29/22

5

2.00%

\$ 375,000

MRI Machine

Clark Fork Valley Hospital

Plains

12/09/22

7

4.48%

\$ 285,000

3 D mammography machine

**Total Loans Funded since 7/1/22**

**\$ 1,120,000**

**MONTANA FACILITY FINANCE AUTHORITY**

**Staff Approved Grants**

**2/1/2023-3/31/2023**

**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>
Daniels Memorial Healthcare	Scobey	01/26/23	1/26/2023		\$ 25,000	Scope of service review	MCAP
<b>Total Pending Grants:</b>					<u>\$ 25,000</u>		

**Grants Paid since 7/1/2022**

<u>Grantee</u>	<u>Location</u>	<u>Date</u>	<u>Approved</u>	<u>Paid</u>	<u>Amount</u>	<u>Project</u>	<u>Program</u>
Roosevelt Medical Center	Culbertson	09/02/22	9/2/2022	2/2/2023	\$ 12,560	Scope of service review	MCAP
<b>Total Grants:</b>					<u>\$ 12,560</u>		

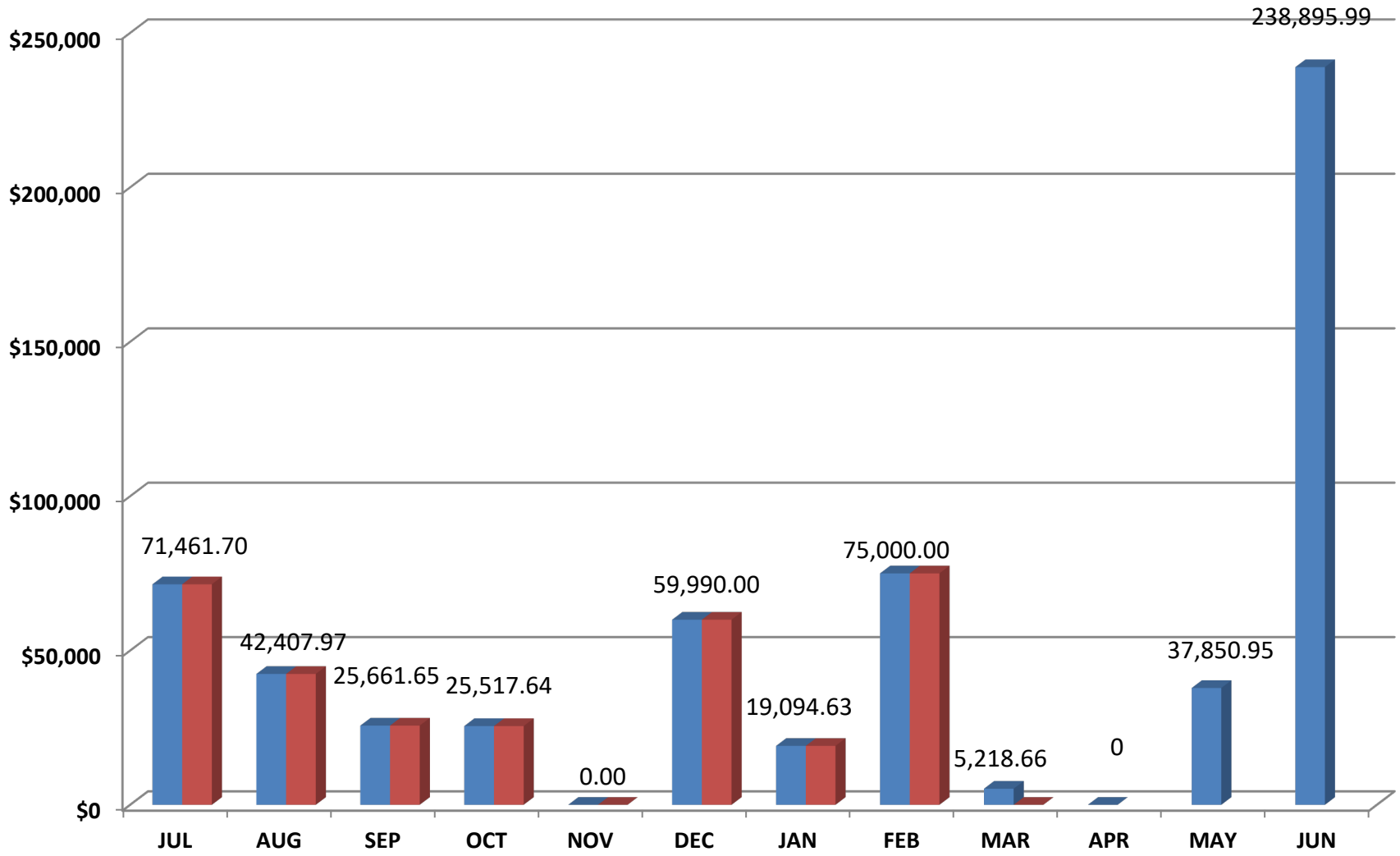
# FY 2023 Annual Service Fees

As of January 31, 2023

Annual Projected: \$601,099

YTD Projected: \$324,352.25

YTD Collected: \$319,133.59



# 2023

## APRIL

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	Board Mtg	13	14	15
16	17	18		20	21	22
23/30	24	25	26	28	28	29

## 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	7	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
23/30	24/31	25	26	27	28	29

## AUGUST

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		

## 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	18	19	20	21
22	23	24	25	26	27	28
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	9
10	11	12	13	14	15	16
17	18	20	20	21	22	23
24/31	25	27	27	28	29	30

# 2024

## 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	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
24/31	25	26	27	28	29	30

### HOLIDAYS AND OBSERVANCES

<b>1-Jan</b>	<b>New Year's Day</b>	<b>4-Jul</b>	<b>Independence Day</b>	<b>23-Nov</b>	<b>Thanksgiving Day</b>
<b>15-Jan</b>	<b>MLK Day</b>	<b>4-Sep</b>	<b>Labor Day</b>	<b>25-Dec</b>	<b>Christmas Day</b>
<b>19-Feb</b>	<b>Presidents' Day</b>	<b>9-Oct</b>	<b>Columbus Day</b>		
<b>29-May</b>	<b>Memorial Day</b>	<b>10-Nov</b>	<b>Veterans Day Ob.</b>		

### CONFERENCES

<b>Apr 16-18</b>	<b>NAHEFFA, Washington DC</b>	<b>Oct 9-12</b>	<b>NAHEFFA, Burlington, VT</b>
<b>Sep 18-22</b>	<b>MT Hospital Assoc</b>	<b>Nov 7-10</b>	<b>CDFA, Philadelphia, PA</b>