

MONTANA FACILITY FINANCE AUTHORITY
Board Meeting

Montana Department of Commerce Office
301 S Park Ave. Room 504, Helena

June 21, 2023

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



MONTANA FACILITY FINANCE AUTHORITY

Department of Commerce

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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: June 14, 2023
Subject: MFFA Board Meeting Wednesday, June 21

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

11:00 AM Wednesday, June 21
Montana Dept of Commerce
301 S. Park Ave, Room 504

Enclosed, please find board meeting materials for our upcoming MFFA Orientation and Board Meeting on Wednesday, June 21 at 11:00 AM. **The meeting will be held at the Montana Department of Commerce building located at 301 S Park Ave, in room 504 (5th floor).**

The new board member orientation will start at 11:00 AM. All members are encouraged to attend. Before the meeting all members will receive an electronic updated version of the board member binder and information from MFFA's counsel, Nathan Bilyeu, on board roles and responsibilities.

The regular board meeting will begin at 1:30 PM. We will have a review of our usual reports.

As always, please call or write if you have any questions. We will have lunch provided so please let us know if you plan on attending in person for an accurate head count. Thank you.

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

June 21, 2023

Montana Department of Commerce Office

301 S. Park Ave

Room 504

Helena, MT

NEW MEMBER ORIENTATION AGENDA

- 11:00 I. Introductions**
- 11:10 II. Authority History & Programs**
Adam Gill, MFFA Executive Director
- 12:00 III. MFFA Board Role & Responsibilities**
Nathan Bilyeu, MFFA Counsel – Jackson Murdo & Grant PC
- 12:30 IV. Overview of Healthcare in Montana**
Montana Hospital Association (tentative)
- 1:00 LUNCH BREAK**

MEETING AGENDA

- 1:30 I. CALL TO ORDER**
A. Roll Call
B. Approval of Meeting Minutes (4/12)
- II. PUBLIC COMMENT** on Board Related Items
- 1:45 III. GENERAL ADMINISTRATIVE**
- A. Financials**
1. Budget -v- Actual
 2. Revenue Graph
 3. Reserve Balances
 4. Staff Approved Loans & Grants
- B. Miscellaneous**
1. Outreach & Marketing Report
 2. Anticipated Financings
- 2:15 IV. CALENDAR**
- A. Establish meeting dates for 2023**

2:30 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)
April 12, 2023
10:00 A.M.

MINUTES

**BOARD MEMBERS
PRESENT:**

Vu Pham (via phone)
Paul Komlosi (via phone)
Matt Thiel (via phone)
John Iverson (via phone)
Jade Goroski (via phone)

**BOARD MEMBERS
ABSENT:**

Kim Rickard
Mel Reinhardt

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)
Lina Thoreson, Bond Counsel – Orrick (via phone)

BOARD MEETING

CALL TO ORDER

Board Chair Vu Pham called the April 12, 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 February 22, 2023 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.*

FINANCINGS

Benefis Health System

Mr. Gill introduced Lina Thoreson, Bond Counsel – Orrick (via phone). Board Chair Pham requested a motion for approval of the resolution. Member Thiel motioned for approval of the financing Resolution 23-01. Board Member John Iverson seconded the motion. Mr. Gill described the project which is a simple modification for Benefis Health System’s 2017A Bonds to move from the rate-setting index from the London Interbank Offered Rate (LIBOR) to the Secured Overnight Financing Rate (SOFR).

Ms. Thoreson described Resolution 23-01 mentioning that any transition away from LIBOR needed to occur before July 2023 and there are no vulnerabilities to any parties involved. At the conclusion of discussion, Board Chair Pham called for the vote on the motion, which passed unanimously.

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

Anticipated Financings

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

C-PACE Marketing

Mr. Lutter described the different presentations and marketing strategies for C-PACE.

Legislative Update

Mr. Gill provided a legislative update including healthcare bills and potential outcomes.

ADJOURN

Chair Pham adjourned the meeting at 10:48 A.M.

APPROVE: _____
Vu Pham, Chair

ATTEST: _____
Adam Gill, Executive Director

APPROVAL DATE: _____

Montana Facility Finance Authority
Budget v. Actual Expenses
05/31/23
92% Expended

Legislative Budget	Year to Date			
	Category	Budget	Actual	\$ Variance % Variance
\$799,694	A) INCOME	\$587,111	859,016	271,905 46%
120,000	Application Fees	110,000	53,644	(56,356) -51%
554,694	Annual Fees	362,528	560,586	198,058 55%
125,000	Investment Income	114,583	244,786	130,202 114%
\$406,024	B) PERSONAL SERVICES EXPENSE	\$372,189	394,569	22,380 6%
399,024	Salaries & benefits	365,772	391,319	25,547
7,000	Board Per Diem	6,417	3,250	(3,167)
\$376,282	C) OPERATING EXPENSES**	\$254,124	\$230,075	(24,048) -9%
94,462	Contracted & Other Services	86,590	46,509	(40,081) -46%
	Misc. Other Services		11,408	
	Legal Services		15,545	
	Legislative Audit		17,396	
	ITSD		2,161	
15,072	Supplies/Materials/Equipment	13,816	45,555	31,739 230%
7,587	Communications	6,955	3,236	(3,719) -53%
24,344	Travel	22,315	25,949	3,633 16%
4,789	Equipment Lease	4,390	943	(3,447) -79%
	Building Lease	26,635	22,449	(4,185) -16%
156	Repairs & Maintenance	143	3,849	3,706 2592%
95,816	Miscellaneous	87,831	81,585	(6,247) -7%
	Commerce Department Services		58,317	
	Administration (statewide) Indirect Costs		3,016	
	Education		8,445	
	Other Miscellaneous		11,806	
35,000	BOI Administrative Support**	32,083	0	(32,083) -100%
\$17,388	REVENUES IN EXCESS OF EXPENSES (A-B-C)	-39,201	234,372	273,573 -698%
150,000	Grants-Obligated/Paid	25,000	12,560	
(\$132,612)	Current Year Increase in Net Assets		221,812	
	INCREASE (DECREASE) IN NET ASSETS		221,812	

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

MFFA Reserve Balances

AS OF 6/1/2023

A/E		<u>Current Balance</u>	<u>Policy Guideline</u>
A/E 06015	Operating Account Summary		
	Total Fund Balance Available Net Capital Reserve "B" Balance	3,266,885	
	Less: Working Capital Reserve Requirement	1,710,610	1,710,610 (a)
	Available for Restricted Capital Reserve "A"	1,556,275	11,583,840 (b)
	Fund Balance: Sub-Total	<u>3,266,885</u>	<u>13,294,450</u>
A/E 06015	Trust Fund Loan Pool		
	RC 710300, Accounts 521190	55,017	
	Plus: Prior Year End Capital Reserve "B" Fund Balance Sub Total	1,220,400	
	Capital Reserve "B" Fund Balance	<u>1,275,417</u>	<u>1,265,668 (d)</u>
A/E 06012	Direct Loan Program		
	Current Program Fund Balance	5,021,114	
	Less: Outstanding Loan Balance	3,092,485	
	Funds Available to Loan from Direct Loan Program	1,928,629	
	Fund Balance: Sub-Total	<u>5,021,114</u>	<u>4,902,643 (c)</u>
	Total Projected Fund Balance	<u>9,563,415</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

4/1/2023-5/31/2023

Submitted Applications

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

Approved Applications

<u>Borrower</u>	<u>Location</u>	<u>Date Approved</u>	<u>Term</u>	<u>Interest</u>	<u>Amount</u>	<u>Project</u>
All Nations Health Center	Missoula	01/27/23	5	3.59%	\$ 300,000	Land Purchase
Community Hospital of Anaconda	Anaconda	04/04/23	10	3.71%	\$ 500,000	Physical Clinic Build
Total Approved Direct Loans:					<u>\$ 800,000</u>	

Funds Available Under

Direct Loan Program:

Loan Fund: (5/31/2023)	5,021,114
Total Outstanding Loans: (5/31/2023)	3,092,485
Approved Applications from above:	(800,000)
Total Available to Loan at 5/31/2023	<u>\$ 1,128,629</u>

Funded Applications from 7/1/22:

<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	07/15/22	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					<u>\$ 1,120,000</u>	

MONTANA FACILITY FINANCE AUTHORITY

Staff Approved Grants

4/1/2023-5/31/2023

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 Alternatives, Inc.	Scobey	01/26/23	1/26/2023		\$ 25,000	Scope of service review	MCAP
	Billings	05/31/23	05/31/23		\$ 25,000	Energy Efficiency	MCAP
Total Pending Grants:					\$ 50,000		

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
Total Grants:					\$ 12,560		

FY 2023 Annual Service Fees

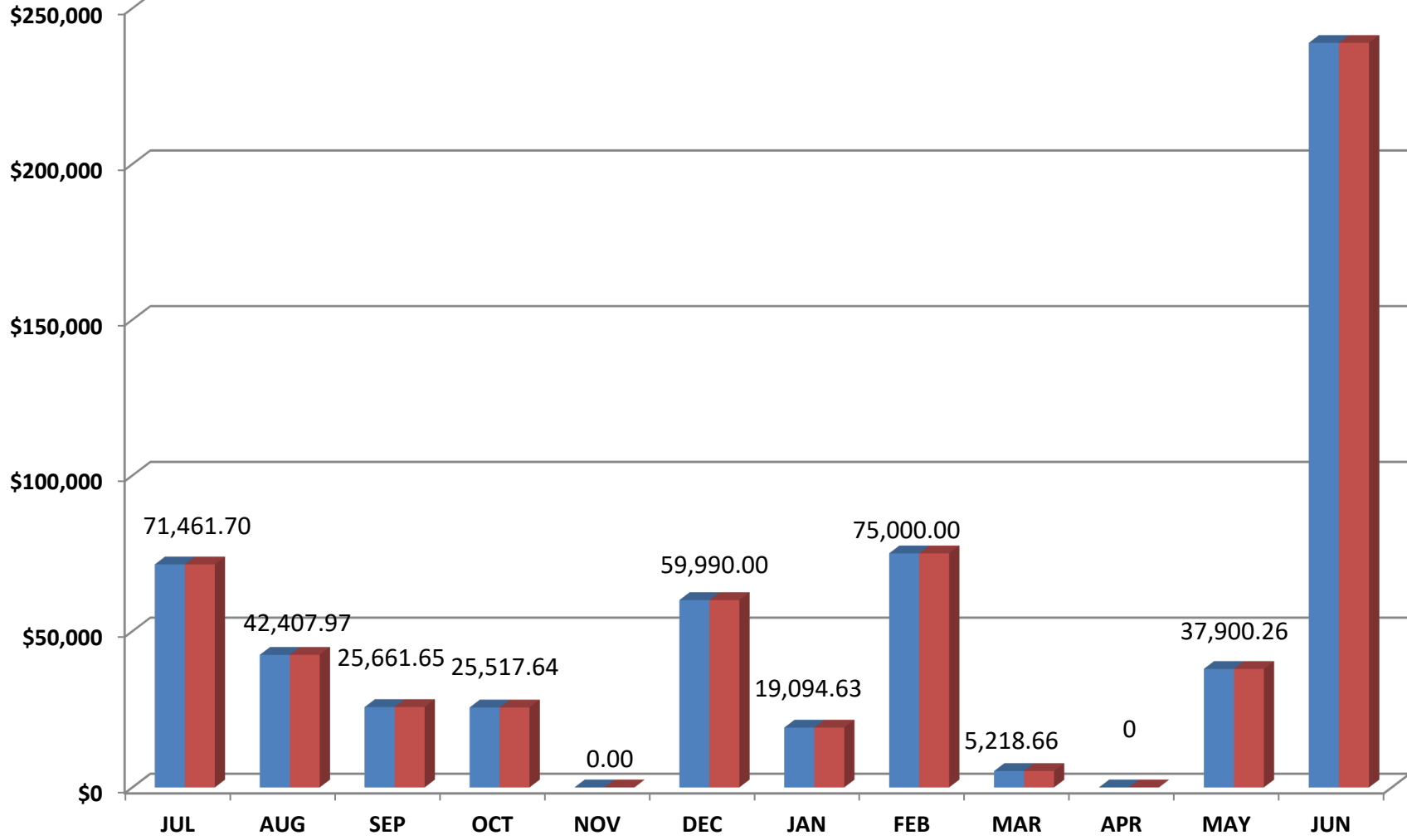
As of June 1, 2023

Annual Projected: \$601,148.51

YTD Projected: \$601,148.51

YTD Collected: \$601,148.51

238,895.99



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

JULY

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23/30	24/31	25	26	27	28	29

AUGUST

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27	28	29	30	31		

SEPTEMBER

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OCTOBER

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15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

NOVEMBER

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DECEMBER

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17	18	20	20	21	22	23
24/31	25	27	27	28	29	30

2024

JANUARY

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28	29	30	31			

FEBRUARY

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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
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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

1-Jan **New Year's Day**
15-Jan **MLK Day**
19-Feb **Presidents' Day**
29-May **Memorial Day**

4-Jul **Independence Day**
4-Sep **Labor Day**
9-Oct **Columbus Day**
10-Nov **Veterans Day Ob.**

23-Nov **Thanksgiving Day**
25-Dec **Christmas Day**

CONFERENCES

Sep 18-22 **MT Hospital Assoc, Billings**
Oct 9-12 **NAHEFFA, Burlington, VT**

Oct 25-27 **HFMA, Billings**
Nov 7-10 **CDFA, Philadelphia, PA**