

MONTANA FACILITY FINANCE AUTHORITY
Board Meeting

Montana Facility Finance Authority Office
2401 Colonial Drive, Helena

April 21, 2022

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



MONTANA FACILITY FINANCE AUTHORITY

Board Meeting

Via Zoom

April 21, 2022

MEETING AGENDA

- 10:00** **I. CALL TO ORDER**
 A. Roll Call
 B. Approval of Meeting Minutes (2/15)
- II. PUBLIC COMMENT** on Board Related Items
- III. GENERAL ADMINISTRATIVE**
A. Financials
 1. Budget -v- Actual
 2. Reserve Balances
 3. Staff Approved Loans & Grants
 4. Revenue Chart
B. Red Tape Review Discussion
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

MEMORANDUM

Montana Facility Finance Authority

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

To: MFFA Board Members
From: Adam Gill, Seth Lutter & Monica Birlut
Date: April 14, 2022
Subject: MFFA Board Meeting Thursday, April 21, 2022

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

10:00 AM Thursday, April 21, 2022
Via Zoom

Given we only have reports for this meeting we will hold it via Zoom. We have received initial word on the Governor's Red Tape Review and some information will be provided prior to the meeting so the Board can discuss how the MFFA would prefer to approach the items identified.

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

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MONTANA FACILITY FINANCE AUTHORITY
Board Meeting (Conference Call)
February 15, 2022
10:00 A.M.

MINUTES

BOARD MEMBERS

PRESENT:

Matt Thiel (Acting Chair)
Paul Komlosi (via phone)
Kim Rickard
Jade Goroski
John Iverson

BOARD MEMBERS

ABSENT:

Vu Pham (Excused)
Mel Reinhardt (Excused)

STAFF PRESENT:

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

GUESTS:

Nathan Bilyeu, Authority Counsel – Jackson, Murdo & Grant
Bob Murdo, Authority Counsel – Jackson, Murdo & Grant
David Trost, CEO – St. John’s United
Jerry Pearsall, CFO – St. John’s United
Whitney Griffin, Director of Accounting – St. John’s United
Christi Jacobsen, Bond Counsel – Hillis, Clark, Martin & Peterson
Daren Bell, Placement Agent – Ziegler Capital

BOARD MEETING

CALL TO ORDER

Acting Chair Matt Thiel called the February 15, 2022, 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 Jade Goroski motioned to approve the December 8, 2021, 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.*

FINANCINGS

St. John's United

Adam Gill, Executive Director of the MFFA, introduced David Trost, CEO – St. John's United, Jerry Pearsall, CFO – St. John's United, Whitney Griffin, Director of Accounting – St. John's United, Christi Jacobsen, Bond Counsel – Hillis, Clark, Martin & Peterson, and Daren Bell, Placement Agent – Ziegler Capital. Acting Chair Thiel requested a motion for approval of the financing resolution No. 22-01.

Member Paul Komlosi motioned for approval of the financing. Member Jade Goroski seconded the motion for approval of the financing resolution. Mr. Trost described the history of St. John's United and the project which is to refinance the MFFA Series 2015 A & B bonds and approximately \$3.5 million direct loan from USDA Rural Development. The second phase will be the issuance of \$11 million with the scope to repurpose an existing 43 unit assisted living building into a 36-unit skilled nursing facility specialized in post-acute transitional care. Mr. Trost and Mr. Bell described the plan of finance and potential cash flow and interest savings. Ms. Jacobsen described Resolution No. 22-01. At the conclusion of discussion, Acting Chair Thiel 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.

Anticipated Financings

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

BOARD MEETING CALENDAR

BOARD MEETINGS
April 21, 2022
June 7, 2022
August 16, 2022
October 18, 2022
December 12-13, 2022

ADJOURN

Acting Chair Thiel adjourned the meeting at 11:15 A.M.

APPROVE: _____
Matt Thiel, Acting Chair

ATTEST: _____
Adam Gill, Executive Director

APPROVAL DATE: _____

Montana Facility Finance Authority
Budget v. Actual Expenses
04/01/22
75% Expended

Legislative Budget	Year to Date			
	Category	Budget	Actual	\$ Variance % Variance
\$805,824	A) INCOME	\$467,657	800,387	332,730 71%
135,000	Application Fees	101,250	421,300	320,050 316%
545,824	Annual Fees	272,657	318,500	45,842 17%
125,000	Investment Income	93,750	60,588	(33,162) -35%
\$311,772	B) PERSONAL SERVICES EXPENSE	\$233,829	250,625	16,796 7%
304,772	Salaries & benefits	228,579	248,075	19,496
7,000	Board Per Diem	5,250	2,550	(2,700)
\$313,777	C) OPERATING EXPENSES**	\$182,833	167,070	(15,763) -9%
58,184	Contracted & Other Services	43,638	60,434	16,796 38%
	Misc. Other Services		32,682	
	Legal Services		25,298	
	Legislative Audit		1,007	
	ITSD		1,447	
14,633	Supplies/Materials/Equipment	10,975	8,873	(2,102) -19%
7,587	Communications	5,690	2,720	(2,970) -52%
24,324	Travel	18,243	18,240	(3) 0%
33,283	Rent	24,962	21,645	(3,317) -13%
	Building Rent		21,033	
	Other Rent		612	
156	Repairs & Maintenance	117	375	258 221%
70,054	Miscellaneous	52,541	54,783	2,242 4%
	Commerce Department Services		37,042	
	Administration (statewide) Indirect Costs		1,706	
	Education		3,637	
	Other Miscellaneous		12,398	
0	Capital Leases	417	0	
35,000	BOI Administrative Support**	26,250	0	(26,250) -100%
\$180,275	REVENUES IN EXCESS OF EXPENSES (A-B-C)	50,996	382,692	331,697 650%
150,000	Grants-Obligated/Paid	43,000	28,000	
\$30,275	Current Year Increase in Net Assets		354,692	
	INCREASE (DECREASE) IN NET ASSETS		354,692	

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

RESERVE BALANCES AS OF 04-01-2022

A/E 06015	Operating Account Summary	<u>Current Balance</u>	<u>Policy Guideline</u>
	Total Fund Balance Available Net Capital Reserve "B" Balance	3,737,918	
	Less: Working Capital Reserve Requirement	1,448,686	1,448,686
	Available for Restricted Capital Reserve "A"	<u>2,289,232</u>	<u>10,699,500</u>
	Fund Balance: Sub-Total	<u><u>3,737,918</u></u>	<u><u>12,148,186</u></u>
A/E 06015	Trust Fund Loan Pool		
	RC 710300, Accounts 521190	46,153	
	Plus: Prior Year End Capital Reserve "B" Fund Balance Sub Total	<u>368,549</u>	
	Capital Reserve "B" Fund Balance	<u><u>414,702</u></u>	<u><u>1,193,713</u></u>
A/E 06012	Direct Loan Program		
	Current Program Fund Balance	4,884,000	
	Less: Outstanding Loan Balance	3,305,435	
	Funds Available to Loan from Direct Loan Program	<u>1,578,565</u>	
	Fund Balance: Sub-Total	<u><u>4,884,000</u></u>	<u><u>4,826,438</u></u>
	Total Projected Fund Balance	<u><u>9,036,620</u></u>	<u><u>18,168,337</u></u>

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 7/1/21	106,995,000
(c) \$4,820,716 as of 7/1/21 plus YTD loan payments, account investment earnings.	4,826,438
(d) 10% of the Trust Fund Loan Pool Balance as of 7/1/21	11,937,131

MONTANA FACILITY FINANCE AUTHORITY

Staff Approved Loans

1/31/2022-3/31/2022

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%	\$ 500,000	Replace MRI
Central Montana Medical Center	Lewistown	02/02/22	5	2.00%	\$ 250,000	Renovation and Refinance Project
Total Pending Direct Loans:					<u>\$ 750,000</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>
Total Approved Direct Loans:					<u>\$ -</u>	

Funds Available Under

Direct Loan Program:

Loan Fund: (3/31/2022)	4,884,000
Total Outstanding Loans: (3/31/2022)	(3,305,435)
Approved Applications from above:	-
Total Available to Loan at 3/31/2022	<u>\$ 1,578,565</u>

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
Total Loans Funded since 7/1/21					<u>\$ 738,938</u>	

MONTANA FACILITY FINANCE AUTHORITY

Staff Approved Grants

01/31/2022-3/31/2022

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>
Total Pending Grants:					\$ -		

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
Total Grants:					\$ 42,982		

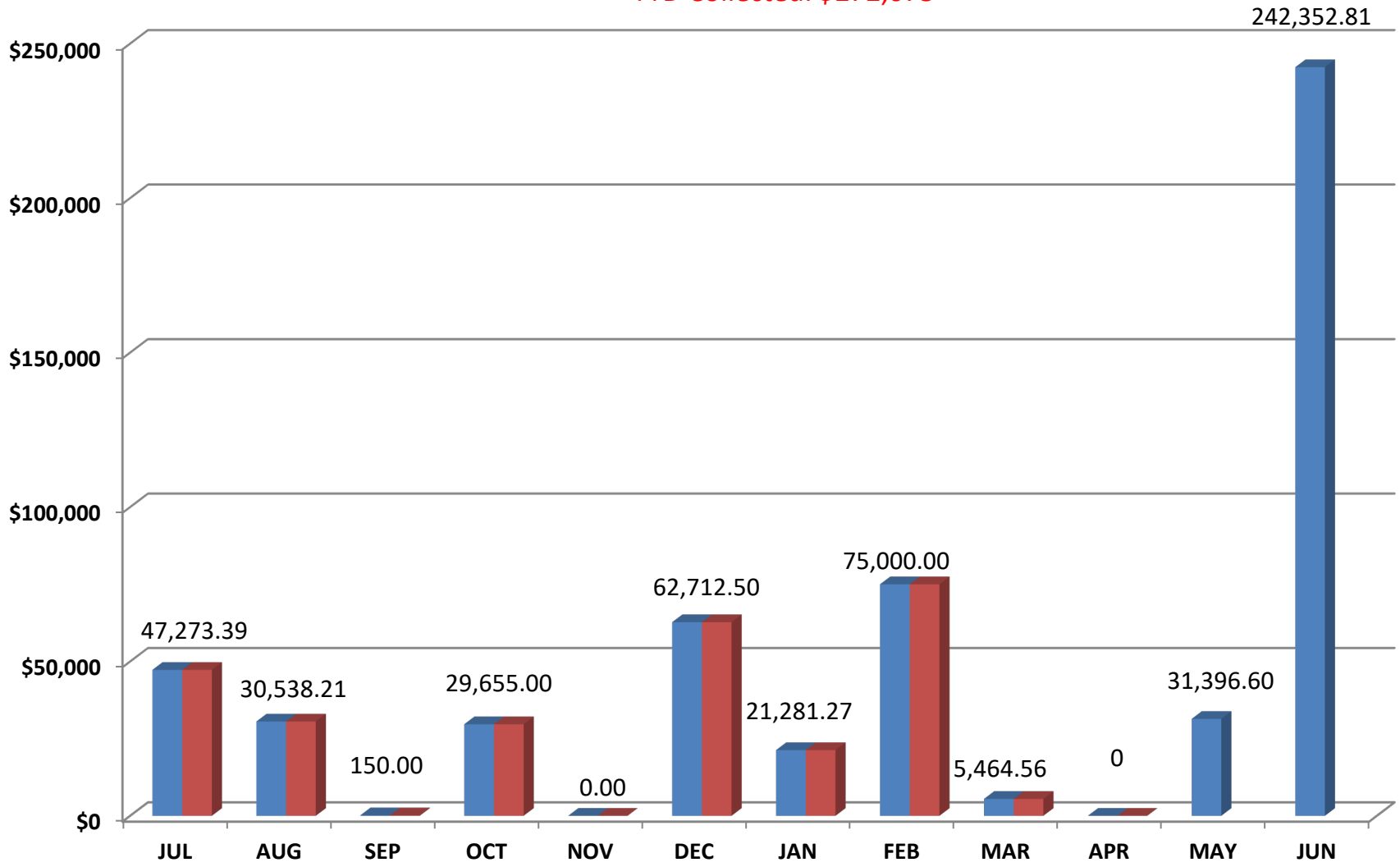
FY 2022 Annual Service Fees

As of April 1, 2022

Annual Projected: \$545,824

YTD Projected: \$272,075

YTD Collected: \$272,075



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

Apr 24-26, 2022 **NAHEFFA, SC**
May 25-26, 2022 **MEDA, Anaconda**
June 13-15, 2022 **PaceNation, NYC**

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