

**MONTANA FACILITY FINANCE AUTHORITY**  
Board Meeting

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

**August 21, 2024**

“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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PO Box 200506  
Helena, MT 59620-0506  
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## MEMORANDUM

**To:** MFFA Board Members  
**From:** Adam Gill, Seth Lutter, Monica Birlut, and Carolyn Jones  
**Date:** August 14, 2024  
**Subject:** MFFA Board Meeting Wednesday, August 21, 2024

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

This will be a lighter agenda, so we are just meeting via Teams. There are no financings, only a review of our usual reports and a discussion of the policies adopted by the Board of Housing in response to their recent audit. MFFA Counsel is advising we consider adopting similar policies. Those policies will be attached in a separate email.

Such a light agenda, I don't even have enough for a second paragraph.

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

### **MICROSOFT TEAMS INSTRUCTIONS**

#### [Conference Link](#)

Meeting ID: 269 307 612 47

Passcode: cbSUqL

#### **OR**

Dial by Telephone: +1 406-318-5487

Meeting ID: 642-640-335#

**MONTANA FACILITY FINANCE AUTHORITY**

**Board Meeting**

**August 21, 2024**

**Via Microsoft Teams**

**MEETING AGENDA**

**9:00**

**I. CALL TO ORDER**

- A. Roll Call
- B. Approval of Meeting Minutes (6/18)
- C. Disclosure of Conflict of Interest

**II. PUBLIC COMMENT on Board Related Items**

**III. GENERAL ADMINISTRATIVE**

**A. Policy Updates**

**B. Financials**

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

**C. Miscellaneous**

- 1. Outreach & Marketing Report
- 2. Anticipated Financings

**10:00**

**DISMISS**

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**MONTANA FACILITY FINANCE AUTHORITY**

**Board Meeting**

**June 18, 2024**

**10:00 A.M.**

**MINUTES**

**BOARD MEMBERS**

**PRESENT:**

Craig Anderson  
JoAn Cuffe  
William Northey  
Mel Reinhardt (via phone)  
Jade Goroski (via phone)

**BOARD MEMBERS**

**ABSENT:**

John Iverson  
Vu Pham

**STAFF PRESENT:**

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

**GUESTS:**

Nathan Bilyeu, Authority Counsel – Jackson, Murdo & Grant  
Sarah Bartow, Agency Performance Advisor – MT Dept of Admin  
Therese Simpson, Business Analyst – MT Dept of Admin  
Adam Carpenter, Chief Data Officer – MT Dept of Admin  
David Trost, CEO – St. John’s United

**BOARD MEETING**

**CALL TO ORDER**

Acting Board Chair William Northey called the June 18, 2024, 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 JoAn Cuffe moved for approval of the April 23, 2024, board meeting minutes. Board Member Craig Anderson seconded the motion which passed unanimously.

Conflict of Interest

Board Member Anderson mentioned his potential conflict of interest with St. John’s United financing and stated he would abstain from discussion and voting.

## **PUBLIC COMMENT**

The meeting was opened for public comment. David Trost, CEO – St. John’s United made public comment praising the MFFA for its continued work in the industry and suggested the board examine loan limits for its financing programs as costs have increased substantially over the years so higher limits are needed.

## **FINANCINGS**

Mr. Gill provided information on the following financing for board deliberation:

### St. John’s United

Mr. Gill introduced David Trost as the CEO of St. John’s United and provided a description of the Trust Fund Loan and Direct Loan project. The request is for combined amount of \$2,000,000 for the purchase and renovation of the Riverstone Hospice House in Billings. Riverstone is located on St. John’s campus and has leased the land from St. John’s. Part of that lease is an agreement that if Riverstone were to exit the facility, it would sell to St. John’s. With Riverstone announcing their closure in February, that set the process of sale in motion.

Acting Board Chair Northey requested a motion for approval of the financing resolution. Board Member Cuffe motioned for approval of the financing resolution. Board Member Mel Reinhardt seconded the motion. David Trost described the need for the financing and ongoing projects into the near future which would positively impact St. John’s.

Nathan Bilyeu described Resolution 24-04 which passed with Board Member Anderson abstaining in accordance with his disclosure of conflict of interest.

### Lochsa Labs

Mr. Gill introduced Inducement Resolution 24-05 pertaining to Lochsa Labs and its intent on pursuing an Industrial Development Bond (IDB). Mr. Gill described the project which is for equipment and/or eligible facility costs of a new production facility. The development allows Lochsa to develop a facility to produce high potency, low volume contract manufacturing for immunotherapeutics.

Acting Board Chair Northey requested a motion for approval of the financing resolution. Board Member Anderson motioned for approval of the financing Resolution 24-05. Board Member Cuffe seconded the motion. Nathan Bilyeu described Resolution 24-05 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.

Strategic Planning

Mr. Gill introduced Sarah Bartow, Agency Performance Advisor – MT Dept of Admin, Therese Simpson, Business Analyst – MT Dept of Admin, and Adam Carpenter, Chief Data Officer – MT Dept of Admin, who discussed the previous process for MFFA’s strategic planning development. Mr. Gill described the strategic planning objectives that were created with the board’s insight and input. The board and staff then agreed on the objectives outlined.

Intermediary Relending Program

Mr. Gill presented the update on the Intermediary Relending Program and expected outcomes from creating a new loan program within the MFFA. Mr. Gill introduced Resolution 24-06 pertaining to the creation of the IRP program. Mr. Gill described the program and its future potential outcomes.

Acting Board Chair Northey requested a motion for approval of the IRP resolution. Board Member Northey motioned for approval of Resolution 24-06. Board Member Reinhardt seconded the motion. After discussion of each policy below, including the listed amendments, Nathan Bilyeu described the resolution. The resolution, with amendments, passed unanimously.

Policy Updates

Mr. Gill described the policy updates which include the new IRP program and general housekeeping items. The policies receiving updates included: IRP, Direct Loan Program, Revenue and Reserve Policy, and Internal Control Policy. There was one amendment to Exhibit A of the Resolution 24-06 the Intermediary Relending Program Policy on Section 1(b) changing “given” to “provided”. The motion to amend was made by Board Member Jade Goroski motioned with Acting Chair Northey approving.

An amendment was also made to Exhibit B the Revenue and Relending Policy under Section C, changing \$4,750,000 to \$6,000,000. The motion to amend was made by Board Member Goroski and approved by the Acting Board Chair Northey.

Outreach and Marketing & Anticipated Financings

Mr. Gill presented the anticipated financings the MFFA is actively working on.

**BOARD MEETING CALENDAR**

BOARD MEETINGS
August 21, 2024, TBD
October 23, 2024, TBD
December 10, 2024, TBD

**ADJOURN**

Acting Board Chair Northey adjourned the meeting at 12:16 P.M.

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

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

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

**Montana Facility Finance Authority  
Budget v. Actual Expenses**

**06/30/24**

**100.00 % Expended**

Legislative Budget	Year to Date			
	Category	Budget	Actual	\$ Variance % Variance
<b>\$ 848,645</b>	<b>A) INCOME</b>	<b>\$ 848,645</b>	<b>1,076,533</b>	<b>227,888 27%</b>
135,000	Application Fees	135,000	31,536	(103,464) -77%
588,645	Annual Fees	588,645	628,231	39,586 7%
125,000	Investment Income	125,000	410,356	285,356 228%
	Misc (Quad State conf/cost recovery)		6,409	
<b>\$ 368,296</b>	<b>B) PERSONAL SERVICES EXPENSE</b>	<b>\$ 368,296</b>	<b>454,531</b>	<b>86,235 23%</b>
361,296	Salaries & benefits	361,296	445,431	84,135
7,000	Board Per Diem	7,000	9,100	2,100
<b>\$ 364,774</b>	<b>C) OPERATING EXPENSES**</b>	<b>\$ 257,003</b>	<b>\$ 221,720</b>	<b>\$ (69,128) -27%</b>
101,538	Contracted & Other Services	101,538	51,726	(49,812) -49%
	Misc. Other Services		26,728	
	Legal Services		19,654	
	Legislative Audit		329	
	ITSD		5,016	
34,336	Supplies/Materials/Equipment	34,336	8,226	(26,110) -76%
8,200	Communications	8,200	6,462	(1,738) -21%
28,861	Travel	28,861	35,063	6,202 21%
0	Equipment Lease	0	2,142	2,142 0%
	Building Lease Amortization	33,845	24,282	(9,563) -28%
0	Repairs & Maintenance	0	0	0 0%
84,068	Miscellaneous	84,068	93,820	9,752 12%
	Commerce Department Services		57,890	
	Administration (statewide) Indirect Costs		2,758	
	Education		10,351	
	Other Miscellaneous		22,820	
<b>\$ 115,575</b>	<b>REVENUES IN EXCESS OF EXPENSES (A-B-C)</b>	<b>223,346</b>	<b>400,281</b>	<b>176,935 79%</b>
150,000	Grants-Obligated/Paid	75,000	50,000	
\$ (34,425)	Current Year Increase in Net Assets		350,281	
	<b>INCREASE (DECREASE) IN NET ASSETS</b>		<b>350,281</b>	

\* Income presented on CASH basis. GAAP accrual accounting would reflect approximately \$10,512 less income annually, or < 1.82%

# MFFA Reserve Balances

AS OF 7/01/2024

		<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	3,708,060	
	Less: Working Capital Reserve Requirement	1,613,612	1,613,612 (a)
	Available for Restricted Capital Reserve "A"	2,094,448	10,233,000 (b)
	Funds transferred from Capital Reserve B	<b>215,578</b>	
	Transfer funds to Direct Loan Program	<b>(779,128)</b>	
	Fund Balance: Sub-Total	3,144,510	11,846,612
<b>A/E 06015</b>	<b>Trust Fund Loan Pool</b>		
	RC 710300, Accounts 521190	50,637	
	Plus: Prior Year End Capital Reserve "B" Fund Balance Sub Total	1,280,266	
	Transfer funds to Capital Reserve A	<b>(215,578)</b>	
	Capital Reserve "B" Fund Balance	1,115,325	1,115,325 (d)
<b>A/E 06012</b>	<b>Direct Loan Program</b>		
	Current Program Fund Balance	5,220,872	
	Less: Outstanding Loan Balance	4,938,273	
	Funds Available to Loan from Direct Loan Program	282,600	
	Funds transferred from Capital Reserve A	<b>779,128</b>	
	Fund Balance: Sub-Total	6,000,000	6,000,000 (c)
	 Total Projected Fund Balance	 10,259,836	 18,961,937

**Notes:**

Policy Guidelines - Minimum Funding Requirements

(a) Twice the current Fiscal Year annual budget.	806,806
(b) 10% of the outstanding BOI enhanced bond balance as of 7/1/24	102,330,000
(c) \$6,000,000 as of 7/1/24 plus YTD loan payments, account investment earnings.	6,000,000
(d) 10% of the Trust Fund Loan Pool Balance as of 7/1/24	11,153,250



**MONTANA FACILITY FINANCE AUTHORITY**

**Staff Approved Loans**

**6/1/2024-6/30/2024**

**Submitted Applications**

**Borrower**

**Location**

**Date**

**Submitted**

**Term**

**Interest**

**Amount**

**Project**

**Total Pending Direct Loans:**

**\$ -**

**Approved Applications**

**Borrower**

**Location**

**Date**

**Approved**

**Term**

**Interest**

**Amount**

**Project**

Ruby Valley Medical Center (2025)

Sheridan

02/07/24

10

4.72%

\$ 500,000

Hot Water Heaters

**Total Approved Direct Loans:**

**\$ 500,000**

**Funds Available Under**

**Direct Loan Program:**

Loan Fund: (6/30/2024)

6,000,000

Total Outstanding Loans: (6/30/2024)

4,938,273

Approved Applications from above:

(500,000)

**Total Available to Loan at 6/30/2024**

**\$ 561,727**

**Funded Applications from 7/1/23:**

**Borrower**

**Location**

**Date**

**Funded**

**Term**

**Interest**

**Amount**

**Project**

Mineral Community Hospital

Superior

11/08/23

7

4.83%

\$ 119,645

Hot Water Heaters

Glendive Medical Center

Glendive

10/23/23

5

4.77%

\$ 255,600

Radiology Equipment

Bitterroot Health

Hamilton

12/15/23

5

4.64%

\$ 500,000

Radiology Equipment

Community Hospital of Anaconda

Anaconda

02/08/24

10

3.71%

\$ 500,000

Hospital Expansion

Rimrock Foundation

Billings

03/07/24

3

4.43%

\$ 400,077

Refinance of TFL & DL

Clark Fork Valley Hospital

Plains

03/21/24

5

3.99%

\$ 300,000

Endoscopy Equipment and OR Table

Alternatives, Inc.

Billings

05/02/24

7

4.28%

\$ 300,000

Remodel and New Hot Water System

St. Johns Lutheran Ministries

Billings

06/28/24

7

4.67%

\$ 500,000

Purchase RiverStone Hospice

**Total Loans Funded since 7/1/23**

**\$ 2,875,322**

**MONTANA FACILITY FINANCE AUTHORITY**

Staff Approved Grants

6/1/2024-6/30/2024

**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>
Alternatives, Inc.	Billings	05/31/23	06/01/23		\$ 25,000	Pre-release Expansion	MCAP
<b>Total Pending Grants:</b>					<u>\$ 25,000</u>		

**Grants Paid since 7/1/2023**

<u>Grantee</u>	<u>Location</u>	<u>Date</u>	<u>Approved</u>	<u>Paid</u>	<u>Amount</u>	<u>Project</u>	<u>Program</u>
Ruby Valley Medical Center	Sheridan	09/11/23	9/26/2023	11/17/2023	\$ 25,000	Clinic Expansion	MCAP
Daniels Memorial Healthcare	Scobey	01/23/23	03/06/23	2/21/2024	\$ 25,000	Hospital Expansion	MCAP
<b>Total Grants:</b>					<u>\$ 50,000</u>		

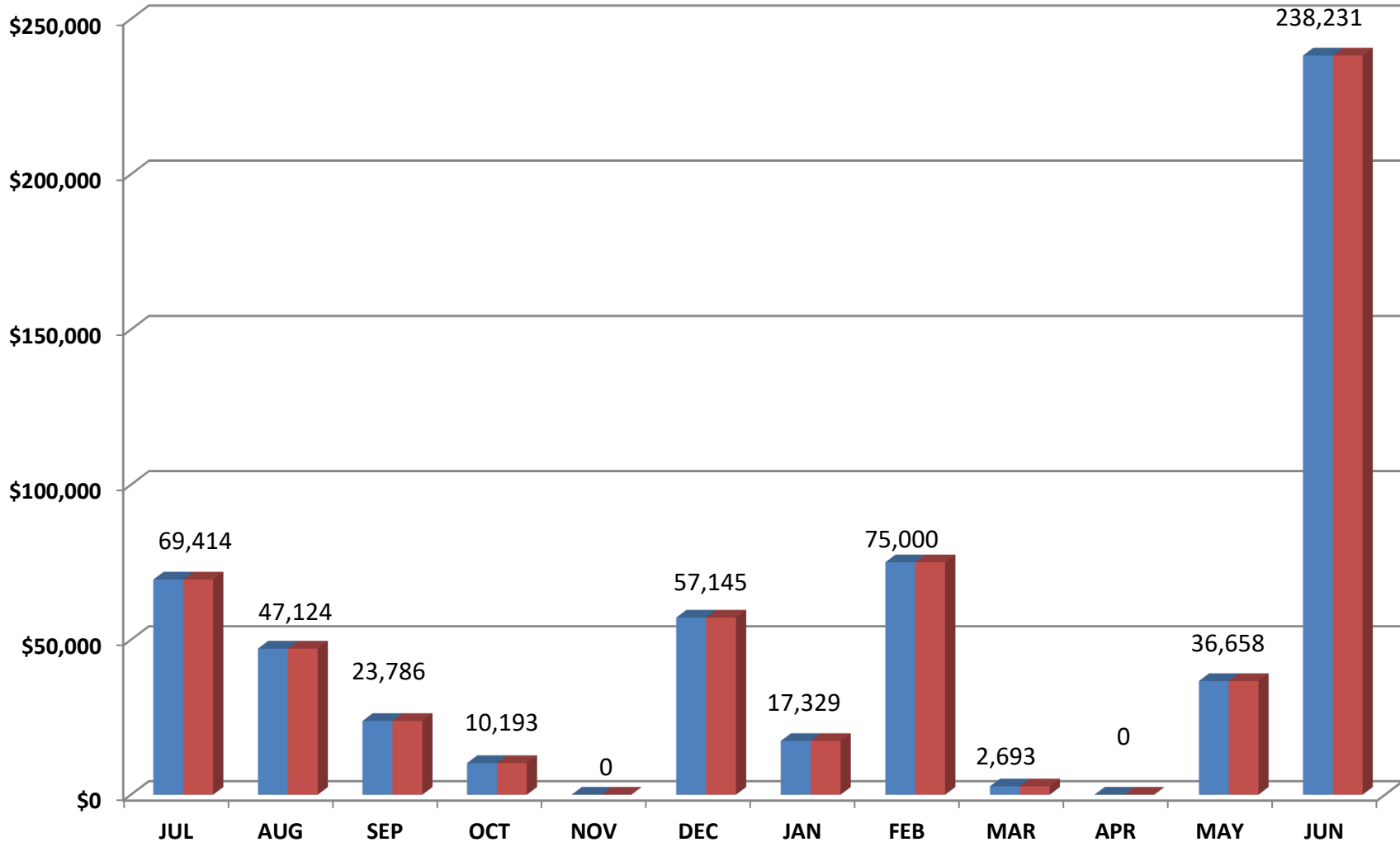
# FY 2024 Annual Service Fees

As of June 30, 2024

Annual Projected: \$577,572

YTD Projected: \$577,572

YTD Collected: \$577,572



## 2024

JULY							AUGUST							SEPTEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
	1	2	3	4	5	6					1	2	3	1	2	3	4	5	6	7
7	8	9	10	11	12	13	4	5	6	7	8	9	10	8	9	10	11	12	13	14
14	15	16	17	18	19	20	11	12	13	14	15	16	17	15	16	17	18	19	20	21
21	22	23	24	25	26	27	18	19	20	Board Mtg	22	23	24	22	23	24	25	26	27	28
28	29	30	31				25	26	27	28	29	30	31	29	30					

OCTOBER							NOVEMBER							DECEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
		1	2	3	4	5						1	2	1	2	3	4	5	6	7
6	7	8	9	10	11	12	3	4	5	6	7	8	9	8	9	Board Mtg	11	12	13	14
13	14	15	16	17	18	19	10	11	12	13	14	15	16	15	16	17	18	19	20	21
20	21	22	Board Mtg	24	25	26	17	18	19	20	21	22	23	22	23	24	25	26	27	28
27	28	29	30	31			24	25	26	27	28	29	30	29	30	31				

## 2025

JANUARY							FEBRUARY							MARCH						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4							1							1
5	6	7	8	9	10	11	2	3	4	5	6	7	8	2	3	4	5	6	7	8
12	13	14	15	16	17	18	9	10	11	12	13	14	15	9	10	11	12	13	14	15
19	20	21	22	23	24	25	16	17	18	19	20	21	22	16	17	18	19	20	21	22
26	27	28	29	30	31		23	24	25	26	27	28		23/30	24/31	25	26	27	28	29

APRIL							MAY							JUNE						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
		1	2	3	4	5					1	2	3	1	2	3	4	5	6	7
6	7	8	9	10	11	12	4	5	6	7	8	9	10	8	9	10	11	12	13	14
13	14	15	16	17	18	19	11	12	13	14	15	16	17	15	16	17	18	19	20	21
20	21	22	23	24	25	26	18	19	20	21	22	23	24	22	23	24	25	26	27	28
27	28	30	30				25	26	27	28	29	30	31	29	30					

### HOLIDAYS AND OBSERVANCES

<b>1-Jan</b> <b>New Year's Day</b>	<b>4-Jul</b> <b>Independence Day</b>	<b>28-Nov</b> <b>Thanksgiving Day</b>
<b>20-Jan</b> <b>MLK Day</b>	<b>2-Sep</b> <b>Labor Day</b>	<b>25-Dec</b> <b>Christmas Day</b>
<b>17-Feb</b> <b>Presidents' Day</b>	<b>14-Oct</b> <b>Columbus Day</b>	
<b>27-May</b> <b>Memorial Day</b>	<b>11-Nov</b> <b>Veterans Day Ob.</b>	

### CONFERENCES

<b>Sep 17-20</b> <b>MHA, Billings</b>	<b>Oct 23-25</b> <b>HFMA Fall 2024</b>
<b>Sep 17-19</b> <b>C-PACE Alliance, Chicago, IL</b>	<b>Oct 23-25</b> <b>MT Downtown Conf.</b>
<b>Sep 24-26</b> <b>MEDA Fall Conference, Havre</b>	<b>Nov 13-15</b> <b>CDFA, Baltimore, MD</b>
<b>Oct 6-9</b> <b>NAHEFFA, Fall Conference</b>	<b>Apr 6-9</b> <b>NAHEFFA, Spring Conference</b>