

MONTANA FACILITY FINANCE AUTHORITY
Board Meeting

Montana Facility Finance Authority Office
1712 9th Ave, Helena

February 19, 2025

“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
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MEMORANDUM

To: MFFA Board Members
From: Adam Gill, Seth Lutter, Monica Birlut, and Carolyn Jones
Date: February 12, 2025
Subject: MFFA Board Meeting Wednesday, February 19, 2025

Enclosed, please find board meeting materials for our upcoming MFFA Board Meeting being held Wednesday, February 19, 2025 at 10:00 AM. We will meet at MFFA offices at 1712 9th Ave.

We will review standard reports. In addition, because we have a new board member, we will have a refresher on MFFA operations, and Board roles and responsibilities, a market update from the folks at Piper Sandler and a presentation from Dept of Commerce Asst. Director Mandy Rambo about the state compensation structure.

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

MICROSOFT TEAMS INSTRUCTIONS

[Conference Link](#)

Meeting ID: 225 109 539 073

Password: o8tj6od6

OR

Dial by Telephone: +1 406-318-5487

Meeting ID: 388-200-432

MONTANA FACILITY FINANCE AUTHORITY

Board Meeting

February 19, 2025

1712 9th Ave

Helena, MT

MEETING AGENDA

- 10:00** **I. CALL TO ORDER**
- A. Roll Call
 - B. Approval of Meeting Minutes (12/10)
 - C. Disclosure an Conflict of Interest
- II. PUBLIC COMMENT** on Board Related Items
- 10:15** **III. GENERAL ADMINISTRATIVE**
- A. Financials**
- 1. Budget -v- Actual
 - 2. Revenue Graph
 - 3. Reserve Balances
 - 4. Staff Approved Loans & Grants
- 10:45** **B. Miscellaneous**
- 1. Legislative Update
 - 2. Outreach & Marketing Report
 - 3. Anticipated Financings
 - 4. Market Update
- Joining online:
 John Henningsgard, Managing Director – Piper Sandler
- 5. Montana Employee Compensation Structure
- Joining online:
 Mandy Rambo, Asst. Director – MT Dept of Commerce
- C. Board Orientation and Refresher**
- 1. MFFA Operations Overview
 - 2. MFFA Board Roles and Responsibilities
- Joining in-person:
 Nathan Bilyeu, MFFA Counsel – Jackson, Murdo & Grant
- 12:30** **DISMISS**

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MONTANA FACILITY FINANCE AUTHORITY
Board Meeting
December 10, 2024
9:00 A.M.

MINUTES

**BOARD MEMBERS
PRESENT:**

William Northey
Craig Anderson
JoAn Cuffe
Vu Pham
Mel Reinhardt
John Iverson

**BOARD MEMBERS
ABSENT:**

Jade Goroski

STAFF PRESENT:

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

GUESTS:

Bob Murdo, Authority Counsel – Jackson, Murdo & Grant (via phone)
Sarah Green, HR – MT Dept of Commerce (via phone)
Bob Lopp, CEO – Western Montana Mental Health Center
Cory DeStein, CAO – Western Montana Mental Health Center

BOARD MEETING

CALL TO ORDER

Board Chair Pham called the December 10, 2024, board meeting of the Montana Facility Finance Authority (the “Authority”) to order at 9:00 A.M. The meeting convened with all but one member of the Board present.

Minutes

Board Member Cuffe moved for approval of the October 23, 2024, board meeting minutes. Board Member Reinhardt seconded the motion which passed unanimously.

PUBLIC COMMENT

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

FINANCINGS

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

Western Montana Mental Health Center

Mr. Gill introduced Bob Lopp, CEO – Western Montana Mental Health Center and Cory DeStein, CAO – Western Montana Mental Health Center and provided a description of the Trust Fund Loan and Direct Loan project. The request is for a combined amount of \$1,809,025 for the refinance of four loans that were used to build or equip facilities for mental health services.

Board Chair Pham requested a motion for approval of the financing resolution. Board Member Northey motioned for approval of the financing resolution. Board Member Pham seconded the motion. Mr. Lopp described the need for the financing including past and current struggles as well as strategies going forward. Board members asked about the sustainability of the organization, what happened in the past that caused this issue, and had a discussion about utilization rates and alternative solutions to the Center's current issues. Mr. DeStein described accounts payable and the plans for it going forward.

Bob Murdo, Authority Counsel – Jackson, Murdo & Grant described Resolution 24-10 which passed unanimously.

Emfase Technology

Mr. Gill introduced Inducement Resolution 24-11 pertaining to Emfase Technology and its intent on pursuing an Industrial Development Bond (IDB). Mr. Gill described the project which is for equipment and/or eligible facility costs for a new manufactured housing production facility. The development allows the borrower to expand production of its panel-built homes.

Board Chair Pham requested a motion for approval of the financing resolution. Board Member Iverson motioned for approval of the financing Resolution 24-11. Board Member Anderson seconded the motion. Mr. Murdo described Resolution 24-11. Board Member Northey requested a motion for approval of an amendment to the financing resolution. Board Member Iverson agreed with the amendment to the financing resolution 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.

Outreach and Marketing & Anticipated Financings

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

PERSONNEL

Executive Director Annual Review Process

Sarah Green, HR Manager – Montana Dept of Commerce (via phone) joined the Board and conducted the annual review for the Executive Director.

BOARD MEETING CALENDAR

2025 Calendar

The 2025 calendar was discussed and board meetings were set for 2025. All board meetings in 2025 will start at 9:00 A.M except for February 19th which will start at 10:00 A.M.

BOARD MEETINGS
February 19, 2025, TBD
April 28, 2025, TBD
June 17, 2025, TBD
August 20, 2025, TBD
October 22, 2025, TBD
December 9, 2025, TBD

ADJOURN

Board Chair Pham adjourned the meeting at 11:23 A.M.

APPROVE: _____
Vu Pham, Board Chair

ATTEST: _____
Adam Gill, Executive Director

APPROVAL DATE: _____

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

01/31/25

58.33 % Expended

Legislative Budget	Year to Date			
	Category	Budget	Actual	\$ Variance % Variance
\$ 799,694	A) INCOME	\$ 357,552	508,149	150,597 42%
120,000	Application Fees	70,000	35,290	(34,710) -50%
554,694	Annual Fees	214,635	243,459	28,823 13%
125,000	Investment Income	72,917	229,159	156,242 214%
	Misc (Quad State conf/cost recovery)		242	
\$ 383,957	B) PERSONAL SERVICES EXPENSE	\$ 223,975	278,668	54,693 24%
376,957	Salaries & benefits	219,892	275,868	55,977
7,000	Board Per Diem	4,083	2,800	(1,283)
\$ 338,615	C) OPERATING EXPENSES**	\$ 139,388	\$ 150,550	\$ (11,161) -8%
80,147	Contracted & Other Services	46,752	50,505	3,753 8%
	Misc. Other Services		14,902	
	Legal Services		10,778	
	Legislative Audit		22,118	
	ITSD		2,708	
31,218	Supplies/Materials/Equipment	18,211	6,414	(11,797) -65%
8,200	Communications	4,783	3,540	(1,243) -26%
30,882	Travel	18,015	17,110	(904) -5%
0	Equipment Lease	0	1,360	1,360 0%
	Building Lease Amortization	19,743	15,452	(4,291) -22%
4,181	Repairs & Maintenance	2,439	0	2,439 0%
84,323	Miscellaneous	49,188	56,168	6,980 14%
	Commerce Department Services		37,265	
	Administration (statewide) Indirect Costs		2,758	
	Education		4,484	
	Other Miscellaneous		11,660	
\$ 77,122	REVENUES IN EXCESS OF EXPENSES (A-B-C)	-5,811	78,931	84,742 -1458%
150,000	Grants-Obligated/Paid	75,000	25,000	
\$ (72,878)	Current Year Increase in Net Assets		53,931	
	INCREASE (DECREASE) IN NET ASSETS		53,931	

* Income presented on CASH basis. GAAP accrual accounting would reflect approximately \$8,761 less income annually, or < 1.6%

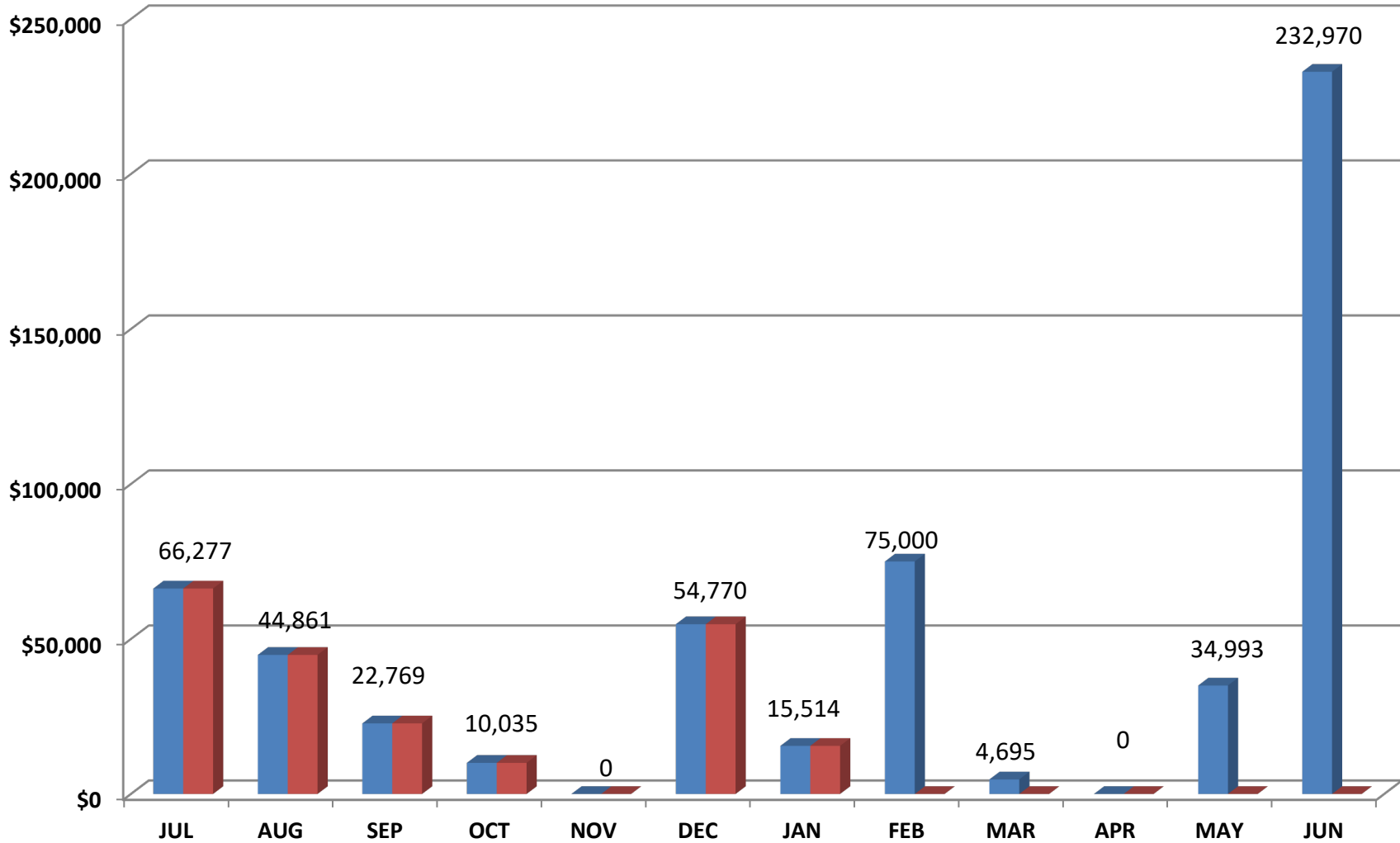
FY 2025 Annual Service Fees

As of January 31, 2025

Annual Projected: \$561,883

YTD Projected: \$214,225

YTD Collected: \$214,225



MFFA Reserve Balances

AS OF 2/1/2025

A/E 06015	Operating Account Summary	<u>Current Balance</u>	<u>Policy Guideline</u>
	Total Fund Balance Available Net Capital Reserve "B" Balance	2,526,447	
	Less: Working Capital Reserve Requirement	1,630,466	1,630,466 (a)
	Available for Restricted Capital Reserve "A"	895,981	10,396,340 (b)
	Fund Balance: Sub-Total	<u>2,526,447</u>	<u>12,026,806</u>
A/E 06015	Trust Fund Loan Pool		
	RC 710300, Accounts 521190	32,623	
	Plus: Prior Year End Capital Reserve "B" Fund Balance Sub Total	1,115,325	
	Capital Reserve "B" Fund Balance	<u>1,147,948</u>	<u>1,158,638 (d)</u>
A/E 06012	Direct Loan Program		
	Current Program Fund Balance	6,131,059	
	Less: Outstanding Loan Balance	5,338,500	
	Funds Available to Loan from Direct Loan Program	792,559	
	Fund Balance: Sub-Total	<u>6,131,059</u>	<u>6,000,000 (c)</u>
	Total Projected Fund Balance	<u>9,805,455</u>	<u>19,185,444</u>

Notes:

Policy Guidelines - Minimum Funding Requirements

(a) Twice the current Fiscal Year annual budget.	815,233
(b) 10% of the outstanding BOI enhanced bond balance as of 7/1/24	103,963,401
(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	11,586,381

MONTANA FACILITY FINANCE AUTHORITY

Staff Approved Grants

12/1/2024-1/31/2025

Commitments Pending

<u>Facility</u>	<u>Location</u>	<u>Date Submitted</u>	<u>Date Approved</u>		<u>Amount</u>	<u>Project</u>	<u>Program</u>
Big Sandy Medical Center	Big Sandy	04/19/24	04/19/24	\$	25,000	Storm Water Drainage Issues	MCAP
Liberty Medical Center	Chester	10/18/24	11/07/24	\$	25,000	Facility Master Planning	MCAP
Logan Health Shelby	Shelby	10/18/24	11/07/24	\$	25,000	Facility Master Planning	MCAP
Northern Rockies Medical Center	Cut Bank	10/18/24	11/07/24	\$	25,000	Facility Master Planning	MCAP
Pondera Medical Center	Conrad	10/18/24	11/07/24	\$	25,000	Facility Master Planning	MCAP
Total Pending Grants:					<u>\$ 125,000</u>		

Grants Paid since 7/1/2024

<u>Grantee</u>	<u>Location</u>	<u>Date</u>	<u>Approved</u>	<u>Paid</u>		<u>Amount</u>	<u>Project</u>	<u>Program</u>
Alternatives, Inc.	Billings	05/31/23	5/31/2023	<u>10/2/2024</u>	\$	25,000	Remodel Project	MCAP
Total Grants:						<u>\$ 25,000</u>		

MONTANA FACILITY FINANCE AUTHORITY

Staff Approved Loans

12/1/2024-1/31/2025

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:					\$ -	

Approved Applications

<u>Borrower</u>	<u>Location</u>	<u>Date Approved</u>	<u>Term</u>	<u>Interest</u>	<u>Amount</u>	<u>Project</u>
Ruby Valley Medical Center (2025)	Sheridan	02/07/24	10	4.72%	\$ 500,000	Clinic Construction
Total Approved Direct Loans:					\$ 500,000	

Funds Available Under

Direct Loan Program:

Loan Fund: (2/01/2025)	6,131,059
Total Outstanding Loans: (2/01/2025)	5,338,500
Approved Applications from above:	(500,000)
Total Available to Loan at 2/01/2025	\$ 292,559

Funded Applications from 7/1/24:

<u>Borrower</u>	<u>Location</u>	<u>Date Funded</u>	<u>Term</u>	<u>Interest</u>	<u>Amount</u>	<u>Project</u>
Bitterroot Health	Hamilton	11/15/24	5	3.58%	\$ 334,896	Equipment Purchase
Fallon Medical Complex	Baker	12/02/24	5	4.01%	\$ 275,800	Equipment Purchase
Western Montana Mental Health Center	Missoula	12/19/24	10	4.38%	\$ 500,000	Debt Refinance
Total Loans Funded since 7/1/24					\$ 1,110,696	

2025

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	Board Mtg	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
23/30	24/31	25	26	27	28	29

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	21	22	23	24	25	26
27	Board Mtg	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	7
8	9	10	11	12	13	14
15	16	Board Mtg	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	25	26
27	28	29	30	31		

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	Board Mtg	21	22	23
24/31	25	26	27	28	29	30

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	Board Mtg	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
23/30	24	25	26	27	28	29

DECEMBER

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	Board Mtg	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**
20-Jan **MLK Day**
17-Feb **Presidents' Day**
27-May **Memorial Day**

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

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

CONFERENCES

Apr 6-9 **NAHEFFA, Alexandria, VA**
Apr 22-24 **MEDA, Livingston**
May 14-16 **PACENation, New York City**

Oct 5-8 **NAHEFFA, Minneapolis, MN**
Oct 7-10 **MHA, Billings**
Oct 22-24 **HFMA, Billings**