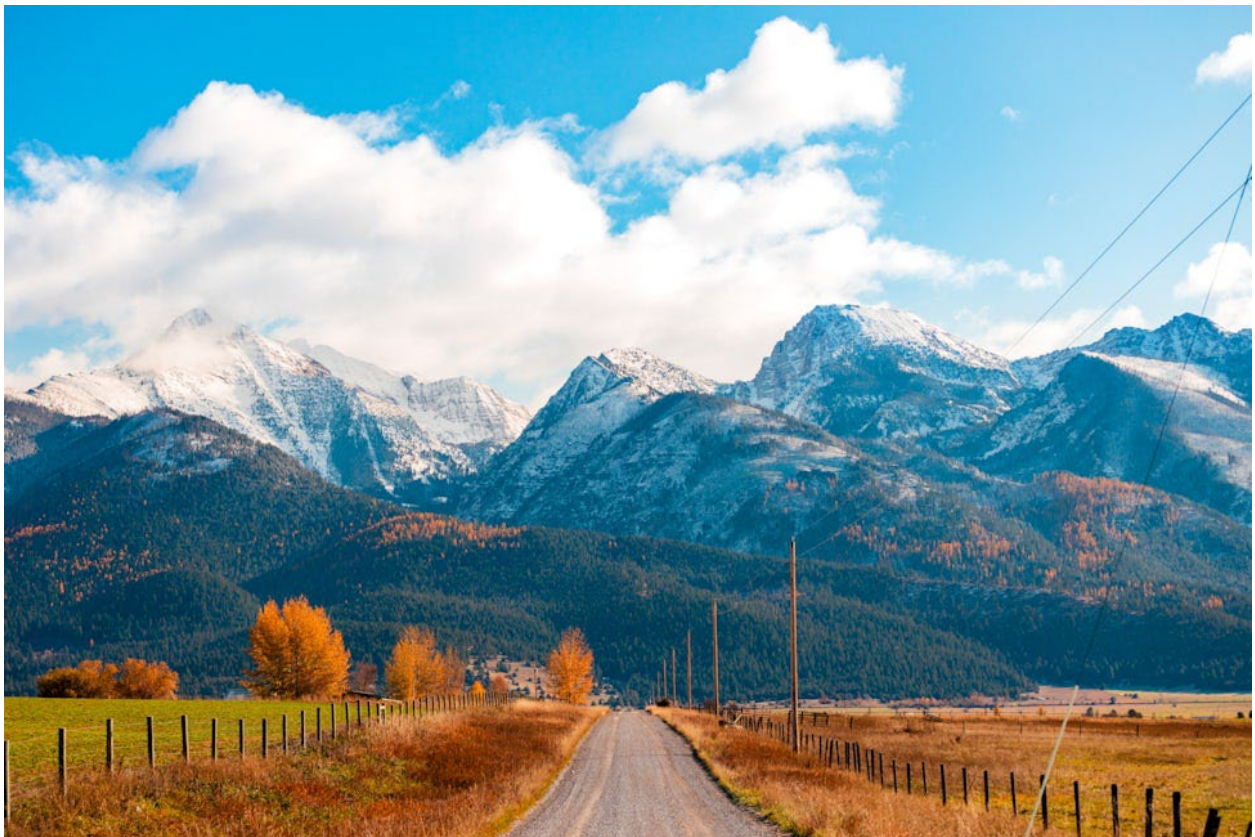


**MONTANA FACILITY FINANCE AUTHORITY**  
Board Meeting

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

**December 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](http://www.mtfacilityfinance.com)



## MEMORANDUM

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

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

December 11th:

We would like to return to the tradition of an annual board dinner to celebrate the past year. We are pleased to invite all of you to a dinner at the Mediterranean Grill at 6:30 PM on December 11<sup>th</sup> (42 S Park Ave). If you would like to bring a guest, the more the merrier. Please let us know if you will be bringing someone so we can adjust the reservation. The MFFA cannot pay for the meals of guests

December 12th:

MFFA Board Meeting - 9:00 AM at MFFA Offices at 1712 9<sup>th</sup> Ave, Helena MT

We have two financings and the update to C-PACE guidelines to discuss at this board meeting as well as our standard reports. We will also cover my annual review in executive session. Both the C-PACE documents and my annual review will be sent separate from the packet.

Bitterroot Health of Hamilton will be before the board to request approval of a Trust Fund Loan paired with a Direct Loan. The loans will finance the purchase of new imaging equipment.

We will also consider an inducement resolution for the St. Regis Solar project.

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

### ZOOM INSTRUCTIONS

<https://mt-gov.zoom.us/j/4064440259?pwd=Q3hESVoOd0NpTEk1bHA2eXVHdTRsdz09>

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**

**December 12, 2023**

**1712 9<sup>th</sup> Ave**

**Helena, MT**

**MEETING AGENDA**

**9:00 I. CALL TO ORDER**

- A. Roll Call
- B. Approval of Meeting Minutes (10/31)
- C. Approval of Meeting Minutes (11/17)

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

**III. FINANCINGS**

**9:15 Bitterroot Health (Marcus Daly Memorial Hospital)**

- 1. Loan Summary
- 2. Resolution No. 23-07

Joining Virtually:

John Bishop, CEO – Bitterroot Health

Kailyn Rowe, CFO – Bitterroot Health

**9:45 St. Regis Solar**

- 1. Resolution No. 23-08

Joining in Person:

Nathan Bilyeu, Bond Counsel – Jackson, Murdo & Grant

**IV. GENERAL ADMINISTRATIVE**

**10:15 A. C-PACE Program Guidelines**

**B. Financials**

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

**C. Miscellaneous**

- 1. Outreach & Marketing Report
- 2. Anticipated Financings
- 3. 2024 Calendar

**11:00 V. PERSONNEL (Executive Session)**

**Overview of Executive Director Annual Review Process**

Mandy Rambo, Assistant Director – Montana Dept of Commerce

**12:00 DISMISS**

**ZOOM INSTRUCTIONS**

<https://mt-gov.zoom.us/j/4064440259?pwd=Q3hESVo0d0NpTEk1bHA2eXVHdTRsdz09>

Meeting ID: 406 444 0259

Password: 845632

Dial by Telephone:

+1 (406) 444-9999

Meeting ID: 406 444 0259

Password: 845632

**MONTANA FACILITY FINANCE AUTHORITY**

**Board Meeting  
October 31, 2023  
10:00 A.M.**

**MINUTES**

**BOARD MEMBERS**

**PRESENT:**

Vu Pham (via phone)  
John Iverson  
JoAn Cuffe  
William Northey  
Jade Goroski (via phone)  
Mel Reinhardt (via phone)

**BOARD MEMBERS**

**ABSENT:**

Craig Anderson

**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  
Mandy Rambo, Assistant Director – Montana Dept of Com. (via phone)  
Sarah Green, HR Manager – Montana Dept of Com. (via phone)  
Shannon Danko, HR Business Partner – Montana Dept of Com. (via phone)  
Colin Bishopp, CEO – Allectrify (via phone)

**BOARD MEETING**

**CALL TO ORDER**

Board Chair Vu Pham called the October 31, 2023, board meeting of the Montana Facility Finance Authority (the “Authority”) to order at 10:00 A.M. The meeting convened with all but one member of the Board present.

Conflict of Interest

Board Chair Pham mentioned his potential conflict of interest with Redpoint Imaging, LLC and stated he would abstain from discussion and voting.

Minutes

Board Member JoAn Cuffe moved for approval of the August 15, 2023, board meeting minutes. Board Member William Northey seconded the motion which passed unanimously.

## **PUBLIC COMMENT**

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

## **PERSONNEL**

Adam Gill, Executive Director introduced Mandy Rambo, Assistant Director – Montana Dept of Commerce, Sarah Green, HR Manager – Montana Dept of Commerce, and Shannon Danko, HR Business Partner – Montana Dept of Commerce who provided an overview of the Executive Director Annual Review Process including a performance survey the board, stakeholders, and staff will receive.

## **FINANCINGS**

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

### Stoltze Timber Systems

Mr. Gill introduced Inducement Resolution 23-04 pertaining to Stoltze Timber Systems and its intent on pursuing an Industrial Development Bond (IDB). Mr. Gill described Stoltze Timber Systems project which will allow Stoltze Timber Systems to expand its production of structural timber using small diameter trees. Board Chair Pham requested a motion for approval of the financing resolution. Board Member John Iverson motioned for approval of the financing Resolution 23-04. Board Member William Northey seconded the motion

Nathan Bilyeu, Authority Counsel – Jackson, Murdo & Grant described Resolution 23-04 and what an Inducement Resolution means for the Authority Board. At the conclusion of discussion, Board Chair Pham called for the vote on the motion, which passed unanimously.

### Redpoint Imaging, LLC

Mr. Gill introduced Inducement Resolution 23-05 pertaining to Redpoint Imaging, LLC and its intent on pursuing an Industrial Development Bond (IDB). Mr. Gill described Redpoint Imaging, LLC project to finance equipment and/or eligible facility costs of a new production facility. The project will allow Redpoint Imaging, LLC to develop a production facility for radioactive gallium needed for PET scans. Board Chair Pham requested a motion for approval of the financing resolution. Board Member William Northey motioned for approval of the financing Resolution 23-05. Board Member JoAn Cuffe seconded the motion

Nathan Bilyeu, Authority Counsel – Jackson, Murdo & Grant described Resolution 23-05 and what an Inducement Resolution means for the Authority Board. At the conclusion of discussion, Board Chair Pham called for the vote on the motion, which passed with Board Chair Pham abstaining from voting.

## **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 discussed the Authority being part of discussion surrounding the increase in issuance cap and that he will discuss progress as it occurs.

### IRP Funding

Mr. Gill discussed IRP funding through Rural Development and how, if received, can assist the Authority's current revolving loan funds to do more small-dollar, low-interest projects.

## **BOARD EDUCATION**

Mr. Gill introduced Colin Bishopp, CEO – Allectrify who presented on the history of C-PACE, the programs offered by Allectrify to recruit regional / local lending institutions to provide C-PACE, and the expectations of where the C-PACE market will go in the future.

### Anticipated Financings

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

## **BOARD MEETING CALENDAR**

BOARD MEETINGS
December 12, 2023
February 20, 2024

## **ADJOURN**

Chair Pham adjourned the meeting at 12:35 P.M.

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

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

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

**MONTANA FACILITY FINANCE AUTHORITY**  
**Special Purpose Board Meeting**  
**November 17, 2023**  
**9:00 A.M.**

**MINUTES**

**BOARD MEMBERS  
PRESENT:**

Vu Pham (via phone)  
John Iverson (via phone)  
JoAn Cuffe (via phone)  
Jade Goroski (via phone)  
Mel Reinhardt (via phone)

**BOARD MEMBERS  
ABSENT:**

Craig Anderson  
William Northey

**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)  
Erin McCrady, Bond Counsel – Dorsey & Whitney (via phone)  
Kurt Apfelbacher, Underwriter – Colliers (via phone)

**BOARD MEETING**

**CALL TO ORDER**

Board Chair Vu Pham called the November 17, 2023, Special Purpose Board Meeting of the Montana Facility Finance Authority (the “Authority”) to order at 9:00 A.M. The meeting convened with all but two member of the Board present.

**PUBLIC COMMENT**

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

**FINANCINGS**

Mountainview Medical Center

Mr. Gill introduced Kurt Apfelbacher, Underwriter – Colliers and Erin McCrady, Bond Counsel – Dorsey & Whitney.

Board Chair Pham requested a motion for approval of the amended financing resolution. Board Member John Iverson motioned for approval of the amended financing Resolution 23-06. Board Member JoAn Cuffe seconded the motioned.

Mr. Gill described the purpose of the resolution which is to increase the true interest cost from 7.5% to 8.5% due to the fluctuations in the market.

Kurt Apfelbacher described the reason for the increase in the true interest cost as it related to the financial markets and Erin McCrady described Resolution 23-06. At the conclusion of discussion, Board Chair Pham called for the vote on the motion, which passed unanimously.

## **ADJOURN**

Chair Pham adjourned the meeting at 9:18 A.M.

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

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

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



**Marcus Daly Memorial Hospital Corporation dba Bitterroot Health  
Hamilton, MT  
Direct Loan & Trust Fund Loan Combination  
Loan Summary**

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**ELIGIBLE HEALTH FACILITY**

Marcus Daly Memorial Hospital Corporation (“Marcus Daly” or “Hospital”) is a non-profit community hospital located in Hamilton, MT. Marcus Daly was founded in 1929 and designated a Critical Access Hospital (“CAH”) December 1, 2004. Marcus Daly is a sole community provider for the Ravalli County market. Hospital services include acute care, inpatient and outpatient surgery, emergency care, ambulance, clinic, oncology and infusion, hospice care, and the related ancillary procedures (lab, imaging, rehabilitation, etc.) associated with those services.

**PROJECT AND COST**

The Authority received a loan request from Marcus Daly on November 10, 2023. The request is for a \$427,000 Trust Fund Loan and a \$500,000 Direct Loan combined amount of \$927,000 to purchase equipment for the Hospital.

<b>Sources:</b>	
Direct Loan	500,000
Trust Fund Loan	427,000
<b>Total Sources</b>	<b>927,000</b>
<b>Uses:</b>	
CT Scan	\$373,000
DEXA Scanner	\$52,000
X-Ray Machine	\$170,000
Ultrasound	\$17,000
C-ARM Machine	\$131,000
X-Ray Machine	\$184,000
<b>Total Uses</b>	<b>927,000</b>

**PROGRAM** Trust Fund Loan and Direct Loan Combination

**LOAN TERM** 5 years for TFL; 5 years for DL

**INTEREST RATE** 5.45% for TFL; 4.64% for DL

**CLOSING DATE** Est. December 2023

**MATURITY DATE** Est. 2028

**MARKET/COMPETITION**

The Hospital is a sole community provider, meaning that there are no competitors for in-patient services in the primary area. Secondary providers consist of St. Patrick Hospital and Community

Medical Center, both in Missoula (approximately 50 miles/one hour away). Marcus Daly has agreements for certain services with St. Patrick Hospital. Procedures not currently covered by Marcus Daly would traditionally result in procedures performed in Missoula at either St. Patrick Hospital or Community Medical Center. Community Medical Center is considered a neo-natal regional referral hospital, thus difficult and/or complicated births would automatically be referred to that hospital.

## **GOVERNANCE**

Marcus Daly is governed by an eleven member Board that includes community members, at least two active members of the medical staff and the Chief Medical Officer and Chief of Staff attend as ex-officio members.

## **MANAGEMENT**

**John Bishop**, CEO, has been with the Hospital since May 2018. He received a BS in accounting in 2008 and a Master of Professional Accountancy in 2009, both from Montana State University. Mr. Bishop has served in the St. Charles Health System as the President of the Prineville and Madras Hospitals. Prior to Marcus Daly, he was the Chief Executive Officer of Madison Valley Medical Center in Ennis, Montana.

**Kailyn Rowe**, CFO, has been with Bitterroot Health since May 2023. She received a BS in accounting from MSU Billings and MBA from Washington State University. Previously she was at Logan Health – Whitefish as the Senior Director of Finance.

**Kathy Padilla**, RN, Director of Nursing, has been with the Hospital since 2013 and in nursing management for 20 years. Before coming to Marcus Daly, she was the Clinical Director of a large outpatient ambulatory surgery center in Bellevue, Washington. Prior nursing experience was in hospitals in the Seattle area. She received her Bachelors of Science in Nursing from the University of Washington.

**Troy Hanson**, Chief Operating Officer, has been with the Hospital since 1995 and in his present position since 2003. Education consists of a BS in Microbiology and an MBA in 2005, both from the University of Montana. His prior work experience includes laboratory positions at various health facilities, primarily in Spokane and Missoula.

## HISTORICAL FINANCIALS

<b>Financials as of 6/30</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b><u>Assets</u></b>			
Cash & Cash Equivalents	18,887,641	12,977,816	10,803,882
Investments	15,571,065	13,765,575	13,838,025
Receivables	11,753,917	14,753,730	16,011,337
Other Receivables	2,344,716	3,139,542	3,358,095
Inventory	2,955,633	3,320,052	4,278,252
Current Assets Limited to Use	1,624,458	1,415,284	2,835,794
Other Current Assets	602,938	1,693,077	4,861,414
<b>Total Current Assets</b>	<b>53,740,368</b>	<b>51,065,076</b>	<b>55,986,799</b>
Fixed Assets	95,067,930	108,896,519	130,451,109
Accumulated Depreciation	51,799,093	56,319,670	60,675,968
Fixed Assets (net of depreciation)	43,268,837	52,576,849	69,775,141
Board Designated Funds	1,576,676	4,526,085	2,137,718
Assets Held in Trust	3,515,522	3,131,314	3,359,578
Other Assets	3,653,770	3,526,973	5,520,288
<b>Total Assets</b>	<b>\$ 105,755,173</b>	<b>\$ 114,826,297</b>	<b>\$ 136,779,524</b>
<b><u>Liabilities</u></b>			
Accounts Payable & Accrued Expenses	8,332,363	9,021,462	14,113,253
Current Portion of Long-Term Debt	1,624,458	1,415,284	2,835,794
Other Current Liabilities	3,982,198	-	254,294
<b>Total Current Liabilities</b>	<b>\$13,939,019</b>	<b>\$10,436,746</b>	<b>\$17,203,341</b>
Long-Term Debt (less current portion)	28,382,193	37,485,090	46,948,259
Other Long-Term Liabilities	3,412,178	3,008,056	4,516,295
Unrestricted Fund Balance	55,771,930	60,078,341	64,338,863
Restricted Fund Balance	4,249,853	3,818,064	3,772,766
Fund Balance	60,021,783	63,896,405	68,111,629
<b>Total Liabilities &amp; Fund Balance</b>	<b>\$105,755,173</b>	<b>\$114,826,297</b>	<b>\$136,779,524</b>
<b><u>Revenue and Expense</u></b>			
Net Patient Service Revenue	77,229,921	86,964,499	99,608,707
Other Operating Revenue	10,965,535	10,902,196	10,509,742
Total Operating Revenue	88,195,456	97,866,695	110,118,449
Interest	1,334,148	1,442,467	1,616,754
Depreciation & Amortization	4,716,450	4,702,929	5,343,858
Other Operating Expenses	73,494,238	86,532,408	102,056,819
Total Operating Expenses	79,544,836	92,677,804	109,017,431
<b>Income from Operations</b>	<b>\$8,650,620</b>	<b>\$5,188,891</b>	<b>\$1,101,018</b>
Non-Operating Revenue	541,835	(1,577,434)	2,594,646
<b>Excess of Revenue Over Expenses</b>	<b>\$9,192,455</b>	<b>\$3,611,457</b>	<b>\$3,695,664</b>

## **KEY RATIOS**

According to the National Rural Health Resource Center, the performance and health of a Critical Access Hospital can be identified using six important financial indicators. The table below displays each of these indicators and if the Hospital's ratios are moving in a favorable direction over time. For comparison the 2021 CAH MT medians are listed which can be found in the *CAH Indicators Report: Summary of 2021 Medians by State*.

CAH Financial Indicator	2021	2022	2023	Is this a Favorable Trend?	2021 MT Median
Days in Accounts Receivable	55.55	61.92	58.67	Yes	62.50
Days Cash on Hand	175.77	129.73	94.28	No	238.48
Operating Margin	9.81%	5.30%	1.00%	No	15.42%
Debt Service Coverage	5.35	3.18	3.51	Yes	13.73
Average Age of Plant (Years)	10.98	11.98	11.35	Yes	12.37
Long Term Debt to Capitalization	33.73%	38.42%	42.19%	No	22.02%

## **FINANCIAL OBSERVATIONS**

### **Assets and Liabilities**

- Cash and cash equivalents decreased from \$18.88 million in FY 2021 to \$10.80 million in FY 2023. During this time, fixed assets increased. The increase in fixed assets was partially funded through debt, and partially funded through cash.
- Patient receivables increased from \$14.75 million in FY 2022 to \$16.01 million in FY 2023. The increase in patient receivables is due to net patient service revenue increasing \$12.6 million between the two years.
- Other current assets (estimated third party payors) increased from \$1.14 million in FY 2022 to \$3.86 million in FY 2023. The increase is due to a large receivable being recorded for FYE 2023. \$776,000 is a receivable from Medicaid and \$1.6 million is a receivable from Medicare for the FY 2023 activity.
- Fixed assets increased from \$95.06 million in FY 2021 to \$130.45 million in FY 2023. A majority of this increase is due to the new Stevensville facility. The Hospital also built a new cancer/infusion center, a new main entrance, gastrointestinal and ears, nose, and throat buildout, as well as a new payroll/ human resources system, and a new general ledger /accounts payable system.
- Accounts payable and accrued expenses increased from \$9.02 million in FY 2022 to \$14.11 million in FY 2023. Approximately half of this increase is due to accounts payable increasing and the other half for accrued expenses. The Hospital changed its AP systems in April 2023 and the accounts payable team was still catching up at 6/30/23.
- Long term debt increased from \$28.38 million in FY 2021 to \$46.94 million in FY 2023. This increase is primarily due to the new Stevensville facility as well as a portion for an Endo/GI project and the new Darby clinic.
- Unrestricted fund balance (without donor restrictions) increased from \$60.07 million in FY 2022 to \$64.33 million in FY 2023. This increase was due to the Hospital having a positive net income.

## **Revenues and Expenses**

- Patient service revenue increased from \$77.22 million in FY 2021 to \$99.60 million in FY 2023. The Hospital implemented a 6% charge increase across the board. Marcus Daly had an increase of 37% in surgical/pain cases and an increase of 15% in the emergency room visits. The Hospital also saw a 14% increase in clinic visits which accounts for the increase in patient service revenue.
- Operating expenses increased from \$92.67 million in FY 2022 to \$109.01 million in FY 2023. This increase is due to the Hospital doing an annual salary/pay increase of 4.75% in July 2022. The Hospital expects salaries and wages to be higher in FY 2024 due to the increased growth and new service lines. Another portion of the increase in operating expenses was due to contract labor, contract nurses, and locums.
- Non-operating revenue increased from (\$1.57) million in FY 2022 to \$2.59 million in FY 2023. \$1.3 million was due to selling a property in Stevensville, \$500,000 was due to grants/contributions, and \$1 million was due to investment income, whereas FY 2022 showed an investment income loss.

## **UTILIZATION**

<b>Utilization</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
Admissions	1,416	1,474	1,532
Total Patient Days	4,333	5,276	4,960
Average Length of Stay	3.06	3.58	3.24
Occupancy Rate	47.48%	57.82%	54.36%
Outpatient Visits	72,331	70,787	73,360
Emergency Department Visits	10,775	12,322	12,941

## **PAYOR MIX**

<b>Payor Mix</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
Medicare	53%	53%	53%
Medicaid	17%	17%	17%
Private Insurance	20%	20%	20%
Private Pay	2%	3%	2%
**Other	8%	8%	9%
Total	100%	100%	100%

\*\* Other includes client billing, working comp, and VA

## **ANTICIPATED CHANGES DUE TO PROJECT**

Marcus Daly Memorial Hospital anticipates an increase in revenue for the imaging equipment at the Stevensville and Darby locations as these are new services in those areas. The C-ARM equipment is a replacement unit and will not impact revenue, but will allow maintained services and increase patient safety.

## **PRO FORMA**

<b>Pro Forma</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY2023</b>	<b>Pro Forma FY 2023</b>
Revenues Minus Expenditures	9,192,455	3,611,457	3,695,664	3,695,664
Add Depreciation/Amortization	4,716,450	4,702,929	5,343,858	5,343,858
Interest Expense	1,334,148	1,442,467	1,616,754	1,616,754
Available for Debt Service	15,243,053	9,756,853	10,656,276	10,656,276
Existing Debt Service	2,847,355	3,066,925	3,032,038	3,032,038
Debt Service on New Money	N/A	N/A	N/A	210,023
Total Debt Service	2,847,355	3,066,925	3,032,038	3,242,061
Debt Service Ratio Calculation	5.35	3.18	3.51	3.29

## **STRENGTHS**

- The Hospital has been able to undergo a number of expansion and renovation projects while keeping strong debt service coverage.
- The Hospital is a respected member of the community and is served by a strong, experienced leadership team.
- Positive economic outlook for its expansion projects.

## **WEAKNESSES**

- Political and market uncertainty for hospitals, especially Critical Access Hospitals.
- The Hospital has added a significant amount of debt in the past few fiscal years.

## **RECOMMENDATION**

Approval of the financing is recommended based upon the Hospital's proven ability to meet debt service and cash reserves amidst large expansions and post-COVID changes.

RESOLUTION NO. 23-07

RESOLUTION ON A PROPOSAL TO MAKE A LOAN TO MARCUS DALY MEMORIAL HOSPITAL CORPORATION PURSUANT TO TITLE 90, CHAPTER 7, AND TITLE 17, CHAPTER 6, PART 3, MONTANA CODE ANNOTATED, AS AMENDED; APPROVING THE RELATED LOAN APPLICATION; APPROVING THE PROJECT AND THE TERMS AND CONDITIONS OF THE LOAN AND THE EXECUTION OF DOCUMENTS RELATED THERETO.

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

Section 1.     Recitals.

1.01.     The Authority is authorized pursuant to Title 90, Chapter 7, and Title 17, Chapter 6, Part 3, Montana Code Annotated, as amended (hereinafter referred to as the “Act”), to make a loan from the Permanent Coal Tax Trust Fund for a capital project as defined in the Act. Marcus Daly Memorial Hospital Corporation, a Montana non-profit corporation with its operations located in Hamilton, Montana (the “Obligor”) has presented a proposal to the Authority requesting the Authority assist the Obligor with the purchase of equipment critical to the operations of the facility and to expand current service lines (the “Project”) by making a loan to the Obligor in an amount not to exceed \$427,000 (the “Loan”).

1.02.     The Authority determines that the Loan is for a capital project as described in the Act and does not exceed 10% of the \$15,000,000 amount of the Permanent Coal Tax Trust Fund to be administered under the Act by the Authority.

1.03     The Authority has received the Obligor’s Loan application and deems the application complete and determines that the Project is eligible for financing under the Act.

1.04     The Authority and the Board of Investments of the State of Montana have calculated the interest rate for the Loan in accordance with a commitment letter specifying the date through which the commitment is valid, the interest rate and term of the Loan.

1.05     The following documents relating to the Project and the Loan will be prepared and shall be placed on file in the office of the Authority:

(a)     A Loan Agreement (with exhibits and attachments), the “Loan Agreement,” with the Authority as Lender and Obligor as borrower,

(b)     A Mortgage and Security Agreement, the “Mortgage”, if applicable and

(c)     A Note in the principal amount of the Loan from the Obligor to the Authority (the “Note”).

## Section 2. Findings.

2.01. Based on the application, the Authority hereby finds, determines and declares as follows:

(a) the Obligor is an "institution" and the Project consists of the financing or refinancing of "eligible facilities" within the meaning of the Act, in that the improved facility is a critical access hospital;

(b) the amount of the Loan to the Obligor pursuant to the Loan Agreement based solely on information provided and representations made by the Obligor will not exceed the total eligible costs of the Project;

(c) pursuant to the Loan Agreement, the Loan repayments will be sufficient to pay the principal of, and interest on the Note as due, to meet all other obligations in connection with the Loan Agreement and to provide for costs of servicing and securing the Note;

(d) the Project is to be operated by the Obligor for the purpose of providing hospital services;

(e) based solely upon information and representations provided by the Obligor, the Obligor will have sufficient revenues to provide for the payment of the principal of and interest on the Loan as due;

(f) pursuant to Section 17-6-308(4). MCA, the Loan Agreement will provide that principal and interest payments on the Loan will be deposited in the Coal Severance Tax Permanent Fund until all principal and interest has been paid;

(g) the Project is not subject to certificate of need approval under Montana Code Annotated, Title 50, Chapter 5, Part 3, as amended; and

(h) the Loan complies with the terms of the Authority's Trust Fund Loan Pool Policy.

## Section 3. Approval and Authorizations.

3.01. The Project and the Loan are hereby approved by the Authority.

3.02. The forms of (a) the Loan Agreement and the attachments thereto and (b) the Note, filed with the Authority are approved. The Chairman, Executive Director, or any one or more of such officers of the Authority are hereby authorized and directed: (i) to execute the Loan Agreement and its Exhibits and Attachments in the name and on behalf of the Authority, upon execution thereof by the other parties thereto; and (ii) to file or record any security instruments in the name of, and on behalf of, the Authority. The above-referenced documents shall be executed in substantially the form previously approved, subject to such additions thereto or deletions



therefrom as are approved by the officers executing the same, which approval shall be conclusively presumed by the execution thereof, and such other documents as required by the Authority's counsel shall also be executed at the closing.

Section 4.     Application and Planning Fees.

4.01     As authorized by Section 90-7-211 of the Act, the Authority may assess certain initial planning service fees and annual planning service fees to be paid by participating institutions (as defined in the Act) in connection with any application to the Authority for financial assistance. The initial planning service fee will be one percent (1%) of the final loan amount. The annual planning service fee for the Obligor will be 50 basis points (.50%) of the outstanding amount of the Loan, assessed each month and included in the amortization schedule provided to the Obligor, unless and until changed by the Authority.

Passed and approved by the Authority this 12<sup>th</sup> day of December, 2023.

MONTANA FACILITY FINANCE AUTHORITY

ATTEST:

\_\_\_\_\_  
By: Vu Pham  
Its: Chairman

\_\_\_\_\_  
By: Adam Gill  
Its: Executive Director

## **RESOLUTION NO. 23-08**

### **RESOLUTION DECLARING THE OFFICIAL INTENT OF THE MONTANA FACILITY FINANCE AUTHORITY TO REIMBURSE CERTAIN ORIGINAL EXPENDITURES RELATED TO THE CONSTRUCTION OF A MANUFACTURING FACILITY BY SAINT REGIS SOLAR, LLC FROM THE PROCEEDS OF TAX-EXEMPT BONDS TO BE ISSUED BY THE AUTHORITY AFTER THE PAYMENT OF SUCH ORIGINAL EXPENDITURES**

WHEREAS, U.S. Treasury Regulations, Section 1.150-2 (the “Reimbursement Regulations”), promulgated pursuant to Section 150 of the Internal Revenue Code of 1986, as amended (the “Code”), provides that the allocation of the proceeds of tax-exempt bonds to expenditures for governmental purposes originally paid from a source other than such tax-exempt bonds will be treated as expenditures of such tax-exempt bonds only if certain requirements of the Reimbursement Regulations are satisfied by the issuer of such tax-exempt bonds; and

WHEREAS, the Montana Facility Finance Authority (the “Authority”) expects that Saint Regis Solar, LLC (the “Borrower”) will pay certain original expenditures for the construction and/or renovation of a manufacturing facility for the Borrower’s hydrogen manufacturing facility (the “Project”) and which original expenditures are expected to be reimbursed from the proceeds of one or more series of tax-exempt bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE MONTANA FACILITY FINANCE AUTHORITY, AS FOLLOWS:

1. The Authority has a reasonable expectation (within the meaning of Treasury Regulations, Section 1.148-1(b)) that it will make expenditures for the Project in calendar year 2023 or 2024. The Authority has a reasonable expectation that it will issue one or more series of tax-exempt bonds (the “Bonds”) in the estimated maximum principal amount not to exceed \$10,000,000 to finance the Project and that the Borrower will make reimbursement allocations with respect to such original expenditures for the Project from the proceeds of such Bonds.

2. This Resolution shall be maintained as part of the books and records of the Authority at the main administrative office of the Authority, and shall be continuously available during normal business hours of the Authority on every business day of the period beginning not more than thirty (30) days after adoption of this Resolution and ending on the last date of issue of any Bonds.

3. This Resolution has been adopted not later than sixty (60) days after payment of any original expenditure for the Project to be subject to a reimbursement allocation with respect to the proceeds of the Bonds.

4. All reimbursement allocations with respect to the Bonds will be made not later than eighteen (18) months after the later of: (i) the date the original expenditure is paid; or (ii) the date the Project is placed in service or abandoned, but in no event more than three (3) years after an original expenditure is paid for the Project. If the Bonds are eligible for the small issuer exception from arbitrage rebate, the “18-month” limitation above is extended to “three years” and the “three-year” maximum reimbursement period is disregarded.

5. All original expenditures to which reimbursement allocations are to be made constitute: (i) capital expenditures; (ii) costs of issuance of the Bonds; (iii) expenditures for extraordinary, nonrecurring items that are not customarily payable from current revenues, such as casualty losses or extraordinary legal judgments in amounts in excess of reasonable insurance coverage, and for which no reserve is maintained; or (iv) a grant (as defined in Treasury Regulations, Section 1.148-6(d)(4), as a

transfer for a governmental purpose of money or property to a transferee that is not a related party to or an agent of the transferor with respect to which no obligation or condition is imposed to directly or indirectly repay any amount to the transferor).

6. The limitations set forth in paragraphs 3 and 4 of this Resolution do not apply to: (i) the costs of issuance of the Bonds; (ii) an amount not in excess of the lesser of \$100,000 or five percent (5%) of the proceeds of the Bonds; or (iii) preliminary expenditures up to an amount not in excess of twenty percent (20%) of the aggregate issue price of the Bonds that finance or are reasonably expected by the Authority to finance the Project for which the preliminary expenditures were incurred. The term “preliminary expenditures” includes architectural, engineering, surveying, soil testing, reimbursement bond issuance, and similar costs that are incurred prior to commencement of acquisition, construction, or rehabilitation of the Project, other than land acquisition, site preparation, and similar costs incident to commencement of construction.

7. This Resolution is an expression of the reasonable expectations of the Authority based on the facts and circumstances known to the Authority as of the date hereof. The anticipated original expenditures for the Project are consistent with the Authority’s budgetary and financial circumstances. No sources other than proceeds of Bonds to be issued by the Authority are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside pursuant to the Authority’s budget or financial policies to pay such expenditures for the Project.

8. This Resolution is intended to constitute a declaration of official intent for purposes of the Reimbursement Regulations.

9. No reimbursement allocation of the proceeds of the Bonds to expenditures for the Project will employ an abusive arbitrage device (within the meaning of Treasury Regulations, Section 1.148-10) to avoid the arbitrage restrictions or to avoid the restrictions of Sections 141 through 150 of the Code.

Passed and approved by the Authority this 12th day of December, 2023.

**MONTANA FACILITY FINANCE AUTHORITY**

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By: Vu Pham  
Its: Chairman

ATTEST:

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By: Adam Gill  
Its: Executive Director

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

**11/30/23**

**41.67% Expended**

Legislative Budget	Year to Date				
	Category	Budget	Actual	\$ Variance	% Variance
<b>\$848,645</b>	<b>A) INCOME</b>	<b>\$269,922</b>	<b>323,121</b>	<b>53,198</b>	<b>20%</b>
135,000	Application Fees	56,250	0	(56,250)	-100%
588,645	Annual Fees	161,589	171,406	9,817	6%
125,000	Investment Income	52,083	151,715	99,631	191%
<b>\$368,296</b>	<b>B) PERSONAL SERVICES EXPENSE</b>	<b>\$153,457</b>	<b>188,498</b>	<b>35,041</b>	<b>23%</b>
361,296	Salaries & benefits	150,540	184,698	34,158	
7,000	Board Per Diem	2,917	3,800	883	
<b>\$364,774</b>	<b>C) OPERATING EXPENSES**</b>	<b>\$107,085</b>	<b>\$95,257</b>	<b>(\$33,421)</b>	<b>-161%</b>
101,538	Contracted & Other Services	42,308	12,271	(30,036)	-71%
	Misc. Other Services		3,516		
	Legal Services		7,393		
	Legislative Audit		237		
	ITSD		1,126		
34,336	Supplies/Materials/Equipment	14,307	2,036	(12,271)	-86%
8,200	Communications	3,417	1,895	(1,522)	-45%
28,861	Travel	12,025	16,789	4,764	40%
0	Equipment Lease	0	1,016	1,016	0%
	Building Lease Amortization	14,102	11,037	(3,065)	-22%
	Building Lease/Rent Liability		7,492		
0	Repairs & Maintenance	0	0	0	0%
84,068	Miscellaneous	35,028	42,721	7,692	22%
	Commerce Department Services		25,391		
	Administration (statewide) Indirect Costs		2,758		
	Education		4,922		
	Other Miscellaneous		9,650		
<b>\$115,575</b>	<b>REVENUES IN EXCESS OF EXPENSES (A-B-C)</b>	<b>9,381</b>	<b>39,366</b>	<b>29,985</b>	<b>320%</b>
150,000	Grants-Obligated/Paid	25,000	25,000		
(\$34,425)	Current Year Increase in Net Assets		14,366		
	<b>INCREASE (DECREASE) IN NET ASSETS</b>		<b>14,366</b>		

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

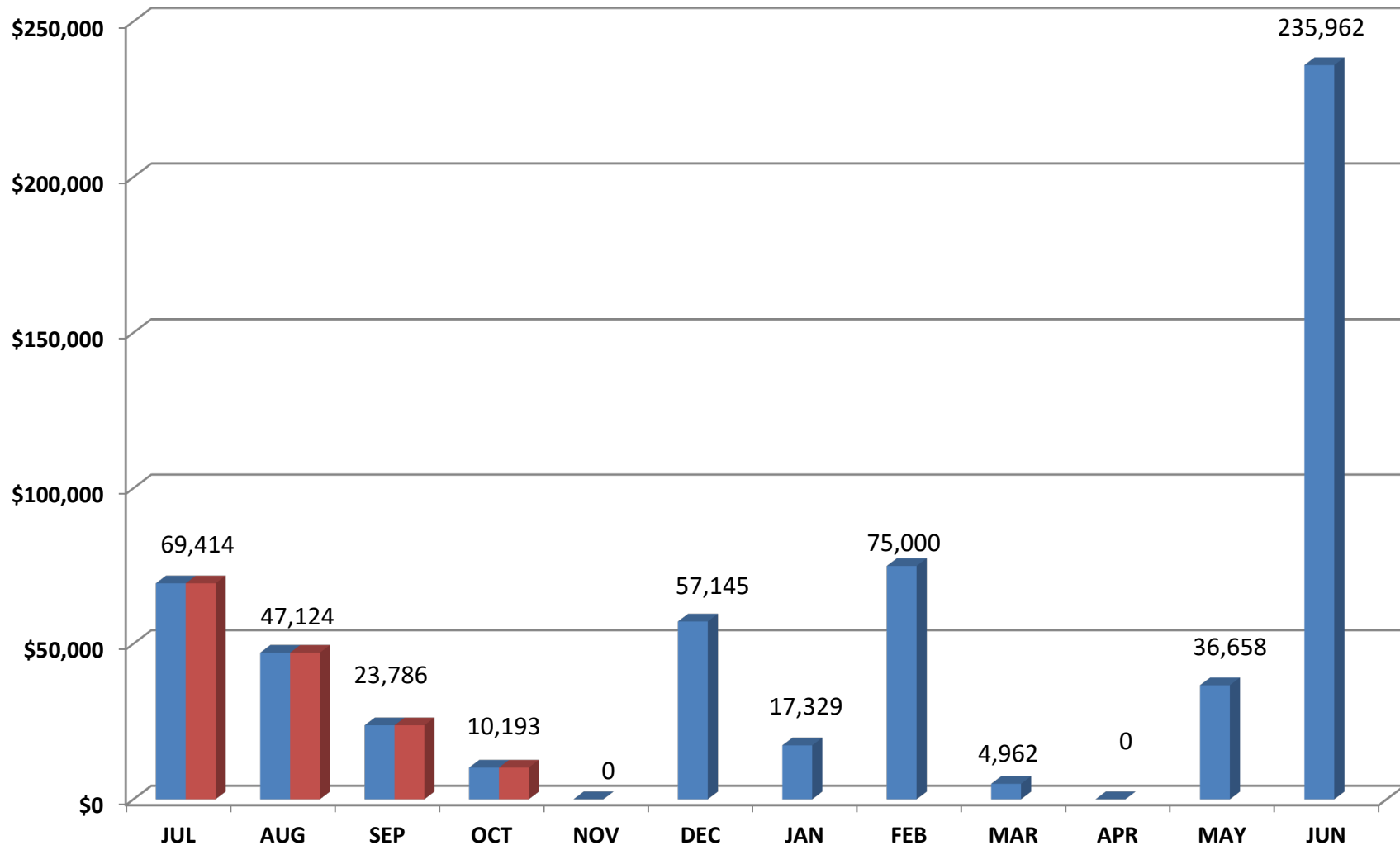
## FY 2024 Annual Service Fees

As of November 30, 2023

Annual Projected: \$577,572

YTD Projected: \$150,516

YTD Collected: \$150,516



# MFFA Reserve Balances

AS OF 12/01/2023

A/E 06015	Operating Account Summary		
		Current Balance	Policy Guideline
	Total Fund Balance Available Net Capital Reserve "B" Balance	3,311,033	
	Less: Working Capital Reserve Requirement	1,626,140	1,626,140 (a)
	Available for Restricted Capital Reserve "A"	1,684,893	10,913,340 (b)
	Fund Balance: Sub-Total	3,311,033	12,539,480
A/E 06015	Trust Fund Loan Pool		
	RC 710300, Accounts 521190	20,889	
	Plus: Prior Year End Capital Reserve "B" Fund Balance Sub Total	1,280,266	
	Capital Reserve "B" Fund Balance	1,301,155	1,280,266 (d)
A/E 06012	Direct Loan Program		
	Current Program Fund Balance	5,109,873	
	Less: Outstanding Loan Balance	3,281,447	
	Funds Available to Loan from Direct Loan Program	1,828,425	
	Fund Balance: Sub-Total	5,109,873	5,041,856 (c)
	Total Projected Fund Balance	9,722,061	18,861,602

## Notes:

Policy Guidelines - Minimum Funding Requirements

(a) Twice the current Fiscal Year annual budget.	813,070
(b) 10% of the outstanding BOI enhanced bond balance as of 7/1/23	109,133,401
(c) \$5,041,856 as of 7/1/23 plus YTD loan payments, account investment earnings.	5,041,856
(d) 10% of the Trust Fund Loan Pool Balance as of 7/1/23	12,802,660

# MONTANA FACILITY FINANCE AUTHORITY

## Staff Approved Loans

11/1/2023-11/31/2023

### Submitted Applications

#### Borrower

#### Location

#### Date

#### Submitted

#### Term

#### Interest

#### Amount

#### Project

Total Pending Direct Loans:

\$ -

### Approved Applications

#### Borrower

#### Location

#### Date

#### Approved

#### Term

#### Interest

#### Amount

#### Project

Community Hospital of Anaconda

Anaconda

08/15/23

10

3.71%

\$ 500,000

Hospital Expansion

Ruby Valley Medical Center

Sheridan

10

5.64%

\$ 500,000

Hot Water Heaters

Bitterroot Health

Hamilton

5

4.64%

\$ 500,000

Radiology Equipment

Total Approved Direct Loans:

\$ 1,500,000

### Funds Available Under

#### Direct Loan Program:

Loan Fund: (12/01/2023)

5,109,873

Total Outstanding Loans: (12/01/2023)

3,281,447

Approved Applications from above:

(1,500,000)

Total Available to Loan at 12/01/2023

\$ 328,426

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

#### Borrower

#### Location

#### Date

#### Funded

#### Term

#### Interest

#### Amount

#### Project

Glendive Medical Center

Glendive

11/07/23

5

4.77%

\$ 255,600

Radiology Equipment

Mineral Community Hospital

Superior

11/08/23

7

4.83%

\$ 150,000

Hot Water Heaters

Total Loans Funded since 7/1/23

\$ 405,600

MONTANA FACILITY FINANCE AUTHORITY

Staff Approved Grants

11/1/2023-11/31/2023

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	01/23/23	03/06/23		\$ 25,000	Hospital Expansion	MCAP
Alternatives, Inc.	Billings	05/31/23	06/01/23		\$ 25,000	Pre-release Expansion	MCAP
Total Pending Grants:					<u>\$ 50,000</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	<u>11/17/2023</u>	\$ 25,000	Clinic Expansion	MCAP
Total Grants:					<u>\$ 25,000</u>		



# 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

## 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
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	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23/30	24	25	26	27	28	29

## 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	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	19	20	21
22	23	24	25	26	27	28
29	30	31				

## HOLIDAYS AND OBSERVANCES

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

**4-Jul**      **Independence Day**  
**2-Sep**      **Labor Day**  
**14-Oct**      **Columbus Day**  
**11-Nov**      **Veterans Day Ob.**

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

## CONFERENCES

<b>Apr 7-10</b>	<b>NAHEFFA, New Orleans, LA</b>	<b>TBD</b>	<b>HFMA Fall 2024</b>
<b>Jun 16-18</b>	<b>Quad State, Red Lodge</b>	<b>TDB</b>	<b>NAHEFFA, Fall Conference</b>
<b>Sep 17-20</b>	<b>MHA, Billings</b>	<b>TBD</b>	<b>MEDA Spring &amp; Fall Conferences</b>
<b>Nov 13-15</b>	<b>CDFA, Baltimore, MD</b>	<b>TBD</b>	<b>PACENation - TBD</b>