

MONTANA FACILITY FINANCE AUTHORITY
Board Meeting (Helena, MT)
October 16, 2018
9:00 A.M.

MINUTES

BOARD MEMBERS PRESENT: Larry Putnam, Chair
Bill Kearns, Vice Chair
Kent Burgess (via phone)
Paul Komlosi
Kim Rickard (via phone)
John Rogers
Matt Thiel (via phone)

BOARD MEMBERS ABSENT: None

STAFF PRESENT: Adam Gill, Executive Director
Seth Lutter, Associate Director
Colin Gunstream, Financial Specialist

GUESTS: Bob Murdo, Authority Counsel – Jackson, Murdo & Grant
Bradley Howell, CEO – Roundup Memorial Healthcare
Theresa Doumitt, Development Specialist – Roundup Memorial Healthcare (via phone)
Ann Marie Kloppel, Affiliate Controller – Billings Clinic (via phone)
David Armstrong, CEO – Alternatives, Inc.
John Stone, CFO – Alternatives, Inc.
Jim Kerins, Managing Consultant – CMS

BOARD MEETING

CALL TO ORDER

Chair Putnam called the October 16, 2018 board meeting of the Montana Facility Finance Authority (the “Authority”) to order at 9:00 A.M. The meeting convened with seven members of the Board present.

Minutes

Two amendments to the August meeting minutes were requested.

Member Komlosi moved for approval of the amended meeting minutes for August 20, 2018. Vice Chair Kearns seconded the motion which passed unanimously.

PUBLIC COMMENT

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

FINANCINGS

Adam Gill, Executive Director, provided information on the following financings for board deliberation:

Roundup Memorial Healthcare

Mr. Gill introduced Bradley Howell, CEO – Roundup Memorial Hospital. Mr. Gill described the financing which is a Trust Fund Loan for up to \$480,000 to construct a 1,900 square foot physical therapy building to improve and expand services.

Mr. Howell described the expansion the Hospital is pursuing, as well as the benefits the expansion will bring to the community. Mr. Howell also explained their success in raising additional funds from the community for this project. Mr. Gill went over the Hospital's key ratios and financial performance. Member Komlosi asked questions regarding the Hospital's unaudited financials. Anne Marie Kloppel, Affiliate Controller for Billings Clinic, explained their accounting and reconciliation process.

Bob Murdo, Authority Counsel, described and explained Resolution 18-09. Vice Chair Kearns moved for adoption of Resolution 18-09. Member Komlosi seconded the motion, which passed unanimously.

Alternatives, Inc.

Mr. Gill introduced David Armstrong, CEO of Alternatives, Inc, and John Stone, CFO of Alternatives, Inc. Mr. Gill described the financing which is a Trust Fund Loan for up to \$1,500,000 to purchase and renovate a building which will be used to expand behavioral health services and office space.

Mr. Armstrong – Alternatives, Inc, described the expansion Alternatives is pursuing, as well as the benefits the expansion will bring to the community. Mr. Armstrong explained that this expansion is necessary as they have experienced significant growth due to the Department of Corrections expanding their contracts with them.

Vice Chair Kearns asked how the job training and preparation works for the clients. Mr. Armstrong explained this process. Vice Chair Kearns asked how the effects of tariffs will impact the construction costs. Mr. Armstrong explained that this will impact the project and they are still bidding out part of the construction project. Member Komlosi asked about the cost effectiveness of keeping prisoners at Alternatives and what the differential is between Alternatives and the state prison. Mr. Armstrong explained that it costs on average \$117 to house inmates at the prison as compared to just over \$50 at Alternatives.

Mr. Murdo described and explained Resolution 18-10. Member Rogers moved for adoption of Resolution 18-10. Member Komlosi seconded the motion which passed unanimously.

DISCUSSION TOPICS

Executive Director Annual Review Process

Jim Kerins, Managing Consultant – CMS, discussed the annual review and appraisal process for the Executive Director.

Energy Efficiency Grant Program

Mr. Lutter provided an update on projects that are underway and how these projects will be paid by the Montana Facility Finance Authority. Further, Mr. Lutter described the marketing effort the Authority is undertaking to promote the EEP grant program.

Kalispell Regional Medical Center

Mr. Gill discussed the Kalispell Regional Medical Center's bond closing. Chairman Putnam and the Board discussed the complexity of this financing and the lessons learned from it.

C-PACE Legislation

Mr. Gill discussed the possible C-PACE legislation, which is a financing mechanism used by local government that allows commercial and property owners to finance energy efficiency and renewable energy improvements through their property tax payment.

GENERAL ADMINISTRATIVE

Financials

Mr. Gill presented the Budget-v-Actual results and the Reserve Balances. Mr. Gunstream presented the Revenue Graph and Mr. Lutter discussed Staff Approved Loans and Grants.

MISCELLANEOUS

December Board Meeting

Mr. Gill discussed the next board meeting and it will be December 12, 2018 in Helena. There will be a board meeting dinner on December 11, 2018.

Anticipated Financings and Related Matters

Mr. Gill discussed potential financings for the upcoming year and the anticipated dates of those financings.

NAHEEFA

Mr. Gill discussed NAHEEFA topics. It is the general consensus that legislation and other matters probably won't move in the current political environment.

BOARD MEETING CALENDAR

BOARD MEETINGS	CONVENTIONS
December 12 (Helena; dinner December 11)	HFMA, October 23-25, 2018

ADJOURN

Chair Putnam adjourned the meeting at 12:30 PM.

APPROVE:


Larry Putnam, Chair

ATTEST:


Adam Gill, Executive Director

APPROVAL DATE:

12/12/18