

MONTANA FACILITY FINANCE AUTHORITY
Board Meeting (Helena, MT)
February 12, 2019
10:30 A.M.

MINUTES

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

BOARD MEMBERS ABSENT:

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

GUESTS: Alan Aldrich, CFO - Central Montana Medical Center (via phone)
Ben Johnson, Attorney - Barnes & Thornburg, LLP (via phone)
Bob Murdo, Authority Counsel – Jackson, Murdo & Grant

BOARD MEETING

CALL TO ORDER

Chairman Putnam called the February 12, 2019 board meeting of the Montana Facility Finance Authority (the “Authority”) to order at 10:30 A.M. The meeting convened with seven members of the Board present.

Minutes

Member Thiel moved for approval of the meeting minutes for December 12, 2018. Member Rogers 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 financing for board deliberation:

Central Montana Medical Center

Mr. Gill introduced Alan Aldrich, CFO – Central Montana Medical Center. Mr. Gill described the financing, which is a Trust Fund Loan for up to \$1,200,000 with the proceeds being used for eligible equipment and facility costs to purchase and upgrade to a new electronic healthcare record (EHR) system. The upgrade will allow Central Montana to move both EHR systems into one integrated system. This upgrade was recommended by Billings Clinic as part of their management agreement.

Mr. Aldrich –described the EHR upgrade Central Montana is pursuing and explained that the upgrade is necessary, as the current system of having two separate EHR systems slows down operations and the upgrade will improve efficiency.

Chairperson Putnam asked Mr. Aldrich to explain the old EHR system and what they are converting from. Mr. Aldrich explained that they have been under two separate EHR systems, one for the Hospital side and one for the Clinic side. Further, Mr. Aldrich explained that the new server EHR will be coming from Billings Clinic and all their affiliates will be on the same server EHR package.

Member Komlosi asked if the rate increase the Hospital implemented was factored into the budget loss they projected for FY 2019. Mr. Aldrich explained that the rate increase was factored into the budget loss. Member Komlosi also asked if the bond held by First Montana Bank is a fixed or variable rate. Mr. Aldrich explained that the bond is a fixed rate.

Member Rogers asked if there is a useful life to the software and asked how often the software is upgraded. Mr. Aldrich explained that the software goes through one major update per year, as well as at least two smaller updates throughout the year. Mr. Gill also explained that the Authority will have to take accounts receivable as collateral, as the software cannot be collateralized.

Mr. Murdo described and explained Resolution 19-01.

Member Rogers called for question for adoption of Resolution 19-01. The Resolution passed unanimously.

Bridger Brewing

Mr. Gill introduced Ben Johnson, Bond Counsel – Barnes & Thornburg, LLP. Mr. Gill described the project, which is an Industrial Development Bond with the proceeds being used for eligible equipment and facility costs to build a beer production facility. Mr. Gill explained that IDB bonds have an extra step in the hearing process, as a hearing has to be held in the jurisdiction of the project to determine if the financing is in the public's best interest. This Resolution is not a commitment to lend, but rather the Board's approval to move forward with the TEFRA hearing process.

Mr. Johnson described and explained Resolution 19-02, which is a Resolution to move forward with the hearing process. Chairman Putnam asked what the difference would be between the taxable and tax-exempt portions of the bond. Mr. Johnson was unsure as they are looking at different executions with Dougherty. Mr. Johnson further explained what these executions would be and the implications for the financing.

Member Rickard asked how the prevailing wage will play into the financing. Mr. Johnson explained that the prevailing wage applies to the portion of any project that the Authority issues the debt for. Mr. Johnson explained that there will probably be one construction contract.

Vice Chair Kearns called for question for adoption of Resolution 19-02. The Resolution passed unanimously.

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.

DISCUSSION TOPICS

Energy Efficiency Grant Program

Mr. Lutter provided an update on Energy Efficiency projects that are in process.

Legislative Updates

Mr. Gill described legislative updates pertaining to the Authority. Specifically, C-PACE legislation was discussed, and Mr. Gill provided an update to the status of the legislation.

Audit

Mr. Gill noted that the legislative audit is complete. However, the audit cannot be formally discussed until the audit has gone through Legislative Audit Committee in June.

MISCELLANEOUS

Travel and Calendar

Mr. Gill asked who would be attending the NAHEEFA conference in March. Chairperson Putnam and Member Rogers indicated that they would attend.

Anticipated Financings and Related Matters


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

BOARD MEETING CALENDAR

BOARD MEETINGS	CONVENTIONS
February 12, 2019, Helena	March 25-27, 2019 NAHEEFA, Austin, TX
April 16, 2019, Helena	April 24-26, 2019 NABL, Chicago, IL
June 18-19, 2019, Helena	September 2019 NAHEEFA, Portland, ME
August 20, 2019, Helena	September 18-20, 2019 MHA, Billings, MT
October 22, 2019, Helena	November 14-15, 2019 BLX, Austin, TX
December 10, 2019, Helena	

ADJOURN

Chair Putnam adjourned the meeting at 11:41 AM.

APPROVE: 
Larry Putnam, Chair

ATTEST: _____
Adam Gill, Executive Director

APPROVAL DATE: 4-16-2019