

**MONTANA FACILITY FINANCE AUTHORITY**  
**Board Meeting (Helena, MT)**  
**June 19, 2019**  
**11:30 A.M.**

**MINUTES**

**BOARD MEMBERS**  
**PRESENT:** Larry Putnam, Chair  
Bill Kearns, Vice Chair  
Jan Bastian  
Paul Komlosi  
Kim Rickard  
John Rogers  
Matt Thiel

**BOARD MEMBERS**  
**ABSENT:**

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

**GUESTS:** Mark Wilkinson, Treasurer – SCL Health System, Inc (via phone)  
Latrice Baptiste, Bond Counsel – Chapman and Cutler LLP (via phone)  
Will Brewster, Underwriter – Morgan Stanley (via phone)

**BOARD MEETING**

**CALL TO ORDER**

Chair Putnam called the June 19, 2019 board meeting of the Montana Facility Finance Authority (the “Authority”) to order at 11:30 A.M. The meeting convened with seven members of the Board present.

Minutes

Member Komlosi moved for approval of the meeting minutes for May 17, 2019. Member Thiel 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:

## Sisters of Charity of Leavenworth Health System, Inc

Mr. Gill introduced Mark Wilkinson, Treasurer – SCL Health System, Inc, Latrice Baptiste with Chapman Cutler as Bond Counsel and Will Brewster with Morgan Stanley as Underwriter. Mr. Gill described the financing which is a Stand Alone Bond for up to \$151,000,000 with the proceeds being used to refund the existing 2010 A&B Bonds. Mr. Gill asked if there were questions for SCL Health System, Inc.

Vice Chair Kearns asked about the decrease in net income in FY 2018. Mr. Wilkinson explained that this decrease was due to the decline in the investment market in December 2018.

Mr. Brewster described the refinance that SCL Health System, Inc is pursuing, and the cost saving benefit this refunding will bring to the facility.

Member Komlosi asked about pricing and the current rate environment. Mr. Brewster explained the pricing date and his thoughts on the current rate environment.

Latrice Baptiste described and explained Resolution 19-05, as well as the changes to the Resolution. Member Rickard moved for approval of the proposed changes to Resolution 19-05. Vice Chair Kearns seconded the motion which passed unanimously.

Member Rogers called for question of adoption of Resolution 19-05. 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**

### Changes to the Direct Loan Program Policy

Mr. Gill described the changes to the Direct Loan Program, which will allow the Authority to issue Direct Loans for \$500,000 with terms of up to 10 years when (1) refinancing existing qualified debt and/or (2) when the Direct Loan is closed in conjunction with a Trust Fund Loan. The interest rate was also changed to include rates for a five, seven, and ten-year terms.

Member Rickard motioned to consider the changes to the Direct Loan Policy. Member Thiel seconded the motion and passed unanimously. Amendments were requested to the Direct Loan Program Policy and Member Komlosi motioned to accept the requested amendments. Member Rogers seconded the motion and passed unanimously. Vice Chair Kearns called for the question of adoption of the Direct Loan Program Policy and passed unanimously.

### Changes to the Revenue and Reserve Policy

Mr. Gill described the changes to the Revenue and Reserve Policy, which will increase the maximum Direct Loan Account by \$1 million and give the Executive Director the discretion to increase the Direct Loan Account by an additional \$1 million.

Member Rickard motioned to consider the changes to the Revenue and Reserve Policy. Member Thiel seconded the motion and passed unanimously. Amendments to the Revenue and Reserve policy were requested and Member Rickard motioned to accept this change. Member Thiel seconded the motion and passed unanimously. Vice Chair Kearns called for the question of adoption of the Revenue and Reserve Policy and passed unanimously.

#### Changes to the Internal Controls Policy

Mr. Gill described the changes to the Internal Controls Policy which was updated to include the Energy Efficiency Program and the Salesforce Database.

Member Rogers motioned to consider the changes to the Internal Controls Policy. Member Komlosi seconded the motion and passed unanimously. Amendments to the Internal Controls Policy were requested and Member Rogers motioned to accept this change. Vice Chair Kearns seconded the motion and passed unanimously. Vice Chair Kearns called for the question for adoption of the Internal Controls Policy and passed unanimously.

#### NAHEEFA

The September NAHEEFA conference in Portland, ME was discussed.

#### **MISCELLANEOUS**

#### 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
August 20, 2019, Helena	September 23, 2019 NAHEEFA, Portland, ME
October 22, 2019, Billings	September 18-20, 2019 MHA, Billings, MT
December 10, 2019, Helena	November 14-15, 2019 BLX, Austin, TX

#### **ADJOURN**

Chair Putnam adjourned the meeting at 1:15 P.M.

APPROVE:   
Larry Putnam, Chair

ATTEST   
Adam Gill, Executive Director

APPROVAL DATE: 8/20/2019