

MONTANA FACILITY FINANCE AUTHORITY
Board Meeting
March 21, 2017

Montana Facility Finance Authority Office
2401 Colonial Dr., Helena, Montana
March 21, 2017 at 9:30 A.M.

MINUTES

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

BOARD MEMBERS ABSENT: None

STAFF PRESENT: Adam Gill, Executive Director
Linda Wendling, Financial Specialist

GUESTS: Erin McCrady, Bond Counsel-Dorsey & Whitney
Dick Brown, Executive Director-Montana Hospital Association
Bob Murdo, Authority Counsel-Jackson, Murdo & Grant
Kreg Jones, Municipal Advisor for Marcus Daly-DA Davidson (via phone)
John Bartos, CEO-Marcus Daly Memorial Hospital (via phone)
Donja Erdman, CFO-Marcus Daly Memorial Hospital (via phone)
Ben Johnson, Bond Counsel-Barnes & Thornburg (via phone)

BOARD TRAINING

Orientation was provided to the new board members from 9:30 A.M. until 11:45A.M.

Executive Director, Adam Gill introduced the new members and presented the Authority History and Programs.

Authority Counsel, Bob Murdo presented Board Roles and Responsibilities.

Montana Hospital Association Executive Director, Dick Brown presented an Overview of Healthcare in Montana.

Bond Counsel, Erin McCrady presented Tax-Exempt Private Activity Bond material.

BOARD MEETING

CALL TO ORDER

Chairman Putnam called the March 21, 2017 board meeting of the Montana Facility Finance Authority (the "Authority") to order at 12:08 P.M. The meeting convened with seven members of the Board present.

PUBLIC COMMENT

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

FINANCINGS

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

Marcus Daly Memorial Hospital

Mr. Gill introduced Erin McCrady, Bond Counsel-Dorsey & Whitney, Kreg Jones, Municipal Advisor-DA Davidson and Marcus Daly CEO, John Bartos. Mr. Gill described the financing which is a stand-alone bond for up to \$10.5 million to refinance a portion of Marcus Daly's existing debt which was issued by multiple lenders. He indicated that this is a change from what the Board approved in the December meeting.

Municipal Advisor, Kreg Jones, described the financing changes Marcus Daly undertook regarding some of its current loans and the resulting loans it wishes to refinance for simplification of their balance sheet and loan amortization. He indicated they are still finalizing the cash flow impact. He stated that the expectation is for closing in 45-60 days.

Marcus Daly CEO, Bartos provided an overview of the current state of the hospital's operating rooms and its planned expansion project.

Bond Counsel, Erin McCrady, provided additional background on her analysis of Marcus Daly's current loan structure and what changed since the discussion with the Board at the December meeting. She also discussed Resolution 16-15 for the sale and issuance of bonds not to exceed \$10.5 million with an interest rate of 3.92% for up to 25 years.

Authority Counsel, Bob Murdo, indicated Resolution 16-15 Section 1.03 (a) should be amended to correct the statement "Series 200A Bonds" to correctly read as "Series 2000A Bonds" and Section 2.02 (a) should be amended to correct the statement "not in excess of \$10,500,00" to correctly read as "not in excess of \$10,500,000".

Member Kearns moved for adoption of the amended Resolution 16-15. Member Thiel seconded the motion which passed unanimously.

Green Diamond Tire

Mr. Gill introduced Ben Johnson, Bond Counsel-Barnes & Thornburg. Mr. Gill described the financing which is an Industrial Development Bond stand-alone private placement for Green Diamond Tire, a manufacturer of remolded used tires.

Bond Counsel, Johnson described the Inducement Resolution which is an intent of the Authority to reimburse certain expenditures of a manufacturer from the proceeds of a tax-exempt bond in an amount up to \$7 million. He indicated this is not binding to the Authority.

Member Komlosi asked about Resolution 17-03 Section 1 which states “the Authority” and whether that should read as “the Borrower”.

Bond Counsel, Johnson concurred and indicated the change will be made.

Member Burgess moved for adoption of the amended Resolution 17-03. Member Rickard seconded the motion which passed unanimously.

GENERAL ADMINISTRATIVE

Minutes

Member Theil moved for approval of the meeting minutes for January 18, 2017. Member Kearns seconded the motion which passed unanimously.

Selection of Officers

Chairman Putnam indicated that a Vice Chairman should be selected.

Member Rickard moved that Member Kearns be named as Vice Chairman. Member Burgess seconded the motion which passed unanimously.

Accounting

Mr. Gill presented the Budget-v-Actual results and the Reserve Balances.

Ms. Wendling presented the Annual Service Fees Summary and Staff Approved Loans and Grants noting that there is a new Direct Loan application package which is currently under review by Member Rickard.

Potential Financings

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

MISCELLANEOUS

Board Appointments

Mr. Gill indicated the Authority Board members have been approved by the Montana Senate.

Legislative Audit Update


Mr. Gill provided an update on the status of the Legislative Audit.

CALENDAR

BOARD MEETINGS	CONVENTIONS
May 17 Deer Lodge, MT	March 22-24 MHA Helena, MT
July 31-August 1 (TBD location)	April 3-5 NAHEFFA Alexandria, VA
October 3 (TBD location)	September 6-8 NAHEFFA Boise, ID
December 7 (dinner) & 8 (meeting) Helena, MT	September 20-22 MHA Billings, MT

ADJOURN

Chairman Putnam adjourned the meeting at 2:03 P.M.

APPROVE: 
Larry Putnam, Chairman

ATTEST: 
Adam Gill, Executive Director

APPROVAL DATE: 5/12/17