

MONTANA FACILITY FINANCE AUTHORITY
Board Meeting (Helena, MT)
August 20, 2018
10:00 A.M.

MINUTES

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

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
Erin McCrady (via phone), Bond Counsel – Dorsey & Whitney
Kreg Jones (via phone), Underwriter – D.A. Davidson
Connie Prewitt (via phone), CFO – Billings Clinic
Gordon Streiff (via phone), Director of Operational Excellence – Billings Clinic
Steve Sohn (via phone), Underwriter – Wells Fargo Securities
Sheldon Pope (via phone), Underwriter – Wells Fargo Securities
Robert Turner (via phone), Financial Advisor – Kaufmann Hall
Lina Thoreson (via phone), Bond Counsel – Orrick
Kristi Gatrell (via phone), CEO – Big Horn Memorial Healthcare
Bill Hodges (via phone), Foundation Director – Big Horn Memorial Healthcare
Roxie Cain (via phone), Controller – Big Horn Memorial Healthcare

BOARD MEETING

CALL TO ORDER

Chair Putnam called the August 20, 2018 board meeting of the Montana Facility Finance Authority (the “Authority”) to order at 10:00 A.M. The meeting convened with seven members of the Board present.

Minutes

No amendments to the June meeting minutes were requested.

Member Thiel moved for approval of the amended meeting minutes for June 19, 2018. Vice Chair Kearns seconded the motion which passed unanimously.

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:

Billings Clinic

Mr. Gill introduced Connie Prewitt, CFO – Billings Clinic, Gordon Streiff, Director of Operational Excellence – Billings Clinic, Steve Sohn, Underwriter – Wells Fargo Securities, Sheldon Pope, Underwriter – Wells Fargo Securities, Lina Thoreson, Bond Counsel, – Orrick, Robert Turner, Financial Advisor – Kaufmann Hall, and Mike Turner, Financial Advisor – Kaufmann Hall. Mr. Gill described the financing which is a Stand-Alone bond for up to \$250 million to refund the Series 2008A, 2008B, 2011A, and 2011B bonds. Bond Proceeds will also be used for further expansion of the Clinic. Mr. Gill then turned the call over to Ms. Prewitt to further discuss the project.

Mrs. Prewitt, CFO – Billings Clinic, described the expansion the Clinic is pursuing, as well as the benefits the expansion will bring to the community. Mr. Gill asked Mr. Turner at Kaufmann Hall to discuss the structure of the financing in terms of what is being refinanced and why. Mr. Turner, Kaufmann Hall discussed the structure of the financing. Mr. Pope explained the structure of the bonds and indicates that they intend to enter the market after Labor Day. Mrs. Thoreson, Orrick, explained the resolution and indicated that the amount not to exceed is \$250 million.

Chairman Putnam moved for adoption of Resolution 18-07. Member Rogers seconded the motion, which passed unanimously.

Big Horn Hospital Association

Mr. Gill introduced Kristi Gatrell, CEO – Big Horn Memorial Healthcare, Bill Hodges, Foundation Director – Big Horn Memorial Healthcare, Roxie Cain, Controller – Big Horn Memorial Healthcare, Erin McCrady, Bond Counsel – Dorsey & Whitney and Kreg Jones, Underwriter – D.A. Davidson. Mr. Gill described the financing, as well as details of the renovation to the Hospital. Mr. Gill then asked Kreg Jones to discuss the structure of the financing.

Mr. Jones described the structure of the financing, and indicated that Big Horn would like to take a more conservative route. Mr. Jones said that the taxable portion of the financed will be paid off in the next five years. They are expecting philanthropic monies to pay the taxable portion of the financing. Mrs. Gatrell, CEO – Big Horn Memorial Healthcare, described the condition of the current facilities. Mrs. McCrady, Bond Counsel – Dorsey & Whitney, described Resolution 18-08 which is for revenue bonds not to exceed \$11 million dollars. The maximum true interest cost shall not exceed 5.0% (tax exempt) and 6.5% (taxable).

Chairman Putnam moved for adoption of Resolution 18-08. Vice Chair Kearns seconded the motion which passed unanimously.

Kalispell Regional Medical Center

Mr. Gill introduced to the Board an amended resolution for Kalispell Regional Medical Center's bond financing. Mr. Jones, described the amended resolution. The first amendment deals with the top interest rate. Kalispell's rating was downgraded and because they are unsure of the future outlook, a higher interest rate will allow them more latitude. The second amendment makes some of the financing taxable, as reimbursement windows have lapsed. Ms. McCrady, reiterated the changes to the Resolution.

Vice Chair Kearns moved for adoption of the Amendment to Resolution 18-03. Member Rickard seconded the motion which passed unanimously.

DISCUSSION TOPICS

2021 Biennium Legislation

Mr. Gill provided an update on 501(c)(3) expansion. Once the Department of Commerce gets through budget process and wraps up the end of fiscal year, 501(c)(3) expansion will be picked up again. The Montana Facility Finance Authority is taking a lead on this.

State Building Financing

Mr. Gill announced that the Legislature is looking at the Montana Facility Finance Authority to own, operate, and manage State buildings. Mr. Gill will be presenting to the Legislative finance committee and will present viable alternatives. Member Komlosi recommended that the management side be subcontracted out.

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.

GENERAL ADMINISTRATIVE

Financials

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

MISCELLANEOUS

September Board Meeting

Mr. Gill discussed the next board meeting and it was decided to move the Board Meeting to October 16, 2018. The location will stay in Billings.

Anticipated Financings and Related Matters

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

NAHEFFA and Montana Hospital Association

Mr. Gill and Mr. Lutter will be attending NAHEEFA in Denver, CO from September 11-14. Mr. Gill and Mr. Lutter will attend MHA in Billings, MT from September 19-21.

BOARD MEETING CALENDAR

BOARD MEETINGS	CONVENTIONS
October 16 (Billings)	September 11-14, NAHEFFA, Denver, CO
December 12 (Helena; dinner December 11)	September 19-21, MHA, Billings, MT
	October 17-19 HFMA, Billings, MT

ADJOURN

Chair Putnam adjourned the meeting at 11:50 AM.

APPROVE: 
Larry Putnam, Chair

ATTEST: 
Adam Gill, Executive Director

APPROVAL DATE: _____