

**MONTANA BOARD OF INVESTMENTS
DEPARTMENT OF COMMERCE
SPECIAL CONFERENCE CALL BOARD MEETING**

**2401 Colonial Drive, 3rd Floor
Helena, Montana
Tuesday, April 22, 2008**

MINUTES

BOARD MEMBERS PRESENT:

Terry Moore, Chairman
John Paull
Jack Prothero
Jon Satre
Jim Turcotte

BOARD MEMBERS ABSENT:

Elouise Cobell
Teresa Cohea
Karl Englund
Maureen Fleming
Tom McGillvray
Dan Weinberg

STAFF PRESENT:

Geri Burton, Deputy Director
Kim Dallas, Program Assistant/Board Secretary
Herb Kulow, Portfolio Manager
Nancy Rivera, Credit Analyst
Carroll South, Executive Director

CALL TO ORDER

Chairman Moore called the special conference call board meeting of the Board of Investments (Board) to order at 11:05 a.m. As noted above, the meeting convened with five members of the Board present. Member Maureen Fleming, Member Teri Cohea, Member Karl Englund and Member Elouise Cobell were absent.

Public Comment

Chairman Moore called for Public Comment of Board-Related Items. *No Public Comment made.*

MONTANA LOAN PROGRAM

On April 15, 2008, the Montana Board of Investments Loan Committee approved two loan requests from Big Sky Economic Development Authority (BSEDA) subject to the terms and conditions in Schedule A and/or B.

Loan Request #1 – Participation Loan CTLP# 724-9131:

		<u>Amount</u>	<u>Rate</u>	<u>Term</u>	<u>Annualized Payment</u>
Stockman Bank,	40%	\$2,354,382	5.28% *	25 Years	\$169,803

These minutes are a draft only.

Full Board review and decision will take place at the next regularly scheduled meeting of the Board, May 13 & 14, 2008.

Billings			* 5-year constant maturity treasury (2.23%), plus 3.05%, adjusted every 5 years.		
BOI	60%	\$3,531,573	7.875% + 0.25% SF (8.125%) fixed	25 Years	\$330,604
Total	100%	\$5,885,955			\$500,407

Loan Request #2 – Infrastructure Loan CTLP# 724-9132

		<u>Amount</u>	<u>Rate</u>	<u>Term</u>	<u>Annualized Payment</u>
Montana Board of Investments, Helena	100%	\$4,166,500	6.75%	12 Years	\$458,273

BSEDA is a Billings economic development organization that has solicited GE Capital to locate a portion of their operation to Billings. The expansion by GE Capital will require a 48,000 sq. ft. building to house a projected 250 new employees. The facility will be built to allow for a future expansion.

The financing will be divided into two parts. First, Stockman Bank Billings will provide \$5,885,955 of financing with a 60% BOI participation. They will have a first collateral position on the real estate. The second element in financing is a \$4,166,500 infrastructure loan provided by MBOI. The infrastructure loan will be in a second collateral position behind Stockman Bank.

Loan Committee Chairperson Jack Prothero motioned for approval of both loan requests as recommended and presented by staff; Member Jon Satre seconded the motion. Chairman Moore called for the vote. Four members (Prothero, Paull, Satre and Moore) voted in favor of the motion; one member (Turcotte) voted against. Therefore the motion fails.

Executive Director South explained the Quorum and Voting requirements of the Montana Board of Investments, as follows:

A majority of the Board membership (five members) constitutes a quorum to do business. A favorable vote of at least a majority of all members (five members) of the Board is required to adopt any resolution, motion, or other substantive decision, as prescribed in §2-15-124 MCA.

Member Turcotte withdrew his vote against the motion, and voted in favor of the motion to approve the loan to Big Sky Economic Development Authority.

The motion was unanimously approved 5-0.

ADJOURNMENT

There being no further business, the meeting was adjourned at 11:30 a.m.

BOARD OF INVESTMENTS

APPROVE: _____
Terry Moore, Chairman

ATTEST: _____
Carroll South, Executive Director

DATE: _____

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