

MONTANA BOARD OF INVESTMENTS
2401 Colonial Drive, 3rd Floor
Helena, MT

Minutes of the Special Board Meeting Conference Call
2401 Colonial Drive, 3rd Floor
June 29, 2016

PRESENT:

- David Ewer, Executive Director
- Geri Burton, Deputy Director
- Louise Welsh, Senior Bond Program Officer
- Dana Chapman, Board Secretary
- Mary Noack, Network Administrator
- Maria Wise, Administrative Assistant

VIA CONFERENCE CALL:

- Mark Noennig, Board Chairman
- Karl Englund, Board Vice Chairman
- Terry Cohea, Board Member
- Quinton Nyman, Board Member
- Jack Prothero, Board Member
- Marilyn Ryan, Board Member
- Jon Satre, Board Member
- Sheena Wilson, Board Member

ABSENT:

- Kathy Bessette, Board Member
- Kelly McCarthy, Legislative Liaison
- Bob Keenan, Legislative Liaison

GUESTS VIA CONFERENCE CALL:

- Marlene R. Mahlum, City Clerk/Treasurer, City of Wolf Point
- Jeffrey M. Hindoen, Jackson, Murdo & Grant, P.C.
- Jed E. Kirkland, P.E., Interstate Engineering

Board Chairman Mark Noennig called the meeting to order at 2:08 PM and requested roll call be done. As noted above, a quorum was present. Chairman Noennig noted three guests were present via teleconference and asked them to introduce themselves. Chairman Noennig asked for public comment on issues within the Board's jurisdiction. There was no public comment.

Chairman Noennig requested that Executive Director Ewer introduce the issues before the Board for consideration. Executive Director Ewer requested that Louise Welsh begin.

INTERCAP Loan Program Policy Revision Request – *Decision*

Ms. Welsh introduced the proposed change to the INTERCAP Loan Program Policy. Ms. Welsh explained that currently, municipalities may issue revenue bonds under the authority of the Municipal Revenue Bond Act of 1939, Title 7, Chapter 7, Part 44, Montana Code Annotated (MCA), for a variety of revenue producing facility projects including, but not limited to, water and sewer systems. In 2009, the Legislature passed Senate Bill 294, which added street projects as eligible projects for the Municipal Revenue Bond Act, 7-7-44, MCA. This allowed municipalities the ability to pledge assessments to repay a revenue bond, which provides a lump sum necessary to address the immediate need efficiently and lower overall costs. The change to the Policy would allow adding municipal street assessment revenue bonds to the INTERCAP portfolio.

Board Member Sheena Wilson asked why this issue has not been addressed by borrowers previously. Ms. Welsh responded that typically street maintenance funds were considered in conjunction with the general fund as repayment for an INTERCAP note. A note constitutes debt under municipal statutory limitations yet revenue bonds do not. The program will likely see more of these types of loan requests in the future.

Board Chairman Mark Noennig asked for Executive Director David Ewer to comment on the proposed policy change. Executive Director Ewer recommended approval of the policy change.

Board Chairman Noennig asked if there was a motion to approve the proposed INTERCAP policy change. Board Member Sheena Wilson moved to approve, Board Member Terry Cohea seconded. The motion passed.

INTERCAP Loan Request – City of Wolf Point – Decision

Board Chairman Noennig asked Ms. Welsh to continue on to the City of Wolf Point loan request. Ms. Welsh stated that the City requests to borrow \$1,300,000 for street improvements. The loan will be in the form of a street assessment revenue bond over a 15-year period. The City will contribute the rest from cash on hand towards the \$1,906,000 total project. Ms. Welsh explained that the City borrowed from the program once before. The loan matured in 2005 and paid according to terms.

Ms. Welsh explained that the City is pledging the citywide street assessment revenue from multiple Street Maintenance Funds to repay the bond. The City increased street assessments in August 2015 and can adequately cover the 1.25 debt coverage requirement of approximately \$169,000 annually.

Ms. Welsh recommended approval of the loan with the additional conditions listed in the request submitted to the Board.

Board Chairman Noennig asked if there was a motion to approve the INTERCAP loan request. Board Member Marilyn Ryan moved to approve; Board Member Sheena Wilson seconded. The motion passed.

Board Chairman Noennig asked if there were any comments on the issues covered. Marleen Mahlum with the City of Wolf Point and Jeff Hindoien with Jackson, Murdo & Grant, P.C. both expressed gratitude to the Board and the INTERCAP program staff for their time and effort on this request.

Board Chairman Noennig asked for any further comment. Being no further comment or business, the meeting adjourned at 2:23 PM.

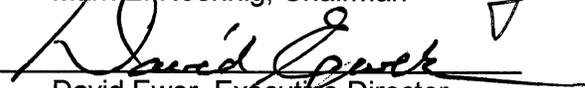
Next Meeting

The next regular meeting of the Board will be August 16-17, 2016 in Helena, Montana.

Complete copies of all reports presented to the Board are on file with the Board of Investments.

BOARD OF INVESTMENTS

APPROVE: 
Mark E. Noennig, Chairman

ATTEST: 
David Ewer, Executive Director

DATE: August 16, 2016