

**SPECIAL MEETING OF THE
MONTANA BOARD OF INVESTMENTS
LOAN COMMITTEE
Via Zoom
April 30, 2026
10:00 AM**

CALL TO ORDER – Tim Kober, Loan Committee Chair

Committee Members – Bennett, Milanovich

1. Notice of Video/Audio Recording
2. Roll Call
3. Public Comment – *Public Comment on issues with Committee Jurisdiction*
4. Approval of October 14, 2025, and November 4, 2025, Committee Meeting Minutes
5. INTERCAP Loan Requests
 - a. *Public Comments*
 - b. Decisions**
6. Adjournment

MONTANA

BOARD OF INVESTMENTS

LOAN COMMITTEE MEETING MINUTES
OCTOBER 14, 2025
9:30 AM

Call to Order

The Board of Investments' Loan Committee meeting was called to order by Committee Chair Tim Kober at 9:50 a.m. on Tuesday, October 14, 2025.

Committee Members Present: Tim Kober, John Milanovich, Porter Bennett

Committee Members Absent: None

Board Members Present: Jeff Meredith, Maggie Peterson, Mark Barry, Cindy Younkin

Board Members Absent: Dan Trost, Dwaine Iverson

Legislative Liaisons Present: Representative Larry Brewster

Legislative Liaisons Absent: Senator Shane Morigeau

Board Staff Present: Brenda Thomas, Dan Villa, Doug Hill, Eron Krpan, Ethan Hurley, Ethan Kittle, Jason Brent, Jessilynn Salois, John Carpenter, John Romasko, Jon Putnam, Julie Feldman, Kirsten Haswell, Louise Welsh, Mark Lodman, Matt Hoffman, Peggy MacEwen, Peggy Saarela, Roberta Diaz, Rob Samson, Savannah Morgan, Sheli Jacoby, Tammy Lindgren, Tim House

Interested Parties Present: John Kevin Balaod – With Intelligence

1. Public Comment

Chair Kober called for public comment on issues within Committee jurisdiction. There was no public comment.

2. Approval of Committee Meeting Minutes

Chair Kober called for comments and approval of the August 20, 2025, Loan Committee meeting minutes. Member Milanovich motioned to approve the minutes. Member Bennett seconded the motion, which passed unanimously.

3. Executive Director Comments

Executive Director Villa did not have any comments for the Committee.

4. INTERCAP Loan Request – *Decision*

Ms. Louise Welsh presented a loan request from Missoula County. The County requests to borrow \$4.95 million to finance a judgment settlement. In October 2024, the County settled a lawsuit filed by approximately 80 jailers and sheriff's deputies,

agreeing to pay the settlement in two installments to resolve a multi-year wage dispute. The initial lawsuit, filed in October 2022, claimed that the County had incorrectly calculated and underpaid officers for several years. The loan will be a general obligation bond with the County's full faith and credit pledged to repay the bond over a five-year term. INTERCAP will be the sole funding source.

Chair Kober called for a motion to approve the loan request. Member Bennett motioned for approval. Member Milanovich seconded the motion, which passed unanimously.

With no further business before the Committee, the meeting was adjourned at 9:56 a.m.

MONTANA

BOARD OF INVESTMENTS

SPECIAL LOAN COMMITTEE MEETING MINUTES November 4, 2025 2:00 PM

Call to Order

The Board of Investments' Loan Committee meeting was called to order by Chairman Tim Kober at 2:00 p.m. on Tuesday, November 4, 2025.

Committee Members Present: Tim Kober, Porter Bennett

Committee Members Absent: John Milanovich

Board Members Present: Jeff Meredith, Dwaine Iverson

Board Members Absent: Cindy Younkin, Maggie Peterson, Mark Barry, Dan Trost

Legislative Liaisons Present: Representative Larry Brewster

Board Staff Present: Brenda Thomas, Cort Jensen, Dan Villa, Ethan Kittle, Jessilynn Salois, John Carpenter, John Romasko, Jon Putnam, Julie Feldman, Kirsten Haswell, Peggy MacEwen, Peggy Saarela, Polly Boutin, Roberta Diaz, Sam Holman, Savannah Morgan, Tammy Lindgren, Tim House

Interested Parties Present: None

1. Roll Call

The roll was taken: two Committee members were present, forming a quorum.

2. Public Comment – *Public Comment on issues with Board Jurisdiction*

Chair Kober asked for public comment on issues within the Committee's jurisdiction. There was no public comment.

3. Resident-Owned Communities/Multifamily-Owned Communities (ROC/MOC) Loan Request – *Decision*

Sam Holman presented the loan request to the Committee. The purpose of the loan is to provide financing for the purchase of a multifamily property with 18 housing units and 2 RV lots. The Borrower is Gibbon Avenue, Inc., and NeighborWorks Montana (NWMT) is facilitating as the Lender. The ROC/MOC loan will be the first mortgage position on the property. The total loan amount is \$2,100,000, and the purchase price of the property is \$2,800,000, resulting in a loan-to-cost ratio of 75%. Staff is recommending approval

contingent upon confirmation that (a) all other sources of financing have been approved, and (b) the appraisal value meets or exceeds the purchase price.

Chair Kober called for a motion to approve the loan request. Member Bennett motioned for approval. Chair Kober seconded the motion, which passed unanimously.

With no further business before the Committee, the meeting was adjourned at 2:12 p.m.



**Montana Board of Investments
Loan Committee
INTERCAP Loan Summary and Approval**

Borrower: Corvallis K-12 School District

Date: March 24, 2026
Approval Date _____

The District requests a \$3.5 million loan to finance costs associated with facility improvements. The improvements include, but are not limited to, required fire-safety code updates, security upgrades, and HVAC upgrades. The requested amount includes a 10.06% contingency. The loan will be in the form of a general promise to pay over a 15-year term. INTERCAP will be the sole funding source.

Authorization

20-9-471 MCA (1) The trustees of a school district may, without a vote of the electors of the district, secure loans from or issue and sell to the board of investments ... obligations for the purpose of financing all or a portion of: (1)(b) the costs associated with renovating, rehabilitating, and remodeling facilities,... (d) any other expenditure that the district is otherwise authorized to make, subject to subsection (5)... (3) The term of the obligation...may not exceed 15 fiscal years.

20-9-406 MCA (1)(b) the maximum amount for which a K-12 may become indebted by...including all indebtedness represented by outstanding general obligation bonds of previous issues, registered warrants, outstanding obligations under 20-9-471...and any other loans or notes payable that are held as general obligations of the district, is the sum of 100% of the taxable value of the property in its elementary program ... and 100% of the taxable value of the property in its high school program.... [The K-12 taxable value is \$25,887,813 X 200%=\$51,775,626. The District has \$51,325,626 debt authority available.]

20-9-525 MCA (2) the purpose of the [school major maintenance aid] account is to provide, ... contingent on appropriation from the legislature, funding for school major maintenance aid as provided in subsection (3) for school facility projects, including the payment of principal and interest on obligations issued pursuant to 20-9-471 for school facility projects,

20-9-503 MCA (2) The trustees of any district maintaining a building reserve fund may: (a) pledge the revenue for loans from the building reserve fund levy for up to 15 years.

20-9-502 MCA (3)(a) ...The trustees of a district may authorize and impose a levy of no more than 10 mills on the taxable value of all taxable property within the district [\$517,756] for that school fiscal year for the purposes of raising revenue for identified school major maintenance projects meeting the requirements of 20-9-525(2). The amount of money raised by the levy, the deposits and transfers authorized under subsection (3)(f) of this section, and anticipated state aid pursuant to 20-9-525(3) may not exceed the district's school major maintenance amount.

For the purposes of this section, the term "school major maintenance amount" means the sum of \$40,000 and the product of \$115 multiplied by the district's budgeted Annual Number Belonging (ANB) for the prior fiscal year. [The maximum school major maintenance amount (SMMA) for the K-12 District for fiscal year 2027 is \$298,730 = (2 X \$40,000) + (\$115 X 1,902 ANB).

INTERCAP Debt

The District has been an INTERCAP borrower since 1998, financing approximately \$2.2 million for various purposes. All loans have matured and been satisfied in accordance with their terms.

Repayment

The annual debt service for this proposed INTERCAP loan will be approximately \$323,400. The District will service the debt using a combination of funds from the General Fund and the SMMA/permissive levy in its Building Reserve Fund. The following financial report demonstrates that the school has the resources to service the debt.

Financial Report

General Fund

	<u>FY25</u>	<u>FY24</u>
Beginning Fund Balance	\$ 966,624	\$ 965,311
Revenues	11,229,919	9,653,806
Expenditures	<u>11,295,605</u>	<u>9,652,493</u>
Ending Fund Balance	\$ 900,938	\$ 966,624

Net Change in Fund Balance	\$ (65,686)	\$ 1,313
Cash and Cash Equivalents	\$ 900,938	\$ 913,177
Fund Balance <i>Unreserved</i>	\$ 900,938	\$ 966,624

Comments:

FY27 The District is maximizing the allowable transportation and bus depreciation permissive levies in FY27 to generate additional annual revenue of approximately \$236,000. The related expenses currently paid by its General Fund will be transferred to the Transportation and Bus Depreciation Funds accordingly.

FY25: Two new charter schools started operating in the District (see above), contributing to the budget increase from the previous year. Without the (\$102,247) one-time interlocal transfer and (\$253,802) transportation and bus depreciation expenses, the fund balance would have been \$290,363.

FY24 Without the (\$244,544) transportation and bus depreciation expenses, the fund balance would have been \$245,857.

Building Reserve Fund

	<u>FY25</u>	<u>FY24</u>
Beginning Fund Balance	\$ 29,207	\$ 398,415
Revenues	194,883	210,724
Expenditures	<u>209,772</u>	<u>579,932</u>
Ending Fund Balance	\$ 14,318	\$ 29,207

Net Change in Fund Balance	\$ (14,889)	\$ (369,208)
Cash and Cash Equivalents	\$ 14,319	\$ 29,207
Fund Balance <i>Unreserved</i>	\$ 14,319	\$ 29,207

Comments:

FY25 Without the (\$209,722) capital project expenses, the fund balance would have been \$194,833.

FY24 Without the (\$579,932) capital project expenses, the fund balance would have been \$210,724.

2023 Legislature, House Bill 549, authorized public charter schools codified in Title 20, Chapter 6, Part 8, MCA.



The District has two new charter schools under its [Realize, Imagine, Serve, Explore Charter](#).

- Distance Learning Academy
- Pathway Learning Academy

Each school is a separate budget unit of the District. The ANB and basic entitlement are calculated separately from other budget units of the district.

2025 Legislature increased the SMMA formula to “the sum of \$40,000 and the product of \$115” multiplied by the district’s budgeted ANB, from “the sum of \$15,000 and the product of 110” X ANB .


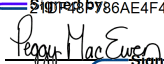
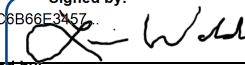
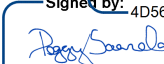
The maximum SMMA for collection in FY26 & FY27 is \$250,890 and \$298,730, respectively.

Recommendation

The District can adequately service the debt. Approval is recommended with the following conditions:

1. The loan will be in the form of a general promise to pay note and payable from amounts in the District's General Fund or any other legally available funds including but not limited to the Building Reserve Permissive Fund, a sub fund of the Building Reserve Fund.
2. By every March 31, the District must pass a preliminary resolution authorizing the 20-9-502(3), MCA building reserve permissive levy to be used to repay the debt. The preliminary resolution must describe the levy amount sufficient to pay the debt service on the loan in the coming year, loan maturity, the Facility Condition Inventory (FCI) Report project financed, and that the project falls within the parameters of both 20-9-471(1)(b) and 20-9-525(2), MCA.
3. If imposing the building reserve permissive levy for the first time or an increase is anticipated, the District must ensure public notice is completed in accordance with 20-9-116, MCA.
4. The District must annually budget for the debt service in accordance with school budget laws Title 20, Chapter 9, Part 1 and ensure the levy to repay the debt service for the coming year is imposed by tracking the progress and completion of the process to do so in accordance with 20-9-133 through 20-9-152, MCA, as applicable.
5. No additional debt service or new projects may encumber the Building Reserve Permissive Fund without the Board's written permission for the term of the loan.

Staff Loan Committee

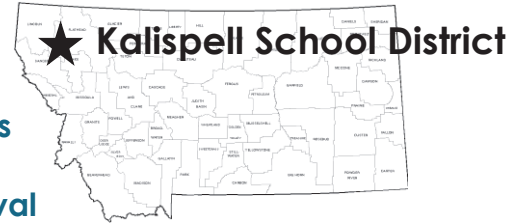
Dan Villa, Executive Director	 <small>DocuSigned by:</small> <small>86AE4F4...</small>	Approval Date <u>3/24/2026 9:55 AM MD</u>
Peggy MacEwen, Deputy Director	 <small>Signed by:</small> <small>D3A09C6B66E3M57</small>	Approval Date <u>3/24/2026 9:37 AM MD</u>
Louise Welsh, Director of Municipal Loans	 <small>Signed by:</small> <small>4D56624EB92E4D7...</small>	Recommended <u>3/24/2026 9:24 AM M</u>
Peggy Saarela, Credit Analyst	 <small>Signed by:</small> <small>B8B33F1151684EA...</small>	Recommended <u>3/24/2026 8:13 AM M</u>

Board Loan Committee – April 30, 2026

Tim Kober, Chairperson – Loan Committee
 Porter Bennett, Member
 John Milanovich, Member

Approval
 Yes No Abstain
 Yes No Abstain
 Yes No Abstain

Approval Date: _____



Montana Board of Investments
Loan Committee
INTERCAP Loan Summary and Approval

Borrower: Kalispell School District #5 (Elementary)

Date: April 13, 2026

Approval Date _____

The District requests to borrow \$2,332,000 to finance costs associated with replacement of the boiler system in Russell and Hedges Elementary. The loan will be in the form of a general promise to pay over a 15-year term. INTERCAP will be the sole funding source.

Authorization

20-9-471 MCA (1) The trustees of a school district may, without a vote of the electors of the district, secure loans from or issue and sell to the board of investments ... obligations for the purpose of financing all or a portion of: (1)(b) the costs associated with renovating, rehabilitating, and remodeling facilities,... (d) any other expenditure that the district is otherwise authorized to make, subject to subsection (5)...(3) The term of the obligation...may not exceed 15 fiscal years.

20-9-406 MCA (1)(b) the maximum amount for which an elementary or a high school district may become indebted by...including all indebtedness represented by outstanding general obligation bonds of previous issues, registered warrants, outstanding obligations under 20-9-471...and any other loans or notes payable that are held as general obligations of the district, is the sum of 100% of the taxable value of the property in its elementary program ... and 100% of the taxable value of the property in its high school program.... [The Elementary taxable value is \$99,143,298 X 100%=\$99,143,298. The District has \$82,020,312 debt authority available.]



20-9-525 MCA (2) the purpose of the [school major maintenance aid] account is to provide, ... contingent on appropriation from the legislature, funding for school major maintenance aid as provided in subsection (3) for school facility projects, including the payment of principal and interest on obligations issued pursuant to 20-9-471 for school facility projects,

20-9-503 MCA (2) The trustees of any district maintaining a building reserve fund may: (a) pledge the revenue for loans from the building reserve fund levy for up to 15 years.

20-9-502 MCA (3)(a) ...The trustees of a district may authorize and impose a levy of no more than 10 mills on the taxable value of all taxable property within the district for that school fiscal year for the purposes of raising revenue for identified school major maintenance projects meeting the requirements of 20-9-525(2). The amount of money raised by the levy, the deposits and transfers authorized under subsection (3)(f) of this section, and anticipated state aid pursuant to 20-9-525(3) may not exceed the district's school major maintenance amount.

For the purposes of this section, the term "school major maintenance amount" means the sum of \$40,000 and the product of \$115 multiplied by the district's budgeted Annual Number Belonging (ANB) for the prior fiscal year. [The maximum school major maintenance amount (SMMA) for the Elementary District for fiscal year 2027 is \$404,895 = (\$40,000 + (\$115 X 3173 ANB)).

INTERCAP Debt

The District has been an INTERCAP borrower since 1996, financing approximately \$2.9 million for various purposes. The District has two INTERCAP loans that are fully funded with \$497,985 outstanding with final maturity in February 2035.

Repayment

Annual debt service for this proposed INTERCAP loan will be approximately \$215,475. The District intends to use its Building Reserve and General Funds as the primary sources of repayment. The following financial report demonstrates that the District has the resources to service the debt.

Financial Report

General Fund

	<u>FY25</u>	<u>FY24</u>
Beginning Fund Balance	\$ 2,396,950	\$ 2,343,385
Revenues	24,038,380	23,560,452
Expenditures	<u>23,907,155</u>	<u>23,506,887</u>
Ending Fund Balance	\$ 2,528,175	\$ 2,396,950
Net Change in Fund Balance	\$ 131,225	\$ 53,565
Cash and Cash Equivalents	\$ 1,944,275	\$ 3,458,513
Fund Balance <i>Unreserved</i>	\$ 2,528,175	\$ 2,396,950

Comments:

FY25 Nothing out of the ordinary to report this fiscal year.

FY24 School district general fund reserve is statutorily limited to 10% per 20-9-104, MCA. At the end of FY24, reserves were at 15%.

Building Reserve Fund

	<u>FY25</u>	<u>FY24</u>
Beginning Fund Balance	\$1,170,904	\$ 727,972
Revenues	742,047	470,791
Expenditures	<u>1,117,155</u>	<u>27,859</u>
Ending Fund Balance	\$ 795,796	\$1,170,904
Net Change in Fund Balance	\$ (375,108)	\$ 442,932
Cash and Cash Equivalents	\$ 869,856	\$ 972,672
Fund Balance <i>Unreserved</i>	\$ 795,796	\$1,170,904

Comments:

- FY25 Without the one-time (\$947,921) expenses, the net change in fund balance would have been \$572,813.
- FY24 Without the one-time (\$18,951) expenses, the net change in fund balance would have been \$461,883.

Recommendation

The District can adequately service the debt. Approval is recommended with the following conditions:

1. The loan will be in the form of a general promise to pay note and payable from amounts in the District's General Fund or any other legally available funds, including but not limited to the Building Reserve Permissive Fund, a sub-fund of the Building Reserve Fund.
2. By every March 31, the District must pass a preliminary resolution authorizing the 20-9-502(3), MCA building reserve permissive levy to be used to repay the debt. The preliminary resolution must describe the levy amount sufficient to pay the debt service on the loan in the coming year, the loan maturity, the school facilities project financed, and that the project falls within the parameters of both 20-9-471(1)(b) and 20-9-525(2), MCA.
3. If imposing the building reserve permissive levy for the first time or an increase is anticipated, the District must ensure public notice is completed in accordance with 20-9-116, MCA.
4. The District must annually budget for the debt service in accordance with school budget laws, Title 20, Chapter 9, Part 1, and ensure the levy to repay the debt service for the coming year is imposed by tracking the progress and completion of the process to do so in accordance with 20-9-133 through 20-9-152, MCA, as applicable.
5. No additional debt service or new projects may encumber the Building Reserve Permissive Fund without the Board's written permission for the term of the loan.

Staff Loan Committee

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Dan Villa, Executive Director



Recommended 4/15/2026 | 2:52 PM MDT

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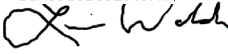
Peggy MacEwen, Chief Operating Officer


Peggy MacEwen

Recommended 4/13/2026 | 11:23 AM MDT

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Louise Welsh, Director of Municipal Loans



Recommended 4/13/2026 | 11:01 AM MDT

Signe

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Peggy Saarela, Credit Analyst



Recommended 4/13/2026 | 10:31 AM MDT

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Board Loan Committee – April 30, 2026

Tim Kober, Chairperson – Loan Committee
Porter Bennett, Member
John Milanovich, Member

Approval

- Yes No Abstain
- Yes No Abstain
- Yes No Abstain

Approval Date: _____



Montana Board of Investments INTERCAP Loan Summary and Approval

Borrower: City of Kalispell

Date: April 23, 2026
Approval Date: _____

The City requests a \$1,917,000 loan to finance new fire pumper trucks similar to the one pictured below. The loan will be in the form of a general promise to pay over a 10-year term. INTERCAP will be the sole funding source.

Authorization

7-7-4101 Montana Code Annotated (MCA) The city or town council has power to contract an indebtedness on behalf of a city or town, upon the credit of the city or town, by borrowing money, ...for the following purposes: (6) purchasing... street and other equipment, and personal property, including without limitation, vehicles,...

7-5-4306 MCA When the amount to be paid under an installment purchase contract exceeds \$4,000, the council may provide for the payment of the amount in installments extending over a period of not more than 10 years.

7-7-4201 MCA (1) City or town may not issue bonds or incur other indebtedness for any purpose in an amount that with all outstanding and unpaid indebtedness exceeds 2.5% of the total assessed value of taxable property. [City \$6,720,995,583 total assessed value X 2.5% = \$168,024,889 debt authority. The City has \$167,069,016 debt authority available.]



INTERCAP Debt

The City has been an INTERCAP borrower since the program's inception in 1987, financing over \$8.3 million for various purposes. The City has five current, fully funded loans totaling \$955,873, with the longest-term loan maturing in August 2030.

Repayment

Annual debt service for this proposed INTERCAP loan will be ≈\$240,170. The City designated its Emergency Responder Levy Fund to repay the loan with the understanding that the General Fund is ultimately responsible for repayment in the event of a shortfall. The Financial Report to follow shows the City has the resources to service the debt.

Financial Report

General Fund

	<u>FY25</u>	<u>FY24</u>
Beginning Fund Balance	\$ 4,609,562	\$ 4,027,017
Revenues	15,466,619	15,191,861
Expenditures	<u>15,365,705</u>	<u>14,609,316</u>
Ending Fund Balance	\$ 4,710,476	\$ 4,609,562

Net Change in Fund Balance	\$ 100,914	\$ 582,545
Cash and Cash Equivalents	\$11,061,031	\$10,638,548
Fund Balance <i>Unreserved</i>	\$ 3,114,929	\$ 2,368,793

COMMENTS:

FY25: Without the (\$398,566) capital outlay expenses, (\$100,371) one-time expenses, the net change in fund balance would have been \$599,851.

FY24: Without the (\$417,150) capital outlay expenses, (\$288,125) one-time expenses, the net change in fund balance would have been \$1,287,820.


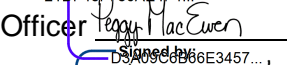
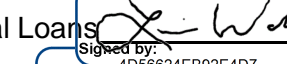
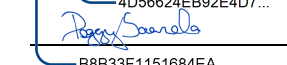
Emergency Responder Levy Fund

The Emergency Responder Levy Fund was established in fiscal year 2024 and was reported as a major governmental fund beginning in fiscal year 2025. The fund accounts for voter-approved property tax revenue dedicated to emergency response services. Fiscal year 2025 represented the first full year of \$4,336,346 collections. As of June 30, 2025, the fund reported a net change in fund balance of approximately \$1,759,350. The fund is projected to generate \$4,480,259, plus an annual inflationary adjustment.

Recommendation

The City can adequately service this debt. Approval recommended.

Staff Loan Committee

Dan Villa, Executive Director	 Signed by: 21DF48F786AE4F4...	Recommended 4/23/2026 3:47 PM MDT
Peggy MacEwen, Chief Operating Officer	 Signed by: D5A09C0B6E3457...	Recommended 4/23/2026 3:31 PM MDT
Louise Welsh, Director of Municipal Loans	 Signed by: 4D56624EB92E4D7...	Recommended 4/23/2026 2:22 PM MDT
Peggy Saarela, Credit Analyst	 Signed by: B8B33F1151684EA...	Recommended 4/23/2026 2:21 PM MDT

Board Loan Committee – April 30, 2026

Tim Kober, Chairperson – Loan Committee
 Porter Bennett, Member
 John Milanovich, Member

Approval

- Yes No Abstain
 Yes No Abstain
 Yes No Abstain