

Mary Ann Harwood - Commission Chair
Don Hartwell - Commissioner
Terry Tomscheck - Commissioner
Merle Raph - County Attorney
Dan B. Whitted - Coroner
Donna Whitt - Sheriff



Debra Munson - Clerk of Court
Treva Nelson - Clerk & Recorder/
Election Administrator
Joe Rapkoch - Justice of the Peace
Boyd Jackson - Treasurer/Assessor/
Superintendent of Schools
Phyllis Robertson - Public Administrator

226 1ST Street South
Toole County Courthouse, Shelby, MT 59474
406-424-8300 www.toolecountymt.gov

COMMISSIONERS' AGENDA
May 3, 2021
10:00 am

PRESENT: Mary Ann Harwood, Don Hartwell, Terry Tomscheck, Merle Raph, County Attorney and Treva Nelson, Clerk & Recorder

Public comment is allowed on all agenda items at the direction of the Chairman and following Board rules.

PLEDGE OF ALLEGIANCE

Approval of April 22, 2021 Meeting Minutes: Don motioned to approve. Terry seconded the motion and the motion carried.

***NOTE TO MEETING: ***

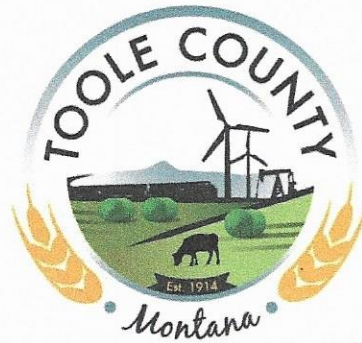
On April 30, 2021, Don and Terry, via phone, with Mary Ann and Merle in person, passed Resolution 7-2021, a Resolution to approve an Amendment to the Staff Leasing Agreement to deal with an emergency situation affecting the public health, welfare or safety or the decision is a ministerial act. MCA 2-5-112 (2019) provides for the exception to MCA 2-3-103 (2019) and MCA 2-3-111 (2019). The execution of the amendment would abate the emergency situation. **Don motioned to approve Resolution 7-2021. Terry seconded the motion. All were in favor and the motion carried. Don motioned to pass the Amendment to the Staff Leasing Agreement with KRH. Terry seconded the motion. All were in favor and the motion carried.**

When the agenda was posted, it showed approval of Resolution 7-2021 as item #5. This needs to be changed to Resolution #8-2021, as Resolution #7-2-21 was passed in the April 30, 2021 meeting. **Motion was made by Don to approve the agenda with the correction. Terry seconded it and motion carried.**

1. Consider approval of the VGM Health Appraisal for the Fair Market Value Analysis of the Marias Medical Center, the Marias Heritage Center, and the Brittain House. **Don motioned to approve. Terry seconded the motion and the motion carried.**

2. Consider approval of the VGM Health Appraisal of the Fair Market Value Analysis of the Tangible Personal Property for the Marias Medical Center and the Marias Heritage Center. **Don motioned to approve. Terry seconded the motion and the motion carried.**
3. Consider approval of the Officer's Certificate for the Health Care Facilities Revenue Refunding Bonds for the Master Loan Program for the Marias Medical Center Project. **Don motioned to approve. Terry seconded the motion and the motion carried.**
4. Consider Approval of the Escrow Agreement among the Montana Facility Finance Authority, Toole, Montana, Kalispell Regional Healthcare System and U.S. Bank National Association as Trustee and Escrow Agent. **Don motioned to approve. Terry seconded the motion and the motion carried.**
5. Consider Resolution 8-2021, a resolution for the approval and sale of the operations of the Marias Medical Center, Marias Heritage Center, and the Brittain House. **Don motioned to approve. Terry seconded the motion and the motion carried.**

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RESOLUTION 8-2021

A RESOLUTION APPROVING THE SALE OF THE FACILITIES, PROPERTY AND OPERATIONS OF THE MARIAS MEDICAL CENTER TO KALISPELL REGIONAL HEALTHCARE SYSTEM AND AUTHORIZING ACTIONS FOR CLOSING THE TRANSACTION

WHEREAS, the Board of County Commissioners (BOCC) of Toole County (the "County") held a public hearing as required by 7-8-2521, M.C.A, and approved Resolution 14-2019 on September 19, 2019 setting forth the procedures and process for the sale of County owned real property and County owned personal property and operational interests (like health care operations, including hospital, skilled nursing facility and assisted living facility operations) that may coincide with the sale of real property; and

WHEREAS, the BOCC held an additional public meeting on October 3, 2019, at which the BOCC reconsidered and amended Resolution 14-2019 to allow the sales procedure to include all County owned real property and personal property through a single competitive request for proposal (RFP) process; and

WHEREAS, the BOCC held a public meeting on October 7, 2019, and passed Resolution 17-2019 indicating the County's intent to accept proposals to acquire the operations and related real and personal property of Marias Medical Center, Marias Heritage House and the Brittain House; and

WHEREAS, as provided in Resolution 17-2019, the BOCC held a public meeting on October 30, 2019, to discuss a draft RFP identifying the conditions of the proposed sale of the County property and to accept public comment and input regarding important community considerations for the proposed RFP;

WHEREAS, the BOCC received and considered community comments throughout the months of November and December; and

WHEREAS, following notice as required by 7-1-2121, M.C.A, the BOCC considered and approved the final RFP for proposals to acquire the facilities, property and operations of Marias Medical Center at a public meeting on January 16, 2020, and immediately released the RFP for review by the public and potential interested parties; and

WHEREAS, in response to the RFP, the BOCC received sealed proposals from Benefis Health System (Benefis) located in Great Falls, Montana and Kalispell Regional

Healthcare System (KRHS) located in Kalispell, Montana;

WHEREAS, the BOCC opened the sealed bid at a public meeting on May 25, 2020;

WHEREAS, at a public meeting on May 11, 2020, the BOCC approved the BOCC to travel to Great Falls and Kalispell during the month of May, 2020 to visit the primary facilities of each interested party, discuss the proposal with the management teams, and to gather information to assist in the BOCC decision regarding which proposal to approve;

WHEREAS, after meeting with both organizations that provided bids, the BOCC held a public meeting on June 15, 2020, and passed Resolution 10-2020 selecting the KRHS proposal and directing counsel to prepare the written agreement and associated documents necessary to accomplish the transfer of assets consistent with the KRHS proposal;

WHEREAS, the BOCC held a public meeting on April 15 2021 and approved an Asset Purchase Agreement (as amended at a public meeting on April 22, 2021), to transfer the assets consistent with the KRHS proposal and defease the "Series 2016B Bonds" covering the assisted living facility known as the Marias Heritage Center and located at 111 2nd Street South, Shelby, Montana 59474, subject to the receipt of the formal appraisal of the property with closing of the transaction to occur on or about April 30, 2021, or pursuant to the terms of the Asset Purchase Agreement;

WHEREAS, as required by Section 7-8-2211, et. seq. , M.C.A., the BOCC has engaged the professional appraisal company VMG Health to conduct an appraisal of the real estate and personal property to be sold pursuant to the Asset Purchase Agreement;

WHEREAS, VMG Health has provided an appraisal of the current fair market value of the personal property and the real estate to be transferred pursuant to the Asset Purchase Agreement;

WHEREAS, the VMG Health appraisal has determined that the fair market value of the personal property to be transferred is \$698,910; the real property associated with the Marias Medical Center to be \$1,700,000; the real property associated with the Marias Heritage Center to be \$1,500,000, and the real property associated with the Brittain House used for travelling professionals to be \$100,000.

NOW, THEREFORE BE IT RESOLVED by the Toole County Board of County Commissioners that:

1. Authorization and Findings

1.1 Authorization. Section 7-8-2501, M.C.A. authorizes the BOCC to sell or dispose of County owned real property in the best interest of the County and for the public benefit and welfare of its residents. Section 7-8-2211, et.seq. provide the requirements for the sale of County owned personal property. The BOCC determined it is in the best interest of the County residents to ensure long-term quality health care services, the proposed sale must include a both real property and personal property associated with the Marias Medical Center. Since one part of the sale will include real property, the BOCC passed Resolution 14-2019, in compliance with Section 7-8-2521, M.C.A.

1.2 Findings. Based upon the valuation of the assets identified in the VMG Health appraisal, the amount of consideration provided by KRHS pursuant to the terms of the Asset Purchase Agreement is in excess of the amount required by the

applicable law related to the County's obligations and responsibilities associated with the sale of County owned real and personal property.

2 Authorization for Sale and Transfer of Assets pursuant to Closing of the Asset Purchase Agreement and Authorization for Actions by Commissioners.

2.1 The BOCC hereby confirms that the sale of the County owned assets identified in the attached Asset Purchase Agreement pursuant to its terms is in the best interest of the County and its residents, and that the consideration provided to the County by KRHS will be in excess of the amounts required by Montana law. The BOCC hereby authorizes the Commissioners to execute all documents associated with the Asset Purchase Agreement necessary to complete the sale of the property.

Dated *May 3rd, 2021*

Mary Ann Harwood
Toole County Commissioner

Don Hartwell
Toole County Commissioner

Terry Tomsted
Toole County Commissioner

Attested:

Anna Nelson
Clerk and Recorder



Resolution No. 7-2021

A RESOLUTION APPROVING THE AMENDMENT TO THE STAFF LEASING AGREEMENT

Whereas, Toole County is in the process of selling its facilities and operations of the Marias Medical Center to Kalispell Regional Healthcare System; and

Whereas, the closing was set for April 30, 2021, however, to comply with statutory notice and public meeting requirements the closing has been set for May 5, 2021; and


Whereas, it is necessary to amend the STAFF LEASING AGREEMENT to extend the term until May 5, 2021; and


Whereas, Montana Code Annotated §2-3-112(2019) provides an exception to Montana Code Annotated §2-3-103(2019) and Montana Code Annotated §2-3-111(2019) if the decision must be made to deal with an emergency situation affecting the public health, welfare or safety or the decision is a ministerial act.

NOW THEREFORE BE IT RESOLVED by the Toole County Board of Commissioners that:

1. An emergency situation exist affecting the health, safety and welfare of the citizens of Toole County.
2. The execution of an Amendment to the STAFF LEASING AGREEMENT will abate the emergency situation.
3. The Board of County Commissioners hereby approves the Amendment to the STAFF LEASING AGREEMENT and authorizes the Chairperson to execute the Amendment to the agreement.

BOARD OF TOOLE COUNTY COMMISSIONERS


Mary Ann Harwood, Chairperson


Don Hartwell, Member

Terry Tomsheck, Member

ATTEST:



Treva Nelson, Clerk and Recorder

Treva Nelson, Clerk and Recorder

