AMARILLO HOSPITAL DISTRICT
FINANCE COMMITTEE MEETING
AMARILLO CITY HALL
ROOM 306
MINUTES
JULY 13, 2010
4:00 P.M.

Members	Present
Mr. Craig Bryan, Chairman	Yes
Mr. Greg Graham	No
Ms. Murielle Barnes	Yes

Also Present	
Mr. Dean Frigo	Assistant City Manager for Financial Services, City of Amarillo
Mr. Matt Richardson	Director of Public Health, City of Amarillo
Ms. Andrea Rains	Recording Secretary, City of Amarillo
Mr. Kyle Sanders	Chief Executive Officer, Northwest Texas Healthcare System
Ms. Sharon Oxendale	Chief Operating Officer, Northwest Texas Healthcare System
Mr. Matt Ramsey	Investment Officer, Amarillo National Bank
Mr. Herman Shirly	Investment Officer, Herring Bank
Dr. Richard M. Jordan	Regional Dean, TTUHSC
Dr. Bonna G. Benjamin	Regional Chair, Department of Pediatrics, TTUHSC

ITEM 1. Mr. Bryan welcomed those in attendance and called the meeting to order at 4:02 p.m.

ITEM 2. Mr. Bryan presented the minutes of the last AHD Finance Committee meeting held April 26, 2010. There were no questions or comments. Ms. Barnes motioned to approve the minutes as presented. Mr. Bryan seconded the motion and it carried unanimously.

ITEM 3. Discussion and Recommendation on Upper Payment Limit Program and Indigent Care Agreement. Mr. Sanders reviewed that with ongoing discussions regarding the healthcare reform bill and how it would affect the District and its contracts with UHS in the long-term, city staff had requested more time to study universal healthcare. He explained that since it was time for another state sweep the next week, the presented contracts would only extend one additional quarter beginning August 9, 2013 and ending November 8th, 2013 by advancing $1,330,871 at a discount rate of 8%. Mr. Sanders reviewed each resolution and agreement and stated that the language was the same as previously approved by the District with exception being only to dates and dollar amounts. Motion to recommend to the full Board funding the UPL as presented was made by Ms. Barnes, seconded by Mr. Bryan, and unanimously carried.

ITEM 4. Consider Proposal from UHS for Pediatric and Dental Services and Tobacco Free Amarillo. Ms. Oxendale stated that on June 29th, UHS presented proposals for pediatric and dental services and Tobacco Free Amarillo to the Indigent Care and Funding Priorities committee. She stated that the Committee met again this morning and further explored the dental clinic and its services. She reviewed that the proposal for pediatric services and Tobacco Free Amarillo was to maintain funding at the same level as last year. Ms. Oxendale stated that RHN (Regence Health Network) had requested an additional $50 thousand budget increase for dental services. After discussion at the earlier Indigent Care and Funding Priorities committee meeting, she explained, the Committee recommended leaving budgets for all three services at their current funding levels for the 2010-2011 budget year. Ms. Oxendale reviewed that the original proposal for the three services, with the increase in dental services, totaled $1,855,612 and the proposed contract between the District and UHS was $1,670,051 for a savings of $185,561 to the District. Mr. Frigo stated that staff would not recommend any increases in the three services, that the contractors have done a good job and all had positive results in the community. He stated that he would recommend approval "as-is" even though it presents a deficit and anticipate a better outcome next year. He noted that if budgets were trimmed further, it would hurt the programs and the community. Mr. Bryan

motioned to submit the proposal from UHS as proposed without the requested budget increase in dental services. Ms. Barnes seconded the motion and it unanimously carried.

ITEM 5. Consider 2010-2011 AHD Budget. Mr. Frigo presented the District's proposed 2010-2011 fiscal-year budget. Reviewing the proposed Operating budget, he reported that the Fund would have $223,970,721 in available funds at the beginning of the year with budgeted revenue of $9,177,478. He reviewed total budgeted expenditures of $8,867,351 which included a proposed budget amount of $5,511,696 for the Indigent Care Contract, $873,571 for the Public Health Contract, and a Pension contribution amount of $2,231,091. He pointed out that this estimated budget as-is with no changes, would leave the District with a slight surplus of $310,127. Mr. Frigo reviewed the proposed budget for the Tobacco Fund and stated that the Fund would begin the year with $346,968 in available funds. He stated that the Fund had a budgeted revenue number of $352,275; which is the amount expected from the distribution of the tobacco settlement proceeds. He explained that the Indigent Care and Funding Priorities Committee had met earlier the same day and recommended to keep Professional Services, which is the contract with UHS to fund tobacco, dental, and Tobacco Free Amarillo services, at their current funding level of $1,639,211 with no budget increases. Mr. Frigo pointed out that even with no increase in expenditures; the Tobacco Fund would still face a budget deficit of $1,327,376. He explained that there really were no good options for the Fund this year and suggested that with over $200 million in assets, the Fund could retain a deficit this year and look at trimming its expenditures next year. Mr. Bryan motioned to submit the proposed budget as proposed, with no budget increases in professional services of the Tobacco Fund, to the full Board. Ms. Barnes seconded the motion and it carried unanimously.

ITEM 6. Presentation of Quarterly Financial Statements. Mr. Frigo presented the District's quarterly financial statements at June 30th, 2010 and reviewed that the Fund's total assets were $239,883,819 over total current liabilities of $9,505,203. Total assets, he reviewed, included approximately $8.1 million in cash and equivalents, $201 million in investments, $1.5 million in accrued interest, $16.8 million in prepaid expenses and $9.3 million in securities lending collateral, with the same amount reflected as a liability for when the securities are returned. Mr. Frigo noted that the District's contract with the state regarding the Poison Control Grant will end on August 31st this year and Tech will begin contracting directly with the state. Reviewing the income statement, Mr. Frigo reported total revenue of $8,821,378 over total expenses of $8,735,018 for an operating income of $86,360. He reported that the District's largest expense was indigent care of $4,475,891; followed by the Pension payment of $2,103,169, professional services of $1,288,475; which includes the pediatric, dental, and Tobacco Free Amarillo contracts, and Public Health of $574,154. Reviewing the Budget Versus Actual Report of the Operating Fund, Mr. Frigo stated that total revenue, through three-quarters of the year, was 77.27% realized. He further reviewed that fiduciary fees were 74.51% realized; Indigent Care was 75.73% realized, the Retirement Trust was 100% realized, and Public Health was 61.25% realized and hoping to come in under budget.

ITEM 7. Quarterly Investment Report from Investment Officer. Mr. Bryan stated that the Quarterly Investment Report would be presented to the full Board at the meeting on July 15th, 2010.

ITEM 8. Public Comments. Dr. Jordan thanked the District for their past support and for maintaining TTUHSC's budget. Dr. Benjamin updated the Committee regarding the Pediatric Renovation project and stated that the remodel is scheduled to be completed by the end of the month and open by September 1st.

ITEM 9. Adjournment. There, being no further business, Mr. Bryan adjourned the meeting at 4:35 p.m. This meeting has been recorded and all comments are on file in the City Finance Department.

Greg Graham, Vice-Chairman

ATTEST:

Murielle Barnes, Secretary