AMARILLO HOSPITAL DISTRICT
FINANCE COMMITTEE MEETING
AMARILLO CITY HALL
ROOM 306
MINUTES
JANUARY 31, 2011
4:00 P.M.

Members	Present
Mr. Greg Graham	Yes
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
Mr. Matt Ramsey	Investment Officer, Amarillo National Bank

ITEM 1. Mr. Graham called the meeting to order at 4:10 p.m. at City Hall, 509 East 7th Street, Third Floor, Room 306, and welcomed those in attendance.

ITEM 2. Mr. Graham presented the minutes of the last AHD Finance Committee meeting held July 13, 2010. There were no questions or comments. Ms. Barnes motioned to approve the minutes as presented. Mr. Graham seconded the motion and it carried unanimously.

ITEM 3. Consider Corpus Investment Policy. Mr. Frigo advised that staff had no changes to propose; that per the Texas Public Funds Investment Act, the District must review its Investment Policy annually. Motion was made by Ms. Barnes, seconded by Mr. Graham and unanimously carried to recommend no changes to the Corpus Investment Policy to the full Board.

ITEM 4. Consider Pension Plan Investment Policy. Mr. Frigo reviewed that Mr. Roy Browning had made some recommendations for the Board to consider asset classes in the Pension Plan's Investment Policy to include: REITs, emerging markets and junk bonds. Mr. Ramsey stated that he had no issues and could manage all of Mr. Browning's suggestions; however, Amarillo National Bank was not accustomed to managing junk bonds. The Committee tabled this item to a future meeting date where Mr. Browning could attend.

ITEM 5. Consider Bylaws. Mr. Frigo explained that the District's Bylaws, like the Investment Policy, must be reviewed annually. He stated that at this time, there were no changes suggested by staff. Ms. Barnes motioned to recommend the District's Bylaws to the full Board with no changes. Mr. Graham seconded the motion and it carried unanimously.

ITEM 6. Consider Release of Collateral. Mr. Sanders reported that the City of Amarillo had approached UHS for a donation of land at the corner of Coulter and 9th Street in order to facilitate a stop light. He reviewed that by the covenants and restrictions listed in the Indigent Care Agreement, UHS must get approval from the Amarillo Hospital District Board of Managers, as it relates to "real" property. Mr. Sanders stated that UHS would like the ability to donate the land to the City for a stop light. Mr. Frigo noted that this release does not significantly diminish the District's collateral value. The motion was made by Ms. Barnes, seconded by Mr. Graham, and carried unanimously to recommend approval of the partial release of collateral as drafted by the City Counsel to the full Board.

ITEM 7. Presentation of Quarterly Financial Statements. Mr. Frigo presented the District's Quarterly Financial Statements at December 31, 2010 and reviewed a total Fund balance of $227,258,142. Of the

total amount, he reported approximately $205,345,000 in cash and investments and $1,344,912 in accrued interest on investments. He pointed out that the $1,080,000 in securities lending collateral was listed as both an asset and a liability for when the collateral is returned. Mr. Frigo stated that the $16,650,388 under prepaid expenses was the amount paid towards the Indigent Care Agreement. Reviewing the income statement, Mr. Frigo reported total revenue of a negative $2,752,861 versus total expenses of $1,984,160 for an operating loss of -$4,737,021. He noted that the operating loss was approximately the same figure as the District's unrealized investment loss for the quarter. Mr. Frigo reviewed the budget versus actual report of the Operating Fund and stated that revenue was a little behind at an annual budgeted amount of $9,177,478; or 21.41%, versus an actual amount of $1,965,212 for the quarter. He reported that both the Indigent Care Contract and Professional Services were on their targeted amounts at about 25% realized. He reviewed that the Fund had total actual revenue of $1,965,212 versus total actual expenses of $1,623,779. From the Tobacco Fund's budget versus actual report, Mr. Frigo stated that the Fund had an actual expense amount of $368,583 under professional services; which was the amount paid for pediatric services at Texas Tech and Tobacco Free Amarillo. He noted that the Fund received an actual investment income amount of $1,152 for the quarter.

ITEM 8. Quarterly Investment Report from Investment Officer. Mr. Graham reported that the Fund's Investment Portfolio was in compliance with its Investment Policy and stated that he would present the full Quarterly Investment Report at the next morning's Board of Directors meeting, February 1st, 2011.

ITEM 9. Legislative Briefing. Mr. Frigo explained that this item was requested as a standing item on all Hospital District agendas by the City Attorney's Office. He stated that there was a host of bills being proposed during this legislative session that could affect the Amarillo Hospital District. Mr. Richardson and Mr. Frigo reviewed that there were only a couple of bills that have been proposed so far and do not appear to have any impact locally. Mr. Frigo noted that staff would keep the Board posted under this item as more bills are proposed during the session.

ITEM 10. Public Comments. Mr. Ramsey questioned if the cash reflected on the income statement included accrued income to which Mr. Frigo answered yes; and that the unrealized gains and losses are recorded as of December 31, 2010.

ITEM 11. Adjournment. There, being no further business, Mr. Graham adjourned the meeting at 4:25 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