

**AMARILLO HOSPITAL DISTRICT  
MEETING OF BOARD OF MANAGERS  
AMARILLO CITY HALL  
CITY COMMISSION CHAMBERS  
MINUTES  
APRIL 16, 2013  
7:30 A.M.**

<u>Members</u>	<u>Present</u>
Mr. Bob Stafford, MD, Chairman	Yes
Ms. Mark Logsdon, Vice-Chair	Yes
Mr. Chuck Speed, Secretary	Yes
Mr. Rodney Ruthart	No
Mr. Smith Ellis	No
Mr. Roger Williams	Yes
Dr. Rakhshanda Rahman	Yes

Also Present

Ms. Michelle Bonner	Assistant City Manager for Financial Services, City of Amarillo
Mr. Marcus Norris	City Attorney, City of Amarillo
Dr. Matt Richardson	Director of Public Health, City of Amarillo
Ms. Andrea Rains	Recording Secretary, City of Amarillo
Mr. Roy Browning	Investment Consultant, Wells Fargo Advisors
Mr. Cory Joiner	CPA, Connor, McMillon, Mitchell, & Shennum, PLLC
Mr. Matt Ramsey	Investment Manager, Amarillo National Bank

**ITEM 1:** Mr. Stafford established a quorum and called the regularly scheduled meeting of the Amarillo Hospital District Board of Managers to order at 7:35 am.

**ITEM 2:** Presentations. Mr. Stafford introduced new Board members Roger Williams and Dr. Rakhshanda Rahman and explained that Liz Hughes and Claudette Dove were unable to attend the meeting to receive recognition for their service on the Board.

**ITEM 3:** Election of Officers. Mr. Stafford explained that since Liz Hughes' term had expired, the Board would need to elect a new Secretary. Mr. Logsdon motioned to elect Mr. Speed to serve as the Board's Secretary. Mr. Stafford called for a vote from the Board on the motion from Mr. Logsdon to approve Chuck Speed and the motion passed by a vote of 5-0.

**ITEM 4:** Mr. Speed motioned to approve the minutes from the January 22, 2013 meeting as presented. Mr. Logsdon seconded the motion and it unanimously carried.

**ITEM 5:** Presentation and Discussion of the Pension Fund Investment Performance. Mr. Browning presented the Pension Fund Investment Performance Analysis as of March 31<sup>st</sup>, 2013 and reported a total Fund balance of \$18,954,969. He reviewed returns of the Fund versus the Policy and stated that the Fund had made an incredible recovery since March 2009. Mr. Browning explained that the Fund is taking less risk than the market and receiving slightly less return on a risk-return basis. In summary, he stated that on an absolute and risk-adjusted basis, the Pension Fund has slightly underperformed the market over time.

**ITEM 6:** Presentation and Discussion of the AHD Corpus Investment Performance. Mr. Browning presented the Investment Performance Analysis of the Amarillo Hospital District Agency Fund at March 31<sup>st</sup>, 2013. He explained that there was basically no return in the fixed income instruments and reported that the total Fund had a return of 0.1% versus that of the Policy of 0.1% for the latest quarter. He further reported that

Herring Bank had a return of 0.3% and Amarillo National Bank had a return of -0.1% for the latest quarter. Mr. Browning reviewed that the Fund's returns compared to the Policy have been close for all time periods and since inception. He stated that the combination of Herring Bank and Amarillo National Bank has worked well for the Fund.

**ITEM 7:** Review and Consider Resolution(s) Regarding Uncompensated Care and Medicaid Funding. As Necessary, May Review and Discuss Indigent Care Agreement and Healthcare Services Agreement. This item was moved to the end of the agenda, before public comments. Mr. Norris reported that staff and the District's Finance Committee recommended approval of the presented resolution authorizing a quarterly Intergovernmental Transfer (IGT) payment of \$1,360,000. Mr. Speed motioned to approve the resolution as presented. Mr. Logsdon seconded the motion and it unanimously carried.

**ITEM 8:** Consider Resolution Approving and Authorizing Funding for Delivery System Reform Incentive Payments (DSRIP) for Certain Programs of the City of Amarillo Department of Public Health. Mr. Richardson reviewed that the City of Amarillo Department of Public Health had submitted two projects on behalf of the Amarillo Hospital District: 1) adult immunizations and 2) support for the Amarillo Recovery from Alcohol and Drugs (ARAD). He explained that this resolution would authorize a payment up to \$180,000 for the first year of the DSRIP program (DY1). Mr. Richardson stated that he estimated the IGT payment to be around \$178,000 and the federal incentive disbursement to be approximately \$422,000. Mr. Logsdon confirmed that the Finance Committee had reviewed the resolution and recommended approval to the Board. Mr. Speed motioned to approve the resolution as presented. The motion was seconded by Mr. Williams and carried unanimously.

**ITEM 9:** Consider Order Approving the Financing by the Red River Health Facilities Development Corporation of a Health Facility Located Within the Amarillo Hospital District (being Sears Methodist Home). Mr. Norris explained that when one governmental entity is going to finance a project within the jurisdiction of another governmental entity, there is a courtesy imposed by Texas Law that the financing agency contact the home jurisdiction and obtain their consent. He stated that the Sears Methodist Home in Amarillo has found favorable financing through Red River Health Facilities Development Corporation and is asking for the District's consent. Mr. Norris reported that the same request was made to the City of Amarillo City Commission and the Commission had granted its consent. He added that the Order imposes no obligation and has no impact on the District. Motion was made by Mr. Logsdon, seconded by Mr. Speed and unanimously carried to approve the Order as presented.

**ITEM 10:** Presentation and Discussion of AHD Audit. Mr. Joiner presented the Annual Financial Report for the Amarillo Hospital District at September 30<sup>th</sup>, 2012 and stated that the Audit had been reviewed in-depth with the Finance Committee the day prior to the Board meeting. He explained that there were no difficulties or disagreements with management while conducting the audit, and that there were no misstatements. Mr. Joiner reported that the audit produced an unqualified, clean opinion.

**ITEM 11:** Presentation and Discussion of Nwth Pension Plan Audit. Mr. Joiner presented the Annual Financial Report for the Retirement Plan for Employees of Northwest Texas Healthcare System at September 30<sup>th</sup>, 2012. He reported that the audit produced an unqualified, clean opinion, which was the best opinion that could be achieved.

**ITEM 12:** Presentation and Discussion of Agreed Upon Procedures Audit on the Tobacco Settlement Cost Report. Mr. Joiner presented the Independent Accountant's Report on Applying Agreed-Upon Procedures that relates to the Tobacco Settlement Expenditure Statement for the Amarillo Hospital District for the year ended December 31<sup>st</sup>, 2012. He stated that there were no findings on any procedures. Mr. Joiner explained that a sample of 50 patients whom had been denied services had been verified that the denials were appropriate. He added that there were no findings on any agreements.

**ITEM 13:** Presentation of 2013 Tobacco Settlement Cost Report. Ms. Bonner presented the 2013 Tobacco Settlement Distribution Expenditure Statement. She reported that \$11,557,200 in total allowable expenditures was submitted to the State and that of that amount, \$710,389 was the portion reported by Potter County and \$10,846,811 was reported by the District. Ms. Bonner explained that the State's distribution was expected by the end of the month and reviewed that the District received \$278 thousand in 2012.

**ITEM 14:** Consider Approval of Potter County Sheriff Sale Properties. Ms. Bonner presented a list of Sheriff Sale properties that Potter County had sent out for bid. She added that the properties had severely delinquent taxes and the idea behind the sale is to get the properties to taxpayers who will start paying taxes on those properties. Ms. Bonner explained that since the properties are being sold for less than the taxes due, each taxing entity must agree to the sales price. She pointed out that although the District no longer levies a tax; the tax delinquencies were prior to the 1996 sale of the hospital. Mr. Logsdon motioned to approve the Potter County Sheriff Sale Properties as presented. Mr. Williams seconded the motion and it carried unanimously.

**ITEM 15:** Consider Approval of Investment Training with the University of North Texas. Ms. Bonner explained that Rodney Ruthart, as the District's Investment Officer, is required under the Texas Public Funds Investment Act to have ten hours of investment training every two years. She reported that Mr. Ruthart received investment training in May 2013 through the University of North Texas and that under the Act; the Board must approve Mr. Ruthart's training. The motion was made by Mr. Williams, seconded by Mr. Logsdon and unanimously carried to approve Mr. Ruthart's investment training through the University of North Texas.

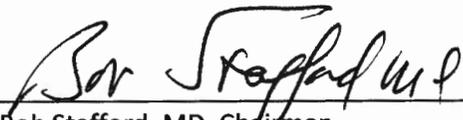
**ITEM 16:** Presentation of Quarterly Financial Statements. Ms. Bonner presented the Amarillo Hospital District's Quarterly Financial Statements at March 31<sup>st</sup>, 2013 and reported a total fund balance of \$226,372,141. She reviewed total revenue of the general fund of \$608,101 versus total expenses of \$4.9 million. Ms. Bonner explained from the budget versus actual report a budgeted amount of \$6,387,544 in realized investment income versus an actual amount received of \$2,251,397; which was 35.35% realized and behind the expected 50%. Of the Tobacco Fund's budget versus actual report, Ms. Bonner reported a budgeted amount of \$278,842 in miscellaneous income and added that the District was expected to receive the tobacco settlement proceeds from the State by the end of the month. She noted that the District held \$30,513 in donor restricted funds and stated that \$22,355 had been distributed to the Amarillo College Foundation.

**ITEM 17:** Quarterly Investment Report from Investment Officer. Ms. Bonner presented the Quarterly Investment Report and stated that all investments were in compliance with the Texas Public Funds Investment Act and with the District's Investment Policy.

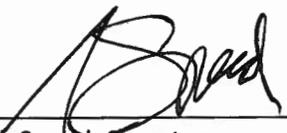
**ITEM 18:** Public Comments. Mr. Ramsey addressed the Board and clarified that changes to the Investment Policy approved by the Board in January 2013 were not reflected in the historical returns reported in the District's Investment Performance Reviews at March 31<sup>st</sup>, 2013.

The Board convened into Executive Session, under Section 551.071 of the Texas Open meetings Law, at 8:28 a.m. At 9:52 a.m., the Board completed its Executive Session.

**ITEM 19:** Adjournment. There, being no further business, the meeting adjourned at 9:52 am. This meeting was recorded and all comments are on file with the City Finance Department.

  
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Bob Stafford, MD, Chairman

ATTEST:

  
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Chuck Speed, Secretary