

**AMARILLO HOSPITAL DISTRICT
MEETING OF BOARD OF MANAGERS
AMARILLO CITY HALL - CITY COMMISSION CHAMBERS
MINUTES
OCTOBER 29, 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	Yes
Mr. Roger Williams	Yes
Dr. Rakhshanda Rahman	No

Also Present

Ms. Michelle Bonner	Assistant City Manager, City of Amarillo
Mr. Marcus Norris	City Attorney, City of Amarillo
Dr. Matt Richardson	Director of Public Health, City of Amarillo
Ms. Andrea McDonald	Recording Secretary, City of Amarillo
Mr. Roy Browning	Investment Consultant, Wells Fargo Advisors
Mr. Mark Crawford	CEO, Northwest Texas Healthcare System
Mr. Matt Ramsey	Investment Manager, Amarillo National Bank

ITEM 1: Call to Order. Mr. Stafford established a quorum and called the regularly scheduled meeting of the Amarillo Hospital District Board of Managers to order at 7:31 am.

ITEM 2: Approval of Minutes from Meeting Held July 30, 2013. Mr. Williams motioned to approve the minutes from the meeting held July 30th, 2013 as written. Mr. Logsdon seconded the motion and it carried unanimously.

ITEM 3: Presentation and Discussion of the Pension Fund Investment Performance. Mr. Browning presented the Capital Markets Review and the Pension Fund's Investment Performance Analysis for the quarter ending September 30th, 2013. Regarding returns, he reviewed the total Fund was ahead of the total Policy for the latest quarter and 1-year time period; however, slightly behind the Policy for the 3, 5, and 10-year time periods and since inception. Mr. Browning reviewed the Sharpe Ratio of the Fund versus the total Policy was 1.13 versus 1.45 for the 3-year time period, 0.69 versus 0.75 for the 5-year time period, and 0.50 versus 0.50 for the 10-year time period. In sum, he stated that the Fund's returns are much improved and that he felt good going forward.

ITEM 4: Presentation and Discussion of the AHD Corpus Investment Performance. Mr. Browning reviewed the Investment Performance Analysis of the AHD Corpus Fund at September 30th, 2013 and reported that total Fund returns were slightly behind the total Policy for all time periods, including since inception. He further reviewed that the total Fund was behind the total Policy with regards to the Sharpe Ratio for the 3 and 5-year time periods; however, the Fund was ahead of the Policy for the 10-year time period.

ITEM 5: Presentation by Nwth regarding UHS Delivery System Reform Incentive Payments (DSRIP) Project(s). Mr. Crawford presented Northwest Texas Healthcare System's DSRIP projects one through four, which included expanding capacity and access in three primary care clinics, establishing a primary care clinic to provide care specifically for the seniors of Amarillo and establishing a patient care navigation program. He explained that these projects were planned with no additional payments requested from the Amarillo Hospital District. Mr. Norris added that he had reviewed the funding resolutions that the Board had

approved each quarter in the past. He explained that the resolutions were worded broadly enough that they provided some flexibility to Northwest Texas Healthcare System as long as the proposed DSRIP projects were within the parameter of resolutions already approved.

ITEM 6: Review and Consider Resolution(s) Regarding Uncompensated Care and Medicaid Funding. As Necessary, May Review and Discuss Indigent Care Agreement and Healthcare Services Agreement. Mr. Speed motioned to approve the resolution as presented. Mr. Williams seconded the motion and it carried unanimously.

ITEM 7: Review and Consider Resolution Regarding Annual Funding of Northwest Texas Healthcare System. Mr. Crawford explained that this resolution would authorize a total amount of approximately \$1.4 million, paid in twelve monthly installments. He added that this amount assists in the support of Texas Tech's Department of Pediatrics and Tobacco Free Amarillo. Motion to approve the resolution as presented was made by Mr. Williams, seconded by Mr. Ellis and unanimously carried.

ITEM 8: Update on 2012 Amarillo Public Health Delivery System Reform Incentive Payments (DSRIP) Projects ((1) restoration of adult immunization and (2) support for Amarillo Recovery from Alcohol and Drugs (ARAD)). Mr. Richardson gave a brief update on the progress of the two approved 2012 DSRIP projects of the Public Health Department: restoration of the adult safety-net immunization services to the public and the support for the Amarillo Recovery from Alcohol and Drugs (ARAD), a local substance abuse program.

ITEM 9: 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 explained that this resolution would authorize an Intergovernmental Transfer (IGT) of up to \$135,000 for the second year of the ARAD DSRIP program. Mr. Logsdon added that this item was discussed in the Finance Committee meeting and came as a recommendation for approval to the full Board. Mr. Ellis motioned to approve the resolution as presented. Mr. Logsdon seconded the motion and it unanimously carried.

ITEM 10: Presentation of 2013 Amarillo Public Health Delivery System Reform Incentive Payments (DSRIP) Project(s) (Childhood Obesity Prevention). Mr. Richardson gave a PowerPoint presentation over the Department of Public Health's submitted Medicaid 1115 Waiver 3-year project, the MEND Program, a Childhood Obesity Reduction Project. After reviewing the MEND Program details and results, he explained that the Amarillo Hospital District would provide an IGT of \$738,000 to the State of Texas Health and Human Services Commission and they would forward those funds to the Centers for Medicare/Medicaid Services for federal match and then the funds would be returned to the Department of Public Health with that match.

ITEM 11: Consider Funding Recommendation on the Pension Plan. Ms. Bonner reviewed that the Hospital District's approved 2013-14 budget included a \$2million contribution to the Pension Plan. She explained that staff was requesting permission to make the \$2 million payment in October. Ms. Bonner reminded the Board that the \$2 million contribution would fund the pension liability over 9.2 years. Mr. Logsdon added this item came as a recommendation to approve from the Finance Committee. Mr. Speed motioned to approve the \$2 million payment to the Pension Plan. Mr. Williams seconded the motion and it carried unanimously.

ITEM 12: Presentation of Quarterly Financial Statements. Ms. Bonner presented the Amarillo Hospital District's quarterly financial statements at September 30, 2013 and reported current cash and investments of approximately \$191 million. She reviewed total assets of \$214.8 million and a total Fund balance of about \$214 million. Ms. Bonner explained a loss of \$5,794,608 in total revenue was due to a change in the market value, creating an unrealized loss of approximately \$10 million for the quarter. She reviewed total operating expenses of \$10,037,209. Reviewing the Budget Versus Actual Report for the Operating Fund, Ms. Bonner reported a budgeted realized investment income amount in of \$6.4 million versus an actual amount received

of approximately \$4 million. She noted that total expenses were as expected, at a budgeted amount of \$9.8 million versus an actual amount of \$9.8 million. From the Tobacco Fund Budget Versus Actual Report, Ms Bonner stated a budgeted miscellaneous income amount of \$278,842 versus a slightly less than expected \$208,998, which was 75% realized for the year.

ITEM 13: Quarterly Investment Report from Investment Officer. Mr. Logsdon presented the Hospital District's Quarterly Investment Report at September 30th, 2013 and stated that the District's Portfolio was in compliance with the Investment Policy and the Public Funds Investment Act.

ITEM 14: Public Comments. Mr. Ramsey gave an update on the District's Investment Performance Review and spoke to Amarillo National Bank's underperformance and his plan going forward.

ITEM 15: Adjournment. There, being no further business, Mr. Speed motioned to adjourn the meeting. Mr. Logsdon seconded the motion and the meeting was adjourned at 8:50 a.m. This meeting was recorded and all comments are on file with the City Finance Department.



Bob Stafford, MD, Chairman

ATTEST:



Chuck Speed, Secretary