

**AMARILLO HOSPITAL DISTRICT
MEETING OF BOARD OF MANAGERS
AMARILLO CITY HALL - CITY COMMISSION CHAMBERS
MINUTES
JANUARY 28, 2014
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	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

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 7:35 am.

ITEM 2: Approval of Minutes from October 29, 2013 Meeting. Motion to approve the minutes as written from the meeting held October 29th, 2013 was made by Mr. Williams, seconded by Mr. Speed and unanimously carried.

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 December 31st, 2013. He reported that the market value of the Fund at December 31st was \$20,857,569. Mr. Browning explained that although the Fund's returns were slightly behind those of the Policy for all time periods; however, the Fund's returns were still very competitive. He reported that the Sharpe Ratio of the Fund was following that of the Policy for the 3 and 5-year periods: 1.11 versus 1.50 and 1.17 versus 1.30 respectively. However; for the 10-year period, the Fund was ahead of the Policy: 0.52 versus 0.51. Mr. Browning stated that overall, the Fund's performance numbers were very competitive and doing well.

ITEM 4: Presentation and Discussion of the AHD Corpus Investment Performance. Mr. Browning reviewed the Investment Performance Analysis of the AHD Corpus Fund at December 31st, 2013 and reported the market value of the total Fund was \$186,828,526. He reviewed returns of the Fund were behind that of the Policy for all time periods; however, were more competitive for the 10-year and since inception periods. Mr. Browning explained that the Fund's Sharpe Ratio over the entire time period since 1998, was looking good and was ahead of the Policy 0.78 versus 0.72. In closing, he stated that although the Fund had experienced a rough quarter, it is doing well.

ITEM 5: 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. Crawford presented the quarterly resolution regarding funding the Medicaid program. Mr. Logsdon pointed out that the quarterly payment of \$1,360,000 was at an 8% reduction compared to the District's original

quarterly payment to UHS. Mr. Speed motioned to approve the resolution as presented. Mr. Logsdon seconded the motion and it carried unanimously.

ITEM 6: Update on 2012 Amarillo Public Health Delivery System Reform Incentive Payments (DSRIP) Projects. Mr. Richardson gave a brief update including timelines, deliverables and IGT payments relating the Department of Public Health's 2012 DSRIP Projects: ARAD (Amarillo Recovery from Alcohol and Drugs) and the restoration of the Adult Immunization Project. He explained that both projects were discussed in detail at the Finance Committee Meeting prior to the Board meeting.

ITEM 7: Discuss Possible Changes to the District's Bylaws Including Schedule and Committee Structures. Mr. Norris explained that the District's Bylaws provided flexibility to set dates and times of Amarillo Hospital District meetings at the discretion of the Board. He added that the only restriction was posting notices of scheduled meetings properly as provided by the Texas Public Open Meetings Act. The Board discussed conducting 7:30 am work sessions followed directly thereafter by Board meetings instead of holding separate committee meetings to the future. Mr. Stafford added that communication would be made to the Board approximately a week to two weeks before the next scheduled meeting to call a work session. Mr. Norris reminded the Board that staff was always available to assist when needed.

ITEM 8: Presentation of Quarterly Financial Statements. Ms. Bonner presented the Amarillo Hospital District's quarterly financial statements at December 31, 2013 and reported a total liabilities and Fund balance of approximately \$212.2 million. She reviewed a total loss in revenue of about \$1.5 million and total expenses of approximately \$2.2 million for an operating loss of \$3.7 million for the quarter. Ms. Bonner explained that the District held \$30,571 in donor restricted funds and that staff was continuing to work on distributing those funds for the intent given. Reviewing the Budget Versus Actual Report of the Operating Fund, she reported budgeted revenue of \$5.5 million versus an actual amount of \$244,750 received. Ms. Bonner explained that realized investment income of \$237,550 included interest and amortization of \$1,041,298 and realized loss on sale of investments of (\$803,751). She stated that total expenses were budgeted at approximately \$10 million versus an actual amount of \$2.2 million expended, which was right on target at about 22% realized. Ms. Bonner explained that no funds had been received to-date in the Tobacco Fund, that the Tobacco Report is submitted to the State each year in April.

ITEM 9: Quarterly Investment Report from Investment Officer. Mr. Logsdon presented the Hospital District's Quarterly Investment Report at December 31st, 2013 and reported that the Amarillo Hospital District's Portfolio was in compliance with both the District's Investment Policy and the Public Funds Investment Act.

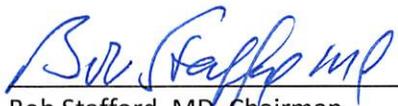
ITEM 10: Public Comments. There were no public comments at this meeting.

ITEM 11: Adjournment. There, being no further business, Mr. Speed motioned to adjourn the meeting. The motion was seconded by Mr. Williams and the meeting adjourned at 8:19 a.m. This meeting was recorded and all comments are on file with the City Finance Department.

ATTEST:



Chuck Speed, Secretary



Bob Stafford, MD, Chairman