

STATE OF TEXAS
COUNTIES OF POTTER
AND RANDALL
CITY OF AMARILLO

On the 10th day of May 2016, the Amarillo Hospital District Board of Managers met at 7:30 a.m. in regular session in the City Council Chambers located on the third floor of City Hall at 509 S.E. 7th Avenue.

VOTING MEMBERS	PRESENT	NO. OF MEETINGS HELD SINCE APPOINTMENT	NO. OF MEETINGS ATTENDED SINCE APPOINTMENT
MARK LOGSDON, CHAIRMAN	Yes	19	16
DR. RAKHSHANDA RAHMAN, VICE-CHAIR	Yes	15	11
SMITH ELLIS, SECRETARY/INVESTMENT OFFICER	Yes	19	16
CHUCK SPEED	Yes	28	27
SAM LOVELADY	Yes	6	6
DEAN FRIGO	Yes	1	1
CLAY STRIBLING	Yes	1	1

Also in attendance were the following:

MICHELLE BONNER	ASSISTANT CITY MANAGER, CITY OF AMARILLO
MICK MCKAMIE	CITY ATTORNEY, CITY OF AMARILLO
CASIE STOUGHTON	DIRECTOR OF PUBLIC HEALTH, CITY OF AMARILLO
ANDREA MCDONALD	RECORDING SECRETARY, CITY OF AMARILLO
KELLY BEVIS	INVESTMENT CONSULTANT, WELLS FARGO ADVISORS
JANIE ARNOLD	CPA, CONNOR, MCMILLON, MITCHELL, & SHENUM, PLLC
MARCUS W. NORRIS	LEGAL COUNSEL, UNDERWOOD LAW FIRM, P.C.

Mr. Logsdon established a quorum and called the regularly scheduled meeting of the Amarillo Hospital District Board of Managers to order at 7:37 a.m.

ITEM 1: Presentation. Mr. Logsdon presented Mr. Rodney Ruthart a plaque in appreciation for his dedicated service to the City of Amarillo, Texas as a member of the Amarillo Hospital District Board of Managers from September 2011 to February 2016.

ITEM 2: Election of Board Officers. Mr. Logsdon announced that this item would be moved to the next scheduled meeting of the Amarillo Hospital District Board of Managers.

ITEM 3: Consider Minutes. Mr. Logsdon presented the minutes from the last Amarillo Hospital District Board of Managers meeting held January 26, 2016. Mr. Lovelady made a motion to approve the minutes as presented. Mr. Speed seconded the motion and it unanimously carried.

ITEM 4: Presentation and Discussion of the Pension Fund Investment Performance. Ms. Bevis presented the Capital Markets Review and reviewed the Pension Fund's Investment Performance for the quarter ending March 31, 2016. She reported that this quarter was the worst start to a market ever and had the best recovery in March since 1933. Ms. Bevis reviewed that the Fund's returns for the quarter were right in-line with the benchmark and had beat the inflation target for the 3, 5, and 10-year time periods.

ITEM 5: Presentation and Discussion of the AHD Corpus Investment Performance. Ms. Bevis reviewed the Investment Performance Analysis of the AHD Corpus Fund at March 31, 2016. She reviewed that both money managers had added value to the Portfolio for the latest quarter and reported that the Fund had outperformed the Policy for all time periods since inception. Overall, Ms. Bevis stated that the money managers are doing a good job; beating both inflation and CPI.

ITEM 6: Presentation of Indigent Care Agreement Extension. Mr. Logsdon presented a written notice dated April 28, 2016 addressed to the Board of Managers of the Amarillo Hospital District from Universal Health Services, Inc. (UHS) regarding the extension of the Indigent Care Agreement. Mr. Logsdon reported that the notice informed the District of UHS's election to exercise their option to extend the term of the original Indigent Care Agreement made in 1996 through May 7, 2036.

ITEM 7: Review and Consider Resolution(s) Regarding Funding the Medicaid Program. As Necessary, May Review and Discuss Indigent Care Agreement and Healthcare Services Agreement. Ms. Bonner stated that the resolution being presented would authorize an additional quarterly prepayment of \$1,365,737; which was at an 8% discounted amount compared to the original indigent care payment of approximately \$1.7. She noted that the District had saved approximately \$17 million utilizing quarterly prepayments and that this resolution would extend the date of prepayments from February 9, 2019 through May 8, 2019. Mr. Speed motioned to approve the resolution as presented. Mr. Lovelady seconded the motion and it carried unanimously.

ITEM 8: Consider Pension Plan Amendment and Resolution to Change Actuarial Assumptions of the Retirement Plan for Employees of Northwest Texas Healthcare System. Ms. Bonner explained that the presented amendment and resolution had been reviewed by the District's Finance committee and reflected the changes made by the Board at the meeting held on October 27, 2015. She reviewed changes approved by the Board included lowering the investment return assumption to 7.5%, adopting the TMRS mortality table, and changing the assumed rate of retirement to age 65. Ms. Bonner stated that the District's legal counsel had recommended the amendment and resolution because the mortality table was referenced in the District's Pension Plan. A motion was made by Mr. Ellis, seconded by Mr. Speed and carried unanimously to approve the amendment and resolution as presented.

ITEM 9: Presentation and Consideration of AHD Audit. Ms. Arnold presented the Amarillo Hospital District's Annual Financial Report at September 30, 2015. She reported that the audit presented an unmodified/clean opinion. Ms. Arnold added that there were no deficiencies in internal controls and no misstatements or findings in the audit.

ITEM 10: Presentation and Consideration of Nwth Pension Plan Audit. Ms. Arnold presented the Annual Financial Report for the Retirement Plan for Employees of Northwest Texas Healthcare System at September 30, 2015. She reviewed that no deficiencies or difficulties were reported in the audit. Ms. Arnold stated the audit presented a clean, unmodified opinion. Dr. Rahman made a motion to approve the Amarillo Hospital District audit as presented in Item 9 with the inclusion of the prepayment authorized in Item 7 of this meeting and approval of the Nwth Pension Plan audit as presented in Item 10. Mr. Speed seconded the motion and it carried unanimously.

ITEM 11: Presentation and Discussion of Agreed Upon Procedures Audit on the Tobacco Settlement Cost Report. Ms. Arnold presented the Agreed Upon Procedures Audit for the year ending December 31, 2015 and relating to the 2016 Tobacco Settlement Cost Report. She explained that in accordance with the audit, a random sample of 50 individuals had been who had been denied services had been selected and verified that all denials were appropriate. Ms. Arnold reported that there were no findings in the audit.

ITEM 12: Presentation of 2016 Tobacco Settlement Cost Report. Ms. Bonner presented the Amarillo Hospital District's 2016 Tobacco Settlement Cost Report and reviewed that approximately \$13.3 million in total expenditures was reported. Of that amount, she added that Potter County reported \$1.1 million in unreimbursed county expenditures for jail health care. Ms. Bonner explained that the State had notified the District that a disbursement of \$210.6 thousand would be awarded to the District and that of that amount, Potter County would receive \$17.5 thousand and the District would receive \$193.1 thousand.

ITEM 13: Consider Potter County Sheriff Sale Properties. Ms. Bonner presented a list of properties sold at Potter County's Sheriff Sale and reviewed that because the properties were sold for less than the amount of taxes owed, each taxing entity had to approve the sale. She reminded the Board that although the District had not assessed a tax since the sale of the hospital in 1996, the goal was to get the properties to taxpayers who would pay their taxes. A motion was made by Mr. Speed, seconded by Mr. Ellis and unanimously carried to approve the Potter County Sherriff Sale properties as presented.

ITEM 14: Consider Addendum No. 1 to Agreement for Accounting, Secretarial and Legal Services. Ms. Bonner presented an addendum to the agreement for accounting, secretarial and legal services between the District and the City and noted that the addendum had been reviewed by the District's Finance Committee. She explained that since the sale of the hospital, the City has taken on a larger role with the District's Pension Plan in maintaining and administering the District's pension records and locating vested retirees. Ms. Bonner stated that the City is asking for reimbursement of administrative services based on actual hours worked on the Pension Plan. Mr. Logsdon called for a vote from the Board on the motion from the Finance Committee to approve the Addendum No. 1 to Agreement for Accounting, Secretarial and Legal Services as presented and it passed by a vote of 7-0.

ITEM 15. Presentation of Quarterly Financial Statements. Ms. Bonner presented the Amarillo Hospital District's quarterly financial statements at March 31, 2016. She reviewed the Balance Sheet, Income Statement, and Budget versus Actual Report of the District's General Fund.

Mr. Logsdon introduced two new members to the Amarillo Hospital District's Board of Managers: Mr. Dean Frigo and Mr. Clay Stribling.

ITEM 16. Quarterly Investment Report from Investment Officer. Mr. Ellis presented the Hospital District's Quarterly Investment Report at March 31, 2016. He reported that the Amarillo Hospital District's Portfolio was in compliance with the Amarillo Hospital District's Investment Policy and the Texas Public Funds Investment Act.

ITEM 17: Public Forum. There were no public comments at this meeting.

There, being no further business; the meeting adjourned at 8:56 a.m. This meeting was recorded and all comments are on file with the City of Amarillo's Finance Department.



Mark Logsdon, Chairman

ATTEST:



Smith Ellis, Secretary