

STATE OF TEXAS  
COUNTIES OF POTTER  
AND RANDALL  
CITY OF AMARILLO

On the 26th day of July 2016, the Amarillo Hospital District Board of Managers met at 7:30 a.m. in regular session in the City Council Chamber 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	20	17
DR. RAKHSHANDA RAHMAN, VICE-CHAIR	Yes	16	12
SMITH ELLIS, SECRETARY/INVESTMENT OFFICER	Yes	20	17
CHUCK SPEED	Yes	29	28
SAM LOVELADY	Yes	7	7
DEAN FRIGO	Yes	2	2
CLAY STRIBLING	Yes	2	2

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
MARCUS W. NORRIS	LEGAL COUNSEL, UNDERWOOD LAW FIRM, P.C.
ROY BROWNING	INVESTMENT CONSULTANT, WELLS FARGO ADVISORS
JEN TURK	ACTUARY, ARTHUR J. GALLAGHER & CO
GENE WINTERS	CFO, NORTHWEST TEXAS HEALTHCARE SYSTEM
BRENT COLLIER	INTERIM ADMINISTRATOR, PHARMACY MGR, JO WYATT CLINIC
KARA COATS	EMR SPECIALIST, JO WYATT CLINIC

Mr. Logsdon established a quorum and called the regularly scheduled meeting of the Amarillo Hospital District Board of Managers to order at 7:34 a.m.

**ITEM 1:** Consider Minutes. Mr. Logsdon presented the minutes from the last Amarillo Hospital District Board of Managers meeting held May 10, 2016. A motion was made by Mr. Lovelady, seconded by Mr. Speed and carried unanimously to approve the minutes as presented.

**ITEM 2:** Presentation and Discussion of the Pension Fund Investment Performance. Mr. Browning presented the Capital Markets Review and reviewed the Pension Fund's Investment Performance for the quarter ending June 30, 2016. He reviewed that the Fund's returns were ahead of the Policy for the 3-month and year-to-date periods and added that the Fund was ahead of inflation for all time periods.

**ITEM 3:** Presentation and Discussion of the AHD Corpus Investment Performance. Mr. Browning reviewed the Investment Performance Analysis of the AHD Corpus Fund at June 30, 2016. He reported that the Fund's returns were in-line with the Policy for the latest 1-year period and ahead of the Policy for the 3 and 5-year periods. Mr. Browning noted that overall; the Fund was doing great on an absolute and risk-adjusted basis.

**ITEM 4:** Presentation and Discussion of Actuarial Report on the Pension Plan. Ms. Turk presented an overview of the Retirement Plan for Employees of Northwest Texas Healthcare System's Actuarial Valuation at October 1, 2015. She reviewed the key assumptions and methods used in the valuation. Ms. Turk added that the Plan was on track to be fully-funded by the year 2021 with the \$2 million contribution amount the District had continued to budget.

**ITEM 5:** Review and Consider Resolution(s) Regarding Uncompensated Care and Medicaid Funding. As Necessary, May Review and Consider the Indigent Care Agreement and Healthcare Services Agreement. Mr. Winters reviewed Universal Health Services (UHS) participation in the State's Medicaid 1115 waiver program and UHS's appreciation for the District's support and presented a resolution regarding funding the Medicaid program of not less than \$10,361,787 and not more than \$13,883,080 with the actual amount to be determined by actual date of payment and discount rates determined to be applicable. Under Section 551.071 of the Texas Open Meetings Act, the Board of Managers convened into Closed Session at 8:06 a.m. At 8:45 a.m., the Board completed its Closed Session. Mr. Lovelady motioned to approve the resolution subject to same discount rate of 8% as to the past. Mr. Frigo seconded the

motion and it carried unanimously. Mr. Frigo noted the District would be prepaid through 2021 with the resolution. Ms. Bonner reported that since 2006, the District had made prepayments to UHS of \$70.7 million through May 8, 2019 with savings of \$16 million compared to the original Indigent Care Agreement.

**ITEM 6:** Review Quality and Access Indicators Report. Ms. Stoughton presented the Quality and Access to Care Indicators Report for 2015. She reported that each indicator remained consistent over time and that the 2015 audit had continued with positive trends. Mr. Collier and Ms. Coats spoke to the slight decline in the percentage of patients who received Medicaid benefits and explained there were several different plans and programs offered by Medicaid.

**ITEM 7:** Consider Pension Plan Amendment and Resolution to Revoke Amendment and Resolution to Change Actuarial Assumptions of the Retirement Plan for Employees of Northwest Texas Healthcare System. Ms. Bonner explained that the Plan's attorney and actuary had determined that actuarial assumptions do not need to be defined in the Plan Document. She further explained that the Board's approval to make changes to the actuarial assumptions at the meeting held October 27, 2015 was sufficient enough for the Actuary to make necessary changes. She reviewed that the amendment and resolution being presented would revoke the amendment and resolution to change the Plan's actuarial assumptions approved at the Board meeting held May 10, 2016. Ms. Bonner added that this amendment and resolution had been reviewed and approved by the District's Finance Committee. Mr. Logsdon called on a vote from the Finance Committee's motion to approve the Pension Plan Amendment and Resolution to Revoke Amendment and Resolution to Change Actuarial Assumptions of the Retirement Plan for Employees of Northwest Texas Healthcare System and the motion passed by a 7-0 vote.

**ITEM 8:** Consider Agreement for Audit Services. Ms. Bonner presented an agreement for auditing services between the Amarillo Hospital District and Connor, McMillon, Mitchell and Shennum, PLLC (CMMS). She reviewed that through an RFQ process, the City had awarded CMMS a one-year contract with two one-year renewals in which the District was included. She added that the fees associated with this agreement would remain at the same level as the previous year. Ms. Bonner stated that the agreement was recommended by staff and had been reviewed and approved by the District's Finance Committee. Mr. Logsdon called on a vote from the Finance Committee's motion to approve the agreement for audit services and the motion passed by a 7-0 vote.

**ITEM 9:** Consider Changes to the District's Corpus Investment Policy. Ms. Bonner presented the District's Investment Policy and reviewed suggested changes to the Spending Policy. Of those changes, she explained the calculation to the spending rule had been modified to include any prepaid amounts, including prepaid amounts associated with indigent care costs, and that the spending limit had been increased from 5.5% to 5.75% of the District's available funds. Ms. Bonner added that the changes to the Policy had been reviewed and approved by the District's Finance Committee. Mr. Logsdon called on a vote from the Finance Committee's motion to approve the changes to the District's Corpus Investment Policy as presented and the motion passed by a 7-0 vote.

**ITEM 10:** Consider Amarillo Hospital District Budget. Ms. Bonner presented the Amarillo Hospital District's proposed budget for the 2016/17 fiscal year. She reviewed estimated receipts, expenditures and available cash at year-end for both the Operating Fund and the Tobacco Fund. She reported that the Finance Committee had reviewed and approved the 2016/17 budget. Mr. Logsdon called on a vote from the Finance Committee's motion to approve the Amarillo Hospital District's 2016/17 fiscal year budget and the motion passed by a 7-0 vote.

**ITEM 11:** Presentation of Quarterly Financial Statements. Ms. Bonner presented the Amarillo Hospital District's quarterly financial statements at June 30, 2016. She reviewed the Balance Sheet, Income Statement, and Budget versus Actual Report of the District's General Fund.

**ITEM 12:** Quarterly Investment Report from Investment Officer. Mr. Ellis presented the Hospital District's Quarterly Investment Report at June 30, 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 13:** Public Forum. There were no public comments at this meeting.

There, being no further business; the meeting adjourned at 9:20 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