

STATE OF TEXAS
COUNTIES OF POTTER
AND RANDALL
CITY OF AMARILLO

On the 22nd day of July 2019, the Amarillo Hospital District Finance Committee met at 4:00 p.m. in regular session in Room 306, located on the third floor of City Hall at 601 South Buchanan Street, Amarillo, Texas.

VOTING MEMBERS	PRESENT	NO. OF MEETINGS HELD SINCE APPOINTMENT	NO. OF MEETINGS ATTENDED SINCE APPOINTMENT
PATRICK WILLIAMS	Yes	2	2
SAM LOVELADY	Yes	16	13
DEAN FRIGO	Yes	12	11

Also in attendance were the following:

MICHELLE BONNER, DEPUTY CITY MANAGER, CITY OF AMARILLO
FRANCES HIBBS, RECORDING SECRETARY, CITY OF AMARILLO
MARCUS W. NORRIS, CITY OF AMARILLO, DEPUTY CITY ATTORNEY
KELLY BEVIS, WELLS FARGO FINANCIAL ADVISOR
LAURA STORRS, DIRECTOR OF FINANCE

Mr. Lovelady established a quorum, called the meeting to order at 4:00 p.m., and the following items of business were conducted:

ITEM 1: Consider Minutes of the Amarillo Hospital District Board of Managers. Mr. Lovelady presented the minutes from the last Finance Committee meeting held on April 29, 2019. Mr. Frigo made a motion to approve the minutes as presented. Mr. Williams seconded the motion and it carried unanimously.

ITEM 2: Discuss and Consider Recommendation for the Amount or Rate of LPPF Mandatory Payment and Uses of Such Revenue for the State Fiscal Year Ending August 31, 2019. Ms. Bonner stated there were representatives from both hospitals in attendance. The requested rate was 1.48%. Both hospitals have stated there was a need to have the billing completed sooner. She stated she also prepared a budget amendment for this agenda item, if necessary. She further included two draft Resolutions changing the invoice for the mandatory payment from October 1, 2019 to August 1, 2019. Motion was made by Mr. Frigo to approve the August 1, 2019 billing date Resolution, seconded by Mr. Williams. Motion carried by a 3:0 vote.

ITEM 3: Consider of Budget Amendment. Ms. Bonner presented a proposed budget amendment. Motion was made by Mr. Williams, approved by Mr. Frigo. Motion carried by a 3:0 vote

ITEM 4: Consider Amarillo Hospital District Budget 2019/2020 Fiscal Year. Ms. Bonner reviewed the current year's budget, revised budget and proposed budgets. Ms. Bonner stated the revenue was from the dental clinic rental. She stated the pension plan contribution of \$2,000,000 is recommended for the next two years. The expenditures for this year are flat. The indigent

care contract is changing starting in May 9, 2020, this would no longer be a discounted rate. During previous meetings it was discussed to adjust the CIP. The contract was extended and the CIP resumed. NWTH will review this information and during the Board's October meeting she will have a recommendation for the Board. The CIP will need some direction from NWTH. Ms. Bonner also presented the projections throughout the term of the contract. Starting in 2029 the District will need to review State laws and in 2031 provide an indigent care provider. She stated the need to amend the definition of spending policy for LPPF proceeds. She also reviewed the Local Provider Participation Fund (LPPF) proposed budget and assessment. Motion was made by Mr. Williams to approve the Amarillo Hospital District Budget to the full AHD Board as presented, seconded by Mr. Frigo. Motion passed by a 3:0 vote.

ITEM 5: Discuss and Consider Recommendation for Audit Services. Ms. Bonner stated the District uses Connor, McMillon, Mitchell and Shennum, PLLC and the City also uses this firm. Ms. Bonner stated she recommends an extension of two (2) years. She stated there was a savings because they also do the audits for the other City entities. Motion was made to approve the two-year extension with Connor, McMillon, Mitchell and Shennum by Mr. Frigo, seconded by Mr. Williams. Motion passed by a 3:0 vote.

ITEM 6: Discuss and Consider Changes to the Pension Plan Investment Policy. Ms. Bevis made some recommendations to clean up the Asset Mixed Policy. She reviewed the Northwest Texas Hospital Employee Pension Plan dated June 30, 2019. She stated the S&P has done better over the last five years. She stated in the long-run it pays to be more diversified. She also stated the need to look at the Pension Plan Investment Policy annually. She also stated the need to look at the Asset Policy Study in October. Ms. Bevis recommended the Market Index comprised on pages 5 and the Asset Mix Policy changes on page 7. Mr. Frigo inquired how Amarillo National Bank could add value. Mr. Lovelady inquired once the target was established would it change. Mr. Frigo inquired if the investments would stay passive. Mr. Frigo also inquired if there was a benchmark and how it could establish the performance. Mr. Morris inquired if the target and benchmark were needed. Ms. Bevis inquired if at the next meeting the Committee would have an Asset Allocation Study and what the Actuary is recommending. Mr. Norris stated this policy has not been revised in five years. Mr. Frigo inquired when they would buy annuities. Mr. Lovelady motion that the Investment Policy would be tabled until their next meeting, seconded by Mr. Williams Motion passed by a 3:0 vote.

ITEM 7: Executive Session. There was no need for an executive session.

ITEM 8: Public Forum. There were no public comments.

There being no further business, Mr. Lovelady made a motion to adjourn the meeting and the meeting adjourned. This meeting was recorded and all comments are on file with the City Secretary.



Samuel B. Lovelady, Chairman Board of Managers

ATTEST:

Patrick Williams