

STATE OF TEXAS
COUNTIES OF POTTER
AND RANDALL
CITY OF AMARILLO

On the 23rd day of July 2019, 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 601 South Buchanan Street.

VOTING MEMBERS	PRESENT	NO. OF MEETINGS HELD SINCE APPOINTMENT	NO. OF MEETINGS ATTENDED SINCE APPOINTMENT
SAM LOVELADY, CHAIRMAN	Yes	21	18
DEAN FRIGO, INVESTMENT OFFICER	Yes	15	12
PATRICK WILLIAMS	Yes	3	3
RODNEY YOUNG	Yes	5	4
MARY BEARDEN	Yes	1	1
MENDI SEYMOUR-PERMENTER	Yes	11	8
WILLIAM BIGGS, MD	Yes	11	10

Also in attendance were the following:

KELLY BEVIS, INVESTMENT COUNSELOR, WELLS FARGO ADVISORS
MICHELLE BONNER, DEPUTY CITY MANAGER
MARCUS NORRIS, DEPUTY CITY ATTORNEY
BRYAN MCWILLIAMS, CITY ATTORNEY
LAURA STORRS, FINANCE DIRECTOR
FRANCES HIBBS, CITY SECRETARY, CITY OF AMARILLO

Mr. Lovelady established a quorum, called the regular meeting to order at 7:30 a.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 Board of Managers meeting held on April 30, 2019. Dr. Young made a motion to approve the minutes as presented. Dr. Biggs seconded, and the motion carried unanimously.

ITEM 2: 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 June 30, 2019. She stated the pension plan was up 7.2% for the one-year period and that there were strong returns for the six-month period. Mr. Lovelady inquired about the acceptable level of risk. Ms. Bevis recommended that the Board review and update the benchmark.

ITEM 3: Presentation and Discussion of the AHD Corpus Investment Performance. Ms. Bevis reviewed the Investment Performance Analysis of the AHD Corpus Fund at June 30, 2019. Ms. Bevis reviewed the returns and stated that the fund is outperforming the market for the 3 year, 5 year, 10 year and since inception time periods. Ms. Bevis that ANB managed portfolio, with the

exception of the current quarter, is outperforming the market for all other time periods. And, that the Herring managed portfolio was more conservative and it shows in the returns, with the portfolio underperforming in all time periods. Dr. Biggs inquired if the District received any notice with the change of management. Ms. Bevis replied Herring had a lot less movement and more conservative. Mr. Frigo inquired if interest rates rise is Herring in a better position. Ms. Bevis stated being more conservative has not paid off, but at the end of the year we were worried about interest rates rising, and in fact we have seen interest rates lowered. Matt Ramsey, ANB, stated the credit risk taken is defined by the policy and the interest rates risk. He further stated ANB considers the portfolio duration neutral.

ITEM 4: Public Hearing on the LPPF Mandatory Payment Assessment. Mr. Lovelady opened a public hearing. Dave Elliott, Alliance Healthcare, stated the LPPF brings in critical funding. Over the last two years they have set two mandatory payments. The rate setting today is to fund a program for six-months beginning in September. He further stated these funds allow the hospitals to fund these programs. There were no further comments. Mr. Lovelady closed the public hearing.

ITEM 5: Review and Consider Resolution Setting Amount of Rate of LPPF Mandatory Payment and of such uses of such revenue for the State fiscal year ending August 31, 2019. Mr. Lovelady stated the AHD Finance Committee met yesterday and recommends this resolution. Ms. Bonner stated the LPPF would be set at 1.48 percent and would generate just over \$12 million dollars and the District would send out invoices in August 1, 2019 and which would be payable no later than September 30, 2019. Mr. Lovelady moved for approval of this resolution from the AHD Finance Committee as presented and the motion carried unanimously.

ITEM 6: Consider of Proposed Budget Amendment. Mr. Lovelady stated this amendment comes recommended by the AHD Finance Committee. Mr. Lovelady moved for approval of this budget amendment from the AHD Finance Committee, as presented and the motion carried unanimously.

ITEM 7: Consider Funding Recommendation on the Pension Plan. Ms. Bonner reminded the Board that the Board had previously authorized \$1.5 million of the \$2 million budget for funding to the Pension Plan. She stated that the actuary has reviewed the plan and is recommending the funding of the additional \$500,000 for the 2018/2019 fiscal year. Motion was made by Mr. Frigo, seconded by Mr. Biggs to approve the additional funding contribution to the Retirement Plan for Employees of Northwest Texas Healthcare System, the motion carried unanimously.

ITEM 8: Consider Amarillo Hospital District Budget 2019/2020 Fiscal Year. Ms. Bonner reviewed the current year's budget, revised budget and proposed budgets. Ms. Bonner reviewed the highlights of the operating fund and Local Provider Participation Fund. . Mr. Lovelady stated the Finance Committee met yesterday and recommends this budget to the Board. Motion passed by unanimous vote.

ITEM 9: Consider Agreement for Audit Services. Mr. Lovelady stated the Finance Committee recommends approval of this agreement and this serves as a motion to the Board. Motion passed by unanimous vote.

ITEM 10: Review Quality and Access Indicators Report. Carol Hill, Assistant Public Health Director, stated in 2016 that the Committee updated the Quality and Access Indicators Report. This item was presented by Brent Collier and Kara Coats, both with the JO Wyatt Clinic. Mr.

Collier reviewed the FINAC report (JO Wyatt Clinic Audit). The average wait time for a new patient appointment after FNAC approval and required orientation increased from 16 to 38 days due to provider shortage. He stated the percentage of Medicaid patients increased from 47% to 79%. Mr. Collier pointed out the reasons given for the FNAC denial of applications. He also presented the 2019 survey of the Joint Commission Action Plan. The sample medication processes were revised and the updated report was presented to Wyatt without findings of any significance. Ms. Coats presented the quality metrics. She stated the biggest drop was in influenza vaccinations. There is a plan in place to improve diabetes control. These are benchmarks and the thresholds change depending on national averages. Mr. Williams inquired if there was anything they were focusing on for next year. Wyatt staff indicated they are focusing on diabetes, transportation grants and transitional care from hospital to community. Dr. Young inquired if they were looking into telemedicine. Mr. Lovelady inquired if they worked together with Heal the City. Wyatt staff reported, they have a strong relationship with Heal the City working hard not to duplicate services. Mr. Collier stated they are working with Caprock High School to do their sport physicals. Ms. Bearden inquired if they had a home visit program if the patients were high risk. She also inquired if the performance measures were based on the total number of patients. Dr. Biggs inquired about number of patients instead of percentages. He also inquired how many people were being served and the trends and requested zip codes, or what parts of town patients were coming from. Mr. Williams inquired if the Homeless were addressed at the JO Wyatt Clinic. Mr. Collier replied that the hospital works with Juliana Kitten, Community Development as a partner. Dr. Young inquired about the 8% of the persons who qualify for FNAC clinic services. Ms. Coats replied that they do not advertise the JO Wyatt Clinic to all of Amarillo. Dr. Young inquired if there has been an uptick since the Heal the City began, this percentage has remained flat.

ITEM 11: Discuss and consider Changes to the Pension Plan Investment Policy. Mr. Lovelady motioned that this item would be tabled until the next board meeting. This motion passed unanimously.

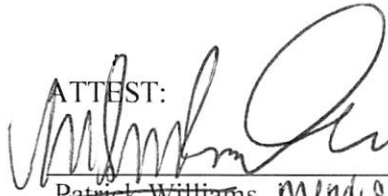
ITEM 12: Presentation of Quarterly Financial Statements. Laura Storrs, Finance Director, presented the District's Quarterly Financial Statements at June 30, 2019. Ms. Storrs reviewed the Balance Sheet, Income Statement, and Budget versus Actual Reports. Ms. Bonner reminded the Board that the LPPF funds began the year with \$50 million in available funding. Ms. Storrs reviewed that the Board just took action to approve a budget amendment of 12 million dollars for a mandatory payment assessment. And that there has been \$37,854,815 in intergovernmental transfers paid to the State. Dr. Biggs inquired if there was a time limit when the funds are paid to the State. Ms. Storrs stated that staff is working with the hospitals to predict funding needs to incorporate the assessments into the budget process.

ITEM 13: Presentation of Quarterly Investment Report from Investment Officer. Mr. Frigo presented the District's Quarterly Investment Report and reviewed the investment portfolio and stated it was in compliance with both the District's Investment Policy and the Policy Funds Investment Act.

ITEM 14: Executive Session. Mr. Lovelady stated there was no need for an Executive Session as this time.

ITEM 15: Public Forum. There were no comments.

There were no further public comments at this meeting.

ATTEST:

Patrick Williams Mendi Seymour-Furmenter


Samuel B. Lovelady, Chairman,
Board of Directors


William C. Biggs MD
Vice Chairman