

STATE OF TEXAS
COUNTIES OF POTTER
AND RANDALL
CITY OF AMARILLO

On the 28th day of January 2020, 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	23	19
DEAN FRIGO, INVESTMENT OFFICER	Yes	17	14
PATRICK WILLIAMS	Yes	5	5
RODNEY YOUNG	Yes	7	7
MARY BEARDEN	Yes	3	2
WESTON WRIGHT	Yes	1	1
WILLIAM BIGGS, MD	Yes	13	12

Also in attendance were the following:

KELLY BEVIS, INVESTMENT COUNSELOR, WELLS FARGO ADVISORS
JEN TURK, ARTHUR J. GALLAGHER
MICHELLE BONNER, DEPUTY CITY MANAGER
MARCUS NORRIS, DEPUTY CITY ATTORNEY
FRANCE 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:

Mr. Lovelady introduced new board member Weston Wright.

Public Address. No comments were made.

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 October 29, 2019. Dr. Young made a motion to approve the minutes as presented. Mr. Williams seconded, and the motion carried unanimously.

ITEM 2: Presentation and Discussion of the Northwest Texas Hospital Employees Pension Plan Fund Investment Performance. Ms. Bevis presented the Capital Markets Review and reviewed the Pension Fund’s Investment Performance for the quarter ending December 31, 2019. Ms. Bevis advised it was a good quarter. Bonds were flat and it was a rough place for oil and gas but the labor market continues to be very strong with low unemployment. Information Technology was up 50% for last year. Real estate did almost 30% last year. Achieved three out of four goals for were met last year.

ITEM 3: Presentation and Discussion of the AHD Corpus Investment Performance. Ms. Beavis reviewed the Investment Performance Analysis of the AHD Corpus Fund at December 31, 2019. This quarter was up 20 base points. AHD was flat and Herring was up this quarter. Herring performed better this quarter but they are still below for their 3, 5 and 10 year periods. Position has been better for ANB the last few years except this quarter. ANB took risks but this quarter it did not perform better. In the meeting yesterday it was suggested the need to discuss a request for proposal. Mr. Lovelady explained the various funds for Mr. Wright's benefit.

ITEM 4: Public Hearing on the LPPF Mandatory Payment Assessment. Chairman Lovelady opened the public hearing. There were no comments. Chairman Lovelady closed the public hearing.

ITEM 5: Review and Consider Resolution Setting Amount or Rate of LPPF Mandatory Payment and Uses of Such Revenue for the State Fiscal Year Ending August 31, 2020. Ms. Bonner stated that this item was revised by the Finance Committee yesterday. Mr. Lovelady stated the Finance Committee are in agreement. Motion was made by Mr. Frigo to approve the rate of LPPF mandatory payment, seconded by Dr. Biggs. Motion carried by a 7:0 vote.

ITEM 6: Presentation and Discussion of Actuarial Report of the Pension Plan. Jen Turk, Arthur J. Gallagher & Co., presented the Retirement Plan for Employees of Northwest Texas Healthcare System reconciliation. There were 623 participants in 2017 and 602 in 2018. They are continuing to try to locate some of the people with small lump sums. Some of the assumptions that need to be looked at are people working past age 65. Interest assumption is 7.50% per year. Assets may need to be shifted to more conservative bonds and consider vested retirement participants extended to age 70. Ms. Turk recommended just over a \$1 million for the year. Projected funding indicates it would be fully funded by 2021. Ms. Bearden inquired if AHD Board had the authority to look into the people working longer (past age 65). Ms. Bonner stated their benefits are frozen but their age does go into the calculations. Ms. Turk stated they could look into that when they do the next calculations. Mr. Frigo stated in 1996, 20 years later would be 2016, he inquired if there would be any difference in costs. Ms. Turk stated several people switched back between back and forth from part-time and full-time and back. She stated there was not very many people over the age of 65.

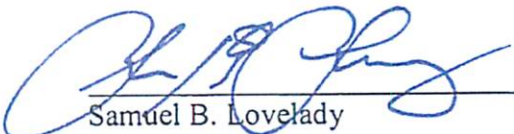
ITEM 7: Consider Funding Recommendation on the Pension Plan. Ms. Bonner stated this item would be postponed until the April meeting.

ITEM 8: Presentation of Quarterly Financial Statements. Ms. Storrs presented the District's Quarterly Financial Statements at December 31, 2019, reviewing the Balance Sheet, Income Statement, and Budget versus Actual Reports. She stated the fund balance is \$182,204,806. She stated total expenses are \$5,943,941 with the largest expense being the LPPF Intergovernmental Transfer to the State in the amount of \$4,487,952. There has not been a pension contribution this year as recently discussed it will happen later in the year. The unaudited budget versus actual report operating does not include the LPPF payment. The LPPF fund had no mandatory payments collected for the quarter, it was on hand from prior assessments. There is \$48,900,000 for the next year. There have not been any fiscal agent fees paid out this fiscal year.

ITEM 9: Presentation of Quarterly Investment Report from Investment Officer. Mr. Frigo presented the District's December 31, 2019, Quarterly Investment Report and reviewed the investment portfolio. He stated it is in compliance with both the District's Investment Policy and the Policy Funds Investment Act.

ITEM 10: Election of Board Officers. Mr. Lovelady stated there was a need to appoint a Secretary to replace Mendi-Seymour-Permenter. Motion was made by Mr. Frigo to appoint Patrick Williams as Secretary, seconded by Ms. Bearden, motion was unanimously approved.

ITEM 11: Executive Session. Mr. Lovelady stated there was no need for an Executive Session at this time.



Samuel B. Lovelady
Chairman Board of Managers

ATTEST:

Patrick Williams