

STATE OF TEXAS
COUNTIES OF POTTER
AND RANDALL
CITY OF AMARILLO

On the 5th day of May 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 by video conference (in order to advance the public health goal of limiting face-to-face meetings also called “social distancing” to slow the spread of the Coronavirus (COVID-19)).

VOTING MEMBERS	PRESENT	NO. OF MEETINGS HELD SINCE APPOINTMENT	NO. OF MEETINGS ATTENDED SINCE APPOINTMENT
SAM LOVELADY, CHAIRMAN	Yes	24	20
DEAN FRIGO, INVESTMENT OFFICER	Yes	18	15
PATRICK WILLIAMS	Yes	6	6
RODNEY YOUNG	Yes	8	8
WESTON WRIGHT	Yes	2	2
WILLIAM BIGGS, MD	Yes	14	13
MARY BEARDEN	Yes	4	3

Also in attendance were the following:

JANIE ARNOLD, CONNER, MCMILLON, MITCHELL & SHENNUM, PLLC
KELLY BEVIS, INVESTMENT COUNSELOR, WELLS FARGO ADVISORS
STEPHAN COGGINS, ASSISTANT TO CITY MANAGER
LAURA STORRS, FINANCE DIRECTOR
TERRY WRIGHT
FRANCES HIBBS, CITY SECRETARY
BRYAN MCWILLIAMS, CITY ATTORNEY
MARCUS NORRIS, DEPUTY CITY ATTORNEY
TODD WETSEL, HAPPY STATE BANK
DIVYA MATAI, NORTHWEST TEXAS HOSPITAL

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 January 28, 2020. Ms. Bearden made a motion to approve the minutes as presented. Dr. Young 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 March 31, 2020. She stated the markets were marked by the Coronavirus. She stated they went from one of the best quarters to one of the worst quarters in history. Same

as unemployment from a record low to a record high. The longer the maturity the better the performer. She further stated the market has tried to come back. Mr. Lovelady inquired about comparing the bond yield relative difference between our portfolio and index portfolio. Ms. Bevis replied they do have some activity in management treasuries, and were better than corporate this quarter.

ITEM 3: Presentation and Discussion of the AHD Corpus Investment Performance. Ms. Bevis stated it has been a very strong year. She reviewed the Investment Performance Analysis of the AHD Corpus Fund at March 31, 2020. She stated the benchmark did well because there is so much in treasuries. ANB still performed better than Herring. She stated the more you had in treasuries the better the performance this quarter. Based on the investments they had to be very conservative. The range of returns was 4% to 2.8% over the one-year period. Mr. Lovelady stated the managers would be better in longer-term treasuries, which is outside our policy. Ms. Bevis stated this quarter definitely helped the bond returns.

ITEM 4: Discussion and Consider Award of Amarillo Hospital District Money Manager Services Request for Proposal Responses. Mr. Lovelady thanked the Finance Committee. Mr. Frigo stated the Finance Committee received four proposals. The top two were Amarillo National Bank and Happy State Bank. He stated they wanted more diversification among the managers. The Finance Committee suggested taking half of the \$77 million to Happy State Bank and go out with a new RFP hoping to get another manager. This motion carried unanimously by a 7:0 vote.

ITEM 5: Discussion and Consider Letter Agreement with Northwest Texas Healthcare System. Northwest Texas Healthcare System (NWTB) was fine with the agreement and adjustment. Mr. Frigo recommended this payment be authorized by the Board. Ms. Matai, NWTB, confirmed they were fine with the amount. Ms. Bonner stated on May 8 they would begin making quarterly payments with this calculation. This motion carried unanimously by a 7:0 vote.

ITEM 6: Presentation and Discussion of the AHD Audit. Ms. Arnold presented the audit of the financial statements for the year ending September 30, 2019. At the end of every audit they are required to make recommendations. She stated the Board was very liquid. This item would be approved at the next meeting.

ITEM 7: Presentation and Consideration of NWTB Pension Plan Audit for the year ending September 30, 2019. Ms. Arnold presented the audit of the financial statements for the year ending September 30, 2019 and stated that there were no audit adjustments. She stated management does a fine job of preparing the investments. The number of participants has continued to decrease. Motion was made by Dr. Biggs, seconded by Mr. Wright to approve the NWTB Pension Plan Audit, the motion carried unanimously by a 7:0 vote.

ITEM 8: Presentation and Discussion of Agreed Upon Procedures Audit on the Tobacco Settlement Cost Report ended December 31, 2019. Ms. Storrs explained that the Tobacco Settlement expenditure statement was submitted to the State. The settlement proceeds received was \$352,809.73. It was split between AHD and Potter County.

ITEM 9 Presentation of 2020 Tobacco Settlement Cost Report. Ms. Storrs explained that this report is prepared and submitted annually so that the District is eligible for tobacco settlement proceeds.

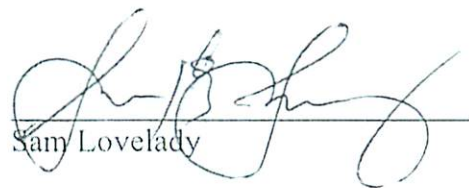
ITEM 10: Presentation of Quarterly Financial Statements. Laura Storrs, Finance Director, presented the District's Quarterly Financial Statements at March 31, 2020. Ms. Storrs reviewed the Balance Sheet, Income Statement, and Budget versus Actual Reports. Ms. Bonner stated she would perceive the Public Health Department asking for additional funding in the upcoming future.

ITEM 11: 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.

Mr. Lovelady adjourned the meeting.

ATTEST:

Handwritten signature in blue ink, appearing to read "Frances Heller".

Handwritten signature in black ink, appearing to read "Sam Lovelady".

Sam Lovelady