

STATE OF TEXAS
COUNTIES OF POTTER
AND RANDALL
CITY OF AMARILLO

On the day 24th of May 2022, 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
DEAN FRIGO, INVESTMENT OFFICER	Yes	26	22
PATRICK WILLIAMS	Yes	14	12
RODNEY YOUNG	Yes	16	15
WESTON WRIGHT	Yes	10	9
WILLIAM BIGGS, MD, CHAIRMAN	No	21	19
MARY BEARDEN, VICE CHAIR	No	13	7
MICHELLE BONNER	Yes	8	8

Also in attendance were the following:
LAURA STORRS, ASSISTANT CITY MANAGER
BRYAN MCWILLIAMS, CITY ATTORNEY
STEPHANIE COGGINS, CITY SECRETARY
MATTHEW POSTON, CITY AUDITOR
DEBBIE REID, FINANCE DIRECTOR
KELLY BEVIS, WELLS FARGO ADVISORS

Mr. Frigo established a quorum, called the regular meeting to order at 7:36 a.m., and the following items of business were:

PUBLIC ADDRESS: Mr. Frigo inquired if there were any comments. There were none.

ITEM 1: *Consider Minutes.* Mr. Frigo presented the minutes from the last Board of Managers meeting held on March 1, 2022. Ms. Bonner made a motion to approve the minutes as presented. Mr. Williams seconded, and the motion carried unanimously.

ITEM 2: *Public Hearing on the LPPF Mandatory Payment Assessment.* David Elliot and Cleo Lawrence, Jr. Counsel at Adelanto Healthcare, addressed the Board of Managers to request a LPPF mandatory payment assessment for 2022 to support the local hospitals. They requested 2.27% which will generate just over \$20 million in payments. Lorenzo Olivarez, CFO for BSA, spoke in favor of assessing the LPPF mandatory payment. Mr. Frigo opened the item to a public hearing, and there were no comments.

ITEM 3: *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, 2022.* Ms. Bonner made a

motion to set the rate at 2.27% for the state year ending August 31, 2022. Mr. Williams seconded, and the motion carried unanimously.

ITEM 4: *Presentation and Discussion of the Pension Fund Investment Performance.* Ms. Bevis presented investment performance of the Pension Investment Fund for the quarter ended March 31, 2022. It was a challenging quarter for investing. For the quarter, the portfolio was down 4.6% which is in line with the total fund policy which was down 4.7%. The one-year return is up 4.7% compared to an increase of 3.4% for the policy.

ITEM 5: *Presentation and Discussion of the AHD Corpus Investment Performance.* Ms. Bevis presented performance of the AHD Corpus Investment Performance for the quarter ended March 31, 2022. This portfolio is based on bonds which did not have an optimal performance for the quarter. The total portfolio was down 5.0% for the quarter versus the policy being down 4.5%. The one-year return is down 4.2% compared to a decrease of 4.1% for the policy.

ITEM 6: *Presentation and Acceptance of the AHD Audit.* Janie Arnold, CMMS, presented the audit for the Hospital District. There are no significant adjustments to report and no internal control matters to report. The District has received a clean opinion. The District had \$199.7 million in assets, \$0.5 million in liabilities, deferred inflows of \$0.6 million, and net position of \$198.6 million for the year ended September 30, 2021. Net position increased \$17.8 million for the year. Mr. Wright made a motion to accept the AHD audit. Mr. Williams seconded, and the motion carried unanimously.

ITEM 7: *Presentation and Acceptance of the NWTH Pension Plan Audit.* Ms. Arnold presented the audit for the NWTH Pension Plan. There are no significant adjustments to report and no internal control matters to report. The Plan received a clean opinion. Net position ended the year at \$28.8 million, an increase of \$2.5 million over the prior year. Ms. Arnold explained that the value of the plan runs a year behind the audit due to the need for a measurement date for actuarial purposes. Barring no changes, a \$2.0 million net pension asset will be recorded at the end of the next year for the District. This compares to a net pension liability of \$9.1 million in 2014. Ms. Bonner made a motion to accept the NWTH Pension Plan audit. Mr. Williams seconded, and the motion carried unanimously.

ITEM 8: *Presentation and Discussion of Agreed Upon Procedures Audit on the Tobacco Settlement Cost Report.* Ms. Arnold presented the procedures followed to audit and prepare the Tobacco Settlement Cost Report. This includes selecting a random sample of 50 inpatients and 50 outpatients to perform detailed procedures on.

ITEM 9: *Presentation of the 2022 Tobacco Settlement Cost Report.* Ms. Storrs presented the item. She mentioned that the 2022 report was filed with the State and that the District received \$403,708 in settlement proceeds. This reimbursement is split between Potter County unreimbursed jail expenses and AHD allowable expenditures. The District will retain \$374,951 in proceeds. Mr. Frigo explained that the District is getting a good level of services for the amount it is paying.

ITEM 10: *Consider Potter County Sheriff Sale Property.* Ms. Storrs presented the item to request approval for a Sheriff Sale for a property located at Lot Number Nine (9) in Block Number Ninety-seven (97) of the Mrs. M D Oliver-Eagle Addition. Mr. Wright made a motion to approve the Potter County Sheriff Sale Property as presented. Ms. Bonner seconded, and the motion carried unanimously.

ITEM 11: *Presentation of Quarterly Financial Statements.* Mr. Poston presented quarterly financials for the quarter ended March 31, 2022. Mr. Poston reviewed the Balance Sheet, Income Statement, and Budget versus Actual Reports for the quarter.

ITEM 12: *Presentation of Quarterly Investment Report from Investment Officer.* Mr. Frigo presented the Quarterly Investment Report. On March 31, 2022, the District's investment portfolio was in compliance with the AHD Policy and the Texas Public Funds Investment Act.

Executive Session: Mr. McWilliams advised at 8:32 a.m. that the Amarillo Hospital District Board of Directors would convene in Executive Session per Texas Government Code: 1) Sec. 551.071 – Consultation with Attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter IX of the Texas Open Meeting Act: (a) Lease Agreement at 206 NE 7th Avenue.

Mr. Frigo adjourned the meeting at 8:55 a.m.

ATTEST:


Stephanie Coggins, City Secretary


Dr. William Biggs, Chairman