

STATE OF TEXAS
COUNTIES OF POTTER
AND RANDALL
CITY OF AMARILLO

On the day 23rd day of August 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	27	23
PATRICK WILLIAMS	No	15	12
RODNEY YOUNG	Yes	17	16
WESTON WRIGHT	Yes	11	10
WILLIAM BIGGS, MD, CHAIRMAN	Yes	22	20
MARY BEARDEN, VICE CHAIR	Yes	14	8
MICHELLE BONNER	Yes	9	9

Also in attendance were the following:

LAURA STORRS, ASSISTANT CITY MANAGER
BRYAN MCWILLIAMS, CITY ATTORNEY
STEPHANIE COGGINS, CITY SECRETARY
MATTHEW POSTON, CITY AUDITOR
KELLY BEVIS, WELLS FARGO ADVISORS
DAN ETTTEL, ARTHUR J. GALLAGHER & CO. (BY TELEPHONE)
SAM HARTMAN, ARTHUR J. GALLAGHER & CO. (BY TELEPHONE)

Dr. Biggs established a quorum, called the regular meeting to order at 7:32 a.m., and the following items of business were:

PUBLIC ADDRESS: Dr. Biggs inquired if there were any comments. There were none.

ITEM 1: *Consider Minutes.* Dr. Biggs presented the minutes from the last Board of Managers meeting held on May 24, 2022. Ms. Bonner 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 investment performance of the Pension Investment Fund for the quarter ended June 30, 2022. It was a challenging quarter for investing. For the quarter, the portfolio was down 11.1% which is slightly below the total fund policy which was down 10.0%. The one-year return is down 11.2% compared to a decrease of 10.9% for the policy.

ITEM 3: *Presentation and Discussion of the AHD Corpus Investment Performance.* Ms. Bevis presented performance of the AHD Corpus Investment Performance for the quarter ended June 30,

2022. The total portfolio was down 3.2% for the quarter versus the policy being down 2.0%. The one-year return is down 8.5% compared to a decrease of 6.8% for the policy.

ITEM 4: *Presentation and Discussion of Actuarial Report on the Pension Plan.* Dan Ettel, Arthur J. Gallagher & Co., the District's Actuary along with Sam Hartmann, Arthur J. Gallagher & Co., called into the meeting and presented the Retirement Plan for Employees of Northwest Texas Healthcare System Actuarial Valuation report as of October 1, 2021. They explained that the pension liability was 107.6% funded as of 10/1/2021, but that with declining market conditions this ratio would possibly decrease in the upcoming year. Ms. Storrs mentioned that the final \$2 million in pension plan contributions was included in the upcoming budget in case the Board needed to utilize it in the future.

ITEM 5: *Discuss and Consider the Amarillo Hospital District Budget.* Ms. Storrs presented the proposed budget for 2022/2023. The proposed budget includes estimated available funds of \$151.3 million to start the next fiscal year 2022/2023. Revenues are proposed at \$3.4 million, and expenditures are proposed at \$15.2 million, leaving proposed available funds of \$139.5 million at the end of fiscal 2022/2023. The proposed budget includes an increase to Public Health funding due to the expiration of DSRIP funds that have previously been utilized. An increase to Texas Tech University Health Sciences Center contract for its Department of Pediatrics was included for an additional \$250,000 per the Finance Committee's recommendation, along with an increase to \$375,000 for Tobacco Free Amarillo to match the expected tobacco settlement proceeds the District would receive. Ms. Storrs shared there is no need to make a pension contribution in the current fiscal budget, but it is proposed in the 2022/2023 budget to allow the Board the option to make a contribution in the next fiscal year if needed. For the Local Provider Participation Fund, available funds at October 1, 2022 are anticipated at \$9.8 million. Proposed revenues for fiscal 2022/2023 are \$54.7 million and proposed expenditures are \$64.5 million, leaving available funds at October 1, 2023 proposed at \$30,573. Ms. Bearden made a motion to approve the Amarillo Hospital District Budget for 2022/2023. Dr. Young seconded, and the motion carried unanimously.

ITEM 6: *Discuss and Consider Addendum for the Texas Tech University Health Sciences Center Psychiatry Residency Program.* Ms. Storrs presented an Addendum that provides an extension of the contract for the Psychiatry Residency funding with no change to the annual funding level of \$100,000. Mr. Wright moved to approve the Addendum. Ms. Bonner seconded the motion. Dr. Young abstained, and the motion passed 5-0-1.

ITEM 7: *Discuss and Consider Agreement for Texas Tech University Health Sciences Center Department of Pediatrics.* Ms. Storrs presented a request from TTUHSC to increase their annual funding for Department of Pediatrics. Tim Bowles, with TTUHSC Department of Pediatrics discussed the request with the Board. TTUHSC requested an increase of \$550,000 per year. The AHD Finance Committee recommends increasing it \$250,000 per year to allow the District to remain financially ready to renegotiate the indigent care contract in the future. Mr. Frigo made a motion to approve an increase of \$250,000 per year. Mr. Wright seconded the motion. Dr. Young abstained, and the item passed by a vote of 5-0-1.

ITEM 8: *Discuss and Consider Agreement for Tobacco Free Amarillo.* Ms. Storrs presented the item recommending an increase from \$350,000 to \$375,000 based on the Tobacco Settlement proceeds the District anticipates receiving. Dr. Young motioned to approve the change to the Agreement. Mr. Frigo seconded the motion. Ms. Bonner abstained, and the motion passed 5-0-1.

ITEM 9: *Discuss and Consider Updated Amarillo Hospital District Corpus Investment Policy.* Mr. Poston presented an updated Amarillo Hospital District Investment Policy dated August 23, 2022 and stated there were no changes proposed. Ms. Bonner made a motion to approve the policy, Dr. Young seconded it, and it passed unanimously

ITEM 10: *Presentation of Quarterly Financial Statements.* Mr. Poston presented quarterly financials for the quarter ended June 30, 2022. Mr. Poston reviewed the Balance Sheet, Income Statement, and Budget versus Actual Reports for the quarter.

ITEM 11: *Presentation of Quarterly Investment Report from Investment Officer.* Mr. Frigo presented the Quarterly Investment Report. On June 30, 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 9:05 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, and 2) Sec. 551.072 – Discussion of lease of District property: (a) Lease Agreement at 206 NE 7th Avenue At 9:33 a.m., Mr. McWilliams reconvened the meeting.

Dr. Young left the meeting at 9:05 a.m.

ITEM 12: *Discuss and Consider Lease Agreement with Familia Dental Clinic.* Ms. Storrs briefly presented the item. Mr. Wright motioned to approve the lease agreement with level monthly rent payments of \$2,300 for year 1 through 6 and increased monthly rental payments of \$3,215 in year 7. He also mentioned the motion included an optional renewal of 7 years with a market rate adjustment every other year of the renewal. He also stated that the tenant would be required to make the necessary plumbing repairs and the District would look at replacing the roof on the building. Mr. Frigo made a second, and the motion passed unanimously.

Dr. Biggs adjourned the meeting at 9:36 a.m.

ATTEST:



Stephanie Coggins, City Secretary


Dr. William Biggs, Chairman

