

STATE OF TEXAS
COUNTIES OF POTTER
AND RANDALL
CITY OF AMARILLO

On the day 4th of May 2021, 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)). There will be no public access to the location described above.

VOTING MEMBERS	PRESENT	NO. OF MEETINGS HELD SINCE APPOINTMENT	NO. OF MEETINGS ATTENDED SINCE APPOINTMENT
DEAN FRIGO, INVESTMENT OFFICER	Yes	21	18
PATRICK WILLIAMS	Yes	9	9
RODNEY YOUNG	Yes	11	11
WESTON WRIGHT	Yes	5	5
WILLIAM BIGGS, MD, CHAIRMAN	Yes	16	16
MARY BEARDEN, VICE CHAIR	No	8	5
MICHELLE BONNER	Yes	3	3

Also in attendance were the following:
LAURA STORRS, ASSISTANT CITY MANAGER
FRANCES HIBBS, CITY SECRETARY
BRYAN MCWILLIAMS, CITY ATTORNEY
COURTNEY WHITE, ASSISTANT CITY ATTORNEY
DEBBIE REID, FINANCE DIRECTOR
JANIE ARNOLD, CMMS CPAS & ADVISORS
KELLY BEVIS, WELLS FARGO ADVISORS
MARK MILLER, NORTON, ROSE & FULBRIGHT
PATRICK KOEHLER, ARTHUR J. GALLAGHER & CO.

Dr. Biggs established a quorum, called the regular meeting to order at 7:30 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 of the Amarillo Hospital District Board of Managers. Dr. Biggs presented the minutes from the last Board of Managers meeting held on February 23, 2021. Dr. Young made a motion to approve the minutes as presented. Ms. Bonner seconded, and the motion carried unanimously.

ITEM 2: Discussion and Consideration of Employee Pension Eligibility. Mark Miller stated the participant was hired in 1972 when she was 18 years old and terminated in 1983 from the hospital district. To be qualified in the plan you had to be 25 years old. At that time the vesting period was 10 years. In the mid-1980's it changed to five-years vesting. The participant was only

invested for 4-4 1/2 years, so she was not vested in the plan. Patrick Koehler stated the participant is asking for an exception which would be \$67.50 per month. He stated he was concerned in making an exception for one participant that would then open it up for others. Michelle Boner stated it would be impossible to find out how many more and who else would ask for the exception. Dr. Biggs stated these contingencies have not been budgeted. Mr. Wright motioned to vote not in favor of an exception, Dean Frigo seconded the motion. Mr. Williams inquired how much the participant put into the fund. Mr. Miller stated it was all employee funded. Motion carried unanimously.

ITEM 3: Presentation and Discussion of the Pension Fund Investment Performance. Kelly Bevis, Wells Fargo Advisors, presented the Capital Markets Review and reviewed the Pension Fund's Investment Performance for the quarter ending March 31, 2021. Ms. Beavis reviewed that for the quarter the fund outperformed the benchmark.

ITEM 4: Presentation and Discussion of the AHD Corpus Investment Performance. Ms. Bevis presented the Amarillo Hospital District Agency Fund for the quarter ending March 31, 2021. Ms. Bevis stated there was a negative return for the quarter, but it did do better than the policy. She stated Herring Bank was replaced by Happy State Bank and Sage Advisory. Ms. Bonner noted the total fund number for three and five-years included the Herring numbers. She further stated in 2019 with the underperformance of Herring Bank, they started looking for replacements.

ITEM 5: Presentation and Discussion of the AHD Audit. Janie Arnold presented the audit of the financial statements for the year end September 30, 2020. She stated there were no findings or adjustments reported. She stated the auditor's opinion was clean. She recommended the Board read the Management's Discussion and Analysis. Motion was made by Dr. Young to accept the AHD Audit, seconded by Ms. Bonner. Motion passed unanimously.

ITEM 6: Presentation and Consideration of NWTH Pension Plan Audit for the year end September 30, 2020. Ms. Arnold presented the audit of the financial statements for the year end September 30, 2020 and stated that the audit had a clean opinion with no findings. Ms. Storrs stated they have struggled to locate historical documents to award or pay out vested benefits. The pension plan is almost fully funded, and they are working close with Gallagher. It has been a team effort working with this historical plan. Motion was made by Ms. Bonner; second by Dr. Young. Motion carried unanimously to accept the pension plan audit.

ITEM 7: Presentation and Discussion of Agreed Upon Procedures Audit on the Tobacco Settlement Cost Report ended December 31, 2020. Ms. Arnold stated this information was detail for services performed in 2020 only. They tested the financial eligibility of the patients. Two items to point out, one was an individual that had not been put back into the system due to the COVID backlog. The other item was documentation on a deceased person, when they usually received an obituary, but in this case, they were only able to find an email.

ITEM 8: Presentation of 2020 Tobacco Settlement Cost Report. Ms. Storrs stated they submit the Tobacco Settlement Report each year. She explained that this report is prepared and submitted annually so that the District is eligible for tobacco settlement proceeds. Ms. Storrs also stated that the District had received the proceeds, which were consistent with the amount received in the prior year.

ITEM 9: Discussion and Consideration of Updated Amarillo Hospital District Corpus Investment Policy. Ms. Storrs stated there were very minor changes to the investment policy for the current year. Minor word changes so that it reads better. The main item that prompted change was that

the policy was updated right before Sage had been approved as an investment manager and now Herring National Bank needed to be removed and Sage Advisory Services needed to be added. One other change, if the legislature makes changes to the Public Fund Investment Act it will supersede this policy. They are not anticipating a change, but this gives more time to get policy changes to the Board. Mr. Frigo moved to approve the investment policy as amended, seconded by Mr. Wright. Motion passed unanimously.

ITEM 10: Consideration of Amendments to Custody Agreements. Ms. Storrs stated there was a minor change with Frost Bank and NWTH pension. Frost has increased the wire transfer fee from \$25 to \$30. Ms. Bonner made a motion, seconded by Mr. Wright. Motion passed by a unanimous vote.

ITEM 11: Presentation of Quarterly Financial Statements. Laura Storrs presented the District's Quarterly Financial Statements at March 31, 2021. Ms. Storrs reviewed the Balance Sheet, Income Statement, and Budget versus Actual Reports.

ITEM 12: 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.

Dr. Biggs adjourned the meeting.

ATTEST:

Stephanie Coggin

William Biggs
Dr. William Biggs, Chairman