

STATE OF TEXAS
COUNTIES OF POTTER
AND RANDALL
CITY OF AMARILLO

On the 27th day of January 2020, the Amarillo Hospital District Finance Committee met at 4:00 p.m. in regular session in Room 306, located on the third floor of City Hall at 601 South Buchanan Street, Amarillo, Texas.

VOTING MEMBERS	PRESENT	NO. OF MEETINGS HELD SINCE APPOINTMENT	NO. OF MEETINGS ATTENDED SINCE APPOINTMENT
PATRICK WILLIAMS	Yes	4	3
SAM LOVELADY	Yes	18	15
DEAN FRIGO	Yes	14	13

Also in attendance were the following:

MICHELLE BONNER, DEPUTY CITY MANAGER, CITY OF AMARILLO
FRANCES HIBBS, RECORDING SECRETARY, CITY OF AMARILLO
MARCUS W. NORRIS, CITY OF AMARILLO, DEPUTY CITY ATTORNEY
LAURA STORRS, DIRECTOR OF FINANCE
KELLY BEVIS, WELLS FARGO FINANCIAL ADVISOR (by telephone)

Mr. Lovelady established a quorum, called the meeting to order at 4:00 p.m., and the following items of business were conducted:

Item taken out of order: Public Address.

Allen Finegold, 2601 North Grand Street, requested AHD funding for a study on Amarillo and the Panhandle regarding Chronic Pulmonary Disease (COPD) mortality rate which is twice over the average rate for the state of Texas. There were no further public comments.

ITEM 1: Consider Minutes of the Amarillo Hospital District Board of Managers. Mr. Lovelady presented the minutes from the last Finance Committee meeting held on October 24, 2019. Mr. Frigo made a motion to approve the minutes as presented. Mr. Williams seconded the motion and it carried unanimously.

Item taken out of order

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 December 31, 2019. She stated it was a great quarter. Bonds went up a little and it was a strong year as interest rates came down. The labor market remains strong but manufacturing has been weak. Information Technology was up 50.3%. Ms. Bonner stated at tomorrow's meeting they will discuss the interest rates consumption and investment policy changes for the next meeting.

Item taken out of order

ITEM 3: Presentation and Discussion of the AHD Corpus Investment Performance. Ms. Bevis presented the Amarillo Hospital District Agency Fund for the quarter ending December 31, 2019. She stated it was an interesting quarterly but it was basically flat. Herring outperformed this quarter but ANB still has outperformed. ANB is taking more risk. Mr. Lovelady stated Herring had some bets that were short term that paid off this quarter. He inquired if it is where we want to be. Ms. Bevis stated interest rates were projected to stay flat. She would suggest having more risk. Mr. Frigo inquired as to Herring's cash position. Mr. Tim O'Neil, Herring Bank, replied approximately \$4 million, but there was almost no incentive to take additional risk. Yield curve is not inverted as it was previously, extend maturity fluctuations; longer the portfolio reestablish themselves; 3% current income return. He stated it has been an extraordinarily couple of years back to back. The portfolio has lots of exposure. Interest will return to more historic levels and will preserve capital as well as get good returns. Mr. Lovelady inquired if the two portfolios were complimentary. Ms. Bevis replied they are for the shorter duration and positioned well if interest rates go up. Ms. Bonner inquired if anyone had any concerns, versus policy, they seem to be underperforming, the inception dates are a little different, inception versus policy. Ms. Bevis stated they work well at different times; a position over the long term that would help them, but it has not throughout the 10-year period. Mr. Lovelady asked if there was a need to evaluate our portfolio. Ms. Bevis replied it was worth taking a look at to see what's out there and maybe there is no need to change. The benchmark may warrant it to be looked at. Ms. Bonner stated they would request for proposal (RFP) and reevaluate what we have now and going forward where we want to be. They will evaluate and bring it back to the Finance Committee. The Finance Committee could make a recommendation to the board. Staff can begin to look at the process. Ms. Bonner stated it was due diligence for the Executive Committee. Mr. Lovelady asked staff to proceed with the RFP.

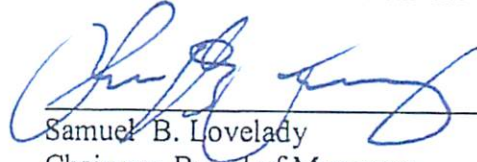
ITEM 4: Discuss and Consider Recommendation for the Amount or Rate of LPPF Mandatory Payment and Uses of Such Revenue for the State Fiscal Year Ending August 31, 2020. Ms. Bonner stated there were representatives from both hospitals at this meeting. They requested billing to be done over three different billings dates. Motion was made by Mr. Williams to recommend these payments, seconded by Mr. Frigo. Motion passed unanimously by a 3:0 vote.

ITEM 5: Review and Consider Resolution Regarding Annual Funding of Northwest Texas Healthcare System. Ms. Bonner stated the original resolution states there would be a CIP adjustment if the contract was adjusted. Mr. Morris is recommending a separate agreement. Ms. Bonner stated they will follow-up with NETH and assuming they are good, proceed at the next meeting. The adjustment is approximately \$850,000. No action is taken at this time and will be later approved by contract and not a resolution.

ITEM 6: Executive Session. Mr. Lovelady stated there was no need for an Executive Session at this time.

Item taken out of order

There being no further business, Mr. Lovelady made a motion to adjourn the meeting and the meeting adjourned. This meeting was recorded and all comments are on file with the City Secretary.



Samuel B. Lovelady
Chairman Board of Managers

ATTEST:

Dean Frigo