

STATE OF TEXAS
COUNTIES OF POTTER
AND RANDALL
CITY OF AMARILLO

On the day 28th day of February 2023, 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	29	25
RODNEY YOUNG	Yes	19	18
WESTON WRIGHT	Yes	13	12
WILLIAM BIGGS, MD, CHAIRMAN	Yes	24	22
MICHELLE BONNER	Yes	11	11
MICHAEL ALEXANDER	Yes	1	1
LAURA STREET	Yes	1	1

Also in attendance were the following:

LAURA STORRS, ASSISTANT CITY MANAGER
BRYAN MCWILLIAMS, CITY ATTORNEY
STEPHANIE COGGINS, CITY SECRETARY
KELLY BEVIS, WELLS FARGO ADVISORS
MATT RAMSEY, AMARILLO NATIONAL BANK
MICHAEL WALTON, SAGE
DAVID ELLIOT, ADELENTO HEALTHCARE ADVISORS
CLEONEY LAWRENCE, ADELENTO HEALTHCARE ADVISORS

Dr. Biggs established a quorum, called the regular meeting to order at 7:31 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 December 6, 2022. Mr. Frigo made a motion to approve the minutes as presented. Ms. Bonner seconded, and the motion carried unanimously.

ITEM 2: *Appointment of Finance Committee.* Dr. Young made a motion to appoint Mr. Frigo, Mr. Wright, and Ms. Bonner to the Finance Committee. Mr. Alexander seconded the motion, and it was carried unanimously.

ITEM 3: *Public Hearing on the LPPF Mandatory Payment Assessment.* David Elliot and Cleoney Lawrence, Counsel at Adelanto Healthcare, addressed the Board of Managers to request a Local Providers Participation Fund (LPPF) mandatory payment assessment for 2023 to support the local hospitals. They requested 4.17% which will generate just over \$40 million in payments. Jerome

Brooks, COO for BSA, spoke in favor of assessing the LPPF mandatory payment, along with Ed Romero, CFO for NWTB. Dr. Biggs opened the item to a public hearing, and there were no further comments.

ITEM 4: *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, 2023.* Dr. Young made a motion to approve the resolution as presented and set the rate at 4.17% for the state year ending August 31, 2023. Mr. Wright seconded, and the motion carried unanimously.

ITEM 5: *Presentation and Discussion of the Pension Fund Investment Performance.* Ms. Bevis presented investment performance of the Pension Investment Fund for the quarter ended December 31, 2022. It was a slightly better quarter for investing, but the end of a rough year overall. For the quarter, the portfolio was up 5.0%, which is in line with the total fund policy which was also up 5.0%. The one-year return is down 14.4% compared to the policy being down 12.9%.

ITEM 6: *Presentation and Discussion of the AHD Corpus Investment Performance.* Ms. Bevis presented performance of the AHD Corpus Investment Performance for the quarter ended December 31, 2022. The total portfolio was up 1.0% for the quarter versus the policy being up 1.2%. The one-year return is down 11.4% compared to the policy being down 8.3%.

ITEM 7: *Discuss and Consider Investment Strategy Changes to the District's Corpus Funds.* Ms. Storrs recapitulated the prior discussions regarding the District's investment strategy related to its Corpus Funds and potential changes to match the District's anticipated liabilities. Mr. Frigo shared that the AHD Finance Committee met on Friday to discuss the topic. An RFP was issued, and two responses were received. Both companies responding were capable of providing the services, and the determining factor came down to fees. The AHD Finance Committee recommended a new money manager use existing investments and match liabilities. Mr. Frigo shared that the Committee didn't want a new money manager to liquidate everything and reinvest, but to use existing maturities to the extent possible to cover the existing liabilities. Ms. Bonner shared that the Board would continue to review the performance of the investments quarterly. Ms. Bevis shared that future reviews will cover the liabilities and how the investments are structured to cover them. Mr. Frigo shared that the money manager, Sage, will work to get the District out of the current deficit, but that the Board of Managers must do their part to watch expenses. He stated it would not be wise to take on any new programs. Mr. Ramsey shared some history with the Board on why this item makes financial sense and how it is important for the new money manager to have an actuary on staff. A recommendation was made by the AHD Finance Committee to direct the money manager to utilize existing investments to match liabilities. Mr. Young seconded the motion and it passed unanimously.

ITEM 8: *Discuss and Consider Amarillo Hospital District Money Manager Services Request for Proposal Responses.* A recommendation was made to select Sage, by the AHD Finance Committee, to act as the investment manager for all the District's Corpus Funds and direct current money managers to release their funds to Sage by March 15, 2023. Dr. Young seconded the motion and it passed unanimously.

ITEM 9: *Presentation of Quarterly Financial Statements.* Ms. Storrs presented quarterly financials for the quarter ended December 31, 2022. Ms. Storrs reviewed the Balance Sheet, Income Statement, and Budget versus Actual Reports for the quarter.

ITEM 10: *Presentation of Quarterly Investment Report from Investment Officer.* Mr. Frigo presented the Quarterly Investment Report. On December 31, 2022, the District's investment

portfolio was in compliance with the AHD Investment Policy and the Texas Public Funds Investment Act.

EXECUTIVE SESSION: Mr. McWilliams advised at 8:41 a.m. that the Amarillo Hospital District Board of Managers would convene in Executive Session per Texas Government Code: 1) Section 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 Meetings Act; and 2) Section 551.072 – Discussion of Sale or Lease of District Property: a) Sale or Lease of District Property in the vicinity of Wallace and 9th.

Mr. McWilliams announced that Executive Session was adjourned at 9:06 a.m. and adjourned the regular meeting.

ATTEST:


Stephanie Coggins, City Secretary


Dr. William Biggs, Chairman

