

STATE OF TEXAS  
COUNTIES OF POTTER  
AND RANDALL  
CITY OF AMARILLO

On the day 23rd day of May 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	30	26
RODNEY YOUNG	Yes	20	19
WESTON WRIGHT	Yes	14	13
WILLIAM BIGGS, MD, CHAIRMAN	Yes	25	23
MICHELLE BONNER	Yes	12	12
MICHAEL ALEXANDER	Yes	2	2
LAURA STREET	Yes	2	2

Also in attendance were the following:  
LAURA STORRS, ASSISTANT CITY MANAGER  
COURTNEY WHITE, ASSISTANT CITY ATTORNEY  
JONNI GLICK, ASSISTANT CITY SECRETARY  
KELLY BEVIS, WELLS FARGO ADVISORS  
MATT RAMSEY, AMARILLO NATIONAL BANK  
MICHAEL WALTON, SAGE  
KATRINA OWENS, CMMS CPAs AND ADVISORS  
JANIE ARNOLD, CMMS CPAs AND ADVISORS  
ANDREW FREEMAN, DEPUTY CITY MANAGER

Dr. Biggs established a quorum, called the regular meeting to order at 7:33 a.m., and the following items of business were:

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

**ITEM 3:** *Consider Minutes.* Dr. Biggs presented the minutes from the last Board of Managers meeting held on February 2, 2023. Mr. Wright made a motion to approve the minutes as presented. Mr. Frigo seconded the motion, and it was carried unanimously.

**ITEM 4 REGULAR MEETING ITEMS**

**ITEM 4A:** *Election of Board Officers.* Mr. Alexander made a motion to appoint Mr. Frigo as Chairman, Ms. Bonner as Investment Officer, and Dr. Young as Vice-Chairman. Ms. Street seconded the motion, and it was carried unanimously.

**ITEM 4B:** *TIRZ #3 Appointment.* Mr. Freeman presented information related to the establishment of the new TIRZ and stated that it will have a \$30 million base value with estimated growth of \$160 million over a 20-year period. Dr. Young nominated Mr. Wright to serve a 2-year term on the South Gateway Tax Reinvestment Zone Number 3 Board. Mr. Frigo seconded the motion, and it was carried unanimously.

**ITEM 4C:** *Presentation and Discussion of the Pension Fund Investment Performance.* Ms. Bevis presented investment performance of the Pension Fund for the quarter ended March 31, 2023. It was a better quarter for investing. For the quarter, the portfolio was up 4.3% which is in line with the total fund policy which was up 4.2%. The one-year return is down 6.4% compared to the policy being down 4.8%.

**ITEM 4D:** *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, 2023. She stated the transfer of assets from ANB and Happy State Bank to Sage was completed this quarter. The total portfolio was up 2.8% for the quarter versus the policy being up 2.4%. The one-year return is down 4.2% compared to the policy being down 1.7%.

**ITEM 4E:** *Presentation and Discussion of the Sage Money Manager Services.* Michael Walton from Sage presented a review of the District's Corpus Investment strategy for the quarter ended March 1, 2023. He stated that there is currently 98% coverage of assets to liabilities. He also mentioned that they made some adjustments to the portfolio but no wholesale changes. This allowed them to lock in higher growth rates. They want to make assets look and feel like the known liabilities. He went on to state that currently there is approximately a \$3 million gap so they may have to make assets have a shorter maturity than the liabilities, or the District may have to contribute more.

**ITEM 4F:** *Discuss and Consider Updated Amarillo Hospital District Pension Plan Investment Policy.* Ms. Bevis presented a recommended update to the AHD Pension Plan Investment Policy of changing the Bloomberg Intermediate Index to the non-intermediate index. A motion to accept the updated policy was made by Ms. Street. Ms. Bonner seconded it, and it was carried unanimously.

**ITEM 4G:** *Presentation and Acceptance of the AHD Audit.* Katrina Owens, CMMS CPAs & Advisors 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 \$153.6 million in assets, \$0.5 million in liabilities, deferred inflows of \$3.1 million, and net position of \$150.0 million for the year ended September 30, 2022. Net position decreased \$48.6 million for the year. A motion was made to accept the Audit with additional information about the expected shortfall included in the MD&A by Mr. Frigo. Ms. Street seconded the motion, and it was carried unanimously.

**ITEM 4H:** *Presentation and Acceptance of the Nwth Pension Plan Audit.* Ms. Owens 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 \$19.1 million, a decrease of \$9.7 million over the prior year. A motion was made by Dr. Young to accept the Nwth Pension Plan Audit. Mr. Alexander seconded it, and the motion was carried unanimously.

**ITEM 4I:** *Presentation and Discussion of Agreed Upon Procedures Audit on the Tobacco Settlement Cost Report.* Ms. Owens 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 4J:** *Presentation of the 2023 Tobacco Settlement Cost Report.* Ms. Storrs presented the item. She mentioned that the 2023 report was filed with the State and that the District received \$404,730.69 in settlement proceeds. This reimbursement is split between Potter County unreimbursed jail expenses and AHD allowable expenditures.

**ITEM 4K:** *Discuss and Consider TIRZ #1 Addendum.* Mr. Freeman presented the changes to the Participation Agreement for Tax Increment Zone Number One that includes extending the TIRZ for an additional 20 years to 2056, but at 50% participation after 2036. Mr. Frigo made a motion to approve Addendum No. 1. Ms. Bonner seconded the motion, and it was carried unanimously.

**ITEM 4L:** *Discuss and Consider Award of Roof Replacement.* Ms. Storrs presented the best value bid for the Roof Replacement on the building at 206 NE 7th. Dr Young made a motion to award the roof replacement to Parsleys Sheet Metal and Roofing in the amount of \$88,000. Ms. Street seconded the motion and it was carried unanimously.

**ITEM 4M:** *Presentation of Quarterly Financial Statements.* Ms. Storrs presented quarterly financials for the quarter ended March 31, 2023. Ms. Storrs reviewed the Balance Sheet, Income Statement, and Budget versus Actual Reports for the quarter. Mr. Frigo asked Mr. Walton to calculate the deficit through the end of the year and bring options for budget to close the \$3 million gap.

**ITEM 4N:** *Presentation of Quarterly Investment Report from Investment Officer.* Mr. Frigo presented the Quarterly Investment Report. On March 31, 2023, the District's investment portfolio was in compliance with the AHD Policy and the Texas Public Funds Investment Act.

**ITEM 4O:** *Announcement – Next Meeting.* Next meeting on August 29, 2023.

**ITEM 5:** *Discuss Items for Future Agendas.* None

Dr. Biggs adjourned the meeting at 8:56 a.m.

ATTEST:

  
Stephanie Coggins, City Secretary

  
Mr. Dean Frigo, Chairman

