



## Amarillo Hospital District Board of Managers Regular Meeting

December 5, 2023

7:30 AM

Council Chamber, City Hall  
601 S Buchanan Street  
Amarillo, Texas 79101

### MINUTES

**1. Welcome and Introductions**

On the 5<sup>th</sup> day of December, 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 S. Buchanan in Amarillo, Texas.

| <b>VOTING MEMBERS</b>                  | <b>PRESENT</b> | <b>NO. OF<br/>MEETINGS<br/>HELD SINCE</b> | <b>APPOINTMENT</b> | <b>NO. OF<br/>MEETINGS<br/>ATTENDED<br/>SINCE</b> |
|--|----------------|---|--------------------|---|
| Dean Frigo, Chairman                   | Yes            | 33  | 29                 | 29  |
| Rodney Young, Vice-Chairman            | Yes            | 23  | 22                 | 22  |
| Weston Wright                          | Yes            | 17  | 16                 | 16  |
| William Biggs, MD                      | Yes            | 28  | 26                 | 26  |
| Michelle Bonner, Investment<br>Officer | Yes            | 15  | 15                 | 15  |
| Michael Alexander                      | Yes            | 5   | 4                  | 4   |
| Laura Street                           | Yes            | 5   | 5                  | 5   |

Also in attendance were the following:

- Laura Storrs, Assistant City Manager
- Courtney White, Assistant City Attorney
- Stephanie Coggins, City Secretary
- Matthew Poston, Finance Director
- Kelly Bevis, Wells Fargo Advisors
- Matt Ramsey, Amarillo National Bank
- Kimberly Lam, Adelanto HealthCare Ventures
- Justin Flores, Adelanto HealthCare Ventures
- Ed Romero, Northwest Texas Hospital
- Meredith Nelson, Baptist Saint Anthony's Hospital
- Courtney Brashaw, Texas Tech Health Sciences Center

Chairman Frigo call the meeting to order at 7:33 a.m.

Chairman Frigo presented a plaque to Dr. Biggs for his service on the Board.

2. **Public Address** Citizens who desire to address the Amarillo Hospital District Board of Managers with regard to matters on the agenda or having to do with the City's policies, programs, or services will be received at this time. Each speaker will be limited to three minutes. The Board may not discuss items not on this agenda, but may respond with factual, established policy information, or refer to staff. The Board may choose to place the item on a future agenda. (Texas Attorney General Opinion JC-0169.)

No one presented to speak.

3. **Approval of Minutes** The Board will consider approval of the minutes from the last meeting of the Board of Managers held September 20, 2023.

Chairman Frigo introduced the item. Dr. Young moved to approve the minutes. Mr. Wright seconded, and the motion carried unanimously.

4. **Regular Meeting Items**

4.A. **Public Hearing on the LPPF Mandatory Payment Assessment**

The Board will conduct a public hearing on the amount or rate of the mandatory payment to be assessed to each institutional health provider within the boundaries of the AHD for the State fiscal year ending August 31, 2024, and the uses for such collected funds. All required notices for the public hearing have been given.

Kimberly Lamb, Adelanto HealthCare Ventures, spoke on behalf of the hospital providers who are requesting the AHD Board consider an LPPF rate of six percent (6%).

Justin Flores, Adelanto HealthCare Ventures, spoke regarding the increase in the rate from 4.17% to 6%. There are two new programs approved by CMS that provide hospitals with increased eligibility in federal dollars. These programs are retroactive and the increased rate will allow the hospitals to claim more of these federal dollars. He stated they anticipate the rate floating between four and six percent in years going forward. The maximum rate that can be set is six percent.

Ms. Storrs shared that this item may require a budget amendment be considered by the Board. If this is the case, it would be held and brought along with a possible budget amendment needed for the pension plan.

Chairman Frigo opened a public hearing. Ed Romero, CFO of NWITH, spoke in favor of the item. Meridith Nelson, CFO of BSA, spoke in favor of the item. Chairman Frigo closed the public hearing.

4.B. **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, 2024**

This resolution is to document the Board's determination as to the appropriate

amount of the mandatory assessment to levy against each institutional health provider within the District, for the State fiscal year ending August 31, 2024, and uses of the funds so collected.

Chairman Frigo introduced the item and stated that the rate is set at six percent. Ms. Storrs reviewed the payment schedule included in the resolution.

Dr. Biggs made a motion to approve the item as presented, Ms. Bonner seconded, and the item passed unanimously.

**4.C. Presentation and Discussion of the Pension Fund Investment Performance**

The District's Investment Counselor will present a review of the District's Pension Fund Investment Performance from the previous quarter.

Ms. Bevis presented the item. She stated that the Board voted to terminate the pension plan which will change how the plan is structured and performs. The third quarter was a rough one with many negative returns. The longer the duration of bonds, the more negative the performance was. The fourth quarter is starting off opposite of the third quarter, with equities positive and commodities negative. While interest rates have gone up, they are starting to pull back down some.

Ms. Bevis covered a page of graphs that reflected how investments were structured to match the pension plan termination.

**4.D. Presentation and Discussion of the AHD Corpus Investment Performance**

The District's Investment Counselor will present a review of the District's Corpus Investment Performance from the previous quarter.

Ms. Bevis presented performance of the AHD Corpus Investment Performance for the quarter ended September 30, 2023. The total portfolio was down 2.8% for the quarter versus the policy being down 1.2%. The one-year return is up 0.1% compared to the policy being up 1.3%.

Ms. Bevis stated that the assets versus liabilities deficit for the District Corpus had tightened to \$1.7 million versus the \$2.3 million deficit presented for the prior quarter.

Chairman Frigo asked if LPPF funds can be used for other obligations of the District. Ms. Storrs stated that we can research and add an item to the next meeting to visit about the topic with guidance from Legal on how it can be spent.

Mr. Ramsey, shared his appreciation for the partnership since 1997.

**4.E. Discuss Update to Termination of the Pension Plan**

The Board will receive an update on the process to terminate the Retirement Plan for Employees of Northwest Texas Healthcare System and transfer pension risk services to an insurance company.

Ms. Storrs shared that the District has a request for proposal currently published to seek an insurance company to purchase annuities from. They are on track to receive bids back in January and select a firm. Staff anticipates awarding and wiring amounts around the later part of January 2024, and the first annuity payments would be made by the awarded entity in March 2024. She also stated that notices were mailed to participants on October 10, 2023 letting them know of the plan to purchase insurance annuities.

Ms. Storrs stated that the estimated shortfall in funding the termination of the pension plan is now \$2.9 million with \$3.4 million on the high end and \$2.4 million on the low end.

**4.F. Discuss and Consider Updated Amarillo Hospital District Corpus Investment Policy**

The Board will discuss and consider changes to the Amarillo Hospital District Corpus Investment Policy.

Chairman Frigo introduced the item, and Mr. Poston presented the item. There were a few wording changes implemented by Valleyview Consultants, who were retained to help update investment policies. Overall, the investment policy remained the same.

Ms. Bonner made a motion to approve the item as presented, Ms. Street seconded the motions, and the item passed unanimously.

**4.G. Presentation from Texas Tech University Health Sciences Center of Psychiatry**

Texas Tech University Health Sciences Center will present the Board updates about the use of District funding for Psychiatry Services.

Chairman Frigo introduced the item, and Courtney Brashaw with Texas Tech University Health Sciences Center (TTUHSC), presented the item. She gave an overview of Dr. Amy Stark who is a psychiatrist for TTUHSC and the services provided with the District's funding. She also stated that TTUHSC is actively trying to hire another psychiatrist for the area.

**4.H. Consider Resolution for the Annual Funding of the Indigent Care Agreement**

The Board will consider a resolution to fund the payments associated with the Indigent Care Agreement.

Chairman Frigo introduced the item, and Ms. Storrs presented the item. The four quarterly payments are flat at \$1.9 million and will remain flat through the end of the indigent care agreement in 2036.

Dr. Biggs made a motion to approve the item as presented, Mr. Alexander seconded the motion, and the item passed unanimously.

**4.I. Consider Resolution Approving and Authorizing Funding for the City of Amarillo Department of Public Health**

The Board will consider a resolution to fund the Public Health Department.

Chairman Frigo introduced the item, and Ms. Storrs presented the item. The amount for consideration is not to exceed \$2.0 million, but only actual costs will be reimbursed.

Dr. Young made a motion to approve the item as presented, Ms. Street seconded the motion, and the item passed unanimously.

**4.J. Review and Consider the District's Bylaws**

The Board will review and consider any recommended charges to the District's Bylaws. There are no changes recommended by City staff.

Ms. Storrs stated this is an annual review by the Board, but there are no recommended changes this year.

Ms. Street made a motion to approve the item as presented, Dr. Biggs seconded the motion, and the item passed unanimously.

**4.K. Presentation of Quarterly Financial Statements**

City staff will present a summary of the District's revenue and expenditures from the previous quarter.

Chairman Frigo introduced the item, and Mr. Poston presented quarterly financials for the quarter ended September 30, 2023. Mr. Poston reviewed the Balance Sheet, Income Statement, and Budget versus Actual Reports for the quarter.

Ms. Storrs stated that they are actively working on the Donor Restricted Funds with the attorneys. She stated there is not much documentation on the Funds but they will be sending one to the Attorney General soon.

**4.L. Presentation of Quarterly Investment Report from Investment Officer**

The District's Investment Officer will present the District's Quarterly Investment Report.

Ms. Bonner presented the Quarterly Investment Report. On June 30, 2023, the District's investment portfolio was in compliance with the AHD Policy and the Texas Public Funds Investment Act.

**4.M. Announcement - Next Meeting**

February 13, 2024 will be the next meeting.

**5. Discuss Items for Future Agendas**

The Board asked to receive an update from the attorneys on all eligible uses of the Local Provider Participation Funds at the next meeting.

Mr. Frigo adjourned the meeting at 8:31 a.m.

ATTEST:

  
Stephanie Coggins, City Secretary

  
Dean Frigo, Chairman