



Amarillo Hospital District Board of Managers Regular Meeting

February 13, 2024
7:30 AM
Council Chamber, City Hall
601 S Buchanan Street
Amarillo, Texas 79101

MINUTES

1. Welcome and Introductions

On the 13th day of February, 2024, 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.

VOTING MEMBERS		NO. OF MEETINGS HELD SINCE	NO. OF MEETINGS ATTENDED SINCE
	PRESENT	APPOINTMENT APPOINTMENT	
Dean Frigo, Chairman	Yes	34	30
Rodney Young, Vice-Chairman	Yes	24	23
Weston Wright	Yes	18	17
Michelle Bonner, Investment Officer	Yes	16	16
Michael Alexander	Yes	6	5
Laura Street	No	6	5
Thomas Warren III	Yes	1	1

Also in attendance were the following:
 Laura Storrs, Assistant City Manager
 Courtney White, Assistant City Attorney
 Jonni Glick, Assistant City Secretary
 Matthew Poston, Finance Director
 Kelly Bevis, Wells Fargo Advisors
 Michael Walton, Sage

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

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 December 5, 2023.

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

4. **Regular Meeting Items**

4.A. **Appointment of TIRZ #1 Position**

The Board will appoint one member to serve on the Tax Increment Reinvestment #1 Board.

Dr. Young made a motion to reappoint Mr. Frigo to serve on the TIRZ #1 Board, Mr. Alexander seconded, and the motion passed unanimously.

4.B. **Appointment of TIRZ #2 Position**

The Board will appoint one member to serve on the Tax Increment Reinvestment #2 Board.

Dr. Young made a motion to reappoint Ms. Bonner to serve on the TIRZ #1 Board, Mr. Alexander seconded, and the motion 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 there were double digit returns for the quarter. She mentioned that the portfolio had to be rebalanced during the 1st quarter. The total portfolio was up 9.9% for the quarter versus the policy being up 8.8%. The one-year return is up 16.0% compared to the policy being up 13.5%.

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 December 31, 2023. The total portfolio was up 6.3% for the quarter versus the policy being up 4.4%. The one-year return is up 5.4% compared to the policy being up 4.5%.

Mr. Walton stated that the investments were still in line with the District's liabilities,

and that the liabilities were currently 99% funded. The assets versus liabilities deficit for the District Corpus had improved to \$1.1 million versus the \$1.7 million deficit presented for the prior quarter.

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 updated the Board that no proposals were received from insurance companies for the RFP issued related to the transfer of pension risk to an insurance company. Ms. Storrs stated she contacted the City's attorneys for guidance and was directed the District could work with three insurance companies to receive bids on the annuities and then negotiate with the best bid. She stated the timeline would have to only be slightly moved back to receive bids in March and have the Pension make final benefit payments in April. Ms. Storrs went on to state that she also worked with the District's pension attorney to review the Plan amendment needed for termination of the Plan.

4.F. Discussion and Consideration of Pension Plan Amendment

The District will discuss and consider an amendment to the Retirement Plan for Employees of Northwest Texas Healthcare System for the pension risk transfer services.

Ms. Storrs stated that Gallagher had reached out to several insurance companies asking why they hadn't submitted proposals related to Item 4E. Two recommendations for amendments to the pension plan were provided by the insurance companies. The first would be to lock in the interest rate used for lump sum calculations to 6.15% instead of leaving it as the interest rate equal to the highest November 30-Year Treasury rate since 1/1/2000, which is currently 6.15%. The second is to have the benefits for a deceased participant go directly to the estate if there is no surviving spouse instead of going to descendants, parents, and heirs-in-law before the estate.

Ms. Storrs stated that she had run the amendments past the District's pension attorney and he had no concerns about the Board approving the two amendments. Ms. Bonner made a motion to approve the amendments as presented, Mr. Alexander seconded, and the motion approved unanimously.

4.G. Discussion of Eligible Uses of Local Provider Participation Funding (LPPF)

City staff will present information to the Board related to eligible uses of the LPPF funds.

Ms. Storrs presented a handout of the Rules and Procedures for the Amarillo Hospital District Health Care Provider Participation Program that was reviewed by the attorneys. She mentioned Rule 8 covered the Authorized Uses of Money and included that the money could be used to subsidize indigent programs.

The Board requested Ms. Storrs research what other LPPF funds do and find out if the funds could be used to cover the shortfall in District indigent care funding through 2036 if there is one.

4.H. 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 December 31, 2023. Mr. Poston reviewed the Balance Sheet, Income Statement, and Budget versus Actual Reports for the quarter.

4.I. 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 December 31, 2023, the District's investment portfolio was in compliance with the AHD Policy and the Texas Public Funds Investment Act.

4.J. Announcement - Next Meeting

May 21, 2024 will be the next meeting.

5. Discuss Items for Future Agendas

Mr. Frigo adjourned the meeting at 8:15 a.m.

ATTEST:


Stephanie Coggins, City Secretary


Dean Frigo, Chairman