



Amarillo Hospital District Board of Managers Regular Meeting

May 21, 2024
7:30 AM
Council Chamber, City Hall
601 S Buchanan Street
Amarillo, Texas 79101

MINUTES

1. Welcome and Introductions

On the 21st day of May, 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	PRESENT	NO. OF MEETINGS HELD SINCE APPOINTMENT	NO. OF MEETINGS ATTENDED SINCE APPOINTMENT
Dean Frigo, Chairman	Yes	35	31
Rodney Young, Vice-Chairman	Yes	25	24
Weston Wright	Yes	19	18
Michelle Bonner, Investment Officer	Yes	17	17
Michael Alexander	Yes	7	6
Laura Street	Yes	7	6
Thomas Warren III	No	2	1

Also in attendance were the following:
 Laura Storrs, Assistant City Manager
 Bryan McWilliams, City Attorney
 Katrina Owens, Finance Director
 Justin Blackstock, Treasurer
 Kelly Bevis, Wells Fargo Advisors
 Michael Walton, Sage
 Rebecca Gladney, CMMS CPAs and Advisors

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

2. Public Comment 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 District will consider approval of the minutes from the last meeting of the Board of Managers held February 9, 2024.

Chairman Frigo introduced the item. Mr. Wright moved to approve the minutes with one amendment to the language in the previous approval of minutes. Ms. Street seconded, and the motion carried unanimously.

4. **Regular Meeting Items**

4.A. **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 was strong performance during the quarter for equities. It was a rough quarter for the bond market. She mentioned that the pension plan had been terminated during the quarter presented with a \$2.6 million final contribution which was down from the \$3.4 million it had been previously.

4.B. **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 March 31, 2024. The total portfolio was down 0.4% for the quarter versus the policy being down 0.4%. The one-year return is up 2.1% compared to the policy being up 1.6%. She reminded the Board that the Corpus is invested 100% in bonds.

Mr. Walton stated that the investments were still in line with the District's liabilities, and that the liabilities were currently approximately 100% funded. The assets versus liabilities deficit for the District Corpus had improved to \$14 thousand as of March 31, 2024.

4.C. **Presentation and Acceptance of the AHD Audit**

The District's audit firm, CMMS CPAs and Advisors, will present the District's Annual Financial Report for the year ending September 30, 2023 for acceptance by the Board.

Rebecca Gladney, 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

\$142.7 million in assets, \$1.5 million in deferred outflows, \$3.9 million in liabilities, deferred inflows of \$0.2 million, and net position of \$140.2 million for the year ended September 30, 2023. Net position decreased \$9.8 million for the year. A motion was made to accept the audit Mr. Alexander. Dr. Young seconded the motion, and it was carried unanimously.

4.D. Presentation and Acceptance of the Nwth Pension Plan Audit

The District's audit firm, CMMS CPAs and Advisors, will present the Nwth Pension Plan Annual Financial Report for the year ending September 30, 2023 for acceptance by the Board.

Ms. Gladney 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 \$18.8 million, a decrease of \$0.3 million over the prior year. Ms. Gladney mentioned the Plan was presented as being in liquidation status. A motion was made by Ms. Street to accept the Nwth Pension Plan Audit. Ms. Bonner seconded it, and the motion was carried unanimously.

4.E. Presentation and Discussion of Agreed Upon Procedures Audit on the Tobacco Settlement Cost Report

The District's audit firm, CMMS CPAs and Advisors, will present the District's Independent Accountant's Report on Applying Agreed-Upon Procedures regarding the Tobacco Expenditure Statement at December 31, 2023.

Ms. Gladney 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.

4.F. Presentation of the 2024 Tobacco Settlement Cost Report

City staff will present the District's 2024 Tobacco Settlement Cost Report for the calendar year 2023.

Ms. Storrs presented the item. She mentioned that the 2023 calendar year report was filed with the State and that the District received \$436,522.21 in settlement proceeds. This reimbursement is split between Potter County unreimbursed jail expenses and AHD allowable expenditures.

4.G. Discuss and Consider Resolution to Amend the Indigent Care Agreement

The Board will discuss and consider a resolution to amend the existing Indigent Care Agreement with Universal Healthcare Systems.

Ms. Storrs presented the item stating this was a recommendation from the State to stay in compliance with the local providers participation fund requirements. She also stated that the amendment was drafted by Universal Healthcare Systems legal team and approved by the District's attorney. Mr. Wright made a motion to approve the resolution as presented, Mr. Alexander seconded, and the motion passed unanimously.

4.H. 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 the May premiums had been successfully paid by One America and that she had not heard of any challenges that arose from members. She stated that the full balance of the Plan had been transferred at the end of March to One America and that she had notified the Pension Review Board of the termination. The Board commented on how pleased they were to provide this benefit to members while terminating the existing Plan.

4.I. Presentation of Quarterly Financial Statements

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

Mr. Blackstock presented quarterly financials for the quarter ended March 31, 2024. Mr. Blackstock reviewed the Balance Sheet, Income Statement, and Budget versus Actual Reports for the quarter.

4.J. 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 March 31, 2024, the District's investment portfolio was in compliance with the AHD Policy and the Texas Public Funds Investment Act.

4.K. Discuss and Consider Disclaimer of Interest in Real Property

The District will discuss and consider a request to provide a disclaimer of interest in real property located in the hospital district vicinity.

Ms. Storrs explained that she was contacted by a representative from the VA Hospital. They were working to purchase some land in the hospital district area and they were needing to do some cleanup work on the deeds. Since the District has certain deed restrictions in the area, the VA Hospital asked for the District to provide a disclaimer of interest on the property. The Board asked if this would waive the deed restrictions and Mr. McWilliams clarified that it would not. Ms. Street made a motion to approve the item as presented, Mr. Alexander seconded, and the motion passed unanimously.

4.L. Announcement - Next Meeting

The Board announced that July 30, 2024 would be the next quarterly meeting.

4.M. Executive Session: The Board to not convene to executive session.

1. Sec. 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 Meeting Act.
 - a. Real estate located in the hospital district vicinity
2. Sec. 551.074 – Discussion of District property.
 - a. Real estate located in the hospital district vicinity

5. Discuss Items for Future Agendas None were presented.

Mr. Frigo adjourned the meeting at 8:51 a.m.

ATTEST:



Stephanie Coggins, City Secretary



for Mr. Dean Frigo, Chairman

