



## Amarillo Hospital District Board of Managers Regular Meeting

August 27, 2024  
7:30 AM  
Council Chamber, City Hall  
601 S Buchanan Street  
Amarillo, Texas 79101

### MINUTES

#### 1. Welcome and Introductions

On the 17th day of August, 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.

<b>VOTING MEMBERS</b>	<b>PRESENT</b>	<b>NO. OF MEETINGS HELD SINCE APPOINTMENT</b>	<b>NO. OF MEETINGS ATTENDED SINCE APPOINTMENT</b>
Dean Frigo, Chairman	No	36	31
Rodney Young, Vice-Chairman	Yes	26	25
Weston Wright	Yes	20	19
Michelle Bonner, Investment Officer	Yes	18	18
Michael Alexander	Yes	8	7
Laura Street	No	8	6
Thomas Warren III	Yes	3	2

Also in attendance were the following:  
 Laura Storrs, Assistant City Manager  
 Bryan McWilliams, City Attorney  
 Jonni Glick, Assistant City Secretary  
 Katrina Owens, Finance Director  
 Justin Blackstock, Treasurer  
 Kelly Bevis, Wells Fargo Advisors  
 Michael Walton, Sage  
 Justin Flores, Adelento Healthcare Advisors  
 Zach Ervin, Adelento Healthcare Advisors  
 Cleoney Lawrence, Adelento Healthcare Advisors  
 Meg Williams, Tobacco Free Amarillo

Vice-Chairman Young call the meeting to order at 7:35 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 Board will consider approval of the minutes from the last meeting of the Board of Managers held May 21, 2024.

Vice-Chairman Young introduced the item. Mr. Wright moved to approve the minutes with one amendment to the language in the previous approval of minutes. Mr. Alexander seconded, and the motion carried 5-0.

4. **Regular Meeting Items**

4.A. **Appointment of Board Members to the Indigent Care and Funding Priorities Committee**

The Board will make three appointments to the Indigent Care and Funding Priorities Committee.

Ms. Bonner made a motion to appoint Dr. Young, Mr. Alexander, and Mr. Warren to the committee, Mr. Wright seconded and the motion passed 5-0.

4.B. **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, 2025, and the uses for such collected funds. All required notices for the public hearing have been given.

Justin Flores, Adelanto HealthCare Ventures, spoke on behalf of the hospital providers who are requesting the AHD Board consider an LPPF rate of six percent (6%). He stated there are several new programs approved by CMS that provide hospitals with increased eligibility in federal dollars.

Vice-Chairman Young opened a public hearing. No one came forward to speak. Vice-Chairman Young closed the public hearing

4.C. **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, 2025**

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, 2025, and uses of the funds so collected.

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

Mr. Wright made a motion to approve the item as presented, Mr. Alexander seconded, and the item passed 5-0.

**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 June 30, 2024. The total portfolio was up 0.6% for the quarter versus the policy being up 0.5%. The one-year return is up 3.5% compared to the policy being up 3.2%.

**4.E. Presentation and Discussion of the Sage Money Manager Services**

The District's money manager, Sage, will present a review of the District's Corpus Investment strategy.

Mr. Walton stated that the investments were still in line with the District's liabilities, and there is currently a \$330 thousand anticipated deficit through 2036 at the end of the quarter. He stated with the updated budget estimates that the liabilities are 99% funded and with a projected 3% growth annually for Public Health, the liabilities would be 98% funded.

**4.F. Presentation and Discussion of Actuarial Report on the Pension Plan**

The District's Actuary will present the Retirement Plan for Employees of Northwest Texas Healthcare System Actuarial Valuation report as of October 1, 2023.

Ms. Storrs presented the item and stated that this would be the last actuarial valuation since the Plan was terminated in March 2024.

**4.G. Discuss and Consider Amarillo Hospital District Budget**

The Board will discuss and consider the Amarillo Hospital District Budget for the 2024/2025 fiscal year.

Ms. Storrs presented the proposed budget for 2024/2025. The proposed budget includes estimated available funds of \$129.5 million to start the next fiscal year 2024/2025. Revenues are proposed at \$3.0 million, and expenditures are proposed at \$12.2 million, leaving proposed available funds of \$120.4 million at the end of fiscal 2024/2025. The proposed budget includes a level funding for Public Health, level funding for Texas Tech University Health Sciences Center contract for its Department of Pediatrics and Psychiatry, and a small increase for Tobacco Free Amarillo to match the expected tobacco settlement proceeds the District would receive. Ms. Storrs shared there is no need to make a pension contribution since the Plan was terminated in the current fiscal year.

For the Local Provider Participation Fund, available funds at October 1, 2024 are anticipated at \$8.7 million. Proposed revenues for fiscal 2024/2025 are \$70.6 million and proposed expenditures are \$79.3 million, leaving available funds at October 1, 2025 proposed at \$1,271. Ms. Bonner made a motion to approve the Amarillo Hospital District Budget for 2024/2025 from the Finance Committee No seconded was needed, and the motion carried 5-0.

**4.H. Discuss and Consider Addendum for the Tech University Health Science Center Psychiatry Residency Program**

The Board will discuss and consider an addendum to the funding of the Texas Tech University Health Science Center Psychiatry Residency Program.

Ms. Storrs presented an Addendum that provides an extension of the contract for the Psychiatry Residency funding with no change to the annual funding level of \$100,000. Ms. Bonner moved to approve the Addendum. Mr. Wright seconded the motion. Dr. Young abstained, and the motion passed 4-0-1.

**4.I. Discuss and Consider Agreement for Texas Tech University Health Sciences Center Department of Pediatrics**

The Board will discuss and consider an agreement for the funding of Specialized Pediatric Services through Texas Tech University Health Sciences Center.

Ms. Storrs presented the item recommending level funding of \$1.6 million for TTUHSC Department of Pediatrics. Mr. Alexander made a motion to approve the item as presented. Mr. Wright seconded the motion. Dr. Young abstained, and the item passed by a vote of 4-0-1.

**4.J. Discuss and Consider Agreement for Tobacco Free Amarillo**

The Board will discuss and consider an agreement for Tobacco Free Amarillo.

Ms. Storrs presented the item recommending level funding of \$405,000 based on the Tobacco Settlement proceeds the District anticipates receiving. Ms. Bonner motioned to approve the item as presented. Mr. Wright seconded the motion, and the motion passed 5-0.

**4.K. 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.

Vice-Chairman Young introduced the item, and Ms. Storrs presented the item. The four quarterly payments are flat at \$1.9 million for an annual total of \$7.7 million and will remain flat through the end of the indigent care agreement in 2036.

Mr. Wright made a motion to approve the item as presented, Mr. Alexander seconded the motion, and the item passed 5-0.

**4.L. 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.

Vice-Chairman <sup>Yovna</sup> 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.

Mr. Wright made a motion to approve the item as presented, Ms. Bonner seconded the motion, and the item passed 5-0.

**4.M. Presentation from Tobacco Free Amarillo**

Tobacco Free Amarillo will present to the Board updates about the use of District funding.

Meg Williams, with Tobacco Free Amarillo (TFA) presented the item.

**4.N. 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 June 30, 2024. Mr. Blackstock reviewed the Balance Sheet, Income Statement, and Budget versus Actual Reports for the quarter.

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

**4.P. Executive Session: Mr. McWilliams read the Board into executive session at 5:42 a.m.**

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.
2. Sec. 551.072 – Discussion of Sale or Lease of District property.

- a. Sale or Lease of District Property in the Northwest Quadrant of Amarillo.

Mr. McWilliams read the Board out of executive session at 8:56 a.m.

**5. Discuss Items for Future Agendas**

The Board discussed putting an item on the next agenda to establish a committee to work on legislation for the District. Ms. Storrs also mentioned a budget amendment might be needed for the next meeting.

**5.A. Announcement - Next Meeting Date**

The Board did not announce the next meeting date, but asked staff to send an email to determine when a quorum could be established for the next meeting.

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

ATTEST:

  
Stephanie Coggins, City Secretary

  
Dean Frigo, Chairman