



Amarillo Hospital District Finance Committee Regular Meeting

August 20, 2024
4:00 PM
Amarillo City Hall - Room 306
601 S. Buchanan - Third Floor
Amarillo, Texas 79101

MINUTES

1. Welcome and Introductions

On the 20th day of August 2024, the Amarillo Hospital District Finance Committee met at 4:00 p.m. in regular session in Room 306, located on the third floor of City Hall at 601 South Buchanan Street, Amarillo, Texas.

VOTING MEMBERS	PRESENT	NO. OF MEETINGS HELD SINCE APPOINTMENT	NO. OF MEETINGS ATTENDED SINCE APPOINTMENT
DEAN FRIGO	Yes	24	24
WESTON WRIGHT	Yes	10	10
MICHELLE BONNER	Yes	2	2

Also in attendance were the following:

BRYAN MCWILLIAMS, CITY ATTORNEY
LAURA STORRS, ASSISTANT CITY MANAGER
STEPHANIE COGGINS, CITY SECRETARY
KATRINA OWENS, FINANCE DIRECTOR
JUSTIN BLACKSTOCK, TREASURER
KELLY BEVIS, WELL FARGO ADVISORS
MICHAEL WALTON, SAGE (BY TEAMS)

Mr. Frigo established a quorum, called the meeting to order at 4:04 p.m.

2. **Public Address** Citizens who desire to address the [Name of Board] 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 present wished to comment.

3. **Approval of Minutes** The Committee will consider approval of the minutes from the last meeting of the Finance Committee held August 28, 2023.

Mr. Frigo presented the minutes from the last Finance Committee meeting held on August 28, 2023. Mr. Wright made a motion to approve the minutes as presented. Ms. Bonner seconded the motion, and it carried 3-0.

4. **Regular Meeting Items**

4.A. **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 will be the last valuation since the Plan has been terminated. She also mentioned that the last audit of the Plan will be conducted soon. The Committee expressed appreciation of Gallagher's role in termination of the Plan.

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 investment performance of the AHD Corpus for the quarter ended June 30, 2024. All performance was from stocks in AI. The Feds are successfully slowing things down. For the quarter, the portfolio was up 0.6% which is in line with the total fund policy which was up 0.5%. The one-year return is up 3.5% compared to the policy being up 3.2%.

4.C. **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.

Michael Walton from Sage presented a review of the District's Corpus Investment strategy for the quarter ended June 30, 2024. He stated that the liabilities are 100% as of 6/30/24. He mentioned that the assets are matched very well to the liabilities.

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

The Committee will 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 \$128.7 million to start the next fiscal year 2024/2025. Revenues are proposed at \$2.4 million, and expenditures are

proposed at \$12.2 million, leaving proposed available funds of \$119.0 million at the end of fiscal 2024/2025. Mr. Walton mentioned the interest income should be increased from \$2.0 million to \$2.6 million. The proposed budget includes level funding for Public Health, level funding for Texas Tech University Health Sciences Center contract for its Department of Pediatrics and Psychiatry, and slightly increased funding 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 in the budget because the pension plan was fully funded and terminated during the current 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 \$70.0 million and proposed expenditures are \$79.3 million, leaving available funds at October 1, 2025 proposed at \$1,271. Ms. Storrs reviewed the projected cash flows for the District through 2036. The Committee recommended Ms. Storrs send this to Mr. Walton with an estimated 3% increase annually for Public Health. Ms. Bonner made a motion to approve the Amarillo Hospital District Budget for 2024/2025 from the Finance Committee with the interest income being increased per Mr. Walton's recommendation. Mr. Wright seconded, and the motion carried 3-0.


5. Discuss Items for Future Agendas

The Committee recommended having Tobacco Free Amarillo present at the 8/27/24 Board meeting and Texas Tech and Public Health present at future quarterly meetings. They also discussed possibly needing a budget amendment for the termination of the Plan. The Committee discussed needing to work with the Legislature on implementing a tax rate and mentioned needing to look into an exemption for those over 65.

Mr. Frigo adjourned the meeting at 5:06 p.m.

ATTEST:


Stephanie Coggins, City Secretary


Dean Frigo, Chair

