

**AMARILLO HOSPITAL DISTRICT
BOARD OF MANAGERS
MINUTES
April 25, 2000**

<u>Members</u>	<u>Present</u>
Mr. Steve Walton, Chairman	Yes
Mr. Rick Jones, Chairman Pro Tem	Yes
Mr. Stan Harrison, Secretary	Yes
Mr. John Irwin	Yes
Dr. Ronald Fortner	Yes
Ms. Karen O'Hara	Yes
Mr. Ernie Boyd	Yes

Also Present

Mr. Marcus Norris	City Attorney-City of Amarillo
Mr. Claud Drinnen	First Assistant City Attorney-City of Amarillo
Mr. Dean Frigo	Director of Finance-City of Amarillo
Ms. Debbie Close	Recording Secretary-City of Amarillo
Ms. Claudia Blackburn	Public Health Director-City of Amarillo
Mr. John Crider	Consulting Actuary
Mr. Dave Kemp	Potter County Attorney's Office
Mr. Max Owens	Northwest Texas Healthcare System
Mr. Tom Riney	Gibson Ochsner & Adkins
Mr. Jim Simms	Amarillo National Bank
Mr. Edward Scott	Developer
Dr. Nathan Goldstein	Northwest Texas Healthcare System
Mr. Moody Chisholm	Northwest Texas Healthcare System

ITEM I: Executive Session to Discuss Pending Litigation. The Board convened into Executive Session at 7:35 a.m and the Board reconvened into Open Session at 7:54 a.m.

ITEM II: Mr. Walton called the meeting to order at 7:55 a.m. at City Hall, 509 East 7th Street, Third Floor, Commission Chambers, and welcomed those in attendance.

ITEM III: Mr. Walton presented the Minutes of January 25, 2000. Motion for approval was made by Dr. Fortner, seconded by Mr. Boyd, and unanimously carried.

ITEM IV: Consideration of an Amendment to Indigent Care Contract Changing the Reporting

Period from the Anniversary Date of the Agreement to a Calendar Year. Mr. Frigo recommended to the Board that the reporting period required by the Indigent Care Contract be changed to a calendar year period which will correspond with the reporting period for the Tobacco proceeds filing. Motion for approval of changing the reporting period from the anniversary date of the agreement to a calendar year was made by Ms. O'Hara, seconded by Mr. Boyd, and unanimously carried.

ITEM V: Approval of High Bidders on Tax Sale Properties. Mr. Frigo presented a list of Potter County Sheriff Sale properties that had been sold to the high bidder. Mr. Frigo explained that delinquent tax property is struck off the tax roles and then sold to the highest bidder and that Potter County requires approval from the taxing entities to complete the sale of this property. Motion was made by Dr. Fortner, seconded by Mr. Harrison, and unanimously carried, to approve the sale of the Sheriff Sale property with Mr. Rick Jones abstaining.

ITEM VI: Consideration of Pension Plan amendment relating to Death Benefits. Mr. Frigo recommended to the Board that the Pension Plan should be amended to delete the requirement for a five year vesting period in order to receive a Death Benefit. Mr. Crider confirmed that the amendment would not affect the actuarial soundness of the Plan. Motion was made by Mr. Harrison, seconded by Mr. Jones, and unanimously carried, to approve the Pension Plan amendment that would delete the five year vesting period as a requirement for the Death Benefit.

ITEM VII: Award Crime Policy Insurance Bids. Mr. Frigo presented to the Board that Williams-Boyce was the low bid on the Crime Policy in the amount of \$2,400 for a three year period. Mr. Norris confirmed that the Board could enter into a three year insurance policy. Motion for approval to award crime policy to Williams-Boyce was made by Ms. O'Hara, seconded by Dr. Fortner, and unanimously carried.

ITEM VIII: Award Directors and Officers Insurance Bids. Mr. Frigo reported to the Board that Panhandle Insurance Agency was the low bid for Directors and Officers insurance in the amount of \$38,000. Mr. Norris confirmed that the Board could enter into a three year insurance policy. Motion for approval to award directors and officers insurance bids to Panhandle Insurance Agency was made by Ms. O'Hara, seconded by Mr. Jones, and unanimously carried.

ITEM IX: Review of Amarillo Area Healthcare Specialists Report. Mr. Stan Harrison reported to the Board that Amarillo Area Healthcare Specialists (AAHS) is fulfilling the terms of the pediatric support contract in a satisfactory manner and that the Indigent Care Committee is satisfied with the information provided by AAHS.

ITEM X: Consideration of Memorandum of Understanding between Potter County and the District. Mr. Dave Kemp of Potter County presented to the Board a Memorandum of Understanding between Potter County and the District. Mr. Norris confirmed that legal council had reviewed and approved the Memorandum of Understanding. Motion was made to approve the Memorandum of Understanding by Mr. Irwin, seconded by Dr. Fortner, and unanimously carried.

ITEM XI: Consideration of Memorandum of Understanding relating to the transfer of Amarillo Hospital District Grants to Universal Health Services. Mr. Frigo reported to the Board that this Memorandum of Understanding would transfer to Universal Health Services the Poison Control Grant. Currently the District is a conduit of funding for this grant which is administered by UHS. Mr. Frigo further pointed out that this Memorandum included a clause for the grant to revert back to the District if UHS decides to discontinue the role of the performing agency. Motion for approval of the Memorandum of Understanding was made by Ms. O'Hara, seconded by Dr. Fortner, and unanimously approved.

ITEM XII: Consideration of Lease Agreement between the Developer and Universal Health Services Inc. Mr. Drinnen reported to the Board that UHS is requesting that the Board recognize the lease between CBLF Partners and UHS. Mr. Norris confirmed that recognition of the lease would not effect the reversionary clause in the Sales Agreement. Dr. Fortner made the motion to recognize the lease between CBLF Partners and UHS, Mr. Harrison seconded, and the motion carried unanimously.

ITEM XIII: Consideration of Amendment of Covenants and Restrictions for the Sale of Ridgeview Medical Center Unit Number 4. Both Mr. Walton and Mr. Irwin stated that they had a conflict of interest with this agenda item and would be abstaining from discussion and decision making. Mr. Norris reported that UHS is requesting that the Board release this piece of property from the reversionary clause stated in the Sales Agreement. Mr. Norris stated that legally the Board could waive the reversionary clause or choose not to waive the reversionary clause. Mr. Moody Chisholm, NWTH, reported to the Board that the original Sales Agreement provided for an unconditional guarantee from the parent company as well as a reversionary interest in the property. Mr. Chisholm stated that this particular piece of property was equal to 1/100 of the total property included in the Sales Agreement. Mr. Eddie Scott reported to the Board that the property would be developed into a medical office building which would provide an opportunity for the hospital campus to grow. Mr. Jim Simms reported that the intent of the Sales Agreement was to provide ongoing indigent care and that this piece of property would not affect the care given to indigents. After Board discussion, Mr. Ernie Boyd made the motion to remove the reversionary covenants for this piece of property, Dr. Fortner seconded and the motion failed with Mr. Boyd and Dr. Fortner voting in favor and with Ms. O'Hara, Mr. Harrison and Mr. Jones voting against.

ITEM XIV: Actuarial Presentation of Pension Plan. Mr. John Crider, Actuary, presented the Valuation as of October 1, 1999 for the Retirement Plan for Employees of Northwest Texas Healthcare System. Mr. Crider stated that the funding requirements for a ten year, twenty year, and thirty year amortization period were \$723,036, \$686,079, and \$673,486 respectively. Mr. Crider noted that these contribution numbers were down considerably from the prior year actuary report. He stated that there were several reasons for this change including an increase in the General Agreement on Tariff and Trade (GATT) rate and termination of the plan for Healthcare Professional Associates. Mr. Crider recommended to the Board that with the decrease in the contribution

amounts, the ten year funding of \$723,036 would be an appropriate budget number for the 2000/2001 fiscal year. Mr. Walton accepted the Valuation on behalf of the Board.

ITEM XV: Consideration of Amarillo Hospital District Spending Policy. Mr. Irwin recommended that the Board adopt a 5.5% of corpus spending policy and to include this spending policy in the Investment Policy. Mr. Irwin explained that Roger Schacht, Actuary, Ernst and Young, had recommended that a 5.5% spending policy would allow for an increase in the corpus, as well as fulfillment of current obligations, and provide for additional funding for addressing current health issues. Mr. Harrison made the motion to approve the funding limit, Dr. Fortner seconded, and the motion carried unanimously.

ITEM XVI: Consideration of Amarillo Hospital District Budget. Mr. Frigo presented to the Board a proposed 2000/2001 fiscal year budget. Mr. Frigo stated that the estimated budget was prepared using the 5.5% spending limit. Mr. Frigo reported that estimated revenues were approximately \$13.8 million and that expenditures were estimated at \$11.1 million for the 2000/2001 fiscal year. Included in the expenditure amount is \$1,041,435 to address community health projects. Mr. Frigo also reported that the Tobacco Proceeds Money was included in a separate budget and estimates for the 2000/2001 fiscal year included \$871,950 for revenue and \$537,560 for expenditures.

ITEM XVII: Presentation of Quarterly Financial Statements. Mr. Walton asked Mr. Frigo to review the quarterly financial statements with the Board. Mr. Frigo gave an overview of the General Fund financial statements for the period ending March 31, 2000. Mr. Frigo reported that the AHD had a fund balance of approximately \$201 million at March 31, 2000. Mr. Frigo also reported that the AHD had total revenue of approximately \$3.3 million and total expenses of approximately \$4.9 million, for an operating loss of \$1.5 million at March 31, 2000. Mr. Frigo stated that the operating loss was caused by an unrealized investment loss of \$2.5 million; without the unrealized loss, the District has net income of approximately \$960,000.

ITEM XVIII: Presentation of Quarterly Investment Report. Mr. Irwin reported that for the quarter ending March 31, 2000, as the memo to the Board states, the Investment Portfolio was in compliance with state law and the AHD's Investment Policy.

ITEM XIX: Consideration of AHD Funding Priorities and Funding Guidelines. Mr. Jones presented to the Board that Claudia Blackburn, Rebecca Robinson and himself participated on the Funding Guidelines Committee. Mrs. Blackburn presented the Funding Policy which outlines the process for funding community health issues. Ms. O'Hara made the motion to accept the Funding Policy, Mr. Harrison seconded, and the motion carried unanimously. Mrs. Blackburn also recommended two community health issues for the next budget fiscal year: access to dental care and access to primary medical care. Dr. Goldstein further addressed that the access to dental care was also a concern that had been discussed with the Amarillo Area Foundation. Motion was made by John Irwin to accept the two funding priorities, access to dental and access to primary medical care, with the stipulation that the time frames be amended during this year only in order that the Board

receive a recommendation by the July 2000 meeting, seconded by Ms. O'Hara, and the motion carried unanimously.

ITEM XX: Committee Reports. There were no reports at this time.

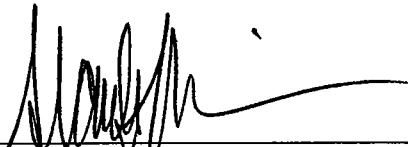
ITEM XXI: Public Comments. Mr. Moody Chisholm reported to the Board that Mr. Wayne Sasser had been appointed Administrator of the J O Wyatt Clinic.

ITEM XXII: There being no further business, Ms. O'Hara made the motion for adjournment at 9:50 a.m. This meeting was recorded and all comments are on file in the City Finance Department.



Steve Walton, Chairman

ATTEST:



Stan Harrison, Secretary