

**AMARILLO HOSPITAL DISTRICT
BOARD OF MANAGERS
MINUTES
July 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. Dean Frigo	Director of Finance-City of Amarillo
Ms. Debbie Close	Recording Secretary-City of Amarillo
Mr. Keith Anderson	Amarillo Globe News
Mr. David Clark	Amarillo Area Healthcare Specialists
Mr. Roy Browning	Prudential Securities
Mr. Moody Chisholm	Northwest Texas Healthcare System
Ms. Susan Ford	Northwest Texas Healthcare System
Mr. Andy Ray	Clifton Gunderson P.L.L.C.
Ms. Claudia Blackburn	Public Health Director-City of Amarillo
Mr. Scott McIntyre	First Southwest Asset Management, Inc.
Ms. Diann Gilmore	Catholic Family Services
Dr. Howard Cassada	Catholic Family Services

ITEM I: Mr. Walton called the meeting to order at 7:30 a.m. at City Hall, 509 East 7th Street, Third Floor, Commission Chambers, and welcomed those in attendance.

ITEM II: Mr. Walton presented the Minutes of May 10, 2000. Motion for approval was made by Mr. Irwin, seconded by Mr. Jones, and unanimously carried.

ITEM III: Executive Session to Discuss Pending Litigation. Mr. Norris said there was no pending litigation that needed to be discussed in Executive Session.

ITEM IV: Presentation of Pension Fund Investment Performance Review was presented to the Board by Mr. Roy Browning of Prudential Securities. Mr. Browning reported that the Portfolio had

a return of 1.3%, -1.6%, and 8.7% for the last quarter, twelve months and since inception (August 31, 1997). For the same time periods quarter, twelve months and since inception the Portfolio ranked in the 12th, 90th and 56th percentile. Mr. Browning further reported that the current quarter was much better than the last quarter reviewed and if the trend continues the Portfolio will be in great shape.

ITEM V: Presentation of Investment Portfolio Review Presented by First Southwest. Mr. Scott McIntyre of First Southwest reviewed the Amarillo Hospital District Portfolio and Policy Assessment with the Board. Mr. McIntyre reported that the Plains National Bank (PNB) portfolio is approximately \$24 million with a 6.28% yield, a weighted average maturity of 2.42 years and a 2% book loss. The Herring National Bank portfolio is approximately \$24 million with a 6.01% yield, a weighted average maturity of 4.09 years and a 3.2% book loss. The Amarillo National Bank portfolio is approximately \$151 million with a 6.49% yield, a weighted average maturity of 5.2 years, and 0.7% book loss. Mr. McIntyre further explained that the portfolios were safe and conservative and in compliance with State laws and the Amarillo Hospital District Investment Policy. Mr. McIntyre recommend two changes to the Investment Policy: increase the allowable percentage of Government agencies and instrumentalities from 40% to 60% and increase the minimum rating on Municipal securities from A to AA. Mr. McIntyre also recommended that the Board review the safekeeping arrangements with the money manager, as all investments are held by the trust departments and are registered in nominee or street name. Mr. Irwin stated that the Finance Committee had reviewed the First Southwest report previously and is recommending the Investment Policy changes and will be reviewing the safekeeping arrangements with the money managers.

ITEM VI: Consideration of Joint Amarillo Area Healthcare Specialists (AAHS) and Texas Tech University Health Sciences Center Proposal for Pediatric Specialty Care. Mr. Harrison reported for the Indigent Care Committee that AAHS and Texas Tech have made a joint proposal to provide specialized pediatric services. The proposal includes a payment in the amount of \$300,000 for Texas Tech and \$910,000 for AAHS during the next fiscal year. The proposal provides for additional services than those agreed to in the fiscal year 2000 AAHS agreement for pediatric speciality care. Motion for approval was made by Mr. Harrison that the Board enter into two separate agreements with AAHS and Texas Tech for a one year time period, seconded by Dr. Fortner and unanimously carried.

ITEM VII: Approval of High Bidders on Tax Sale Properties for Potter County. 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 Ms. O'Hara, seconded by Mr. Jones and unanimously carried, to approve the sale of the Sheriff Sale property.

ITEM VIII: Approval of High Bidders on Tax Sale Properties for Randall County.
a. The Shores, Lot 4, Block 11, north irregular 24.64 ft.

	High bidder: R T Properties	\$ 100.00
b.	Southlawn #7, Lot 7, Block 33F	
	High bidder: Silas R. and Carol A. Bradley	\$2,905.00
c.	Harvest Acres Additional Replat, Lot 12, Block 2	
	Jay L. & Euna Mae McAfee	\$2,775.00
d.	Kings Acres Addition, Lot 12, Block 4	
	Karl William Keller	\$8,757.00

Motion was made by Ms. O'Hara, seconded by Mr. Jones, and unanimously carried, to approve the sale of the Sheriff Sale property.

ITEM IX: Consideration of Amendment of Covenants and Restrictions for the Sale of Ridgeview Medical Center Unit Number 4. Mr. Norris reported to the Board that the agreement included a \$1.25 million security guarantee and that it was in the Board's legal rights to either accept or deny this Amendment of Covenants and Restrictions. Mr. Walton and Mr. Irwin abstained from any discussion regarding this item. Motion was made by Dr. Fortner, seconded by Mr. Harrison, and approved with Dr. Fortner, Mr. Harrison, Mr. Boyd and Mr. Jones voting for, Ms. O'Hara opposing, and Mr. Walton and Mr. Irwin abstaining.

ITEM X: Consideration of Pension Plan Amendment. Ms. Susan Ford, Northwest Texas Healthcare System, requested that the Board approve the Pension Plan Amendment that will allow NWTB employees that are transferred to General Electric Corporation and Aramark Corporation to continue to remain participants with the Retirement Plan for Employees of the Northwest Texas Healthcare System. Mr. Irwin stated that the Finance Committee had reviewed the amendment and recommends to the Board to approve the amendment subject to clarification in the language that the employees continue to work at the NWTB facility. Motion was made by Mr Irwin, seconded by Mr. Jones, and unanimously carried to approve the Pension Plan Amendment subject to the language clarification that the employees continue to work at the NWTB facility.

ITEM XI: Presentation of Healthcare Professional Associates Financial Statements through June 30, 2000 was made by Mr. David Clark. Mr. Clark reviewed the balance sheet and statement of operations for the nine month period ending June 30, 2000. Mr. Clark reported that the miscellaneous items should be cleared up in 30 to 60 days and that would allow for final closure of HPA as of September 30, 2000. Mr. Clark recommended that an audit of the financials should be completed for the period ending September 30, 2000.

ITEM XII: Annual Review and Consideration of Revision of AHD Investment Policy. Mr. Frigo reported that the Investment Policy changes included those recommended by First Southwest: increasing the allowable investment in Government agency and instrumentality securities from 40% to 60% and increasing the required rating on taxable obligations to a AA rating. Mr. Frigo also

stated that the Policy has been revised to include the 5.5% spending limit as approved by the Board in the April 19, 2000 meeting. Mr. Irwin stated that the Finance Committee has reviewed the changes to the Investment Policy and recommends approval. Motion was made by Mr. Jones, seconded by Dr. Fortner and unanimously carried to accept revisions to the Investment Policy.

ITEM XIII: 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 June 30, 2000. Mr. Frigo reported that the AHD had a fund balance of approximately \$203 million at June 30, 2000. Mr. Frigo also reported that the AHD had total revenue of approximately \$8.2 million and total expenses of approximately \$7.7 million, for an operating income of \$445,000. Mr. Frigo stated that at June 30, 2000, total revenue figure included an unrealized investment loss of \$2.2 million; without the unrealized loss, the District has net income of approximately \$2.6 million.

ITEM XIV: Presentation of Quarterly Investment Report. Mr. Irwin reported that for the quarter ending June 30, 2000, as the memo to the Board states, the Investment Portfolio was in compliance with state law and the AHD's Investment Policy.

ITEM XV: Review and Consideration of Board Designated Assets. Mr. Andy Ray of Clifton Gunderson reported to the Board that the annual financials included an amount for Board designated assets. Mr. Ray stated that this amount was designated to offset the self insurance liability as calculated by an actuarial valuation. Mr. Ray explained that the self insurance liability is becoming less significant because the AHD no longer owns a hospital and the claims are not growing. Mr. Frigo recommended to the Board that the designation of assets be removed from future financial statements as the liability for self insurance will continue to decrease. Motion was made by Mr. Harrison, seconded by Mr. Irwin and unanimously carried to remove the limited use assets up to the current assets.

ITEM XVI: Consideration of Collection Proposal from Certified Collectors, Inc. (CCI) for Collection of HPA Receivables. Mr. Clark recommended that the Board enter into an agreement with CCI to collect the HPA accounts receivables of approximately \$41,000. Motion was made by Ms. O'Hara, seconded by Dr. Fortner, and unanimously carried, with Chair abstaining, to approve CCI for collection of HPA receivables.

ITEM XVII: Consideration of Community Dental Care Proposal. Mr. Jones and Ms. Claudia Blackburn reported to the Board that the Funding Priorities Committee had received one Community Dental Care Proposal from Catholic Family Services and that the Committee recommended delaying approval of the Proposal until additional information is received to clarify the Proposal. Mr. Walton suggested the Board reconsider this item at a special Board meeting in the future.

ITEM XVIII: Consideration of Health Access Proposal Submitted by the Health Department. Ms. Blackburn reported to the Board that the Proposal requests a planning grant in the amount of

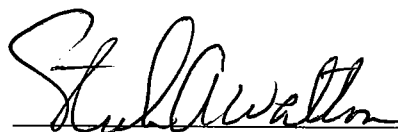
\$155,000 to develop a Health Access Clearinghouse for the Potter and Randall counties. Dr. Fortner made the motion to approve this proposal in the amount of \$155,000, Mr. Boyd seconded and the motion carried unanimously.

ITEM XIX: Consideration of Amarillo Hospital District 2000/2001 Fiscal Year Budget. Mr. Frigo presented the Proposed Budget for the 2000/2001 fiscal year. Mr. Frigo stated that revenue was budgeted in the amount of \$13,794,270. Mr. Frigo also stated that the expenditures of \$11,036,910 was in compliance with the 5.5% spending policy. Mr. Walton requested that the budget for the Health Access Clearinghouse be listed as a separate line item. Mr. Jones made the motion to approve the 2000/2001 Budget, Dr. Fortner seconded and the motion carried unanimously.

ITEM XX: Committee Reports. Ms. O'Hara gave the Board an update on the Public Private Partnership and on the activities of the Immunization Work Group. Ms. O'Hara also commented that data was collected from four providers with regards to the Diabetes Study. Also, Mr. Boyd and Ms. Blackburn updated the Board regarding the Community Health Issues Committee (CHIC).

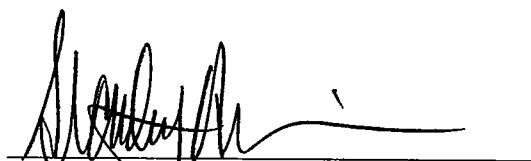
ITEM XXI: Public Comments. There were no public comments.

ITEM XXII: There being no further business, Dr. Fortner made the motion for adjournment at 9:10 a.m. This meeting was recorded and all comments are on file in the City Finance Department.



Steve Walton, Chairman

ATTEST:



Stan Harrison, Secretary