

**AMARILLO HOSPITAL DISTRICT  
BOARD OF MANAGERS  
MINUTES  
October 31, 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. Thomas Doyle	Amarillo Globe News
Ms. Claudia Blackburn	Public Health Director-City of Amarillo
Mr. John Crider	Consulting Actuary

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

**ITEM II:** Mr. Walton presented the Minutes of September 22, 2000. Motion for approval was made by Mr. Irwin, seconded by Mr. Harrison, 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:** Consideration of Pension Plan Amendment. Mr. Frigo stated that the Plan Amendment included two changes. The first change is to correct the amendment adopted January 1, 2000 which inadvertently removed a small number of employees from plan coverage. The second change affects the monthly benefit calculation. Currently the monthly benefit is frozen at 20 years of service. The Social Security benefit is offset from the monthly benefit to produce a net benefit. The Social Security benefit is not frozen at 20 years of service. Accordingly, if an employee continues to work after 20 years of service the net benefit is reduced. The Plan Amendment includes a change that will freeze the Social Security offset at the point an employee completes 20 years of service. This will prevent a decrease in the monthly amount in the employee's benefit after 20 years. In order for this change to be cost-neutral, Mr. Frigo recommended that the Board modify the GATT rate and

allow the GATT rate to rise but not decrease. This modification should fund the change in the Social Security offset calculation. Mr. Frigo further recommended to the Board that if this modification actually decreased pension plan cost, that the surplus funds be used to increase pension plan benefits. *Mr. Frigo stated that these proposed pension plan changes have been reviewed by Management at Northwest Texas Healthcare System and Northwest Texas Healthcare System concurs with the changes.* Motion was made by Mr. Harrison, seconded by Ms. O'Hara, and unanimously carried for approval to make those changes.

**ITEM V:** Consideration of Custody Agreement with Northern Trust Company. Mr. Frigo explained to the Board that during the investment performance review, First Southwest recommended looking at the safekeeping policies of the trust departments. Currently, a third party holds the Amarillo Hospital District securities in the name of the respective trust department. This agreement is between the Amarillo Hospital District and Northern Trust Company for the safekeeping of securities managed by the Amarillo National Bank. These securities are currently held by the Northern Trust Company but in the name of the Amarillo National Bank. With this new agreement the securities will be held in the name of the Amarillo Hospital District. Motion was made by Dr. Fortner, seconded by Mr. Jones, and unanimously carried for approval of the agreement.

**ITEM VI:** 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 Mr. Irwin, seconded by Ms. O'Hara, and unanimously carried, to approve the sale of the Sheriff Sale property.

**ITEM VII:** 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 September 30, 2000. Mr. Frigo reported that the AHD had a fund balance of approximately \$208 million at September 30, 2000. Mr. Frigo also reported that the AHD had total revenue of approximately \$14.7million and total expenses of approximately \$9.7 million, for net income of \$5,164,674. Mr. Frigo stated that at September 30, 2000, total revenue figure included an unrealized investment gain of \$435 thousand, without the unrealized loss, the District has net income of approximately \$4.7 million.

**ITEM VIII:** Presentation of Quarterly Investment Report by Investment Officer. Mr. Irwin reported that for the quarter ending September 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 IX:** Committee Reports.

Mr. Boyd stated that he and several other board members had attended the open house at the Community Dental Clinic and that Dr. Cassada expected to see patients within a couple of weeks. Mr. Jones and Ms. Blackburn stated that the access to healthcare contract is scheduled for approval at the October 31, 2000 City Commission board meeting and scheduled to be completed by June 30, 2001.

**ITEM X:** Election of Officers for 2001 fiscal year. Mr. Harrison nominated the following:

Mr. Steve Walton: Chairman  
Mr. Rick Jones: Vice-Chairman  
Ms. Karen O'Hara: Secretary  
Mr. John Irwin: Investment Officer

Motion was made by Dr. Fortner, seconded by Mr. Boyd, and unanimously carried, to approve the slate of officers by appointment of the nominating committee.

**ITEM XI:** Public Comments. There were no public comments.

**ITEM XII:** There being no further business, Ms. O'Hara made the motion for adjournment at 8:10 a.m. This meeting was recorded and all comments are on file in the City Finance Department.

  
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Steve Walton, Chairman

**ATTEST:**

  
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Karen O'Hara, Secretary