

**AMARILLO HOSPITAL DISTRICT
BOARD OF MANAGERS
MINUTES
July 31, 2001**

<u>Members</u>	<u>Present</u>
Mr. Steve Walton, Chairman	Yes
Mr. Rick Jones, Chairman Pro Tem	Yes
Ms. Karen O'Hara, Secretary	Yes
Mr. John Irwin	Yes
Dr. Ronald Fortner	Yes
Mr. Stan Harrison	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
Ms. Claudia Blackburn	Public Health Director-City of Amarillo
Mr. Roy Browning	Prudential Securities
Ms. Kelly Andrews	Prudential Securities
Ms. Jennifer Lutz	Amarillo Globe News
Dr. James Luce	Volunteer for American Cancer Society
Ms. Leann Ayers	Consultant for Health Accessing Clearinghouse Planning Grant
Ms. Mary Coyne	McCormick Company

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 Minutes of June 12, 2001. Motion for approval was made by Mr. Jones, seconded by Mr. Boyd, 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 and Discussion of Pension Fund Investment Performance Review as of June 30, 2001, was presented to the Board by Mr. Roy Browning of Prudential Securities. Mr. Browning reported that the Portfolio had a return of 2.3%, 6.4%, 6.1% and 8.1% for the last quarter, twelve months, three years and since inception (August 31, 1997). For the same time periods quarter, twelve months, three years and since inception the Portfolio ranked in the 82nd, 19th, 58th, and 62nd percentile. The report reflects that during four of the last five quarters the Portfolio returns have beat the market index. Mr. Browning stated that the manager has done an incredible job during the last year and a half and that was a tremendous improvement from prior reviews.

ITEM V: Review and Consider Tobacco Prevention and Control Proposal. Mr. Jones stated that the Funding Priorities Committee met and voted to fund the American Cancer Society for the

2001/2002 fiscal year in the amount of \$400,000 to implement a comprehensive tobacco prevention and control program. Dr. Luce explained that the components of the program include media promotion; efforts in targeted locations (community and school based programs); cessation programs; and increased enforcement of existing laws. Motion was made by Mr. Irwin, seconded by Mr. Boyd and unanimously carried, to approve the amount of \$400,000 for implementation of a comprehensive tobacco prevention and control program.

ITEM VI: Review and Consider Proposals Regarding Center for Youth Development. Mr. Jones stated that the Funding Priorities Committee appointed a sub-committee to review proposals from Texas Tech University Health Sciences Center and Amarillo Neighborhoods Nurturing Children Center. Mr. Jones said that after discussing the strengths and weaknesses of each proposal, the sub-committee recommended not to fund either proposal, but to address the issue of youth high risk behavior in phases and to issue a new RFP for each phase. Mr. Jones said that the Funding Priorities Committee recommended that the money allocated this year should be carried over to the 2001/2002 fiscal year budget and that the following phasing recommendations be approved for the Center of Youth Development project. Phase one will include the issuance of an RFP for a survey to determine the health status of the youth in Amarillo Hospital District and an RFP for Community needs and assets assessment regarding youth development related services. Phase two will be a plan to address findings from Phase one. Phase three will be implementation of the plan, including program development and evaluation as indicated. Motion was made by Mr. Harrison, seconded by Dr. Fortner, and unanimously carried, to issue new RFPs for the Center for Youth Development.

ITEM VII: Review and Consider Health Access Clearinghouse Plan. Mr. Jones said the Funding Priorities Committee recommended to fund the Health Access Clearinghouse project during 2001/2002 fiscal year in the amount of \$324,579. Ms. Ayers said the main purpose of the Health Access Clearinghouse Plan is to link uninsured people to subsidized healthcare services and insurance programs in the community. Ms. Ayers said that there are nine partners committed to the Clearinghouse. Mr. Jones said that the Funding Priorities Committee also recommends that the Board extend the consultant contract for the program to September 30, 2001. Motion was made by Dr. Fortner, seconded by Mr. Irwin and unanimously carried, to extend the current contract through September 30, 2001 and to approve the funding of the Health Access Clearinghouse project in the amount of \$314,579.

ITEM VIII: Consideration of Dental Contract Extension. Mr. Harrison stated that the Indigent Care Committee recommended extending the Dental Contract with Catholic Family Services, Inc. through 2001/2002 fiscal year at a funding level of \$582,865. Mr. Walton clarified that because of AHD spending policy limitations Catholic Family Services had reduced their original request. Mr. Walton further noted that the Board does intend for CFS to determine what areas of the program will be reduced to reflect this funding level. Motion was made by Mr. Jones, seconded by Dr. Fortner, and unanimously carried, to approve extension of the Dental Contract with Catholic Family Services with a budget of \$582,865.

ITEM IX: Consideration of Contract for Pediatric Sub-Specialty Care with Amarillo Area Healthcare Specialists(AAHS). Mr. Harrison stated that the Indigent Care Committee voted to renew the contract for Specialized Pediatric Services, with AAHS for 2001/2002 fiscal year. Mr. Harrison

stated that the agreement included a funding level of \$928,000 with an additional \$64,500 if they secure a full-time pediatric neurologist. Motion was made by Ms. O'Hara, seconded by Mr. Jones, and unanimously carried to approve the Contract for Pediatric Sub-Specialty Care with Amarillo Area Healthcare Specialists.

ITEM X: Consideration of Contract for Pediatric Sub-Specialty Care with Texas Tech University Health Science. Mr. Harrison stated that the Indigent Care Committee voted to renew the Contract for Specialized Pediatric Services, with Texas Tech University Health Sciences Center for 2001/2002 fiscal year. Mr. Harrison stated that the agreement would be at a funding level of \$309,000 with an additional \$64,500 if they secure a full-time pediatric neurologist. Motion was made by Mr. Boyd, seconded by Ms. O'Hara, and unanimously carried to approve the Contract for Pediatric Sub-Specialty Care with Texas Tech University Health Science.

ITEM XI: Consideration of Amarillo Hospital District 2001/2002 Fiscal Year Budget. Mr. Frigo presented the 2001/2002 proposed Budget from the Finance Committee. Mr. Frigo stated that the proposed budget is compliant with the Board's 5.5% Spending Policy. Mr. Frigo stated that revenue is budgeted in the amount of \$12,972,000 and total expenditures of \$11,116,771. Mr. Irwin said that the Finance Committee recommended that the Board approve this budget. Mr. Frigo said the Tobacco budget includes two items for a total of \$600,000, \$400,000 for the Tobacco Cessation Program and \$200,000 for the Center for Youth Development. Mr. Irwin said the Finance Committee recommends that the AHD operating budget and tobacco budget be approved. Motion was made by Mr. Harrison, seconded by Dr. Fortner, and unanimously carried, to approve the 2001/2002 fiscal year budget.

ITEM XII: Approval of Model Qualified Domestic Relations Order (QDRO). Mr. Frigo presented the Model QDRO. Mr. Frigo stated that the Model QDRO complies with AHD's pension plan and should be used by participants during a divorce. The use of the model QDRO should simplify the division of the pension benefit at the time of divorce. If approved, Mr. Frigo stated that the QDRO will be distributed to Nwth Human Resources. Motion was made by Mr. Irwin, seconded by Mr. Jones, and unanimously carried, to approve the Model Qualified Domestic Relations Order.

ITEM XIII: 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. Boyd, and unanimously carried, to approve the list of Sheriff Sale property.

ITEM XIV: 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, 2001. Mr. Frigo reported that the AHD had a fund balance of over \$217 million. Mr. Frigo reported that the AHD had total revenue of \$16.8 million and total expenses of \$7.5 million, for net income of \$9.3 million. Mr. Frigo stated that the total revenue figure included an unrealized investment gain of \$5.7 million, without the unrealized gain, the District has net income of approximately \$3.6 million.

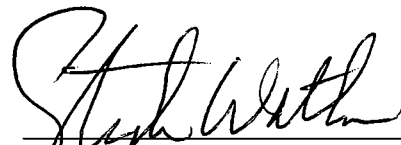
ITEM XV: Presentation of Quarterly Investment Report by Investment Officer. Mr. Irwin reported that for the quarter ending June 30, 2001, as the memo to the Board states, the Investment Portfolio was in compliance with state law and the AHD's Investment Policy.

ITEM XVI: Appointment of Nominating Committee for Board Officers. Mr. Walton asked Mr. Irwin to solicit board members who would be interested in becoming candidates for board offices this year.

ITEM XVII: Committee Reports. There were no further committee reports at this time.

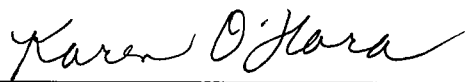
ITEM XVIII: Public Comments. There were no public comments.

ITEM XIX: There being no further business, Mr. Jones made the motion for adjournment at 8:40 a.m. This meeting was recorded and all comments are on file in the City Finance Department.



Steve Walton, Chairman

ATTEST:



Karen O'Hara, Secretary