

**AMARILLO HOSPITAL DISTRICT  
MEETING OF BOARD OF MANAGERS  
AMARILLO CITY HALL  
COMMISSION CHAMBERS  
MINUTES  
October 30, 2001  
7:30 A.M.**

<u>Members</u>	<u>Present</u>
Mr. Steve Walton	Yes
Mr. John Irwin	Yes
Mr. Rick Jones, Chair	Yes
Ms. Karen O'Hara, Secretary	Yes
Mr. Ernie Boyd, Vice Chair	Yes
Ms. Nancy Seliger	Yes
Mr. Dave Taylor	Yes

Also Present

Mr. Stan Harrison	Previous AHD Board Member
Mr. Claud Drinnen	First Assistant City Attorney-City of Amarillo
Mr. Dean Frigo	Finance Director, City of Amarillo
Ms. Debbie Close	Recording Secretary, City of Amarillo
Mr. Scott McIntyre	First Southwest Co.
Ms. Claudia Blackburn	Public Health Director-City of Amarillo
Ms. Sharlyn Snow	Human Resources Director-NWTHS

**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. Mr. Walton said that he had pleasure in introducing to the Board of Managers and the Public the two new Board members Ms. Nancy Seliger and Mr. Dave Taylor. Mr. Walton said they appreciated their commitment for the three years or six years that they will be there.

**ITEM II:** Mr. Walton stated that he would like to thank the two departing Board members for their years of service. Mr. Walton presented a plaque to commemorate Mr. Harrison's two years of work on the Board. Mr. Walton said that Stan was a committee chairman and committed significant amounts of time to difficult issues. Mr. Walton said that the Board had a similar award for Dr. Fortner that would be presented at a later time. Dr. Fortner served four years on the Board of Managers and the Board is very appreciative of the medical guidance he has given us.

**ITEM III:** Mr. Walton presented Minutes of July 31, 2001. Motion for approval was made by Mr. Boyd, seconded by Mr. Irwin and unanimously carried.

**ITEM IV:** Mr. Walton presented Minutes of August 29, 2001. Motion for approval was made by Ms. O'Hara, seconded by Mr. Boyd and unanimously carried.

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

**ITEM VI:** Review and Consideration of Revision of AHD Investment Policy. Mr. McIntyre, First Southwest, presented the review of the AHD's portfolio managed by Amarillo National Bank, Plains National Bank, and Herring National Bank. Mr. McIntyre stated that each portfolio is in compliance with state law and with the AHD investment policy. On a consolidated basis, the average maturity of the total portfolio was slightly over six years and the overall yield was 6.16%. He stated that AHD has a 5.5% spending goal and Mr. Frigo has asked him to look at the portfolio regarding reinvestment of callable and maturing securities to determine over the course of six months to a year if the 5.5% spending limit is appropriate. Mr. McIntyre recommended that the investment policy be modified to increase the federal agency limits from 60% to 75%. Mr. Irwin stated that he had met with Scott McIntyre and Dean Frigo previously and would like to make the motion to modify the AHD investment policy to provide for an agency limit of 75%. The motion was seconded by Mr. Jones and unanimously carried.

**ITEM VII:** Review and Consider Revisions in AHD's Pension Investment Policy. Mr. Frigo said that they were drafting some changes to the pension plan investment policy. Mr. Frigo stated that the revisions included changes to the manager performance evaluation. The first revision would compare the performance of the manager to a benchmark which is a passive investment strategy of 45% stock, 50% bonds, and 5% cash. The other revision is to compare manager performance to that of peers and the manager should be in the upper third over a three to five year period. Mr. Frigo stated that after reviewing the proposed changes with Mr. Irwin and Mr. McIntyre he would like to clarify the 8% performance criteria as an actuarial assumption. Mr. Frigo suggested that the Board table any request for consideration.

**ITEM VIII:** Review and Consider Revisions in AHD's funding policy. Ms. Blackburn proposed a change that AHD would only consider projects that do not require permanent funding by AHD. She said that the Board Chair as a means to prevent funded programs from competing with themselves, requested a change in the policy to reflect a more conservative stance. The change in the funding policy will require that AHD will consider only requests with the specified characteristics. Ms. Blackburn said the characteristics listed in the policy describe programs that will be self-sufficient and will not rely on the Hospital District for continued funding. Mr. Irwin asked if this change directs the Board to consider only proposals with those types of characteristics? Mr. Walton replied that is the intention on special projects. Motion for approval of the change was made by Mr. Jones, seconded by Mr. Taylor, and carried 6-1 with Ms. O'Hara voting against.

**ITEM IX:** Review and consider revisions in the AHD pension plan as it relates to former employees. Mr. Frigo said that they review the pension plan document periodically and one of the provisions that has been troubling administratively is that after retirement there is a six month requirement before a former employee could be rehired by Northwest Texas Hospital. Mr. Frigo presented a proposed plan amendment that would reduce the time an employee must wait before rehire at Northwest Texas Hospital from 6 months to 120 days and still continue to receive their retirement benefit. Mr. Frigo said that the change has been reviewed by the AHD pension lawyer, Mark Miller. Mr. Frigo said that he would recommend changing the waiting period from six months to 120 days. Ms. Sharlyn Snow, Human Resources Director of Northwest Texas Healthcare System, stated that the nursing industry has become very competitive and that employee surveys of retiring

nurses indicates that these individuals would prefer to keep working at the hospital but do not want to delay their retirement benefits. Ms. Snow stated that by reducing the break in service requirement to 120 days the Hospital felt like the chances of rehiring these employees would greatly increase. Mr. Boyd asked if there was an incentive for staying longer than 20 years? Ms. Snow replied no, not when you can easily get another job as a Registered Nurse. Motion for approval of the revisions was made by Mr. Taylor, seconded by Mr. Jones and unanimously carried. Mr. Walton stated that AHD is pleased to be able to help. Mr. Walton stated that he hoped it does have some benefit for their retention.

**ITEM X:** Review 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 Nancy Seliger, and unanimously carried, to approve the sale of the Sheriff Sale property.

**ITEM XI:** Approval of Sale of Property at 506 N. Harrison. Mr. Frigo asked Mr. Drinnen to present this since he is more familiar with the sale. Mr. Drinnen stated that basically this was a piece of property that was given to the City before the County took over the duties as Tax Assessor/Collector for the City. It was sold at auction for a high bid of \$300.00 and they were asking the Board of Managers for approval to execute the deed. Motion was made by Mr. Irwin, seconded by Mr. Boyd, and unanimously carried, to approve the sale for delinquent property taxes of the property. Mr. Jones asked Mr. Drinnen what the property was and Mr. Drinnen explained that it was a piece of land.

**ITEM XII:** 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, 2001. Mr. Frigo reported that the AHD had a fund balance of over \$225 million. Mr. Frigo reported that the AHD had total revenue of \$27.6 million and total expenses of \$9.8 million, for net income of \$17.8 million. Mr. Frigo stated that the total revenue figure included an unrealized investment gain of \$12.6 million, without the unrealized gain, the District has net income of approximately \$15 million.

**ITEM XIII:** Quarterly Investment Report from Investment Officer. Mr. Irwin reported that for the quarter ending September 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 XIV:** Committee Reports: Mr. Walton asked if there were any Committee Reports. Mr. Walton asked Ms. O'Hara about the Public Private Health Partnership Committee and she said it was dissolved. Mr. Boyd said the Indigent Care Committee has not met since their former Chairman resigned. Mr. Boyd said that Ms. O'Hara has taken his place on that committee. Mr. Boyd said he doesn't think there is anything that they need to meet on right at this time. Mr. Boyd said he attended a CHIC meeting as the Board's representative and the primary discussion there was the need for additional funding partners for proposed projects. Mr. Jones said the Funding Priorities Committee has nothing further to report. Mr. Irwin said the Finance Committee met yesterday and

the Board heard the business discussed. Mr. Irwin said the only comment he would make is that they need some additional committee members.

**ITEM XV:** Election of Board Officers. Mr. Walton said at the August meeting he asked Mr. Irwin to present a list of recommendations for officers for the 2002 fiscal year. Mr. Irwin presented a slate of officer nominees as follows: Chairman-Rick Jones, Vice-Chairman-Ernie Boyd, Secretary-Karen O'Hara, and Investment Officer-John Irwin. Mr. Irwin said he has talked to all of those people and they are willing to serve. Mr. Irwin recommended to the Board the slate of officers. Motion for approval of the new slate of officers was made by Mr. Walton that they accept Mr. Irwin's recommendation, seconded by Mr. Taylor and unanimously carried.


Mr. Walton passed the gavel to Mr. Jones.

**ITEM XVI:**Public Comments. Mr. Jones asked if there was any other additional items to be brought before the Board? Ms. Blackburn presented the Board with a plaque from Catholic Family Services regarding the Dental Clinic. Ms. Blackburn suggested that since the AHD Board did not have an office of its own, that the plaque be hung in the Community Dental Clinic.

**ITEM XVII:**There being no further business, Mr. Irwin made the motion for adjournment at 8:30 a.m. This meeting was recorded and all comments are on file in the City Finance Department.

There being no further business, the meeting adjourned.

  
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Rick Jones, Chair

  
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Karen O'Hara, Secretary