

**AMARILLO HOSPITAL DISTRICT
REGULAR MEETING OF BOARD OF MANAGERS
AMARILLO CITY HALL
COMMISSION CHAMBERS
MINUTES
JULY 29, 2003
7:30 A.M.**

Members

Mr. Ernie Boyd, Chair
Mr. Dave Taylor, Vice-Chair
Ms. Karen O'Hara, Secretary
Ms. Nancy Seliger
Dr. Constantine Saadeh
Mr. Sam Spradlin
Mr. John Turner

Present

Yes
Yes
No
Yes
Yes
Yes
No

Also Present

Mr. Marcus Norris	City Attorney, City of Amarillo
Mr. Dean Frigo	Finance Director, City of Amarillo
Ms. Claudia Blackburn	Public Health Director, City of Amarillo
Ms. Debbie Close	Recording Secretary, City of Amarillo
Mr. Roy Browning	Prudential Securities
Mr. Kyle Sanders	Northwest Texas Healthcare System CFO
Ms. Myra Owens	Clinic Administrator for Community Dental Clinic
Ms. Mary Coyne	McCormick Company
Dr. Steve Berk	Texas Tech University Health Sciences Center
Ms. Dorinda Bates	Coalition of Health Services and Acting Director for the Health Access Clearinghouse

ITEM I: Mr. Boyd called the meeting to order at 7:35 a.m. at City Hall, 509 East 7th Street, Third Floor, Commission Chambers, and welcomed those in attendance.

ITEM II: Mr. Boyd presented the Minutes of the May 6, 2003 meeting. Mr. Boyd pointed out that there was a typo in Item VI that needed to be corrected. The sentence needs to read from (Mr. Kyle) to (Mr. Sanders) presented the 2000 and 2001 information to the Board. Motion for approval with the above correction, was made by Ms. Seliger, seconded by Mr. Spradlin and unanimously carried.

ITEM III: Presentation and Discussion of Pension Fund Investment Performance Review. Mr. Browning said that after three years of telling the Board different, he was pleased to tell the Board that AHD finally had a good quarter. Mr. Browning with Prudential Securities presented a review of the AHD pension plan performance of the Amarillo Hospital District employees pension fund for the period ending June 30, 2003. Mr. Browning reported that the portfolio had a return of 6.07% for the fiscal year to date versus a market index of 7.48%. For the last twelve months, the portfolio had a return of 3.95% compared to a market index of 6.47%. For the last three year, five year, and since inception time periods, the portfolio had returns of 2.57%, 3.91%, and 5.50% for the same time periods. The return of the portfolio ranked in the 7th percentile for

the last three years, but was in the 33rd percentile since inception. The Portfolio was heavily invested in cash (25%). Mr. Browning said that the heavy cash position was defensive and he had no problem with it.

ITEM IV: Review and Consider Dental Clinic Continuation. Ms. Myra Owens, Clinic Administrator for the Community Dental Clinic thanked the Board for their support of the Community Dental Clinic. Ms. Owens said that at the end of May 2003, the Dental Clinic had produced \$764,213.18 in dentistry for the indigents of Amarillo. By the end of their fiscal year, they project that they are going to do \$1,146,000. Mr. Boyd said that the Funding Priorities Committee recommended that AHD add \$30,000 from the tobacco funds to the Dental Clinic budget for 2003/2004 which would enable them to keep a dental assistant position. Motion to approve the Dental Clinic funding in the amount of \$291,433 plus the additional \$30,000 funding from the tobacco funds, was made by Ms. Seliger, seconded by Mr. Taylor and unanimously carried.

ITEM V: Review and consider Health Access Clearinghouse Plan Continuation. Ms. Dorinda Bates, Project Director of Health Access Clearinghouse, said that the preliminary evaluation shows 40 to 50% of families assisted by Clearinghouse staff have been enrolled in a program. She said it was also significant that preliminary results show that 53% of the new district clinic clients have been referred by the Clearinghouse. Ms. Bates said 50% of the people would have not made it through the system had they not been able to help them. She said that securing additional funds for this program has been disappointing and the coalition has applied for a grant, but they won't know whether they receive it until September 2003. Ms. Seliger asked Ms. Bates if other cities in Texas the size of Amarillo have such a program? Ms. Bates replied that they were the only one in Texas. The Health Access Clearinghouse is being proposed as a 50% decrease in funding in the fiscal year 2003/2004. Motion to approve funding in the amount of \$66,000 for the Clearinghouse was made by Dr. Saddeh, seconded by Mr. Spradlin and unanimously carried.

ITEM VI: Review and Consider Tobacco Prevention and Control Program Continuation. Ms. Mary Coyne reviewed the goals and accomplishments of the Tobacco Prevention and Control Program. Ms. Coyne also requested that the Board consider maintaining the funding level for the Tobacco Program at \$250,000 for the 2003/2004 fiscal year. Mr. Boyd stated that he would entertain a motion to approve the funding level recommended by the Finance Committee in the amount of \$200,000. Mr. Taylor made the motion for approval, Mr. Spradlin seconded and the motion carried unanimously.

ITEM VII: Review and consider continuation of contract for specialized pediatric services with Amarillo Area Healthcare Specialists (AAHS). Mr. David Clark reviewed with the Board the past history of the District with the Amarillo Area Healthcare Specialists. Dr. Steven Berg stated that because of the support of the Amarillo Hospital District AAHS along with Texas Tech, has been able to bring sub-specialist in pediatrics to Amarillo. Dr. Bert requested that the Board continue to fund AAHS and Texas Tech at the current level which includes \$64,500 for an unfilled pediatric neurologist. Dr. Berg stated that for the 2002/2003 year that Texas Tech had allocated the money, with Board approval, to help fund an Ear, Nose and Throat program. Mr. Boyd stated that the Funding Committee had recommended funding the Pediatric support contract at the same level of \$992,500 but that the Finance Committee has made the recommendation to reduce the funding for the 2003/2004 fiscal year to \$928,000. Mr. Boyd also

stated that subsequent to the Finance Committee meeting, the Board had received a revised revenue estimate from Plains National Bank that would allow for the funding in the amount of \$992,500. Mr. Boyd stated that he would entertain a motion for a funding level that would include the \$64,500. Mr. Taylor stated that he would like to see the District put as much money into corpus as possible and to even take a hard look at programs that are funded which are over and above what the District is contractually obligated to do. Mr. Taylor made the motion to approve the funding level recommended by the Finance Committee of \$928,000. Ms. Seliger seconded and the motion carried with four voting for and one, Ernie Boyd, voting against.

ITEM VIII: Review and consider continuation of contract for specialized pediatric services with Texas Tech University Health Sciences Center. Mr. Spradlin made the motion to approve the funding request recommended by the Finance Committee in the amount of \$373,500. Ms. Seliger seconded and the motion carried unanimously.

ITEM IX: Consideration of Amarillo Hospital District 2003/2004 Fiscal Year Budget. Mr. Frigo presented the 2003/2004 proposed AHD budget from the Finance Committee. Mr. Frigo explained that with the changes made by the Finance Committee and the revised revenue estimates, the District is projecting revenue to be over expenditures in the amount of \$201,163 for the 2003/2004 fiscal year. Mr. Frigo also explained that the revenue estimates for the 2002/2003 fiscal year had been revised to approximately \$17 million, to reflect the fact that the money managers had recognized significant gains during the current fiscal year. But, Mr. Frigo reviewed that the money had been reinvested at lower rates which is reflected in the \$11 million revenue estimate for the 2003/2004 fiscal year. Ms. Seliger made the motion to approve the 2003/2004 budget as presented by Mr. Frigo, Mr. Spradlin seconded, and the motion carried unanimously.

ITEM X: Consideration of Tax Collection Contract with Potter County. Mr. Frigo presented the tax collection contract with Potter County. Mr. Frigo stated that the contract calls for 12 cents per parcel, which is an increase from 9 cents. Tax collection for both Counties is budgeted at \$3,400 in the proposed 2003/2004 budget. Motion for approval of the Tax Collection Contract was made by Mr. Taylor, seconded by Mr. Spradlin and unanimously carried.

ITEM XI: Consider Approval of High Bidders on Tax Sale Properties for Potter County. Mr. Frigo presented a list of Potter County Sheriff Sale Properties. He stated that Potter County requires approval from the taxing entities to complete the sale of this property. Motion was made by Mr. Spradlin, seconded by Ms. Seliger and unanimously carried, to approve the sale of delinquent property taxes of the property.

ITEM XII: Presentation of Quarterly Financial Statements. Mr. Boyd asked Mr. Frigo to review the Quarterly financial Statements with the Board. Mr. Frigo gave an overview of the AHD financial statements for the period ending June 30, 2003. Mr. Frigo reported that the AHD has total assets of \$237.7 million and total liabilities in the amount of \$2.6 million. Mr. Frigo reported that the AHD had total revenue of \$9.2 million and total expenses \$8 million, for a net income of \$1.1 million. He said without the unrealized loss, the District has net income of approximately \$7.2 million. Mr. Frigo also reviewed the budget versus actual report June 30, 2003. Mr. Frigo stated that actual interest income, \$14.9 million, already exceeds the budget amount of \$12.6 million. Mr. Frigo reminded the Board that several investments had been sold by the money managers during the current year to take advantage of the high market values. Mr.

Frigo also reviewed the expenditures with the Board and pointed out that there is \$1.7 million budgeted for the expanded children's treatment which was part of the original sales contract with Universal. Mr. Frigo stated that this expansion is being done but may not be finished by the end of the fiscal year.

ITEM XIII: Quarterly Investment Report from Investment Officer. Mr. Taylor reported that for the quarter ending June 30, 2003, as the memo to the Board states, the Investment Portfolio was in compliance with state law and the AHD's Investment Policy. Mr. Taylor reviewed that the Amarillo National Bank (ANB) portion of the Portfolio had an investment in state or local obligations at 10.04% which is greater than the 10% allowed by the Policy, but that ANB is in the process of getting back into compliance with the Policy.

ITEM XIV: Appointment of Nominating Committee for Board Offices. Mr. Boyd Appointed Ms. O'Hara and Mr. Spradlin as the nominating committee to recommend Board Officers at the October 2003 meeting.

ITEM XV: Committee Reports. Mr. Boyd asked if there were any Committee Reports. There were no further committee reports at this time.

ITEM XVI: Executive Session to Discuss Pending Litigation. The Board convened into Closed Session at 8:42 a.m. The Board reconvened into Open Session at 8:48 a.m.

ITEM XVII: Consider Settlement Agreement in Vinyard Case. Mr. Taylor made the motion to approve the settlement agreement in the Vinyard case as discussed in closed session, Ms. Seliger seconded and the motion carried unanimously.

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

ITEM XIX: There being no further business, Ms. Seliger made the motion for adjournment at 8:50 a.m. This meeting was recorded and all comments are on file in the City Finance Department.



Ernie Boyd, Chair



Karen O'Hara, Secretary