

**AMARILLO HOSPITAL DISTRICT  
REGULAR MEETING OF BOARD OF MANAGERS  
AMARILLO CITY HALL  
COMMISSION CHAMBERS  
MINUTES  
APRIL 27, 2004  
7:30 A.M.**

<u>Members</u>	<u>Present</u>
Mr. Ernie Boyd, Chair	Yes
Mr. Dave Taylor, Vice-Chair	Yes
Ms. Karen O'Hara, Secretary	Yes
Ms. Nancy Seliger	Yes
Dr. Constantine Saadeh	Yes
Mr. Sam Spradlin	No
Mr. John Turner	Yes

Also Present

Mr. Marcus Norris	City Attorney, City of Amarillo
Mr. Dean Frigo	Finance Director, City of Amarillo
Ms. Debbie Close	Recording Secretary, City of Amarillo
Mr. John Crider	Actuary
Mr. Jerry McMillon	Clifton Gunderson
Mr. Roy Browning	Wachovia Securities
Mr. Craig Gualtiere	Chairman of American Heart Associates-Locally
Ms. Sonja Bennett	Northwest Texas Healthcare System (NWTHS)
Ms. Charlynn Snow	Human Resources Director-NWTHS

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

**ITEM II:** Mr. Boyd presented the Minutes of the January 27, 2004 meeting. Motion for approval was made by Ms. O'Hara, seconded by Ms. Seliger and unanimously carried.

**ITEM III:** Consideration of Consulting Services Proposal by Wachovia Securities. Mr. Browning proposed to the Board that Wachovia Securities provide performance monitoring services. These services include annual investment policy reviews, quarterly performance evaluation, investment manager searches as needed, and other consultation services. Mr. Boyd stated that the Finance Committee recommends that the Board approves this proposal. Mr. Boyd stated that approval of this proposal will also include a 5 year look back at the fund's performance. Motion for approval to move forward with performance monitoring starting this budget year was made by Mr. Taylor, seconded by Mr. Turner and unanimously carried.

**ITEM IV:** Consideration of Plains National Bank request for Fee Increase. Ms. Weeks requested an increase for Plains National Bank investment fees from 3 basis points to 25 basis points. Ms. Weeks stated that changes to accounting procedures in the last year added additional work in the handling of investments. Mr. Boyd stated that the Finance Committee does not

recommend this fee increase. Motion was made by Mr. Turner that the Board reject the proposal, seconded by Ms. O'Hara and unanimously carried.

**ITEM V:** Consideration of Changes in AHD Pension Investment Policy. Mr. Frigo explained that the changes to the Investment Policy will clarify that the target for the investment allocations will be 45% equities, 50% fixed income and 5% cash. Exposure on the equities portion of the portfolio will have a minimum range of 40% to a maximum of 55% of the total portfolio. Mr. Taylor said that the Finance Committee recommended approval of these changes. Motion for approval was made by Ms. O'Hara, seconded by Dr. Saadeh and unanimously carried.

**ITEM VI:** Consider Pension Plan Amendment for Nwth Employees Transferred to J. O. Wyatt Clinic. Ms. Charlyn Snow of Northwest Texas Healthcare System stated that there were 25 Nwth employees transferred to a new employer, Wyatt Services L. P. Ms. Snow requested that the Board approve the pension plan amendment so that these employees can continue to accrue benefits under the AHD Pension Plan. Motion for approval was made by Ms. Seliger, seconded by Mr. Taylor and unanimously carried.

**ITEM VII:** Presentation of Tobacco Agreed Upon Procedures Report. Mr. McMillon stated that his firm had been hired to verify that the AHD Tobacco Cost Report accurately reflected amounts provided for indigent care. He stated that they sampled individuals that qualified for indigent care as well as those that did not to verify that the records are accurate. Mr. McMillon further stated that they reviewed the final report before it was sent and there were no exceptions.

**ITEM VIII:** Presentation of Actuarial Report on the Pension Plan. Mr. Crider presented the valuation report dated October 1, 2003 which is performed to calculate the recommended contribution range for the 2003/2004 plan year. The recommended contribution levels ranged from \$1,048,087, for the 30 year funding level, to \$1,489,850, for the 10 year funding level. Mr. Crider stated that the contribution levels have increased because of lower rates of returns and an increase in the number of retirees.

**ITEM IX:** Consideration of Funding Recommendation on the Pension Plan. Mr. Frigo stated that \$1,152,924 is provided for in the 2003/2004 budget. Mr. Frigo pointed out that this amount is in the middle of the funding level range presented in the actuarial study. Motion for approval to contribute \$1,152,924 to the retirement fund was made by Mr. Taylor, seconded by Ms. O'Hara and unanimously carried.

**ITEM X:** Presentation of 2004 Tobacco Settlement Cost Report. Mr. Frigo presented the Tobacco Settlement Cost Report for the 2003 year. He explained that this report included \$14,562,390 of allowable expenditures for the Amarillo Hospital District. He explained that this figure was the amount reviewed by Clifton & Gunderson. Also included on the Tobacco Settlement Cost Report are expenditures reported by Potter County in the amount of \$334,870.

**ITEM XI:** Report on AEDs by American Heart Association. Mr. Gualtiere made a presentation of the Agency's use of Automatic External Defibrillators (AEDs). Mr. Gualtiere stated that the American Heart Association estimated that the use of AEDs in Amarillo have saved close to 10 lives. He asked that the Board consider buying 60 more AEDs in the amount of \$120,000 for the next budget year. This funding will allow the Association to furnish AEDs to multiple public areas in Amarillo. Dr. Saadeh said that he has one in his office and he thinks it

is important to have one. Mr. Tim Lacey who is involved in the AEDs program at Randall County spoke to the Board stating that through some of AHD's grant money and American Heart Association grant money they have placed AEDs in all the county buildings. If we were to cover all our city municipal buildings in the city of Amarillo it would take about 60 AED's at a cost of \$120,000. Mr. Lacey pointed out that AEDs will be paying off by saving lives year after year.

**ITEM XII:** Presentation of Discussion of AHD Programs. Ms. Blackburn stated that she felt that the Board needed a status report of the \$1.8 million that they were spending on special grants. Ms. Blackburn reviewed the Children with Special Health Needs Program. Ms. Blackburn stated that this program is currently administered by Texas Tech University Health Sciences. She said that the merger between Texas Tech University Health Sciences and Amarillo Area Health Specialists (AAHS) was completed April 1, 2004. It has consolidated virtually all the pediatric sub specialties under one administrative structure and should increase the effectiveness of patient care delivery. Ms. Blackburn reviewed the Health Access Clearinghouse which is administered by United Way and is in its third year of funding. She said that they have one employee--Keith Wilerton. He helps people work their way through the maze of services. Ms. Blackburn reviewed Tobacco Free Amarillo which is administered by the American Cancer Society. They are focused on reducing tobacco use, especially on children. Ms. Blackburn reviewed the Community Dental Clinic which is administered by Catholic Family Services. She said that they have had some staffing changes both with the dentists and administrative. Looking at their numbers they have managed to stay on target seeing the patients that they are supposed to see. Ms. Blackburn said right now they are filling in the blanks with several relief dentists but Ellen Lawrence, Administrator, feels they can recruit a dentist.

**ITEM XIII:** Consider Continuation of Mom Mobile Program. Mr. Boyd said that the Mom Mobile Program was funded to help transport indigent expectant mothers to their prenatal visits and other appointments. In the staffing reductions at NWTB, the driver position for this service was eliminated. Mr. Clark said that the Mom Mobile targets a population that is very high risk as far as premature births. Mr. Boyd said that keeping one premature baby out of the prenatal unit would weigh more than offset the \$15,600 salary per year. Ms. Blackburn stated that this program has been a very effective way of getting people to appointments and getting kids' immunizations. Mr. Boyd stated that one of the priorities that the District has set for funding of programs is that it must serve the indigent population and we don't want to be the only funder of the first resort, we'd like to partner with people. Mr. Boyd stated that the Amarillo Area Foundation is prepared to split the cost of \$6,400 to fund the program through September 30, 2004. Mr. Taylor said the Finance Committee recommended against approving this in the Finance Committee meeting held yesterday. One of the reasons is that the Committee did not want to see the Hospital District become a stop gap for this program. Mr. Taylor reminded the Board that the Board's mission is to fund the voter indigent care contract. Mr. Turner said it is a pretty important deal. Mr. Turner stated that if the Board could get somebody to partner up with AHD, \$3,200 does not seem to be an inordinate amount of money. Ms. Seliger said she agreed that the \$3,200 doesn't sound like much, the \$15,000 next year and the years to come, however does add up and she agreed with Mr. Taylor if it was that important of a program that the hospital should either fund it or they should be working through their community relations person to find somebody to fill in and drive. Ms. O'Hara asked whether there was a date that they said they would stop this. Mr. Frigo replied May 1, 2004 is the deadline. Ms. Sonja Bennett stated that the Northwest Texas Healthcare System entered into this program with the March of Dimes as a good faith measure of their continued support of the community to the betterment of health for both mothers and children. Motion for denial of this item was made by

Mr. Taylor and was seconded by Dr. Saadeh. Ms. Seliger was also in favor of denial of the item. Mr. Turner, Mr. Boyd, and Ms. O'Hara were in favor of funding this program. It was 3 to 3. Mr. Norris said that it did not pass.

**ITEM XIV:** 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 Ms. Seliger and unanimously carried, to approve the list of Sheriff sale property.

**ITEM XV.** Presentation of Quarterly Financial Statements. Mr. Frigo gave an overview of the AHD preliminary financial statements for the quarter ended March 31, 2004. Mr. Frigo reported that the AHD has total assets of \$235.8 million, current liabilities in the amount of \$3.0 million and long-term liabilities of \$1.2 million. Mr. Frigo reported that the AHD had total revenue of \$5.1 million and total expenses of \$4.6 million, for a net income of approximately \$550,000. He said that the net income figure includes unrealized gains in the amount of \$73,528. Mr. Frigo also reviewed the budget versus actual report at March 31, 2004. Mr. Frigo stated that actual interest income of \$5.0 million is at 45.2% of the amount budgeted. Mr. Frigo reviewed expenditures with actual expenditures in the amount of \$4.6 million compared to 41.37% of the amount budgeted. Included in the operating expenses are payments to UHS for indigent care services in the amount of \$3.4 million versus the budget of \$6.8 million.

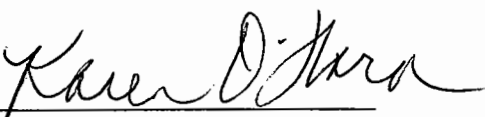
**ITEM XVI:** Quarterly Investment Report from Investment Officer. Mr. Taylor reported that for the quarter ending March 31, 2004, as the memo to the Board states, the Investment Portfolio was in compliance with state law and the AHD's Investment Policy.

**ITEM XVII:** Committee Reports. There were no committee reports.

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

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

**ITEM XX:** There being no further business, Ms. Seliger made the motion for adjournment at 9:05 a.m. This meeting was recorded and all comments are on file in the City Finance Department.

  
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Karen O'Hara, Secretary

  
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Ernie Boyd, Chair