

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

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

Also Present

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
Ms. Claudia Blackburn	Public Health Director, City of Amarillo
Dr. Steven Berk	Texas Tech University Health Sciences Center
Mr. Kyle Sanders	Northwest Texas Healthcare System COO

**ITEM I:** Mr. Boyd called the meeting to order at 7:37 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 Karen O'Hara with a plaque recognizing her five years of service to the AHD Board of Managers. Mr. Boyd thanked Ms. O'Hara for all of her time and commitment in serving the Board. Mr. Boyd welcomed the new Board member, Craig Bryan.

**ITEM III:** Mr. Boyd presented the Minutes of the September 14, 2004 meeting. Motion for approval was made by Ms. Seliger, seconded by Mr. Spradlin and unanimously carried.

**ITEM IV:** Consider Interlocal Agreement with Texas Tech University Health Sciences Center for the management of the Community Dental Clinic. Dr. Berk stated that management of the Community Dental Clinic is consistent with the mission of Texas Tech. He recognized that the Dental Clinic performs a community service and that Texas Tech is looking forward to the continued success of the clinic. Ms. Seliger asked for some background information. Mr. Boyd stated that Catholic Family Services had previously performed the administration of the Dental Clinic but terminated their contract with the AHD at September 30 2004. At that time the City took over the administration of the clinic, but city officials suggested Texas Tech as an administrator. Ms. Seliger asked if the budget would remain the same. Mr. Boyd stated the dollar amounts are the same as approved in the 2004/2005 budget. Motion for approval was made by Ms. Seliger, seconded by Mr. Taylor and unanimously carried.

**ITEM V:** Consider Custody Agreement with Frost National Bank for the District's Investments. Mr. Frigo stated that in July 2004 the Board had approved securities lending of the District's investments with Frost National Bank. In order to facilitate securities lending, Mr. Frigo stated that Frost National Bank and Amarillo National Bank both are recommending transferring of the custody of investments to Frost National Bank. Motion for approval was made by Ms. Seliger, seconded by Mr. Spradlin and unanimously carried.

**ITEM VI:** Consider Custody Agreement with Frost National Bank for the Pension Plan Assets. Motion for approval was made by Ms. Seliger, seconded by Mr. Spradlin and unanimously carried.

**ITEM VII:** Consider UHS's instructions to direct the indigent care quarterly payment as intergovernmental transfers ("IGT") to the Texas Health and Human Services Commission ("HHSC") Medicaid supplemental reimbursement program and directing the Amarillo National Bank Trust Department to set up a separate account for that purpose. Mr. Sanders explained to the Board that the Medicaid Supplemental Reimbursement program is for hospitals that serve a disproportionate share of Medicare patients. Mr. Sanders asked the Board to direct indigent care quarterly payments into a separate trust account. These payments will then be available to be used as matching funds for this program. This money would be swept by the State, recognized as a match by the Federal Government and then returned to Universal. By making the payment in this manner, Universal's share of the Medicaid Supplemental Reimbursement program should increase. Mr. Boyd asked if the Hospital would be held harmless if there was any delay by the State in returning the funds? Mr. Sanders stated yes and that they estimated it would be a matter of days before the money is forwarded to Universal. Mr. Taylor asked if other monies paid by the AHD would be available for this program? Mr. Sanders stated he did not know but had an attorney he could use as a resource for more information. Mr. Boyd asked Mr. Frigo to coordinate with Mr. Sanders regarding this request. Motion for approval was made by Mr. Taylor, seconded by Mr. Bryan and unanimously carried.

**ITEM VIII:** Presentation of Quarterly Financial Statements. Mr. Frigo gave an overview of the AHD preliminary financial statements for the quarter ended September 30, 2004. Mr. Frigo reported that the AHD has total assets of \$229 million, including \$227 million in cash and investments. Current liabilities are \$1.8 million and long-term liabilities are approximately \$1 million. Mr. Frigo reported that the AHD had total revenue of \$6.8 million and total expenses of \$11.2 million, for a net loss of approximately \$4.4 million. He said that the net loss figure includes unrealized investment losses in the amount of \$5 million. He explained that in a rising interest rate environment the portfolio will reflect unrealized losses and that when interest rates drop the portfolio will reflect unrealized gains. Mr. Frigo also reviewed the budget versus actual report at September 30, 2004. Mr. Frigo stated that actual interest income of \$10.8 million is just under the budget figure of \$11.1 million. Mr. Frigo also noted that miscellaneous income had increased because it now includes the Poison Control Grant money. Mr. Frigo reviewed expenditures with actual expenditures in the amount of \$11.3 million compared to a budget of \$11.2 million. Mr. Frigo stated that the Poison Control Grant expenditures are included in that total. Mr. Frigo reviewed the Indigent Care payment to UHS of \$6,847,200 versus a budget of \$6,847,250 and that public health expenditures of \$616,398 were below the budget of \$823,751.

**ITEM IX.** Quarterly Investment Report from Investment Officer. Mr. Taylor reported that for the quarter ending September 30, 2004, as the memo to the Board states, the Investment Portfolio was in compliance with state law and the AHD's Investment Policy.

**ITEM X.** Review and Consider Changes in the Bylaws. Mr. Frigo stated that the Bylaws require that the Board review them annually. Claudia Blackburn stated to the Board that she had reviewed the Bylaws and did not recommend any changes. Mr. Drinnen stated that Marcus Norris recommended a change of Article XI removing the clause (provided that the total number constitutes a quorum). Mr. Drinnen recommended to the Board that this change be specifically identified on the next Meeting's Agenda for approval.

**ITEM XI.** Committee Reports. There were no committee reports.

**ITEM XII:** Election of Board Officers. Mr. Boyd presented a slate of officer nominees for the 2005 fiscal year. Mr. Boyd stated that the current officers have agreed to serve an additional term and recommended that Sam Spradlin fill the secretary position: Chairman would be Ernie Boyd, Vice Chairman would be Dave Taylor; Sam Spradlin would be Secretary; and Investment Officer would be Dave Taylor. Motion for approval of new slate of officers was made by Ms. Seliger that they accept those recommendations, seconded by Dr. Saadeh and unanimously carried.

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

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

**ITEM XV:** Consideration of Agenda Items for Next Board Meeting. Mr. Boyd stated that this item will allow Board members to have input regarding agendas for future board meetings. Mr. Frigo recommended that the Bylaws change item be included on the next Board meeting agenda.

**ITEM XVI:** There being no further business, adjournment was at 8:17 a.m. This meeting was recorded and all comments are on file in the City Finance Department.

  
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Sam Spradlin, Secretary

  
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Ernie Boyd, Chair