

**AMARILLO HOSPITAL DISTRICT
REGULAR MEETING OF BOARD OF MANAGERS
AMARILLO CITY HALL
CITY COMMISSION CHAMBERS
MINUTES
JANUARY 31, 2006
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	No
Mr. John Turner	Yes

Also Present

Mr. Marcus Norris	City Attorney, City of Amarillo
Mr. Dean Frigo	Finance Director, City of Amarillo
Ms. Donna DeRight	City Secretary, City of Amarillo
Mr. Roy Browning	Wachovia Securities
Mr. Andy Ray	Clifton Gunderson
Sonja Bennett	J. O. Wyatt Clinic
Kyle Sanders	Northwest Texas Healthcare System
Jeff Perkins	PIA Insurance Agency
Charlotte Snow	Northwest Texas Healthcare System

ITEM 1: 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 2: Mr. Boyd presented the Minutes of the October 25, 2005 meeting. Motion for approval was made by Ms. Seliger, seconded by Mr. Bryan, and unanimously carried.

ITEM 3: Presentation and discussion of the Pension Fund Investment Performance Review. Mr. Browning presented the composition of the Portfolio at December 31, 2005, 64.73% equity, 32.24% fixed income and 3.02% cash and equivalents. He presented an overview of the fourth quarterfinals ending December 31, 2005 and reviewed the asset composition for the retirement plan. Mr. Browning noted that in the last month of activity, the money manager had bettered the portfolio benchmark. Matt Ramsey with Amarillo National Bank who serves as the money manager said that the funds had been transferred to the Global Bridge platform about six weeks before the end of the quarter. Mr. Browning was cautious about reading too much in one month's performance.

ITEM 4: Presentation and discussion of the Amarillo Hospital District Portfolio Performance Review. Mr. Browning stated the last quarter of 2005 provided positive returns across all asset classes. He stated the total Portfolio for last quarter was .65%, 2.32% for the last year, 3.07% for the

last 3 years and 5.39% for the last 5 years. He stated that these are great numbers and well above the quartile.

ITEM 5: Presentation and discussion of the Amarillo Hospital District Audit. Mr. Ray presented audit of the basic financial statements of the District for the year ended September 30, 2005. He stated that in 2005 the District began participating in a securities lending program to enhance the District's investment earnings. This participation increased the total assets and liabilities for the District. He stated that in the single audit reports there were no findings and the findings in the prior year had been cleaned up.

ITEM 6: Presentation and discussion of the Retirement Plan for Northwest Texas Hospital Employees Audit. Mr. Ray presented the Pension Plan Audit and stated that the audit had a clean opinion with no findings.

ITEM 7: Review and consider recommendations for revisions of Bylaws. Mr. Norris stated the present Bylaws state the first meeting following October 1 of each year the officers of the board shall be elected. He stated that the City Commission does not always have the appointments of the board made by this date so he would recommend a change be made to the Bylaws to allow for the election of officers after appointments are made. Mr. Norris recommended that the change state that the officers be elected at the first meeting following the appointment of new board members by the City Commission. Ms. Seliger made the motion to make the recommended change in the Bylaws regarding the appointment of officers, Dr. Saadeh seconded, and the motion carried unanimously.

ITEM 8: Presentation and discussion of the affects of Medicare Part D on qualified indigents receiving Medicare and on drug reimbursement patients. Ms. Bennett appeared and stated that new drug coverage became available to all Medicare beneficiaries on January 1, 2006. She stated that Medicare Part D becomes the patients' primary coverage for prescriptions and this could change their co-payment structure to be more or less than their current monthly co-payments. She stated as part of the plan there is a standard benefit and a low-income benefit for patients to qualify under. She stated that patients no longer have to come to Wyatt to have their medications filled because now they can go to any participating pharmacy locally or nationwide. Ms. Bennett stated that at the Wyatt Clinic they are working with their clients on a one-on-one basis to assist them in selecting and enrolling in a Prescription Drug Plan. She stated that open enrollment started November 15, 2005 and continues through May 15, 2006 with the next enrollment being November 15, 2006 through December 31, 2006. She stated that they assisted 881 patients to date with the process and they had 1,620 members with Medicare as a payer at the end of 2005. Dr. Saadeh asked if J. O. Wyatt would lose money due to patients being able to use other pharmacies. Mr. Sanders appeared and stated that at this time they do not believe it will affect the pharmacy budget due to other factors that will allow them to continue to receive Medicare funding. Dr. Saadeh stated that he had been made aware of the fact that at the J. O. Wyatt Clinic patients have to wait for longer periods of time on their prescriptions to be filled than at other pharmacies. He stated that we needed to work on this issue to keep patients at the Wyatt Clinic since it has now become a competitive market. Mr. Sanders stated that they are aware of the wait time and are working to speed up the process of dispensing the medication. Mr. Boyd thanked Mr. Sanders for the way they are handling this new program.

ITEM 9: Consideration of the Request for Proposal for Directors and Officers Insurance. Mr. Perkins stated that his company is the current brokerage/agent for the Directors and Officers

Insurance. He stated that an RFP would be forwarded to interested companies. He stated the RFP request a 10 million dollar limit per person and the preference of a 3-year policy with the policy being effective on May 7, 2006. Ms. Seliger asked if this was required and if a claim had ever been filed. It was stated that it is not required but would protect the board members and is encouraged for non-profit boards.

ITEM 10: Consideration of request from UHS to amend the Retirement Plan for Northwest Texas Hospital employees to include service with Sodexo Health Care. Ms. Snow appeared and stated that in order to cover the retirement benefits for ten Northwest Texas Healthcare employees who were part of the hospital at the time the hospital sold, the board needed to approve the Retirement Plan to include service with a new contractor, Sodexo Health Care. She stated that this is necessary to allow these employees to receive their retirement benefits. Dr. Saadeh made the motion to approve serve with Sodexo Health Care, seconded by Mr. Turner, and unanimously carried.

ITEM 11: Presentation of quarterly financial statements. Mr. Frigo presented the Quarterly Financial Statements ending December 31, 2005. He reviewed the balance sheet and noted that even with the securities lending, net assets remained about the same. He stated that this quarter's budget versus actual is where it needs to be and everything appears to be going very well.

ITEM 12: Discussion of House Bill 914, Conflict of Interest Disclosure. Mr. Norris explained that this was passed in the last legislative session and reviewed the reasons a disclosure form would need to be completed. He presented the required forms to be completed by the board if they had a conflict and instructed them to file it with the City Secretary's office.

ITEM 13: Committee Reports. Mr. Boyd stated that there were no committee reports.

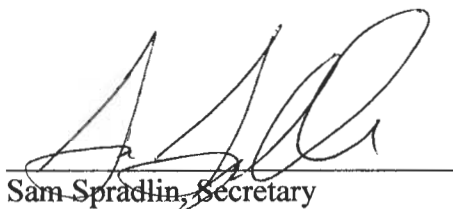
ITEM 14: Public Comments. There were no public comments.

ITEM 15: Consideration of Agenda Items for next Board meeting. There were no items at this time.

ITEM 16: There being no further business the meeting was adjourned. This meeting was recorded and all comments are on file in the City Finance Department.



Ernie Boyd, Chairman



Sam Spradlin, Secretary