**AMARILLO HOSPITAL DISTRICT**
**FINANCE COMMITTEE MEETING**
**AMARILLO CITY HALL, ROOM 306**
**MINUTES**
**APRIL 15, 2013**
**4:00 P.M.**

| Members | Present |
|---|---|
| Mr. Rodney Ruthart | No |
| Mr. Mark Logsdon | Yes |
| Mr. Smith Ellis | Yes |

| Also Present | |
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| Ms. Michelle Bonner | Assistant City Manager for Financial Services, City of Amarillo |
| Mr. Marcus Norris | City Attorney, City of Amarillo |
| Dr. Matt Richardson | Director of Public Health, City of Amarillo |
| Ms. Frances Hibbs | City Secretary for the Recording Secretary, City of Amarillo |
| Mr. Fletcher Brown | Health Law Attorney, Waller Lansden Dortch Davis, LLP |
| Mr. Ray Grenier | Chief Financial Officer, Northwest Texas Healthcare System |
| Mr. Cory Joiner | CPA, Connor, McMillon, Mitchell & Shennum, PLLC |
| Ms. Janie Arnold | CPA, Connor, McMillon, Mitchell & Shennum, PLLC |

**ITEM 1.** Call To Order. Mr. Logsdon established a quorum and called the meeting to order at 4:40 p.m.

**ITEM 2.** Approval of Minutes from January 18, 2013 meeting. Mr. Logsdon presented the minutes from the last AHD Finance Committee meeting held January 18, 2013. There were no questions or comments. Mr. Ellis motioned to approve the minutes as written. Mr. Logsdon seconded the motion and it carried unanimously.

**ITEM 3.** Review and Consider Resolution(s) Regarding Uncompensated Care and Medicaid Funding. This item was moved to the end of the agenda, after public comments. Mr. Norris explained that staff had been asked to seek outside counsel to confer and review the Hospital District's current position and going forward with the Uncompensated Care program. Mr. Norris added that outside legal advisor, Fletcher Brown was in the audience. He stated that it was staff recommendation for the Finance Committee to make the recommendation to the full Board that it approve the resolution authorizing the quarterly payment of $1,360,000. Mr. Ellis motioned to recommend approval to the resolution to the full Board as presented. Mr. Logsdon seconded the motion and it carried unanimously.

**ITEM 4.** Consider Resolution Approving and Authorizing Funding for Delivery System Reform Incentive Payments (DSRIP) for Certain Programs of the City of Amarillo Department of Public Health. This item was moved to the end of the agenda, after public comments. Mr. Richardson reminded the Committee that participation in DSRIP requires an Intergovernmental Transfer (IGT); that public dollars have to be used in order to gain the subsequent federal match. He reviewed two projects: 1) adult immunizations and 2) support for the Amarillo Recovery from Alcohol and Drugs (ARAD) had been submitted and added that the IGT payment for Year 1 was estimated to be around $178 thousand. He explained that the resolution presented before the Committee would approve a payment up to $180 thousand. Mr. Richardson reported that payment of about $422 thousand is expected from the State for the Year 1 disbursement. He explained that although CMS had not yet approved the health plan, the IGT payment was expected by April 24th, 2013. Motion was made by Mr. Ellis, seconded by Mr. Logsdon and carried unanimously to recommend approval of the resolution as presented to the full Board.

**ITEM 5.** Consider Order approving the financing by the Red River Health Facilities Development Corporation of a Health Facility located within the Amarillo Hospital District (being Sears Methodist Home). Mr. Norris explained that Sears Methodist Home was proposing to obtain financing through Red River Health Facilities Development Corporation and that the District's consent was being requested because Sears Methodist Home is located within the Amarillo Hospital District. Mr. Norris added that this request mirrored the request sent to the City Commission and that Resolution passed by the City Commission on Tuesday, April 9, 2013. Mr. Ellis motioned to approve the Order as presented. Mr. Logsdon seconded the motion and it carried unanimously.

**ITEM 6.** Presentation and Discussion of AHD Audit. Mr. Joiner presented the Annual Financial Report of the Amarillo Hospital District as of September 30, 2012. He reported that the audit presented an unqualified, clean opinion.

**ITEM 7.** Presentation and Discussion of NWTH Pension Plan Audit. The Annual Financial Report as of September 30, 2012 for the Retirement Plan for the employees of Northwest Texas Healthcare System was presented by Mr. Joiner. He stated that the audit produced an unqualified opinion with no significant changes or problems found in the report. Mr. Joiner stated there were no difficulties encountered in performing the audit or disagreements with management.

**ITEM 8.** Presentation and Discussion of Agreed Upon Procedures Audit on the Tobacco Settlement Cost Report. Mr. Joiner presented the Independent Accountant's Report on Applying Agreed-Upon Procedures and explained that this audit is performed annually in conjunction with the Tobacco Settlement Cost Report. He reported that the audit was clean and presented no findings. He further reported that a sample of 50 individuals had been selected who were denied services during the current year under the indigent program and verified that the denial code assigned to the individual matched the detail contained within the individual's rejection file and that based upon those procedures, there were no findings.

**ITEM 9.** Presentation of 2013 Tobacco Settlement Cost Report. Ms. Bonner presented the 2013 Tobacco Settlement Cost Report. She reported that the Amarillo Hospital District and Potter County had submitted a joint report to the State of Texas in the amount of $11,557,200 total allowable expenditures. She reviewed that of those expenditures, $710,389 was reported by Potter County and $10,846,811 was reported by the Amarillo Hospital District.

**ITEM 10.** Consider Approval of Potter County Sheriff Sale Properties. Ms. Bonner reviewed that when properties become delinquent in taxes, they are first attempted to be sold on the courthouse steps for the amount of taxes due. The properties are then struck off to the tax collector to solicit for sealed bids if the properties are not sold at the courthouse. The properties being presented, Ms. Bonner explained, had all been reviewed and recommended by staff. Motion was made by Mr. Ellis, seconded by Mr. Logsdon, and unanimously carried to recommend to the full Board that it approve the Potter County Sheriff Sale properties as presented.

**ITEM 11.** Consider Approval of Investment Training with the University of North Texas. Ms. Bonner stated that the Board's Investment Officer, Rodney Ruthart, had attended investment training from the University of North Texas in March 2013. She explained that the Texas Public Funds Investment Act requires investment officers to obtain ten hours of investment training either annually or biannually and that the training received must be from an independent source approved by the governing body. Mr. Ellis motioned to recommend approval of the training that Mr. Ruthart received from the University of North Texas to the full Board. Mr. Logsdon seconded the motion and it carried unanimously.

**ITEM 12.** Presentation of Quarterly Financial Statements. Ms. Bonner presented the Amarillo Hospital District's Quarterly Financial Statements as of March 31, 2013 and reported total assets of

approximately $226 million. Reviewing the income statement, Ms. Bonner stated total revenue of $608 thousand versus total expenses of about $4.9 million for an operating loss of approximately $4.3 million; or a net loss of $2.7 million if the unrealized loss of $1.6 million were excluded. She explained from the budget versus actual report that realized investment income was budgeted at $6.4 million and had received an actual $2.2 million, which was 35% realized for the quarter and behind the expected 50%. Reviewing operating expenses, she noted that indigent care remained the District's largest expense. From the budget versus actual report of the Tobacco Fund, Ms. Bonner reported that the Fund had a budgeted amount of $278,842 in miscellaneous income and stated that the District had not yet received any funds from the state regarding the tobacco proceeds. She added that approximately $20 thousand in donor restricted funds had been distributed to the Amarillo College Foundation for scholarships.

**ITEM 13.** Quarterly Investment Report from Investment Officer. Ms. Bonner reported that all investments were made in accordance with Texas Public Funds Investment Act and were in compliance with the District's Investment Policy.

**ITEM 14.** Public Comments. There were no public comments at this meeting.

Mr. Norris announced at 5:21 p.m. that the Finance Committee would convene into Executive Session, under Section 551.071 of the Texas Open Meetings Act. At 6:22 p.m., the Committee completed its Executive Session.

**ITEM 15:** Adjournment. There, being no further business, the meeting adjourned at 6:22 p.m. This meeting was recorded and all comments are on file with the City Finance Department.

Rodney Ruthart, Committee Chairman

ATTEST:

Mark Logsdon, Vice-Chairman