**AMARILLO HOSPITAL DISTRICT**
**FINANCE COMMITTEE MEETING**
**AMARILLO CITY HALL, ROOM 306**
**MINUTES**
**JULY 29, 2013**
**4:00 P.M.**

| Members | Present |
|---|---|
| Mr. Rodney Ruthart | Yes |
| Mr. Mark Logsdon | Yes |
| Mr. Smith Ellis | Yes |

| Also Present | |
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| Ms. Michelle Bonner | Assistant City Manager, City of Amarillo |
| Mr. Marcus Norris | City Attorney, City of Amarillo |
| Dr. Matt Richardson | Director of Public Health, City of Amarillo |
| Ms. Andrea Rains | Recording Secretary, City of Amarillo |
| Dr. Todd E. Bell | Regional Chair, Dept. of Pediatrics, TTUHSC at Amarillo |
| Dr. Richard M. Jordan | Regional Dean, School of Medicine, TTUHSC at Amarillo |
| Ms. Deborah Cain | Asst. Dean Finance & Admin., School of Medicine, TTUHSC at Amarillo |
| Mr. Fred Eaves | Sr. Clinical Dept. Administrator, Dept. of Pediatrics, TTUHSC at Amarillo |
| Mr. Mark Crawford | CEO, Northwest Texas Healthcare System |
| Mr. Matt Ramsey | Investment Manager, Amarillo National Bank |
| Mr. John M. Crider, Jr. | Consulting Actuary |
| Bob Stafford, MD | Chairman, AHD Board of Managers |
| Mr. Chuck Speed | Secretary, AHD Board of Managers |

**ITEM 1.** Call To Order. Mr. Ruthart called the meeting to order at 4:00 p.m.

**ITEM 2.** Approval of Minutes from April 15, 2013 meeting. Mr. Ruthart presented the minutes from the last AHD Finance Committee meeting held April 15, 2013. With no questions or comments, motion was made by Mr. Ellis, seconded by Mr. Logsdon and carried unanimously to approve the minutes as written.

**ITEM 3.** Review and Consider Resolution(s) Regarding Uncompensated Care and Medicaid Funding. As Necessary, May Review and Discuss Indigent Care Agreement and Healthcare Services Agreement. This item was taken out of order and discussed after Item 4. Mr. Crawford explained that the resolution presented before the Finance Committee was the same as the quarter before with no changes. Mr. Norris added that staff had no further information and nothing to present at this time. Motion to recommend the resolution to the full Board was made by Mr. Ellis, seconded by Mr. Logsdon and unanimously carried.

**ITEM 4.** Presentation by Texas Tech University Health Sciences Center Department of Pediatrics Regarding Pediatric Subspecialty Services and Finances. Dr. Bell gave a Power Point presentation to the Committee regarding the history of the Specialized Pediatric Services Agreement and the benefits of the Agreement. In reviewing the Pediatric Department's Fiscal Year 2013 finances, Dr. Bell noted a shortfall of approximately $1.3 million. He explained that the majority of the shortfall was due to the the lack of funding from the State. The Committee recommended that Texas Tech discuss the shortfall with UHS, the District's contractor for Specialized Pediatric Services.

**ITEM 5.** Consider 2013-2014 AHD Budget. Ms. Bonner presented the proposed Amarillo Hospital District's 2013-2014 Fiscal Year Budget and reviewed expected available funds at the beginning of the year of almost $219 million with budgeted revenue of about $5.5 million. She further reviewed total expenditures of roughly $10 million with excess revenue over expenditures of approximately $4.5 million. Available funds at year-end, Ms. Bonner explained, were expected to be about $214 million. She reviewed that the Tobacco

Fund proposed budget for the 2013-2014 fiscal year anticipated $250 thousand in budgeted revenue and added that total expenditures would remain basically flat at $266 thousand. Motion was made by Mr. Ellis, seconded by Mr. Logsdon and unanimously carried to recommend approval of the proposed 2013-2014 budget as presented to the full Board.

**ITEM 6.** Discussion of Actuarial Report on the Pension Plan. Mr. Crider presented the Actuarial Valuation of the Retirement Plan for Employees of Northwest Texas Healthcare System as of October 1, 2012. He reported a twenty-five year funding contribution amount of $1,362,388; a twenty-year funding contribution from October 1, 1998 of $2,857,926; and a ten-year funding contribution amount of $2,037,382. He explained that the $2 million the District contributed to the Plan for the 2012-13 fiscal year would amortize the unfunded actuarial accrued liability over 9.2 years and keep the Plan in compliance with the requirements for public plans in the State of Texas. Mr. Crider added that the District should attempt to simplify the Plan wherever possible.

**ITEM 7.** Consider Approval of Potter County Sheriff Sale Properties. Ms. Bonner presented a private bid for a piece property from Potter County that did not sale at the Sheriff Sale. She reviewed with the Committee that each taxing entity must approve the private bids when they are submitted for less than the amount of taxes owed on the property. Ms. Bonner reminded that the goal is to get these tax-delinquent properties to citizens who pay their taxes. Motion was made by Mr. Ellis to recommend approval of the Potter County Sheriff Sale Property to the full Board. Mr. Logsdon seconded the motion and it carried unanimously.

**ITEM 8.** Presentation of Quarterly Financial Statements. Ms. Bonner presented the Amarillo Hospital District's Financial Statements at June 30th, 2013. She reported a Total Liabilities and Fund Balance of about $217 million. Ms. Bonner reviewed that because of an unrealized loss of $9.5 million for the quarter, the District experienced a loss in total revenue of $5.6 million. She pointed out that excluding the unrealized loss, the District would have total revenue of $3.9 million for the quarter. Ms. Bonner reviewed total expenses of $7.6 million and an Operating Loss of $13.2 million. She noted that excluding the unrealized loss mentioned above, the District would have a loss of about $3.7 million. Ms. Bonner reviewed from the Budget Versus Actual Report that the District had budgeted Investment Income of $6.4 million versus an actual amount received of $3.7 million, which was 57.5% realized for the quarter. She explained Cash from Operations was budgeted at a loss of $3.4 million versus an actual loss of $3.7 million. Reviewing the Tobacco Fund's Budget Versus Actual Report, Ms. Bonner reported a budgeted amount of $278,842 in miscellaneous income and an actual amount received of $208,998. She reviewed total expenses of the Fund were budgeted at $266,250 versus an actual amount of $204,938.

**ITEM 9.** Presentation of Quarterly Investment Report. Mr. Ruthart reviewed the Amarillo Hospital District's Quarterly Investment Report at June 30, 2013 and reported that the District's Portfolio was in compliance with the Amarillo Hospital District's Investment Policy and the Public Funds Investment Act.

**ITEM 10.** Public Comments. There were no public comments.

**ITEM 11:** Adjournment. There, being no further business, Mr. Logsdon motioned to adjourn the meeting. Mr. Ellis seconded the motion and the meeting adjourned at 5:58 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