STATE OF TEXAS §
COUNTIES OF POTTER §
AND RANDALL §
CITY OF AMARILLO §

On the 4th day of October 2012, the Amarillo Health Facilities Corporation convened in regular session at 12:00 P.M. in Room 306, on the third floor of City Hall, 509 East 7th Avenue, Amarillo, Texas, with the following members present:

VOTING MEMBERS	PRESENT
Eddie Boyd, President	Yes
Dr. Anthony V. Bass, Vice-President	Yes
Dennis Clounch, Secretary	Yes
Cole Young, Asst. Secretary	Yes
Larry Day, Treasurer	Yes
Charles E. Warford	Yes
Murielle Barnes	Yes

STAFF MEMBERS PRESENT:

Dean Frigo – Asst. City Manager for Financial Services
Dr. Matt Richardson – Public Health Director
Michelle Bonner – Finance Director
Andrea Rains - Recording Secretary

Also Present: Robert Dransfield – Bond Counsel, Fulbright & Jaworski, LLP, Bob Williams – CEO, Baptist St. Anthony's Health System, and Craig Sanders – Baptist St. Anthony's Health System.

ITEM 1: Call to order

Mr. Boyd established a quorum and welcomed everyone in attendance. He called the meeting to order at 12:12 p.m. and introduced Ms. Murielle Barnes. Mr. Boyd announced that Ms. Barnes would replace Ed Flood, whom passed away in July 2012. Mr. Boyd introduced guests and City Staff. The remaining Board members introduced themselves.

ITEM 2: Election of Officers

Motion was made by Mr. Warford to retain the Board's current slate of officers for another annual term. Mr. Day seconded the motion and it carried unanimously.

ITEM 3: Approval of Minutes from September 15, 2011 Meeting

Mr. Boyd presented the minutes from the last Amarillo Health Facilities Corporation meeting held September 15th, 2011. With no questions or comments, motion was made by Dr. Bass, seconded by Mr. Clounch and unanimously carried to approve the minutes as written.

ITEM 4: Presentation of Financial Statements

Mr. Day presented the Corporation's Financial Statements at August 31st, 2012. He reported net assets at the beginning of the year of $32,383. Mr. Day reviewed interest income of $61 for net assets at the end of the period totaling $32,444.

ITEM 5: Annual Review and Consideration of Investment Policy

Mr. Day presented the Amarillo Health Facilities Corporation's Investment Policy and Strategy and stated that most changes were cosmetic. He reviewed minor amendments and additions to the investments, reporting, and training sections of the Policy. Motion was made by Mr. Cole, seconded by Mr. Day, and unanimously carried to approve adoption of the Investment Policy with the changes as presented.

ITEM 6: Annual Review and Consideration of Bylaws

Mr. Frigo stated that the Corporation's Bylaws were approved by the City Commission at their meeting held the day before, October 3rd, 2012. Mr. Clounch motioned to approve the Corporation's Bylaws. The motion was seconded by Mr. Young and carried unanimously.

ITEM 7: Consider Approval of Investment Training with the University of North Texas

Mr. Day stated that the investment training he and Mr. Frigo received from the University of North Texas was very good. Mr. Frigo added that the training is offered each year in Amarillo by the University of North Texas and that Ms. Bonner also attended the training. Mr. Day motioned to approve the investment training received from the University of North Texas. Dr. Bass seconded the motion and it carried unanimously.

ITEM 8: Discussion and Consideration of Matters Relating to the Corporation's Hospital Revenue Bonds (Baptist St. Anthony's Hospital Corporation Project) Series 1998, Including a Closing Agreement with Respect to a Portion of the Bonds and Other Matters Incident and Related Thereto

Mr. Dransfield reviewed with the Board that during 1998, Baptist St. Anthony's Hospital (BSA) issued bonds through the Corporation as the conduit. He further reviewed that BSA is looking at a configuration change that might affect their 501.c.3 status as a non-profit, which might affect the tax-exempt status of the bonds. Mr. Dransfield stated that in order for the bonds to not become taxable, the bonds will be discharged, either through a redemption or defeasance, and that the Corporation as the issuer of the bonds will need to enter into a closing agreement with the Internal Revenue Service and will be required to pay a closing agreement amount. Mr. Dransfield explained that normally, the closing agreement amount is calculated based on the difference of revenue to the IRS of a tax exempt issue as compared to a taxable issue. Mr. Dransfield assured the Board that the Corporation will not incur any costs; that all costs associated with the process will be paid for by BSA. Mr. Dransfield further explained that the Board can act today or wait until next week to consider this item. Mr. Day made the motion to authorize and direct the President of the Board of Directors, the Treasurer, and any other officer of the Corporation to take any and all action required in connection with the discharge of the Corporation's hospital revenue bonds (Baptist St. Anthony's Hospital Corporation Project) Series 1998, including the entering into of a closing agreement with the Internal Revenue Service, the redemption and defeasance of the bonds and the execution and delivery of all documents required to effect such discharge, provided that all costs incurred by the Corporation in connection with such action shall be paid by Baptist St. Anthony's Hospital Corporation. Mr. Young seconded the motion. Mr. Young questioned if the Corporation would be liable for any of the payments incurred with the transaction and asked for clarification on how the bond will be defeased. Mr. Dransfield stated the bonds that were not callable would be defeased; meaning that BSA would have to deposit funds with an escrow agent that would be used to make the interest payments and ultimately retire the debt. Mr. Frigo explained that the calculation is made to insure that the amount deposited into escrow will be equal to the required payments of the bonds and that the escrow is calculated so that there would not be any excess interest earnings on escrow. Mr. Dransfield added that the escrow amounts are invested in government securities. Dr. Bass made the motion to table the original motion and for the Board to meet again to consider the request. Dr. Bass stated that he felt the Board would have a better opportunity for due diligence if they could reflect on the request over the next week. Mr. Day stated that he was ready to make a decision today and did not feel there was any reason to meet the next week. Mr. Clounch stated that he agreed with Dr. Bass, that the Board should review the request in order to give due diligence to the consideration of the request. Mr. Clounch seconded Dr. Bass' motion. Mr. Young stated that he was ready to vote today in order to facilitate BSA's request and did not see a benefit in waiting a week to delay a decision. Dr. Bass stated that he would like to have time to review the request as a matter of due diligence and that an additional week would give him time to consider the request. With Mr. Boyd, Dr. Bass, Mr. Clounch, Mr. Young, Mr. Warford and Ms. Barnes voting in favor of waiting until October 11th, 2012 to make a decision and Mr. Day voting in favor of making the decision today; motion passed 6-1 to table this item one week. Mr. Boyd requested that the Board come next week ready to make a decision. Mr. Frigo asked the Board to write down any questions that they may have, that Mr. Dransfield would be at next week's meeting to address any questions. Dr. Bass requested it be noted for the minutes that the Board did not receive the documentation prepared by the Bond Counsel for the Internal Revenue Service prior to the meeting.

ITEM 9: Adjournment

There being no further items before the Corporation, Dr. Bass motioned to adjourn the meeting at 1:06 p.m. The motion was seconded by Mr. Day and it carried unanimously. All remarks are recorded and are on file in the Finance Department.

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Eddie Boyd, President

ATTEST:

Dennis Clounch, Secretary