Budget & Finance Committee

Agenda

Committee Members

Ramon Miguez, PE - Chair
Eric G. Bing, MD, PhD
Byron Cryer, MD
John Proctor
Lisa Sutter

Agenda for the ***Budget and Finance Committee*** meeting of the Dallas County Hospital District is scheduled for ***Tuesday, November 19, 2024, at 11:30 AM*** at 5200 Harry Hines Blvd (WISH Building) Dallas, TX 75235, Executive Conference Room 02-175. (If assistance is needed in locating the room, please see the Administration receptionist on the 4th floor, 04-131.) A quorum will be physically present at the location of the meeting. Videoconferencing access is also possible via Webex. That application is available at https://www.webex.com/downloads.html. Teleconferencing access is possible by calling +1-415-655-0001. Both virtual access forms require inputting (meeting number: 2630 105 9416; meeting password: 1234) to join the meeting. The ***Budget and Finance Committee*** reserves the right to exercise discretion and may convene in Executive Session as permitted by Texas Government Code §§551.071 (consultation with attorney), 551.072 (deliberations regarding real estate), 551.074 (personnel matters), 551.076 (deliberations regarding security devices or security audits), 551.078 and/or 551.0785 (deliberations by medical committee or by governmental body that administers a public insurance, health or retirement plan regarding individuals' medical or psychiatric records), 551.085 (deliberation by governing board of certain providers of health care services), 551.087 (deliberation regarding economic development negotiations), 551.088 (deliberation regarding test item); Texas Government Code §418.183 (deliberation of information under §§418.175 – 418.182 for purposes of disaster management or disaster planning); Texas Health & Safety Code §161.032 (medical committee or medical peer review committee records, information or reports; and/or medical committee or medical peer review committee proceedings under Tex. Health & Safety Code Chapter 161 and/or Tex. Occ. Code Chapters 151 and 160); and/or as otherwise authorized by law on any item listed below. The ***Budget and Finance Committee*** may consider any of the agenda items in open or executive session and may continue the meeting as necessary to accomplish the business at the time and place designated by the Chair to reconvene.

	PAGE	TIME (MIN)	PRESENTER(S)
I. Determine a Quorum is Present and Record Attendance/Call to Order/Mission Statement ***Advance Wellness | Relieve Suffering | Develop and Educate*** **I CARE** **I**ntegrity **C**ompassion and Collaboration **A**ccountability **R**espect **E**quity "The agenda has been developed by the Chief Governance Officer in consultation with the Board Chair, CEO, and reviewed and affirmed by Counsel."			Chair
II. Public Comments Regarding Agenda Items *See public comment registration information and rules at https://www.parklandhospital.com/board-of-managers*			
I. Reports Requiring Deliberation(s) or Approval(s)			
A. Consideration and Appropriate Action Regarding Contracts over $200,000 **(See Attached List of Contracts)**			Chair
B. Consideration and Appropriate Action Regarding Fiscal Policy 8311-1-04 Investment Policy – Operating Funds			
C. Consideration and Appropriate Action Regarding Investment Officers Board Briefing and Resolution			
D. Update and Report Regarding Parkland Financial Performance Presentation			
II. Possible Deliberation			
A. Informational Report on Parkland's Capital Project Summary as of October 2024			Chair
B. Informational Report on Parkland's 4th Quarter Investment Report			
III. Action Item			
A. The Board may take action on any agenda item(s) above			Chair
IV. Closing Remarks			
V. Adjourn			

Consideration and Appropriate Action Regarding Contracts over $200,000

Item	Contract Type	Service or Product	Supplier	Contract Term	Current Contract Approval Amount Request	New Approved Contract Value	Selection Method	Budgeted?	Business Owner / Dept.	MWBE %	MWBE Gender	MWBE Ethnicity
												November 20, 2024
Medical Products and Services												
M1	Capital	Maldi Biotyper Sirius CA-System	Beckman Coulter, Inc.	Last Signature – 1/5/2026	$234,000	$234,000	GPO Purchase	Yes	Bernie Buenvenida, Clinical Engineering	0%	N/A	N/A
M2	Expense	Total Joint Products and Accessories	b-ONE Ortho Corp.	Last Signature – 5 Years	$480,000	$480,000	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Cheston Chan, Main OR	0%	N/A	N/A
M3	Expense	Suprathel Biologic and Biosynthetic Wound Dressings	Polymedics Innovations	Last Signature – 5 Years	$250,000	$250,000	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Cheston Chan, Burn Service	0%	N/A	N/A
Hospital Operations												
O1	Expense	Mod # 5 Add funding and extend current agreement through November 30, 2025	Premier Radiology Services, LLC	8/1/2020 - 11/30/2025	$800,000	$1,900,415	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Tina Hill, Crystal Harrison, Shawn Grady, Correctional Health and Radiology	0%	N/A	N/A
Deviation/Ratification/Informational Only												
D1	Revenue: Court Approval-Approved Deviation	Late modifications related lease renewal negotiations with Tenant/Mommie's In Need (Annie's Place)	Mommies In Need, Inc.	11/2/2020 - No Expiration	$0	$0	Sole Source Modification	N/A-Revenue	Beall Carothers, Planning Design & Construction	0%	N/A	N/A

Parkland

Board Approval Request For Contracts Over $200,000

BOM Date: November 20, 2024	**Product or Service:** Maldi Biotyper Sirius CA-System	
Business Owner: Bernie Buenvenida	**Business Owner Dept:** Clinical Engineering	**Contract Number:** POCP-24690
Vendor/Supplier/Contractor: Beckman Coulter, Inc.	**Source Selection Methodology:** GPO Purchase	**Fair and Reasonable Price Determination:** Adequate Competition

Revenue, Expense or Capital:

Capital

	Contract Dates	Contract Price
Base Term:	Last Signature – 1/5/2026	$234,000
Out Years:	0 Year(s)	+$0
Total:	Last Signature – 1/5/2026	$234,000

Lowest Bidder

Is this contractor the lowest bidder/supplier? GPO Purchase

If not, what premium will be paid for this contract over the lowest bidder? N/A

Approvals

Has the final contract been approved by Legal for legal sufficiency? Yes

Does this contract have an IT Component? No

Does this contract have a Construction Component? No

Financial

Is Funding included in the applicable FY Budget? Yes

FTE Impact: None

Diversity

Potential for M/WBE engagement: Vendor self performs; there are no opportunities through subcontractors, and vendor does not have a corporate plan.

Were M/WBE's Directly Solicited? N/A-no solicitation performed

Number Responding M/WBE's: N/A-no solicitation performed

What % of this contract is M/WBE? 0%

M/WBE Race/Ethnicity? N/A

M/WBE Gender? N/A

Submitted By (Division VP): Geoffrey Camp, Vice President, Operations Support, Operations Administration

DALLAS COUNTY HOSPITAL DISTRICT
PARKLAND HEALTH BOARD BRIEFING DOCUMENT

Parkland

SUBJECT: Maldi Biotyper Sirius CA-System

VENDOR: Beckman Coulter, Inc.

COST:		
	Base Term:	$234,000
	Out Years:	+ $0
	Total:	$234,000

Recommendation
Approve this contract for Maldi Biotyper Sirius CA-System.

Background
This contract is for the acquisition of a second Matrix Assisted Laser Desorption Ionization Time of Flight Mass Spectrometry (MALDI-TOF MS) system. This system is used by Parkland's Microbiology Laboratory for identification of bacteria and yeast, including Mycobacteria tuberculosis (the bacteria that causes tuberculosis), in a patient's blood. The method the lab had historically used (for over 20 years) was discontinued by the manufacturer in 2022. For a time, the lab sent testing to a reference laboratory, which is more costly and results in longer turnaround times impacting patient care. The lab currently has one MALDI-TOF-MS unit, and it is not sustainable to perform all the new/existing testing on one unit. All bacteria, yeasts, and AFB isolated in all cultures performed at Parkland Microbiology use the MALDI-TOF for identification.

Fair and Reasonable Price Determination
The GPO contract and pricing was obtained in a solicitation process performed by Vizient. Market research conducted through ECRI shows that Parkland price is 4.7% lower than the average for other facilities. ECRI is a reputable, private benchmarking firm that collects pricing data covering numerous medical services and products.

Financial Forecast

Base Term	FY2025
Equipment / Licenses	$234,000

Document Contact/Author:	Andrew Barter

Parkland

Board Approval Request For Contracts Over $200,000

BOM Date: November 20, 2024	**Product or Service:** Total Joint Products and Accessories	
Business Owner: Cheston Chan	**Business Owner Dept:** Main OR	**Contract Number:** POCP-24626
Vendor/Supplier/Contractor: b-ONE Ortho Corp.	**Source Selection Methodology:** Sole Source	**Fair and Reasonable Price Determination:** Market Price

Revenue, Expense or Capital:

Expense

	Contract Dates	Contract Price
Base Term:	Last Signature – 3 Years	$288,000
Out Years:	2 Year(s)	+$192,000
Total:	Last Signature – 5 Years	$480,000

Lowest Bidder

Is this contractor the lowest bidder/supplier? N/A-Sole Source

If not, what premium will be paid for this contract over the lowest bidder? N/A

Approvals

Has the final contract been approved by Legal for legal sufficiency? Yes

Does this contract have an IT Component? No

Does this contract have a Construction Component? No

Financial

Is Funding included in the applicable FY Budget? Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.

FTE Impact: None

Diversity

Potential for M/WBE engagement: Vendor self performs; there are no opportunities through subcontractors, and vendor does not have a corporate plan.

Were M/WBE's Directly Solicited? N/A-no solicitation performed

Number Responding M/WBE's: N/A-no solicitation performed

What % of this contract is M/WBE? 0%

M/WBE Race/Ethnicity? N/A

M/WBE Gender? N/A

Submitted By (Division VP): David Alexander, Senior Vice President, Nursing

DALLAS COUNTY HOSPITAL DISTRICT
PARKLAND HEALTH BOARD BRIEFING DOCUMENT

Parkland

SUBJECT: Total Joint Products and Accessories

VENDOR: b-ONE Ortho Corp.

COST:		
	Base Term:	$288,000
	Out Years:	+ $192,000
	Total:	$480,000

Recommendation
Approve this contract for Total Joint Products and Accessories.

Background
This contract is to purchase Total Knee Products and Accessories. The products are used to surgically replace the knee. This vendor is new to Parkland within the last year and is needed because these products are physician preference.

Fair and Reasonable Price Determination
Market research conducted through Vizient shows that Parkland capitated price on Total Joint components is in line with the capitated pricing seen in this category.

Financial Forecast

Base Term	**FY2024**	**FY2025**	**FY2026**	**FY2027**	**FY2028**	**FY2029**	**Totals**
Expenses / Consumables	$8,000	$96,000	$96,000	$88,000			$288,000
Out Years	**FY2024**	**FY2025**	**FY2026**	**FY2027**	**FY2028**	**FY2029**	**Totals**
Expenses / Consumables				$8,000	$96,000	$88,000	$192,000
Grand Totals	**$8,000**	**$96,000**	**$96,000**	**$96,000**	**$96,000**	**$88,000**	**$480,000**

Sole Source Justification
Implants, heart valves, bone screws, prosthetics, etc. are patient care devices and are exempt from competition.

Document Contact/Author:	Bryson Hendrix

Board Approval Request For Contracts Over $200,000

BOM Date: November 20, 2024	**Product or Service:** Suprathel Biologic and Biosynthetic Wound Dressings	
Business Owner: Cheston Chan	**Business Owner Dept:** Burn Service	**Contract Number:** POCP-24629
Vendor/Supplier/Contractor: Polymedics Innovations	**Source Selection Methodology:** Sole Source	**Fair and Reasonable Price Determination:** Market Price

Revenue, Expense or Capital:

Expense

	Contract Dates	Contract Price
Base Term:	Last Signature – 3 Years	$150,000
Out Years:	2 Year(s)	+$100,000
Total:	Last Signature – 5 Years	$250,000

Lowest Bidder

Is this contractor the lowest bidder/supplier? N/A-Sole Source

If not, what premium will be paid for this contract over the lowest bidder? N/A

Approvals

Has the final contract been approved by Legal for legal sufficiency? Yes

Does this contract have an IT Component? No

Does this contract have a Construction Component? No

Financial

Is Funding included in the applicable FY Budget? Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.

FTE Impact: None

Diversity

Potential for M/WBE engagement: Vendor self performs; there are no opportunities through subcontractors, but supplier diversity received their corporate plan.

Were M/WBE's Directly Solicited? N/A-no solicitation performed

Number Responding M/WBE's: N/A-no solicitation performed

What % of this contract is M/WBE? 0%

M/WBE Race/Ethnicity? N/A

M/WBE Gender? N/A

Submitted By (Division VP): David Alexander, Senior Vice President, Nursing, Executive Nursing Leadership

DALLAS COUNTY HOSPITAL DISTRICT
PARKLAND HEALTH BOARD BRIEFING DOCUMENT

Parkland

SUBJECT: Suprathel Biologic and Biosynthetic Wound Dressings

VENDOR: Polymedics Innovations

COST:		
	Base Term:	$150,000
	Out Years:	+ $100,000
	Total:	$250,000

Recommendation
Approve this contract for Suprathel Biologic and Biosynthetic Wound Dressings.

Background
This contract is to purchase Suprathel, a special type of skin covering that helps treat various kinds of wounds, including burns and areas where skin has been taken for grafting. This self-adhering skin substitute sits on the wound and becomes translucent which allows doctors to monitor how the wound is healing. It will be used in burn surgery and in-patient burn floor areas.

Fair and Reasonable Price Determination
Although the item being purchased is a sole source for the reasons discussed below, this item is sold in substantial quantities in the commercial marketplace. Market research conducted through ECRI shows that the Parkland price is average as compared to other member hospitals. ECRI is a reputable, private benchmarking firm that collects pricing data covering numerous medical services and products.

Financial Forecast

Base Term	**FY2024**	**FY2025**	**FY2026**	**FY2027**	**FY2028**	**FY2029**	**Totals**
Expenses / Consumables	$4,167	$50,000	$50,000	$45,833			$150,000
Out Years	**FY2024**	**FY2025**	**FY2026**	**FY2027**	**FY2028**	**FY2029**	**Totals**
Expenses / Consumables				$4,167	$50,000	$45,833	$100,000
Grand Totals	**$4,167**	**$50,000**	**$50,000**	**$50,000**	**$50,000**	**$45,833**	**$250,000**

Sole Source Justification
This contract is for a good or service for which it is impractical to obtain competition. Implants, heart valves, bone screws, prosthetics, etc. are patient care devices and are exempt.

Document Contact/Author:	Bryson Hendrix

Board Approval Request For Modification to Contract or Funding

BOM Date: November 20, 2024	**Modification:** Mod # 5 Add funding and extend current agreement through November 30, 2025	
Business Owner: Tina Hill, Crystal Harrison, Shawn Grady	**Business Owner Dept:** Correctional Health and Radiology	**Contract Number:** POCP-19227
Vendor/Supplier: Premier Radiology Services, LLC **Basis of Original Contract Award** Sole Source **Basis of this Modification** Sole Source Modification	BOM Approved Contract Total (5/22/2024):	$1,100,415
Revenue, Expense or Capital: Expense	Modification # 5 Amount:	$800,000
Original Start Date: 8/1/2020 **Current Expiration:** 11/30/2024 **Mod Start Date:** 12/1/2024 **Expiration after this Mod:** 11/30/2025	New Contract Amount:	$1,900,415

Approvals

Has the final modification been approved by Legal for legal sufficiency?	Yes
Does this modification have an IT Component?	Yes; and IT approved
Does this modification have a Construction Component?	No

Financial

Is Funding included in the applicable FY Budget?	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.
FTE Impact:	None

Diversity

Current M/WBE Participation?	0%
M/WBE Race/Ethnicity?	N/A
M/WBE Gender?	N/A

Submitted By (Division VP): Pat Jones, Vice President, Correctional Health Services

DALLAS COUNTY HOSPITAL DISTRICT
PARKLAND HEALTH BOARD BRIEFING DOCUMENT

Parkland

SUBJECT: Mod # 5 Add funding and extend current agreement through November 30, 2025

VENDOR: Premier Radiology Services, LLC

COST:

BOM Approved Contract Total (5/22/2024):	$1,100,415
Modification # 5:	+ $800,000
Total:	$1,900,415

Recommendation
Approve this contract modification to Add funding and extend current agreement through November 30, 2025.

Background
This contract is for a third-party to read x-rays for Correctional Health and Radiology. There continues to be a need for licensed and credentialed radiologists to read x-rays to support Parkland's volume.

Fair and Reasonable Price Determination
Vendor has requested a $1 increase per X-ray this year as pricing has not changed since the inception of this contract in 2020. We have tested the market, and this is a market price given that Radiologist are in high demand with we have seen increased pricing across the board.

Financial Forecast

Current Contract Amount	FY2025	Total
$1,100,415	$800,000	$1,900,415

Sole Source Justification
Parkland released an RFP for interpretation services and received no bids. The radiologists on this Contract are currently privileged through Parkland's credentialing process which takes at a minimum of 4 months. Due to the length of time it takes for clinicians to be credentialed at Parkland, and to ensure continued service this agreement is being extended for one year.

Document Contact/Author:	Andrea Henley

Parkland

Approved Deviation Request Contract Modification

Must be approved before: On or before November 19, 2024	**Reason for approval request:** Late modifications related lease renewal negotiations with Tenant/Mommie's In Need (Annie's Place)

BOM Date: November 20, 2024	**Modification:** Mod # 2 First Amendment to Lease - Mommies In Need, Inc.	
Business Owner: Beall Carothers	**Business Owner Dept:** Planning Design & Construction	**Contract Number:** POCRE-18939 A2
Vendor/Supplier: Mommies In Need, Inc. **Basis of Original Contract Award** Real Estate – Exemption **Basis of this Modification** Sole Source Modification	BOM Approved Contract Total (9/24/2019):	$0
Revenue, Expense or Capital: Revenue: Court Approval-Approved Deviation	Modification # 2 Amount:	$0
Original Start Date: 11/2/2020 **Current Expiration:** 11/30/2024 **Mod Start Date:** 12/1/2024 **Expiration after this Mod:** No Expiration	New Contract Amount:	$0

Approvals

Has the final modification been approved by Legal for legal sufficiency?	Yes
Does this modification have an IT Component?	No
Does this modification have a Construction Component?	No

Financial

Is Funding included in the applicable FY Budget?	N/A-Revenue
FTE Impact:	None

Diversity

Current M/WBE Participation?	0%
M/WBE Race/Ethnicity?	N/A
M/WBE Gender?	N/A

Submitted By (Division VP): Lance Mendiola, Interim Vice President, Construction, Facilities Management & Real Estate

Request: Authorize the appropriate Contracting Officer to execute this contract with the stipulation that it will be presented to the Parkland Board of Managers for approval at the next regularly scheduled meeting.

Edmundo C. Castaneda
Edmundo C. Castaneda (Nov 14, 2024 17:49 CST)
Date: Nov 14, 2024
EVP Administration Operations

Fred Cerise
Fred Cerise (Nov 15, 2024 05:09 CST)
Date: Nov 15, 2024
Dr. Fred Cerise, President & CEO

RFMA
RFMA (Nov 15, 2024 08:56 CST)
Date: Nov 15, 2024
Chair Finance Committee

Parkland

DALLAS COUNTY HOSPITAL DISTRICT
PARKLAND HEALTH BOARD BRIEFING DOCUMENT

SUBJECT: Mod # 2 First Amendment to Lease - Mommies In Need, Inc.

VENDOR: Mommies In Need, Inc.

COST:

BOM Approved Contract Total (9/24/2019):	$0
Modification # 2:	+ $0
Total:	$0

Recommendation
Approve this contract modification for First Amendment to Lease - Mommies In Need, Inc..

Approved Deviation Reason
Due to the late nature of negotiations with the tenant and the current expiration date of the existing lease of November 30, 2024, a deviation is necessary in order to allow for Dallas County Commissioners Court to approve the transaction on November 19, 2024, which is the last date prior to the expiration of the aforementioned lease term.

Background
In 2020 Parkland and Mommies In Need, Inc. ("MIN") developed a drop-off childcare center on the Parkland campus to allow patients the opportunity to have their children in a safe environment while patients are undergoing medical treatment and/or recovery at Parkland. The mission provides free childcare to patients so that Parkland patients can receive necessary medical treatment.

Parkland provided space on the Parkland campus for the childcare center (the "Center"). Parkland shall be responsible for issues pertaining to maintenance of the Center space, including environmental services, utilities, and access to Parkland's on-site security team (consistent with Parkland's on-site security for the Parkland campus.) MIN will be responsible for the staffing and day-to-day management of the operations of the Center.

Fair and Reasonable Price Determination
N/A – Real Estate Exemption

Financial Forecast

Base Lease Term	FY2025	Total
$0	$0	$0

Sole Source Justification
N/A – Real Estate Exemption

Document Contact/Author:	Beall Carothers, Director Real Estate Development

CONTRACT RESOLUTION
Board of Managers
November 20, 2024

PARKLAND HEALTH

RESOLUTION NO. _____

Be it resolved, the Parkland Health Board of Managers, by a vote of _____ Yes and _____ Nay, does by this resolution (adopt/reject) _____ the following:

WHEREAS, Parkland Health management requested approval for certain contracts and approval/rejection is as checked below:

Approved	Rejected	Withdrawn	Type	Service or Product	Vendor	Contract Term	Aggregate Contract Amount Approved	Budgeted
			Capital	Maldi Biotyper Sirius CA-System	Beckman Coulter, Inc.	Last Signature – 1/5/2026	$234,000	Yes
			Expense	Total Joint Products and Accessories	b-ONE Ortho Corp.	Last Signature – 5 Years	$480,000	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.
			Expense	Suprathel Biologic and Biosynthetic Wound Dressings	Polymedics Innovations	Last Signature – 5 Years	$250,000	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.
			Expense	Mod # 5 Add funding and extend current agreement through November 30, 2025	Premier Radiology Services, LLC	8/1/2020 - 11/30/2025	$1,900,415	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.

THEREFORE, BE IT RESOLVED, that the Parkland Health Board of Managers approves these contracts as noted.

Dated this 20th of November 2024.

_____
Marjorie D. Petty, JD
Chair

_____
Steve Roth, JD, MPH
Assistant Secretary

Marjorie Petty, JD	Yes _____	No _____	Abstain _____	Absent _____
Elizabeth Palacios, MD	Yes _____	No _____	Abstain _____	Absent _____
Todd Furniss, JD	Yes _____	No _____	Abstain _____	Absent _____
Eric G. Bing, MD, PhD	Yes _____	No _____	Abstain _____	Absent _____
Byron Cryer, MD	Yes _____	No _____	Abstain _____	Absent _____
Reina Gonzalez, JD	Yes _____	No _____	Abstain _____	Absent _____
Vincent Hall	Yes _____	No _____	Abstain _____	Absent _____
Ramon Miguez, PE	Yes _____	No _____	Abstain _____	Absent _____
Farida Minner, RN	Yes _____	No _____	Abstain _____	Absent _____
John Proctor	Yes _____	No _____	Abstain _____	Absent _____
Lisa Sutter	Yes _____	No _____	Abstain _____	Absent _____

Consideration and Appropriate Action Regarding Fiscal Policy 8311-1-04 Investment Policy – Operating Funds

Fiscal 8311-1-04 Investment Policy

Requirements regarding this document are found in:

- The Texas Health & Safety Code 281.049

Background:

- Last published 12/21/23 (1-year approval period).

Revisions:

- No changes.

Approvals:

- Joe Mayer, Treasury Director
- Rick Humphrey, CFO
- Board Budget and Finance Committee (scheduled 11/19/24)
- Board of Managers (scheduled 12/18/24)

PURPOSE:

It is the policy of the Dallas County Hospital District (the District), d/b/a Parkland Health, to invest all available hospital operating and bond funds and related reserves in a manner that provides maximum security and the best commensurate yield while meeting the daily cash flow demands of the District and conforming to the legal and administrative guidelines set forth herein. Parkland Community Health Plan, Inc. (PCHP) funds are covered by this Policy, but are managed as separately invested assets.

The purpose of this Investment Policy is to comply with Chapter 2256 of the Texas Government Code (Public Funds Investment Act), which requires each subject entity to adopt a written policy regarding the investment of its funds and funds under its control. The Investment Policy addresses the methods, procedures and practices that must be exercised to ensure effective and judicious fiscal management of the District's funds.

SCOPE:

All Parkland Workforce members.

POLICY:

1. Investment of the funds covered by this Policy shall be governed by the following investment objectives, in order of priority.

   A. Safety: Safety of principal is the primary objective of the Investment Policy. Investment of the District's funds shall be undertaken in a manner that seeks to ensure the preservation of capital for the overall portfolio. To attain this objective, investment in only high-quality securities and diversification are required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

   B. Liquidity: The District's investment portfolio shall remain sufficiently liquid to enable the District to meet all operating requirements that might be reasonably anticipated while also seeking maximum yield.

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C. Yield: The District's investment portfolio shall be designed with the objective of attaining the best yield, throughout budgetary and economic cycles, commensurate with the District's investment risk constraints and the cash flow characteristics of the portfolio.

2. Investment Officers

A. The District's Board of Managers shall designate by resolution all officers and employees responsible for, and authorized to, manage and invest funds controlled by the District (Investment Officers). The Investment Officers shall be the individuals primarily responsible for investment activity under this Policy. The authority to manage the District's funds is effective until rescinded by the Board of Managers or until termination of the person's employment from the District. A minimum of two Investment Officers shall approve purchases of investment instruments.

B. Investment Officers acting in accordance with this policy and all other applicable laws, are relieved of personal responsibility and liability in the management of the investment portfolio, provided that:

C. The Investment Officer acts in accordance with the standard of prudence described below;

1) The Investment Officer does not act in violation of the ethics and conflict of interest standards contained in this policy;

2) The Investment Officer does not act with reckless disregard, fraud, or intentional misconduct; and

3) Deviations from expectations are reported in a timely fashion to the Board of Managers and appropriate action is taken to control adverse developments.

4) The Board of Managers, at its discretion, may designate an Investment Management Firm which meets industry standards as an Investment Officer in order to manage all, or a portion of, the District's invested funds in accordance with this Policy.

3. Investment Training

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A. Investment Officers are required to attend at least one training session, provided by an independent source, within twelve months of assuming investment-related duties under this Policy. Such training must include education in investment controls, security risks, strategy risks, market risks, diversification, and compliance with the Public Funds Investment Act. After the initial training session, each Investment Officer is required to receive not less than ten hours of related instruction at least once during a two-year period beginning with the first day of the fiscal year and consists of the next two fiscal years after this date. Current approved training providers are:

   1) Government Treasurers' Organization of Texas (GTOT).
   2) Government Finance Officer's Assoc. of Texas (GFOAT).
   3) Center for Public Management, Univ. of North Texas (UNT).
   4) Texas Municipal League (TML).
   5) Virtual Learning Concepts (web-based).
   6) TexPool Academy Online.
   7) Texas State University (web-based).

B. Additional training providers may be approved by the Board of Managers and included in the Investment Policy at the next review.

4. Prudence

A. The standard of prudence to be applied by Investment Officers shall be the "prudent investor" rule. This rule states that "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived".

B. In determining whether an Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the investment of all funds over which the official had responsibility rather than consideration as to the prudence of a single investment.

DRAFT

5. Ethics and Conflicts of Interest

   A. Investment Officers involved in the investment process are to refrain from personal business activity that could conflict with proper execution of the investment process, or which could impair their ability to make impartial investment decisions.

   B. Investment Officers must file a disclosure statement with the Texas Ethics Commission and the District's Board of Managers if:

      1) The Investment Officer has a personal business relationship with a business organization offering to engage in an investment transaction with the District; or

      2) The Investment Officer is related within the second degree by affinity or consanguinity (Immediate Family Member), as determined under Chapter 573 of the Texas Government Code (see attachment), to an individual seeking to transact investment business with the District.

   C. An Investment Officer has a personal business relationship with a business organization if:

      1) The Investment Officer or, their Immediate Family Member, owns 5 percent or more of the voting stock or shares of the business organization or owns $5,000 or more of the fair market value of the business organization;

      2) Funds received by the Investment Officer or their Immediate Family Member, from the business organization exceed 5 percent of his/her gross income for the previous year;

      3) The Investment Officer, or their Immediate Family Member is, or has been within the last year, an employee, director or officer of the business organization; or

      4) The Investment Officer or their Immediate Family Member has acquired from the business organization, during the previous year, investments with a book value of $2,500 or more for his/her personal account.

6. Authorized Investments

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A. District funds governed by this Policy may be invested in the instruments described below, all of which are authorized by the Public Funds Investment Act. Investment of District funds in any instrument or security not authorized for investment under the Public Funds Investment Act is prohibited.

B. An investment that requires a minimum rating under this section does not qualify as an authorized investment during the period the investment does not have the minimum rating. The District (and Investment Officer) shall take all prudent measures consistent with this Policy to liquidate an investment that does not have the minimum rating.

C. Authorized:

1) Obligations, including letters of credit, of the United States of its agencies and instrumentalities.

2) Direct obligations of the State of Texas or its agencies and instrumentalities.

3) Other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of the State of Texas or the United States or their respective agencies or instrumentalities.

4) Obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent.

5) Fully collateralized Certificates of Deposit issued by state or national banks domiciled in this state that are:

a) guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC), or its successor; or

b) secured by authorized investments described in 1 – 4 above (which are intended to include all direct federal agency or instrumentality issued mortgage-backed securities) that have a market value of not less than 102% of the principal amount, plus accrued interest, of the certificates, or in any other manner and amount provided by law for deposits of public entities.

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6) Fully collateralized repurchase agreements, provided the District has on file a signed Master Repurchase Agreement which details eligible collateral, collateralization ratios, standards for collateral custody and control, collateral valuation, and conditions for agreement termination and also provided that the repurchase agreement:

   a) has a defined termination date;

   b) is secured by obligations of the United States or its agencies and instrumentalities that have a market value of not less than the principal amount, plus accrued interest, of the repurchase agreement;

   c) requires the securities being purchased by the District to be assigned to the District, held in the District's name, and deposited at the time of the investment is made with the District's custodian or a third-party selected and approved by the District; and

   d) is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in this state.

7) Domestic commercial paper with a stated maturity of 270 days or less which is rated not less than A-1, P-1, or an equivalent rating by two nationally recognized rating agencies.

8) No-load money market mutual funds that are registered with and regulated by the Securities and Exchange Commission that:

   a) have a dollar-weighted average stated maturity of 90 days or fewer;

   b) seek to maintain a stable net asset value of $1 per share; and

   c) have provided the District with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940.

   d) maintain a minimum rating of AAAm or equivalent by at least one nationally recognized rating agency.

9) The Public Funds Investment Act restricts investment in any one mutual fund in an amount that exceeds 10 percent of the total assets of the mutual fund.

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10) Local Government Investment Pools created under the Interlocal Cooperation Act of Texas and which conform to the requirements set forth in Section 2256.016 of the Public Funds Investment Act that:

a) have a dollar-weighted average stated maturity of 90 days or fewer;

b) seek to maintain a stable net asset value of $1 per share; and

c) have provided the District with a prospectus and other information as appropriate; and

d) maintain a minimum rating of AAAm or equivalent by at least one nationally recognized rating agency.

11) Mortgage pass-through securities directly issued by a Federal Agency or Instrumentality of the United States, including Government National Mortgage Association ("GNMA or Ginnie Mae"), Federal National Mortgage Association ("FNMA or Fannie Mae") or Federal Home Loan Mortgage Corporation ("FHLMC or Freddie Mac"), collectively referred to as "Agency Mortgage Backed Securities" or "Agency MBS." Such eligible Agency MBS securities consist of pools of 15-year and 30-year residential mortgages that are in compliance with criteria established by each of the government sponsored mortgage issuers, including provisions for maximum principal, loan-to-value and borrower credit qualifications. As such, each agency mortgage issuer guarantees the payment of principal and interest to investors in their respective pass-through securities, and the principal due investors is secured by a first lien against the underlying residential properties.

D. Not Authorized:

1) Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal.

2) Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest.

3) Collateralized mortgage obligations.

4) Short sales, margin purchases, or leverage in the portfolio.

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5) Option or futures contracts, commodities, or direct real estate investments.

6) Corporate bonds, convertible bonds, or equity shares.

7) Obligations of any foreign banks or other entities issued outside of the United States.

7. Investment Selection

A. It is the policy of the District to require competitive bidding for all individual security purchases and sales except for:

1) Transactions with money market mutual funds and local government investment pools (which are deemed to be made at prevailing market rates);

2) Treasury and agency securities purchased at issue through an approved broker/dealer or financial institution; or

3) Investments purchased by an Investment Management Firm.

B. At least three bids or offers must be solicited for all other transactions involving individual securities. In situations where the exact security being offered is not offered by other broker/dealers, offers on the closest comparable investment may be used to establish a fair market price for the security.

8. Sale of Securities

A. The District may hold securities to maturity. However, securities may be sold with explicit approval of the VP & Controller, Sr. VP-Finance, or the Executive VP & Chief Financial Officer for purposes of liquidity, safety, or yield enhancement. Investments administered by an Investment Management Firm may be actively traded provided the strategy adds value through issue selection, yield curve structure, convexity, and diversification in order to provide safety of principal and lower portfolio risks.

9. Diversification and Maximum Maturities

A. The District attempts to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the District will not directly invest in:

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1) Individual securities maturing more than ten (10) years from the date of purchase.

2) Individual eligible Agency MBS as defined previously herein that exhibit average life characteristics and price sensitivity that exceeds that of a five (5) year security. While each eligible mortgage pool will specify a stated final maturity equal to the last contractual payment date due on the mortgages in the pool, such mortgage pass-through pools exhibit aggregate monthly cash flows that create predictable price volatility or average life / average maturity characteristics significantly shorter than the stated final maturity of the pool. (Example: a 30-year FNMA 6.00% mortgage pool may have a "stated final maturity" of 2035, but exhibit an average maturity of only three and a half (3.5) years). Mortgage pass-through securities otherwise authorized by this section must have average life / price sensitivity characteristics less than five (5) years at the time of purchase.

3) In order to ensure the ability to meet obligations and to minimize potential liquidation losses, the dollar-weighted average maturity (WAM) of the District's pooled portfolio shall not exceed two (2) years. For the PCHP portfolio, the WAM shall not exceed 2 years. The portion of the District's pooled portfolio managed by an Investment Management Firm shall not have a WAM greater than three (3) years. In addition, the individual investment portfolios of the District and PCHP will each be diversified to limit market and credit risk by observing the following limitations:

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Investment Type	Maximum Portfolio Ratio	Maturity Limit	Minimum Rating
U.S. Treasuries	100% Overall	10 years	N/A
U.S. Agencies & Instrumentalities	100% Overall 40% per Issuer	10 years	AA
Municipals	10% Overall 5% per Issuer	5 years	AA
Certificates of Deposit	40% Overall	2 years	N/A
Repurchase Agreements	40% Overall 20% per Issuer	270 days	N/A
Commercial Paper	40% Overall 5% per Issuer	270 days	A1 – P1
Money Market Mutual Funds	100% Overall	N/A	AAA
Local Government Investment Pools	100% Overall	N/A	AAA
U.S. Agency/ Instrumentality Mortgage Pass-Through Securities	25% Overall	5 years *	AAA
• Eligible securities must exhibit average life / maturity characteristics less than 5 years at the time of purchase.			

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10. Authorized Broker Dealers

A. Any broker/dealer wishing to do business with the District must provide the following:

1) most recent audited financial statements;

2) proof of current certification by the Financial Industry Regulatory Authority (FINRA; formerly the National Association of Securities Dealers (NASD)); or

3) proof of current registration with the Texas State Securities Commission;

4) completed Broker/Dealer Questionnaire;

5) resumes of designated brokers.

B. The Treasury Director reviews all submitted documents, checks backgrounds and references as may be appropriate, and presents findings and recommendations to the Investment Officers.

C. The Investment Officers, after consideration of the broker/dealer's qualifications, may propose acceptance of the application to the Board of Managers.

D. Approved broker/dealers are provided with a copy of the District's Investment Policy so that they may read and understand the District's investment parameters. A qualified representative of the approved broker/dealer firm must execute a written instrument acknowledging that the firm has:

1) received and reviewed the District's Investment Policy; and

2) implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the District and the organization that are not authorized by the District's Investment Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the District's entire portfolio or requires an interpretation of subjective investment standards.

E. The list of approved broker/dealers must be reviewed, no less than annually, by the Board of Managers.

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11. Delivery vs. Payment

    A. All marketable securities are purchased using the delivery vs. payment method. Payment for securities purchased is made only upon verification that the correct securities were received by the custodian. Payment may be made in a simultaneous transaction but may not be made before delivery of the securities occurs.

12. Safekeeping and Custody:

    A. The District shall contract with a bank or banks for safekeeping of securities either owned by the District as part of its investment portfolio or held as collateral to secure demand or time deposits. Securities owned by the District shall be held in the District's name as evidenced by safekeeping receipts of the institution holding the securities.

    B. Collateral for bank deposits shall be held by a third-party custodian designated by the District and pledged to the District as evidenced by safekeeping receipts of the institution with which the collateral is deposited. Collateral may be held by the depository bank's trust department, a Federal Reserve Bank or branch of a Federal Reserve Bank, a Federal Home Loan Bank, or a third-party bank approved by the District.

13. Collateral

    A. Consistent with the requirements of the Public Funds Collateral Act, the District requires full collateralization of all uninsured collected bank balances plus accrued interest, if any. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of market value of principal and accrued interest on deposits, less the amount insured by the FDIC. The Treasury Director is responsible for approving pledges, releases, and substitutions of collateral and for monitoring the market value of the pledged securities to ensure that it is adequate. Eligible collateral shall be limited to Authorized Investments A) – D) of section 6 of this Policy.

14. Strategy

    A. For the Parkland and PCHP portfolios, investments are generally "laddered" to mature according to forecasted cash needs and are held to maturity. In addition,

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the portfolios are conservatively invested according to the following considerations listed in order of importance:

1) Suitability - All investments will be placed in appropriate instruments that are allowed by this Policy and with which the District's Investment Officers are thoroughly familiar.

2) Safety - Investments will be placed in instruments that offer low credit risk and minimal price volatility with the primary objective of preserving invested principal.

3) Liquidity - Securities will be selected to mature according to forecasted cash needs and to provide for contingencies.

4) Marketability - In order to further protect the District's assets from loss in the event that an early liquidation becomes necessary or desirable, a healthy trading market must exist for any securities maturing more than six (6) months from the purchase date.

5) Diversification - The investment portfolios will be diversified among specific issuers and investment types according to this Policy in order to minimize exposure to market and credit risk.

6) Yield - Investments will be selected which maximize return on invested principal subject to the above considerations.

7) Trading – Trading securities with the intent to profit from short-term changes in interest rates and/or security valuations is only permitted by an Investment Management Firm.

15. Portfolio Reporting and Controls

A. Not less than quarterly, the Treasury Director shall prepare a report of investment activity for presentation to the Board of Managers. This report will describe the investment position for the end of the period. The report will detail balances and changes in market and book values as well as fully accrued interest for the reporting period; state the maturity date of each investment held as of the reporting date; and state the compliance of the investment portfolio with this Investment Policy. Market values will be obtained from a reputable and

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independent source that is disclosed in the quarterly report. This report will be signed by the Board authorized Investment Officers.

B. In connection with the annual financial audit, a review of management controls on investments and adherence to this Policy will be performed and the results will be reported to the Board of Managers. The annual audit by the District's independent auditors will include a review of the quarterly investment reports, the results of which shall be presented to the Board of Managers.

16. Investment Management Firms

A. The District may contract with an accredited investment management firm for purposes of managing the DCHD and PCHP investment portfolios. The firm must be registered either under the federal Investment Advisors Act of 1940 or with the Texas State Securities Board. The firm is required to review this policy and confirm acceptance of its terms annually. The firm will only be accountable for the DCHD and PCHP assets in the custody accounts under its control. In accordance with the Public Funds Investment Act, the DCHD Board of Managers must approve by resolution the renewal of the investment management firm's contract every two years.

17. Investment Policy Review and Adoption

A. Not less than annually, the Board of Managers shall adopt a written instrument by resolution stating that it has reviewed the Investment Policy and that the written instrument so adopted shall record any changes made to the Policy.

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DEFINITIONS:

Workforce member: An Officer, board member, employee, volunteer, member of the medical staff, contractor, vendor, trainee, or other person whose conduct, in the performance of work for Parkland, is under the direct control of Parkland, whether or not he or she is paid by Parkland.

REFERENCES:

N/A

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APPENDIX 1

Consanguinity and Affinity Relationship Chart

Officer or Employee					
Consanguinity (Includes individuals related by blood to the Officer or Employee)			Affinity (Includes the Officer's or Employee's Spouse and individuals related to the Spouse)		
First Degree	Second Degree	Third Degree	First Degree	Second Degree	Third Degree
Father or Mother	Grandparents	Great Grandparents	Spouse	Grandparents	Great Grandparents
Son or Daughter (& Spouse)	Grandchildren (& Spouse)	Great Grandchildren (& Spouse)	Father or Mother	Grandchildren	Great Grandchildren
	Uncle or Aunt (& Spouse)	Great Uncle or Aunt (& Spouse)	Son or Daughter	Uncle or Aunt	Great Uncle or Aunt
	First Cousin (& Spouse)	Children of Great Uncle or Aunt (& Spouse)		First Cousin	Children of Great Uncle or Aunt
	Nephew or Niece (& Spouse)	Second Cousin (& Spouse)		Nephew or Niece	Second Cousin
	Brother or Sister (& Spouse)	Children of First Cousin (& Spouse)		Brother or Sister	Children of First Cousin
		Grand Nephew or Niece (& Spouse)			Grand Nephew or Niece

An Officer or Employee is the starting point from which all degrees of relationship are calculated. Under the Degrees of Consanguinity, where Spouse is indicated, the relationship of the spouse is in the same degree as that of the person related by consanguinity, but the spouse is related only by affinity.

Consideration and Appropriate Action Regarding Investment Officers Board Briefing and Resolution

PARKLAND HEALTH & HOSPITAL SYSTEM
BOARD OF MANAGERS BRIEFING
Action Item
November 19th, 2024

Approval of Investment Policy and Officers

Discussion

The State of Texas Public Funds Investment Act requires the Dallas County Hospital District's Board of Managers to approve all Investment Officers. The CFO (or equivalent official) of each local governmental authority is required to be an Investment Officer for each authority.

The Investment Act also requires the Board to approve the District's Investment Policy annually. This Policy covers investment activity for Parkland's operating and capital cash, debt service funds, and PCHP's cash. Hilltop Securities Asset Management, LLC, serves as the manager for the investment portfolios covered by the Investment Policy. The Policy was last approved by the Board in December 2023.

Recommended Action

PHHS staff recommends that the Board approve the following DCHD Investment Officers:

Richard Humphrey	Executive Vice President & CFO
Joe Mayer	Treasury Director
Christi Paul	Treasury Manager

Resolution No. _____

A RESOLUTION OF THE DALLAS COUNTY HOSPITAL DISTRICT BOARD OF MANAGERS APPROVAL OF INVESTMENT OFFICERS

Be it resolved, the Dallas County Hospital District Board of Managers by a vote of _____ Yea and _____ Nay, Does By This Resolution (adopt/reject) _____ the following:

WHEREAS, the Dallas County Hospital District has established a program for independent investment of its available cash balances and has formulated an Investment Policy to guide this program; and

WHEREAS, the Texas Public Funds Investment Act requires the governing board of each governmental entity to designate by official order those individuals primarily responsible for investing activities of that entity.

NOW, THEREFORE, BE IT RESOLVED by the Board of Managers of the Dallas County Hospital District that the following individuals are hereby authorized to invest District funds as the Dallas County Hospital District's Investment Officers, per the Investment Policy. This authority is extended until rescinded by the District or upon termination of the Investment Officer.

Richard Humphrey	EVP & CFO	_____
Joe Mayer	Treasury Director	_____
Christi Paul	Treasury Manager	_____

Dated this ____th day of _____, 2024.

_____	_____
Marjorie Petty, JD	Steven Roth, JD, MPH
Chairman	Assistant Secretary

Eric G. Bing, MD, PhD	Yes_____	No_____	Abstain_____	Absent_____
Bryon Cryer, MD	Yes_____	No_____	Abstain_____	Absent_____
Todd Furniss, JD	Yes_____	No_____	Abstain_____	Absent_____
Vincent Hall	Yes_____	No_____	Abstain_____	Absent_____
Reina Gonzalez, JD	Yes_____	No_____	Abstain_____	Absent_____
Ramon F. Miguez, PE	Yes_____	No_____	Abstain_____	Absent_____
Farida Minner, RN	Yes_____	No_____	Abstain_____	Absent_____
Elizabeth Palacios, MD	Yes_____	No_____	Abstain_____	Absent_____
Marjorie Petty, JD	Yes_____	No_____	Abstain_____	Absent_____
John Proctor	Yes_____	No_____	Abstain_____	Absent_____
Lisa Sutter	Yes_____	No_____	Abstain_____	Absent_____

Update and Report Regarding Parkland Financial Performance Presentation

Reference Documents

Informational Report on Parkland's Capital Project Summary as of October 2024

Reference Documents

Informational Report on Parkland's 4th Quarter Investment Report