Minutes of the Budget and Finance Committee meeting of the Board of Managers of the Dallas County Hospital District, held Tuesday, November 19th , 2024, scheduled for 11:30 a.m. in the WISH Building Executive Conference Room (02-175) at Parkland Health and via WebEx. These minutes do not constitute a certified agenda from the meeting.

I. Attendance and Call to Order

Committee Chair Ramon Miguez, PE, noted that a quorum was physically present and called the meeting to order at 11:31 a.m. Committee member Lisa Sutter attended in-person and Eric G. Bing attended via Webex. Vincent Hall was appointed for quorum.

Board Member attendees included: Vincent Hall and Marjorie Petty.

Staff Present (via Webex and in-person) included:

Donna Richardson, EVP & CNE
Edmundo Castaneda, EVP & COO (via Webex)
Fred Cerise, President & Chief Executive Officer (via Webex)
Gerry Baker, SVP/Revenue Cycle
Guy Toliver, Dir. Inclusion-Supply Diversity
James Orrison, Administrative Resident
Jessica Hernandez, SVP & Chief DEI Officer
Keri Disney-Story, VP/Clinical Finance
Morgan Simmons, Governance Program Coordinator
Melanie Roberts, SVP/Chief Compliance & Ethics Officer (via Webex)
Pam Bryant, SVP Chief Supply Chain Officer
Rick Humphrey, EVP & Chief Financial Officer
Saul Cordero, SVP & Chief Governance & Strategy Officer
Steven Roth, EVP & Chief Legal Officer
Vic Summers, SVP Internal Audit

II. Mission Statement

Committee Chair began the meeting by stating the mission statement:
Advance Wellness | Relieve Suffering | Develop and Educate

III. Public Comments Regarding Agenda Items

No members of the public registered for comments regarding the agenda items.

IV. Conflicts of Interest

After review of the agenda, the Chair noted zero conflicts of interest for Board Members present.

V. Reports Requiring Deliberation(s) or Approval(s)

A. Consideration and Appropriate Action Regarding Contracts over $200,000

Pam Bryant reviewed the briefing documents for contracts over $200,000. (See Appendix A of these minutes for more specific details on each contract). Pam Bryant presented each contract based on expense, capital, revenue, and selection method (sole source and non-sole source).

The Committee asked questions and received additional information related to the consideration of the contracts over $200,000.

Ramon Miguez asked for a motion to approve contracts over $200,000. Lisa Sutter motioned for approval. Marjorie Petty seconded. The motion carried unanimously.

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

Rick introduced this policy regarding operating funds. The State of Texas Public Funds Investment Act requires the 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.

Ramon asked if the Board has the ability to recommend investment into or out of certain areas within the policy structure. Rick mentioned there is a lateral ability to discuss opportunities but there are strict rules regarding what type of risk-free investments are made.

Ramon Miguez asked for a motion to approve the Investment Policy. Lisa Sutter motioned for approval. Marjorie Petty seconded. The motion carried unanimously.

C. Consideration and Appropriate Action Regarding Investment Officers Board Briefing and Resolution

Rick introduced the resolution regarding investment officers. 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 current officers up for approval again this year include Rick Humphrey (EVP & CFO), Joe Mayer (Treasury Dir.), and Christi Paul (Treasury Mgr.).

Ramon Miguez asked for a motion to approve the Investment Officer Resolution. Lisa Sutter motioned for approval. Marjorie Petty seconded. The motion carried unanimously.

D. Update and Report Parkland Financial Performance Presentation

For the month of October, Parkland Health recognized a net income of $3.2M which is $5.3M lower than the budgeted net income of $8.5M and $1.8M favorable compared to the prior year net income of $1.4M. Parkland Health's operating margin and operating cash flow margin for the month of October are 1.0 % and 4.2%, respectively. The operating margin was favorable compared to budget of 0.4% and the operating cash flow margin is unfavorable compared to budget of 3.7%. Parkland Health's operating margin is favorable compared to prior year operating margin of (2.3) % and favorable to the operating cash flow margin of 1.1% from the prior year. Parkland Health's patient cash collections in October were $108.3M which is higher than budget by $10.3M and $13.9M above the prior year. Parkland Health's days cash on hand of 187.2 days for the month is a decrease of 29.4 days compared to prior month of 216.6 days and compared to the prior year October of 184.7 days, an increase of 2.5 days.

Rick discussed the October month-to-date Key Statistics which showed variances positive to the overall budget for the most part. Specifically, the length of stay metric was 7% favorable to budget and 8% more favorable than in 2023. October was a slower month for deliveries although there was still more than budget for FY25. Rick mentioned the patient cash collections for the month were positive and favorable. Looking at total cash collections, the majority of cash collected came from patient cash collection and a much smaller portion came form intergovernmental payments. Rick mentioned there is about $1.4 billion available to invest into the policy discussed earlier. Rick presented the gross patient revenue by payor type as compared to budget plan, Parkland saw a higher unfunded and relatively equal Medicaid funded patients. Rick mentioned this mix is not ideal. Overall, Rick mentioned October was a very strong start to the new fiscal year.

The Committee asked questions and received further information related to the Income Statements.

VI. Follow-Up Requests: None

VII. Closing Remarks

VIII. **Adjourn**

With no further business to discuss, Committee Chair Ramon Miguez, PE, adjourned the meeting at 12:41 pm.

SO RECORDED:

RFMA
RFMA (Jan 6, 2025 06:39 CST)

Ramon Miguez, PE
Committee Chair

Steven J Roth
Steven J Roth (Jan 3, 2025 15:26 CST)

Steven Roth, JD, MPH
Assistant Secretary

Appendix A (Contracts Reviewed for Appropiate Action)

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