Minutes of the Budget and Finance Committee meeting of the Board of Managers of the Dallas County Hospital District, held Tuesday, January 28th , 2025, 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 11:45 a.m. Committee member Byron Cryer, MD attended in-person and Reina Gonzalez was appointed for quorum.

Board Member attendees included: Vincent Hall and Marjorie Petty in-person and Lisa Sutter via Webex.

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

Amy LaBarge, Interim SVP Internal Audit
Beall Carothers, Dir., Real Estate Development
Brett Moran, Chief Health Officer
Donna Richardson, EVP & CNE
Edmundo Castaneda, EVP & COO
Felicia Miller, EVP & Chief Talent Officer
Fred Cerise, President & Chief Executive Officer
Guy Toliver, Dir. Inclusion-Supply Diversity
Gerry Baker, Sr. VP Revenue Cycle
James Orrison, Administrative Resident
Jessica Hernandez, SVP & Chief Health Equity Officer
Joe Mayer, Director Treasury
Keri Disney-Story, VP/Clinical Finance
Lane Mendiola, VP Construction Facilities Real Estate
Morgan Simmons, Governance Program Coordinator
Melanie Roberts, SVP/Chief Compliance & Ethics Officer
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
Tabitha Lee, VP Finance
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. Byron Cryer motioned for approval. Reina Gonzalez seconded. The motion carried unanimously.

B. Consideration and Appropriate Action Regarding Capital Substitutions

Rick Humphrey reviewed the briefing documents for Capital Substitutions. Rick mentioned the first substitution is related to a previously approved capital project where Parkland aimed to expand the Psych Intake area. During the expansion, there were some discrepancies related to structural complex and the exterior wall. The substitution will total to $206,292 to resolve the project modifications. The next substitution is regarding the IT Fulfillment team purchasing laptops in a bulk order to receive discounted pricing for the total order of 400 laptops. This substitution totals to $696,268.

Ramon Miguez asked for a motion to approve the capital substitutions. Reina Gonzalez motioned for approval. Byron Cryer seconded. The motion carried unanimously.

C. Consideration and Appropriate Action Regarding Reappointment of Investment Committee Member Ryan Bailey

Rick introduced and discussed the reappointment of Ryan Bailey on the Investment Committee. The Investment Committee serves in an advisory function and has seven diverse members that make up the committee which meets quarterly to review any partnerships or investments. Rick pointed out the symmetry among terms of Investment Committee members. Ryan Bailey is seeking reappointment through 2028. Ryan Baily has served one term prior, and he is the Chair of the committee currently.

Ramon reminded the Budget & Finance Committee members that the Investment Committee's term lengths and limits are decided and guided by the full Board's input.

Ramon Miguez asked for a motion to recommend Ryan Bailey's reappointment for approval by the full Board. Reina Gonzalez motioned for approval. Byron Cryer seconded. The motion carried unanimously.

D. Consideration and Appropriate Action Regarding up-dated Investment Policy – Retirement Income Plan

Rick presented the investment policy regarding retirement income planning. Rick presented on the first substantial change which is regarding the Board's request to bring back a recommendation on private equity and private debt which will both have a 5% allocation. The private debt is coming from the fixed investment portion, and the private equity is shifted from US and Non-US equities. Rick mentioned the added language in the policy which states that by approving this policy the Board will be tasking the investment committee with developing a strategy related to private equity and private debt that will be brought back to the Board.

Ramon Miguez asked for a motion to recommend the Updated Investment Policy Regarding Retirement Income Planning to the Full Board. Byron Cryer motioned for approval. Reina Gonzalez seconded. The motion carried unanimously.

E. Update and Report Parkland Financial Performance Presentation

For the month of December, Parkland Health recognized a net income of $6.9M which is $1.4M lower than the budgeted net income of $8.3M and $14.9M favorable compared to the prior year net income of ($8.0) M.

Parkland Health's operating margin and operating cash flow margin for the month of December are 1.4% and 4.6%, respectively. The operating margin was favorable compared to budget of 0.3% and the operating cash flow margin is favorable compared to budget of 3.7%. Parkland Health's operating margin is favorable compared to prior year operating margin of 1.3% and unfavorable to the operating cash flow margin of 4.8% from the prior year.

Parkland Health's patient cash collections in December were $111.8M which is higher than budget by $15.2M and $19.9M above the prior year. Parkland Health's days cash on hand of 196.3 days for the month is an increase of 24.8 days compared to prior month of 171.5 days and compared to the prior year December of 187.8 days, an increase of 8.5 days.

Rick discussed the income statement for December 2024. Rick mentioned there was good operating income that was above budget by about $2.5 million. Non-operating portions had an unfavorable performance compared to budget which was related to the market interest rate increases. Rick mentioned almost every element of net patient revenue was positive compared to what was budgeted. Rick mentioned there are still Covid-related costs from the federal emergency management fund that Parkland is still looking to collect. Rick mentioned the health plan has a fiscal year that ends in December which make it appear as though there is a large negative variance to budget but most of that is

from designated Medicaid payment programs. Rick reviewed the hospital key statistics, and the year-to-date data is mostly positive so far. December was a normal month for discharges compared to budget and length of stay was slightly lower than in the past. Adjusted patient days were right at budget. Patient cash collections were substantially higher than compared to target.

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

VI. Follow-Up Requests:
Lisa Sutter requested a high-level portfolio for each Board Member to review the investments and how they progress over the year. This report would be given quarterly.

VII. Closing Remarks

VIII. **Adjourn**
With no further business to discuss, Committee Chair Ramon Miguez, PE, adjourned the meeting at 12:58 pm.

SO RECORDED:

Ramon F. Miguez (Mar 3, 2025 16:11 CST)

Ramon Miguez, PE
Committee Chair

Steven Roth (Mar 6, 2025 16:45 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
												January 29, 2025
				Medical Products and Services								
M1	Expense	Mod to Add Funds #3 Venaseal & ClosureFast Products	Medtronic USA, Inc.	10/30/2024 - 12/23/2025	$249,000	$700,000	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	John Camacho, Interventional Radiology	0%	N/A	N/A
M2	Expense	Mod to Add Funds 1 WALRUS balloon catheters	Q'Apel Medical, Inc.	3/2/2023 - 3/1/2026	$87,000	$212,000	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	John Camacho, Interventional Radiology	0%	N/A	N/A
M3	Expense	Mod # 5 Intravascular Lithotripsy ("IVL") Products	Shockwave Medical Inc.	10/25/2023 - 3/1/2027	$1,200,000	$2,148,000	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Cheston Chan, Perioperative Services	0%	N/A	N/A
M4	Expense	Mod # 7 Radial align, stems, and screws for orthopedic implants	Skeletal Dynamics	7/26/2023 - 1/31/2027	$1,400,000	$4,494,953	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Cheston Chan, Perioperative Services	0%	N/A	N/A
M5	Capital	Lifepack CR2 semi-automatic Automated External Defibrillators	Stryker Sales, LLC	Last Signature – 12/31/2025	$243,228	$243,228	GPO Purchase	Yes	Andrew Hohman, Clinical Engineering	0%	N/A	N/A
M6	Expense	Mod # 3 Blood apheresis disposables/consumables	Terumo BCT	10/25/2023 - 12/31/2025	$353,289	$2,172,710	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Tanisha Tatum, Apheresis Department	0%	N/A	N/A
M7	Expense	Angio-Seal Vessel Products	Terumo Medical	2/1/2025 – 1/31/2028	$1,625,000	$1,625,000	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Cheston Chan, Surgical Administration	0%	N/A	N/A
M8	Expense	Mod # 1 Extend Contract for two (2) years and add funding	Texas Practitioners LLC	2/22/2023 - 2/28/2027	$375,000	$1,100,319	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Cheston Chan, Peri-op Services	0%	N/A	N/A

M9	Expense	Mod # 1 Apheresis kits and sterile solution	Therakos	9/28/2024 - 1/31/2026	$386,627	$570,958	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Tanisha Tatum, Apheresis Department	0%	N/A	N/A
Construction and Facilities												
C1	Capital	Construction Manager at Risk (CMAR) for Lab Consolidation	Swinerton Builders	2/1/2025 – 3/31/2026	$10,106,000	$10,106,000	Request for Qualifications	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Marc Leediker, Planning, Design and Construction	30%	TBD	TBD
C2	Expense: Court Approval	Declaration of Access and Drainage Agreement (Easement Agreement)	Parkland Health	1/1/2025 – no expiration date	$0	$0	Real Estate – Exemption	N/A-Zero Dollar	Lance Mendiola, Interim Vice President of Construction, Facilities, Real Estate, Operations Administration	N/A	N/A	N/A
Information Technology												
IT1	Expense	VMware Customer Portfolio Manager (Support Services)	CA, Inc. a Broadcom Company	Last signature – Three years	$1,000,000	$1,000,000	Sole Source	Yes	Joseph Longo, Information Technology	0%	N/A	N/A
IT2	Expense	VMware Workspace One Mobile Essentials SaaS	Carahsoft Technology Corp.	12/27/2024 – 12/26/2027	$2,852,619	$2,852,619	Sole Source	Yes	Joseph Longo, Information Technology	0%	N/A	N/A
Hospital Operations												
O1	Expense	Mod # 1 Claim Scrubber and Eligibility RTE	Waystar, Inc.	6/27/2024 - 6/26/2027	$3,571,452	$6,249,329	Non-Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Gerry Baker, Patient Financial Services	0%	N/A	N/A

Parkland Health
FY2025 Capital Substitution
For January 2025 Board Meeting

Ref #	Division	Project Total	Substitution Amount	Description
1	ED & Behavioral Health	$1,056,292	$206,292	**Construction of An Expanded Psych Intake Area**
	Explanation	This is a previously approved project to expand the psych intake area. The goal of the project is to ensure a safe environment for patients and staff. The request includes the following additions: de-escalation hallway (1), triage/medical screening room (1), expanded waiting area and exam rooms (2). Several issues were revealed during ceiling demolition, which include a height discrepancy, structural steel conflict with the proposed design, and a mismatch with the HVAC ductwork. These issues result in additional work to be performed, which include the following: removal of the existing ceiling, fire suppression system; rebuilding the ductwork (substantial increase), electrical systems, and plaster ceilings; structural steel modification; wall assembly modifications.		
	Driver(s) of Increased Expense:	Issues identified during ceiling demolition which require correction: height discrepancy on the exterior block wall; structural steel conflict with the proposed design; mismatch with HVAC ductwork.		
	Description of Item:	Renovation of the psych intake area		
2	Information Technology	$696,268	$696,268	**Notebook Thinkpads (400)**
	Explanation	The IT Fulfillment team purchased a bulk order of laptops (400) in order to get discounted pricing. The original price per unit was $2,980.60. The discounted unit price is $1,740.67. This yields savings of $1,239.93 per unit or a total savings of $496K. These items were budgeted as minor equipment as previous laptop purchases had not been considered capital. The bulk purchase of the laptops (400) qualifies as a capital purchase under the current capital asset guide. The laptops have a useful life of three years, and the annual depreciation expense will be $232,089.		
	Driver(s) of Increased Expense:	Change in the bulk capital policy		
	Description of Item:	Laptop computers (400)		
	Grand Total	**$1,752,560**	**$902,560**	