Minutes of the Budget & Finance Committee meeting of the Dallas County Hospital District, held Tuesday, August 26th, 2025, scheduled for 11:30 AM in the WISH 02-175 Executive Conference Room 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 11:30 a.m. Committee members Vincent Hall, Byron Cryer, MD, Yasmin Simon, JD, and Lisa Sutter attended in person.

Board Member attendees included: Board Chair Marjorie Petty, JD and Reina Gonzalez, JD (via Webex).

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

Beall Carothers, Director-real Estate
Brett Moran, Chief Health Officer
Edmundo Castaneda, EVP & COO
Fred Cerise, President & Chief Executive Officer
Gerry Baker, SVP Revenue Cycle
Guy Toliver, Dir Inclusion-Supply Diversity
Joe Longo, SVP & Chief Information Officer
Joseph Chang, SVP & Chief Medical Officer
Joe Mayer, Director/Treasury
Keri Disney-Story, VP/Clinical Finance
Lance Mendiola, VP Construction & Real Estate
Michelle Ng, Administrative Resident
Morgan Simmons, Governance Program Coordinator
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

Other Attendees:
Nate Weinstein Osmosis- via Webex

II. Mission Statement

The 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 reviewing the agenda, the Chair noted that the board members present had zero conflicts of interest.

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

A. Consideration and Appropriate Action Regarding Investment Committee Recommendation – Emerging Markets Equity Managers for the Defined Benefit Plan

Ramon Miguez requested the meeting start with the deliberation and action regarding the Defined Benefit Plan presentation. Parkland Health's Investment Committee is requesting Board approval to invest 4% of its Defined Benefit Pension Plan—approximately $90 million—into emerging markets equity through two selected asset managers: ARGA and Nipun Capital. This change follows the closure of Genesis Investment Management, the previous manager, which led to a temporary shift of assets into a passively managed index fund. Preferring active management in this space, the Committee initiated a search process through its advisory firm, Meketa. The proposed allocation will be split evenly—$45 million to each manager—and can be adjusted or terminated based on future performance. The Board's approval is needed to authorize this reallocation from the current index fund to these two active managers.

Ramon Miguez asked for a motion to approve the Defined Benefit Plan. Yasmin Simon motioned for approval. Vincent Hall seconded. The motion carried unanimously.

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

Pam Bryant reviewed the briefing documents for contracts over $200,000. (See Appendix A for 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 contracts over $200,000.

Ramon Miguez asked for a motion to approve contracts over $200,000. Yasmin Simon motioned for approval. Vincent Hall seconded. The motion carried unanimously.

C. Update and Review Regarding Parkland Health FY26 Final Budget Presentation
Keri Disney-Story highlighted the FY26 financial outlook and reviewed changes to the information from the initial presentation. Keri informed the Board that since the initial FY26 budget presentation, the most significant change has been the receipt of an additional $46 million from the finalized federal DSH/UC rule, which helped reduce the projected operating loss from $23 million to $3 million. Patient volume projections were also adjusted downward to more realistic levels, particularly for inpatient days and deliveries. Outpatient clinic visits increased slightly due to expanded access efforts. The capital budget grew by about $10 million, including items like roofing and legal settlement remediation. The proposed tax rate for FY26 is slightly lower than FY25, at 0.211, and was well received by county commissioners. Overall, the financial outlook has improved modestly, with a slightly stronger cash position and more flexibility for planned capital investments.

Key Metrics: (Hospital/Parkland Health)

- Total Operating Revenues: $3.135/3.538 billion
- Total Operating Expenses: $3.139/$3.528 billion
- Total Net Income: $113.3/$126.2 million
- Capital Budget: $132.9 million
- Tax Rate: 21.10 cents per $100 valuation

D. Consideration and Appropriate Action Regarding FY26 Budget Resolution
Ramon Miguez asked for a motion to approve the FY26 Budget Resolution. Vincent Hall motioned for approval. Yasmin Simon seconded. The motion carried unanimously. This resolution will proceed to the full Board meeting August 27th for final approval.

E. Update and Report Parkland Financial Performance Presentation
For the month of July, Parkland Health recognized a net income of $3.4M which is $3.6M lower than the budgeted net income of $7.0M and $4.7M unfavorable compared to the prior year's net income of $8.1M. Parkland Health's operating margin and operating cash flow margin for the month of July are (0.9) % and 2.1%, respectively. The operating margin was unfavorable compared to budget of (0.3) % and the operating cash flow margin is unfavorable compared to budget of 3.1%. 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 1.0% from the prior year. Parkland Health's patient cash collections in July were $120.2M, which is higher than budget by $6.7M and $20.1M higher than the prior year. Parkland Health's days cash on hand of 230.5 days for the month is a decrease of 1.7 days compared to prior month of 232.2 days and compared to the prior year July of 211.6 days, an increase of 19.0 days.

In July 2025, Parkland Health experienced a rare unfavorable financial variance, missing its income target by $3.6 million. While actual income was $3.3 million, it fell short of the $7 million budgeted. This was primarily due to rising interest rates, which caused a $2.5 million unrealized loss in the operating fund's investment portfolio, and a $2 million operating loss driven by higher-than-expected salary and benefit expenses. These included a $6 million catch-up in healthcare benefits, market-based salary adjustments, and increased PTO liabilities. Supply costs also rose by $3.7 million, largely due to high surgical volumes and drug expenses. Despite these challenges, strong patient volumes and improved payer mix supported net patient revenue, and the system still expects to end the fiscal year with approximately $85 million in operating income and $190 million in total income.

A. Follow-Up Requests

B. Closing Remarks

C. **Adjourn**

With no further business to discuss, Committee Chair Ramon Miguez, PE, adjourned the meeting at 1:01 pm.

SO RECORDED:

RFMA
RFMA (Sep 30, 2025 13:06:41 CDT)

Ramon Miguez, PE
Committee Chair

Steven Roth
Steven Roth (Oct 1, 2025 14:15:20 CDT)

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
												August 27, 2025
					Medical Products and Services							
M1	Expense	Coronary Stents and Accessories	Abbott Laboratories	9/1/2025 – 8/31/2030	$2,250,000	$2,250,000	Request for Proposals (Best Value)	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Cheston Chan / Cardiac Cath Lab	N/A	N/A	N/A
M2	Expense	Mod # 1 Electrophysiology Products and Accessories	Abbott Laboratories	8/19/2021 - 8/18/2026	$1,300,000	$5,800,000	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Tiffany Denkins / Cardiac Lab	N/A	N/A	N/A
M3	Expense	Premium Maintenance for Sterile Processing Equipment	Belimed, Inc.	Last Signature – Two years	$738,888	$738,888	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Travis Kobernick / Clinical Engineering	N/A	N/A	N/A
M4	Expense	Mod # 1 Add Funds only – Outpatient Dialysis Services	Bio-Medical Applications of Texas, Inc.	12/1/2021 - 12/31/2025	$1,800,000	$15,536,933	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Shannan Bradley / Care Management	N/A	N/A	N/A

M5	Expense	Mod # 1 Add Funds Only – Outpatient Dialysis Services – Physician Services	Dallas Nephrology Associates	12/1/2021 - 12/31/2025	$190,000	$1,364,000	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Shannan Bradley / Care Management	N/A	N/A	N/A
M6	Expense	Window Washing Services	CE Advantages	9/1/2025 – 8/31/2030	$1,786,179	$1,786,179	Request for Proposals (Best Value)	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Eric Walker / Environmental Services	35%	Female	Black or African American
M7	Expense	Mod # 1 Unilateral Extension of Referral Lab Agreement with Children's Health	Children's Health Systems of Texas dba Children's Health	9/1/2021 - 8/31/2026	$145,000	$975,000	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Scott Hampton/ Fidel Ramirez / Referral Laboratory	N/A	N/A	N/A
M8	Expense	Cochlear and Bone Anchored Implants	Med El Corporation	8/28/2025 – 8/27/2029	$540,000	$540,000	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Tim Hewitt / Ambulatory Specialties Clinic Admin	N/A	N/A	N/A
M9	Expense	Intraoperative Neuromonitoring (IONM) Service and Disposables	NuVasive Clinical Services Monitoring	Last Signature – 5years	$2,000,000	$2,000,000	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	David Alexander / Main Operating Room	N/A	N/A	N/A

M10	Capital	Gastroscopes, Bronchoscopes & Colonoscopes	Olympus America, Inc.	Last Signature – 9/7/2026	$312,622	$312,622	GPO Purchase	Yes	Shika Shakelli / Clinical Engineering	N/A	N/A	N/A
M11	Expense	Mod # 1 Texas State Legislative Consulting Services	Sabrina T. Brown	9/12/2012 - 8/31/2026	$140,000	$2,239,999	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Katherine Yoder / Legislative Affairs	100%	Caucasian	Female
M12	Capital	Luminos Agile Max Fluoroscopy Machine	Siemens Medical Solutions USA, Inc.	Last Signature – 1 Year from Effective Date	$399,000	$399,000	GPO Purchase	Yes	Patrick Eaton / Clinical Engineering	N/A	N/A	N/A
M13	Expense	Outstationed Eligibility Services	Texas Health & Human Services Commission	9/1/2025 – 8/31/2028	$1,512,840	$1,512,840	Interlocal Agreement	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Gerry Baker / Revenue Cycle	N/A	N/A	N/A
M14	Expense	Elevator Maintenance Agreement	ThyssenKrupp Elevator	11/1/2025 – 10/31/2035	$9,522,551	$9,522,551	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Roderick Stephens / Engineering Services	N/A	N/A	N/A
M15	Revenue	On-Site Telemedicine Services	Texas Woman's University	Last Signature – ten (10) years	$0	$0	Contract Award without Competition	N/A-Zero Dollar	Andrea Johnson / Ambulatory Specialties	N/A	N/A	N/A

Construction and Facilities												
C1	Revenue: Court Approval	Emerald Hills Sub-Sublease	5600 DAVIS BLVD OPCO, LLC, which is a subsidiary of Avir Health Group	Upon execution – 8/31/2026	$0	$0	Real Estate – Exemption	N/A-Revenue	Beall Carothers / Planning, Design & Construction	N/A	N/A	N/A
C2	Revenue: Court Approval	Homestead of Sherman Sub-Sublease	1000 E SARA SWAMY DR OPCO, LLC, which is a subsidiary of Avir Health Group	Upon execution – 8/31/2027	$0	$0	Real Estate – Exemption	N/A-Revenue	Beall Carothers / Planning, Design & Construction	N/A	N/A	N/A
C3	Expense: Court Approval	Mod # 1 - 1st Amendment to Lease Agreement – 601 Clara Barton Blvd, Suite 200, Plaza III, Garland, Texas	PSL Garland MOB, LP	5/1/2020 - 10/31/2032	$1,263,297	$6,571,762	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Beall Carothers / Planning, Design & Construction	N/A	N/A	N/A
C4	Expense: Court Approval	Lease Agreement – Garland Plaza III, Suite 330, 601 Clara Barton Blvd, Garland, Texas	PSL Garland MOB, LP	2/1/2026 – 1/31/2033	$969,066	$969,066	Real Estate – Exemption	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Beall Carothers / Planning, Design & Construction	N/A	N/A	N/A
Ratification/Deviation/Informational Only												
D1	Expense-Approved Deviation	Owner's Representative for Repair of Construction & Design Defects	Adams Management Services Corporation	Last Signature – 7/31/2028	$1,076,400	$1,076,400	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Angelica Flores / Engineering Services	N/A	N/A	N/A