Minutes of the Budget and Finance Committee meeting of the Board of Managers of the Dallas County Hospital District, held Tuesday, May 24, 2022, 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 11:34 a.m. Committee member Eric G. Bing, MD, PhD, was present. Robert Martinez, JD, was appointed to the Committee to meet quorum. Committee member Lisa Sutter attended via Webex.

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

April Audain, VP UT Contracts Admin
Bennie Miller, Manager Supplier Diversity
Donna Richardson, EVP & Chief Nursing Executive
Edmundo Castañeda, EVP & Chief Operating Officer
Felicia Miller, EVP & Chief Talent Officer
Forrest Stovall, Governance Program Coordinator (in-person)
Fred Cerise, President & Chief Executive Officer (in-person)
Guy Toliver, Director Inclusion-Supply Diversity
James Balfour, Sr. Associate General Counsel (in-person)
Jared Ginter, VP Institutional Risk Management
Joe Longo, SVP & Chief Information Officer
Joe Mayer, Treasury Director
John Raish, SVP Support Services
Keri Disney-Story, VP Clinical Finance
Pam Bryant, SVP Chief Supply Chain Officer (in-person)
Rick Humphrey, EVP & Chief Financial Officer (in-person)
Roberto de la Cruz, EVP & Chief Clinical Officer
Saul Cordero, VP & Chief Governance Officer (in-person)
Steven Roth, EVP & General Counsel (in-person)
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. Reports Requiring Deliberation(s) or Approval(s)

A. Approve 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.) Discussion of non-sole source contracts was first. Jay Balfour reported on Contract N1, McGough Construction, for the build out of three clinics in Moody Outpatient Center. Next, Pam reported on several Information Technology related contracts: Contract N2, Insight Public Sector, to increase the memory for Tap N Go Workstations; contract N3, General Datatech LP, contract N4, Henry Schein, and contract N5, Philips Healthcare. Next, Pam reported on the remaining non-sole source contracts.

The Committee members asked questions and received additional information related to the non-sole source contracts. The Committee also asked questions related to the MWBE percentage for non-sole source contracts.

Next, Pam reviewed the sole source contracts. Contract S1, PolyNovo, was negotiated down to a lower price in line with fair market value. Contract S2, bioLytical Laboratories, is for HIV test kits to be used at Correctional Health facilities. The test kits are currently used elsewhere at Parkland so this will standardize the point of care testing across Parkland facilities. Lastly, Contract S3, Sight Sciences, is for a new, less invasive glaucoma surgical technology to be used in the operating room.

The Committee asked questions and received further information related to the sole source contracts.

Robert Martinez, JD, motioned for the approval of Contracts over $200,000. Eric Bing, MD, PhD, seconded the motion. The motion passed unanimously.

B. Approve Capital Substitutions

Rick Humphrey presented three Capital Substitutions for approval to the Committee:

- OK Paper Demo Building & Replace with Surface Parking
- New Dental Clinic
- Child Care Center Buildout Annie's Place Renovation

Robert Martinez, JD, motioned for the approval of Capital Substitutions. Eric Bing, MD, PhD, seconded the motion. The motion passed unanimously.

C. Parkland Financial Performance Presentation

Rick Humphrey reviewed the financial results for April 2022 and discussed significant performance variances.

For the month of April, Parkland Health & Hospital System (Parkland) recognized a net income of $3.8M which is ($6.1M) unfavorable to the budgeted net income of $9.9M and an unfavorable change of ($1.8M) compared to the prior year net income of $5.6M.

Parkland's operating margin and operating cash flow margin for the month of April are 2.2% and 6.8%, respectively. The operating margin is unfavorable compared to budget of 4.3% and the operating cash flow margin is also unfavorable compared to budget of 8.2%. Parkland's operating margin is favorable compared to the prior year operating margin of 1.1% and favorable to the operating cash flow margin of 5.0% from the prior year.

Parkland's patient cash collections in April were $72.7M which is below budget by ($0.2M) and ($1.6M) lower than the prior year. Parkland's days cash on hand of 223 days for the month is a decrease of 15 days compared to prior month of 238 days and greater compared to the prior year April of 206 days an increase of 17 days.

Rick Humphrey reviewed the income statement for April 2022 noting the variances to budget. Overall, he noted Parkland is approximately $6.1 million unfavorable to budget for the month. Rick noted that as long as volumes persist at higher levels, salaries and benefits will continue to be above budget. Rick also reviewed the investment portfolio and explained due to current interest rates, the bonds appear lower in value. Next, Rick added in the health plan and other Parkland entities to note the overall variances to budget.

The Committee asked questions and received further information related to the Financial Performance Presentation.

Lastly, Rick reviewed the Key Metrics for the system. He introduced a new slide – Days in Accounts Payable for Construction Payments – as requested by Committee member Don O'Bannon, Esq.

The Committee asked questions and received further information related to the Key Metrics.

The Committee Chair discussed shortening the Finance presentation because of discussions at the Board Retreat. However, the Committee requested to leave the financial presentation in its current state to ensure thorough review.

V. Executive Session

At 12:37 p.m., the Committee went into Executive Session as permitted by the closed meeting exceptions specified on the agenda.

A. Discussion of Master Service Agreement for Physician Services FY22 Contract Update

Members of management in executive session attendance included:

April Audain, Donna Richardson, Edmundo Castañeda, Felicia Miller, Forrest Stovall, Fred Cerise, Pam Bryant, Rick Humphrey, Roberto de la Cruz, Saul Cordero, Steve Roth, and Vic Summers

The Committee reviewed information regarding the agenda items presented by management and asked additional questions and received answers.

At 12:53 p.m., the Committee moved into Open Session.

VI. Adjourn

With no further business to discuss, the Committee Chair adjourned the meeting at 12:54 p.m.

SO RECORDED:

RFMA
RFMA (Jul 6, 2022 09:38 CDT)

Ramon Miguez, PE
Committee Chair

Steven Roth
Steven Roth (Jul 5, 2022 17:11 CDT)

Steve Roth, JD, MPH
Assistant Secretary

Appendix A (Contracts Reviewed for Approval)

Item	Page No.	Contract Type	Service or Product	Supplier	Contract Term	Current Contract Approval Amount Request	New Approved Contract Value	Selection Method	Budgeted?	Business Owner / Dept.	MWBE %
											May 24, 2022
NON-SOLE SOURCE CONTRACTS - Sorted by Size											
N1	5	Capital	Construction Manager at Risk (CMAR) for Moody Outpatient Center	McGough Construction	5/25/2022 - 5/24/2023	$11,300,000	$11,300,000	Request for Proposals (Best Value)	Yes	Laura Adair, Planning, Design and Construction	50%
N2	8	Capital	Axiom AX - DDR4	Insight Public Sector Inc	Last signature - 3 Years	$865,619	$865,619	TXMAS or DIR Competition	Yes	Jeff Maxfield/Jeff DeFord, Information Technology	0%
N3	10	Capital and Expense	Calabrio	General Datatech LP	Last Signature - 1 Year	$730,630	$730,630	TXMAS or DIR Purchase	Yes	Darren Jones/Jeff DeFord, Information Technology	0%
N4	12	Capital	Supplies and Equipment for Henry Wade Jail & Jubilee Dental Clinics	Henry Schein	6/1/2022 - 8/30/2022	$332,656	$332,656	Invitation for Bids	No, CAP contingency funds	Patrick Eaton, Clinical Engineering	0%
N5	14	Capital	Equipment for the Patient Information Center iX Expansion	Philips Healthcare	Last Signature - 9/30/2022	$282,411	$282,411	GPO Purchase	Yes	Benny Buenvenida, Clinical Engineering	0%
N6	16	Expense	Mod #8 Background Screening Service	Dallas-Fort Worth Hospital Council Ventures, Inc.DBA: Group One Services, Inc.	10/1/2016 - 7/31/2022	$199,900	$2,119,675	Non-Sole Source Modification	Yes	Shannon Mosley, Office of Talent Management	0%
N7	18	Expense	Mod #6 Pressure Washing Services	Debbie and Sors Pressure Washing Services	10/1/2018 - 6/30/2022	$103,771	$474,280	Non-Sole Source Modification	Yes	Eric Walker, Environmental Services	0%
N8	20	Revenue: Court Approval	Mobile Banking License	PNC Bank, National Association	Last Signature - 5 Years	$0	$0	Real Estate – Exemption	N/A-Revenue	Beall Carothers, Planning Design & Construction	0%

Appendix A (Continued)

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SOLE SOURCE CONTRACTS - Sorted by Size											
S1	23	Expense	NovoSorb BTM Polyurethane Dermal Substitute Implants	PolyNovo	6/1/2022 - 5/31/2027	$1,400,000	$1,400,000	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Cheston Chan, Operating Room	0%
S2	25	Expense	INSTI Controls Test Kits/INSTI HIV-1/HIV-2 one test kit/ Pipette Transfer 50ul	bioLytical Laboratories	6/1/2022 - 5/31/2027	$406,040	$406,040	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Tina Hill , Correctional Health Services	0%
S3	27	Expense	Omni Surgical System	Sight Sciences, Inc.	5/25/2022 - 5/24/2024	$294,000	$294,000	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Cheston Chan, Ambulatory Service Center	0%