Minutes of the Budget and Finance Committee meeting of the Board of Managers of the Dallas County Hospital District, held Tuesday, August 23, 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 11:30 a.m. Committee member Eric G. Bing, MD, PhD, was present. Reina Gonzalez, JD, was appointed to the committee for quorum. Committee member Lisa Sutter arrived at 11:37 am.

Committee member John Proctor attended via Webex. Committee member Don O'Bannon, Esq, was not present.

Board Member attendees included: Chair Marjorie Petty, JD, and Reina Gonzalez, JD.

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

Adriana Hinojosa, Supplier Diversity Program Manager
April Audain, VP UT Contracts Admin
Beall Carothers, Director Real Estate Development
Bennie Miller, Manager Supplier Diversity
DeLancey Johnson, SVP & Associate Chief Talent Officer
Donna Richardson, EVP & Chief Nursing Executive
Forrest Stovall, Governance Program Manager (in-person)
Fred Cerise, President & Chief Executive Officer (in-person)
Guy Toliver, Director Inclusion-Supply Diversity
Jared Ginter, VP Institutional Risk Management
Joe Mayer, Treasury Director
Keri Disney-Story, VP Clinical Finance
Melanie Roberts, SVP Chief Compliance & Ethics Officer
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 Chief Audit Officer

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. 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. Pam Bryant provided a brief overview of each contract and highlighted the MWBE participation. Next, Pam reviewed the sole source contracts. She reviewed each contract, providing a summary of the services and MWBE participation.

The Committee asked questions and received further information related to the Contracts over $200,000.

Reina Gonzalez, JD, motioned for the approval of Contracts over $200,000. Eric G. 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:

- Radiographic Unit for $235,500
- Cisco Wireless Net for $499,998
- FY22 Construction Oakwest Behavioral Health for $201,100

Eric G. Bing, MD, PhD, motioned for the approval of Capital Substitutions. Lisa Sutter seconded the motion. The motion passed unanimously.

C. Parkland Financial Performance Presentation

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

For the month of July, Parkland Health recognized a net income of $17.0M which is $7.6M favorable to the budgeted net income of $9.4M and a favorable change of $5.1M compared to the prior year net income of $11.9M.

Parkland Health's operating margin and operating cash flow margin for the month of July are 6.0% and 9.1%, respectively. The operating margin favorable compared to budget of 4.0% and the operating cash flow margin is also favorable compared to budget of 7.8%. Parkland Health's operating margin is favorable compared to the prior year operating margin of 4.4% and favorable to the operating cash flow margin of 8.2% from the prior year.

Parkland Health's patient cash collections in July were $94.7M which is above budget by $19.4M and $6.6M higher than the prior year. Parkland Health's days cash on hand of 193 days for the month is an increase of 13 days compared to prior month of 180 days and greater compared to the prior year July of 183 days an increase of 9 days.

Rick Humphrey reviewed the income statement for July 2022 noting the variances to budget. Net Patient Revenues is approximately $20 million favorable to budget for July. However, Salaries and Benefits is approximately $12 million higher than budget for the month of July due to contract labor and health benefit expenses. Rick also noted the variances to budget for Purchased Medical Services and Supplies.

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

Lastly, Rick reviewed the Key Metrics for the system. Rick noted the significant variances to budget, including ambulatory visits, case mix, deliveries, and patient revenues.

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

D. FY23 Budget Presentation v3 Final

Rick Humphrey presented version three of the FY23 budget. He reviewed the income statement projections, the long-range financial plan, and changes from version two.

Key Metrics:

- Total Operating Revenues: $2,516,551,000
- Total Operating Expenses: $2,427,666,000
- Total Net Income: $21,493,000
- Capital Budget: $58,900,000

The Committee asked questions and received information related to the FY23 budget presentation.

Lastly, Rick Humphrey reviewed the remaining dates for the FY23 budget approval timeline.

E. Approve FY23 Budget Resolution

Rick Humphrey presented the FY23 Budget Resolution for Committee approval.

Lisa Sutter motioned to recommend Board approval of FY23 Budget Resolution. Eric G. Bing, MD, PhD, seconded the motion. The motion passed unanimously.

F. Approve Retirement Plan Update
Lisa Sutter motioned to recommend Board approval of an assumed rate of return of 6% but funding the Pension Plan at 5.5%. Eric G. Bing, MD, PhD, seconded the motion. The motion passed unanimously.

VI. Executive Session

At 12:40 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, DeLancey Johnson, Donna Richardson, Forrest Stovall, Fred Cerise, Disney-Story, Melanie Roberts, 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 1:04 p.m., the Committee moved into Open Session.

VII. Adjourn

With no further business to discuss, the Committee Chair adjourned the meeting at 1:04 p.m.

SO RECORDED:

RFMA
RFMA (Sep 30, 2022 15:13 CDT)

Ramon Miguez, PE
Committee Chair

Steven J Roth
Steven J Roth (Oct 3, 2022 16:00 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 %	MWBE Gender	MWBE Ethnicity
													August 23, 2022
NON-SOLE SOURCE CONTRACTS - Sorted by Size													
N1	5	Expense: Court Approval	Mod #1 Third Amendment to Office Lease	Albany Road-Mockingbird, LLC	8/1/2017 - 11/30/2026	$1,378,672	$3,172,620	Real Estate – Exemption	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Beall Carothers, Director Real Estate Development, Planning Design & Construction	0%	N/A	N/A
N2	8	Expense	Contingent Staffing Services	Alois LLC, Cambay Consulting, Cogent Infotech, Diskriter, Genius Road, Infojini, Medical Edge, MDMartin, ProLink Healthcare, RD Adams Enterprises dba One Elite Staffing, SVAM International, & Vtech	9/1/2022 - 8/31/2027	$1,250,000	$1,250,000	Request for Proposals (Low Price/Tech Accept)	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Stacy Dorsey, Office of Talent Management	See M/WBE Table	See M/WBE Table	See M/WBE Table
N3	11	Expense	Mod #9 Pharmacy Prescription Mailing Services	Castle Business Solutions	12/1/2015 - 12/1/2022	$600,000	$4,126,509	Request for Proposals (Low Price/Tech Accept)	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Carrie Berge, Pharmacy	0%	N/A	N/A
N4	13	Capital	Demolition of OK Paper Building and Parking Lot Replacement (Task Order #19)	Harley Ellis Deveraux d/b/a VAI Architects	Last Signature - 1 Year	$279,680	$279,680	Request for Qualifications	Yes	Paul Woodard, Planning Design & Construction	28%	Other	Female
N5	15	Revenue	Mod #2 SB 282 RIGHT Care Team	North Texas Behavioral Health Authority	9/1/2019 - 8/31/2023	($300,000)	($1,200,000)	Non-Sole Source Modification	N/A-Revenue	Geoff Camp, Operations Administration	0%	N/A	N/A
N6	17	Revenue	Mod #3 Extended Observation Psychiatric Services	North Texas Behavioral Health Authority	9/1/2019 - 8/31/2023	($4,000,000)	($16,000,000)	Non-Sole Source Modification	N/A-Revenue	Geoff Camp, Operations Administration	0%	N/A	N/A

Appendix A (Continued)

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SOLE SOURCE CONTRACTS - Sorted by Size													
S1	19	Expense	Impella Heart Pump Products	Abiomed, Inc.	9/1/2022 - 8/31/2027	$2,220,000	$2,220,000	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Cheston Chan, Cath/Cardiac Lab	0%	N/A	N/A
S2	21	Capital and Expense	Trophon2 Equipment, Consumables, and Service	Nanosonics Inc	Last Signature - 5 Years	$348,700	$348,700	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Calvin White / Crystal Harrison, Infection Prevention & Radiology	0%	N/A	N/A
S3	23	Expense	Breast Implants Products	Mentor Worldwide LLC	8/23/2022 - 7/31/2025	$316,395	$316,395	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%	N/A	N/A
S4	25	Expense	Mod #6 Elevator Monitoring Software Upgrade	ThyssenKrupp Elevator	6/14/2012 - 10/31/2025	$101,620	$7,320,787	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Thomas Wilkins, Engineering Services	0%	N/A	N/A
S5	27	Revenue	Mod #6 BioTel Biomedical On-Line Supervision for Emergency Medical System (Mesquite)	City of Mesquite	10/1/2016 - 9/30/2023	($216,911)	($472,922)	Sole Source Modification	N/A-Revenue	Melody Gardner, Emergency Services	0%	N/A	N/A
S6	29	Revenue	Mod #2 Data Sharing for MIPS Reporting	The University of Texas Southwestern Medical Center	3/9/2022 - 8/31/2023	($354,400)	($651,840)	Sole Source Modification	N/A-Revenue	Keri Disney-Story, Finance Administration	0%	N/A	N/A