Minutes of the Budget and Finance Committee meeting of the Board of Managers of the Dallas County Hospital District, held Tuesday, November 15, 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 11:31 a.m. Committee members John Proctor and Don O'Bannon, Esq, were present. Committee member Eric G. Bing, MD, PhD, arrived at 11:41 a.m.

Committee member Lisa Sutter was not present.

Board Member attendees included: Chair Marjorie Petty, JD, and Farida Minner, RN.

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

April Audain VP UT Contracts Administration
Bennie Miller, Manager Supplier Diversity
Donna Richardson, EVP & Chief Nursing Executive
Edmundo Castañeda, EVP & Chief Operating Officer
Felicia Miller, SVP & Chief Talent Officer
Forrest Stovall, Governance Program Manager (in-person)
Fred Cerise, President & Chief Executive Officer (in-person)
Gerry Baker, SVP Revenue Cycle
Guy Toliver, Director Inclusion-Supply Diversity
Joe Longo, SVP Chief Information Officer
Joe Mayer, Treasury Director
John Raish, SVP Support Services
Keri Disney-Story, VP Clinical Finance
Melanie Roberts, SVP & Chief Compliance and Ethics Officer
Nneka Egbuniwe, Deputy General Counsel (in-person)
Pam Bryant, SVP Chief Supply Chain Officer (in-person)
Rick Humphrey, EVP & Chief Financial Officer (in-person)
Saul Cordero, VP & Chief Governance Officer (in-person)
Tabitha Lee, VP Finance/Controller
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. She noted N4, Castle Business Solutions, is a 100% African American female owned business which is an extension of a current contract to February 2023. Next, Pam reviewed the sole source contracts. She reviewed each contract, providing a summary of the services and MWBE participation. She noted S9, UT Southwestern Medical Center, is a termination of a lease agreement at the Chase building which is a $2.9 million reduction in the contract value.

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

Don O'Bannon, Esq, motioned to recommend Board approval of Contracts over $200,000. John Proctor seconded the motion. The motion passed unanimously.

B. Approve Investment (Public Funds) Policy, 8311-1-04

Rick Humphrey presented the Investment Policy for approval. He noted the only proposed change is the 'doing business as' name change to Parkland Health.

The Committee asked questions and received further information related to the Investment Policy.

Don O'Bannon, Esq, motioned to recommend Board approval of Investment (Public Funds) Policy, 8311-1-04. John Proctor seconded the motion. The motion passed unanimously.

C. Approve Investment Officers

Rick Humphrey presented the annual resolution for Investment Officers for approval.

The Committee asked questions and received further information related to the Investment Officers' authority and ability to manage investments.

Don O'Bannon, Esq, motioned to recommend Board approval of Investment Officers. John Proctor seconded the motion. The motion passed unanimously.

Committee member John Proctor left the meeting at 11:47 am.

D. Parkland Financial Performance Presentation

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

For the month of October, Parkland Health recognized a net income equivalent to budgeted net income and an unfavorable change of ($6.6M) compared to the prior year net income of $6.6M.

Parkland Health's operating margin and operating cash flow margin for the month of October are (2.0%) and 1.6%, respectively. The operating margin unfavorable compared to budget of (0.8%) and the operating cash flow margin is also unfavorable compared to budget of 2.8%. Parkland Health's operating margin is unfavorable compared to the prior year operating margin of 3.1% and unfavorable to the operating cash flow margin of 6.5% from the prior year.

Parkland Health's patient cash collections in October were $70.8M which is below budget by ($21.0M) and ($10.8M) lower than the prior year. Parkland Health's days cash on hand of 187 days for the month is an increase of 30 days compared to prior month of 157 days and greater compared to the prior year October of 165 days, an increase of 22 days.

Rick Humphrey reviewed the income statement for October 2022 noting the variances to budget: Net Patient Revenues and Supplies. Cash collections in October are unfavorable for prior months' charges, not charges incurred in October. Overall, Parkland was favorable to budget for Operating Expenses. Adding in the health plan, Rick noted that higher volumes resulted in a favorable variance to budget due to increased premiums. For the month of October, Parkland is approximately $2 million favorable to budget for Total Net Income.

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

The Committee asked questions and received further information related to the impact of respiratory viruses (COVID, influenza, and RSV) impacting hospital operations.

Lastly, Rick reviewed the Key Metrics for the system. Rick noted the negative variances to budget.

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

VI. Adjourn

With no further business to discuss, the Committee Chair adjourned the meeting at 12:15 p.m.

SO RECORDED:

RFMA
RFMA (Dec 16, 2022 09:21 CST)

Ramon Miguez, PE
Committee Chair

Steven J Roth
Steven J Roth (Dec 19, 2022 15:46 CST)

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
													November 17, 2022
NON-SOLE SOURCE CONTRACTS - Sorted by Size													
N1	5	Expense	Convenience Store Products and Distribution Services	McLane Express dba The C.D. Harnett Company	12/1/2022 - 11/30/2027	$1,672,000	$1,672,000	Request for Proposals (Best Value)	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Solomon Melesse, Nutrition Services	0%	N/A	N/A
N2	7	Capital	Volusion E10 Ultrasound System	GE Healthcare	Last Signature - 1 Year	$1,327,549	$1,327,549	GPO Purchase	Yes	Patrick Eaton, Clinical Engineering	0%	N/A	N/A
N3	9	Capital	Masimo Voyager and Intubation Chamber	International Biomedical	Last Signature - 11/25/2023	$668,083	$668,083	GPO Purchase	Yes	Marcus Cooper, Clinical Engineering	0%	N/A	N/A
N4	11	Expense	Mod #10 Mail Services for the Pharmacy	Castle Business Solutions	12/1/2015 - 2/1/2023	$350,000	$4,476,509	Non-Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Carrie Berge, Pharmacy Administration	100%	Black or African American	Female
N5	13	Capital	Cardiosave, Aortic Balloon Pumps	Getinge US Sales	Last Signature - 10/31/2023	$244,094	$244,094	GPO Purchase	Yes	Shika Shakelli, Clinical Engineering	0%	N/A	N/A

Appendix A (Continued)

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
S1	15	Expense	Bond III Reagents IHC	Leica Microsystems, Inc.	Last Signature - 5 Years	$2,542,380	$2,542,380	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Stephanie Nobles, Laboratory	0%	N/A	N/A
S2	17	Expense	Mod to Add Funds Instrumentation and Disposables Da Vinci Robot	Intuitive Surgical	1/14/2020 - 12/30/2024	$1,602,000	$9,413,911	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Cheston Chan, OR Administration	0%	N/A	N/A
S3	19	Expense	IHC Antibodies/Stains	BioCare Medical	Last Signature - 1 Year	$1,000,000	$1,000,000	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Tim Lenz, Pathology	0%	N/A	N/A
S4	21	Expense	Spine Products	Stryker Spine	Last Signature - 5 Years	$950,000	$950,000	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Cheston Chan, Surgical Services Administration	0%	N/A	N/A
S5	23	Capital	Arctic Sun Stat Temp Management System	Bard Medical Division, C. R. Bard, Inc.	Last Signature - 4 Years	$294,380	$294,380	Sole Source	Yes	Marcus Cooper, Clinical Engineering	0%	N/A	N/A
S6	25	Expense	Myosure & Aquilex Disposables	Hologic Sales and Service, LLC	Last Signature - 2 Years	$209,000	$209,000	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Cheston Chan, Perioperative Services Admin	0%	N/A	N/A
S7	27	Expense	Mod to Add Funds Spine Implants	Integra Lifesciences Corporation	1/1/2021 - 12/31/2022	$205,000	$1,105,000	Sole Source Modification	Yes	Cheston Chan, Surgical Services Administration	0%	N/A	N/A
S8	29	Expense	Mod #4 FACS Flow Cytometry Testing Reagents	BD Biosciences	9/26/2018 - 2 Years from Last Signature	$200,000	$1,305,557	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Tim Lenz, Pathology	0%	N/A	N/A
S9	31	Expense: Court Approval	Mod #4 Termination of Lease Agreement – Chase Building	University of Texas Southwestern Medical Center (UTSW)	3/1/2016 - 3/31/2023	($2,903,332)	$15,404,221	Sole Source Modification	Yes	Beall Carothers, Planning Design & Construction	0%	N/A	N/A