Minutes of the Budget and Finance Committee meeting of the Board of Managers of the Dallas County Hospital District, held Tuesday, December 13, 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 Don O'Bannon, Esq, was present. Board member Elizabeth Palacios, MD, also attended in-person and was appointed to the Committee for quorum. Committee members Eric G. Bing, MD, PhD; John Proctor; and Lisa Sutter attended via Webex.

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

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

April Audain VP UT Contracts Administration
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)
Guy Toliver, Director Inclusion-Supply Diversity
Jared Ginter, VP Institutional Risk Management
Joe Longo, SVP Chief Information Officer
Joe Mayer, Treasury Director
Keri Disney-Story, VP Clinical Finance
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)
Steven Roth, EVP & Chief Legal Officer (in-person)
Tabitha Lee, VP Finance/Controller
Vic Summers, SVP Chief Audit Executive

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 N2, Netsync Network Solutions, is a 100% Hispanic female owned business. Next, Pam reviewed the sole source contracts. She reviewed each contract, providing a summary of the services and MWBE participation. Lastly, Pam presented the two deviations for the outpatient dialysis center.

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

Elizabeth Palacios, MD, motioned to recommend Board approval of Contracts over $200,000. Lisa Sutter seconded the motion. The motion passed unanimously.

B. Approve Contract Approval Policy

Saul Cordero presented the Contract Approval Policy for Committee approval. He noted the proposed changes. Specifically, he highlighted the change in the Emergency/Deviation Approval process as previously voted on by the Board.

The Committee asked questions and received further information related to the Contract Approval Policy. Specifically, the Committee asked for clarification on the definition for the term Workforce members.

Don O'Bannon, Esq, motioned to recommend Board approval of Contract Approval Policy pending the addition of the definition for Workforce Member. Elizabeth Palacios, MD, seconded the motion. The motion passed unanimously.

C. Investment Committee Report

Rick Humphrey presented the Investment Committee Report. He reviewed the Defined Benefit Plan asset balance and allocation.

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

D. Approve Retirement Plan Funding Policy, 8311-1-20

Rick Humphrey introduced the Retirement Plan Funding Policy, 8311-1-20, for Committee approval. He reviewed the policy approval process, then the proposed changes to align with current practices in place for funding the retirement plan.

The Committee asked questions and received additional information related to the Retirement Plan Funding Policy, 8311-1-20.

Elizabeth Palacios, MD, motioned to recommend Board approval of Retirement Plan Funding Policy, 8311-1-20. Lisa Sutter seconded the motion. The motion passed unanimously.

E. Approve Investment Committee Appointments

Rick Humphrey introduced two proposed appointees for the Investment Committee: Gabe Rodriguez and Mark Gehlbach. Gabe Rodriguez is a new appointee and Mark Gehlbach is a reappointment in accordance with the revised Investment Committee Charter.

Elizabeth Palacios, MD, motioned to recommend Board approval of Investment Committee Appointments. Don O'Bannon, Esq, seconded the motion. The motion passed unanimously.

F. Approve Investment Officers for Retirement Income Plan

Rick Humphrey reviewed a resolution for Committee approval authorizing the Retirement Income Plan Investment Officers. No changes or additions were made to the resolution from its prior approval.

The Committee asked questions and received additional information related to the resolution.

Elizabeth Palacios, MD, motioned to recommend Board approval of Investment Officers for Retirement Income Plan. Don O'Bannon, Esq, seconded the motion. The motion passed unanimously.

G. Parkland Financial Performance Presentation

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

For the month of November, Parkland Health recognized a net income of $6.2 which is $3.4M favorable to the budgeted net income of $2.8M and an unfavorable change of ($3.1M) compared to the prior year net income of $9.3M.

Parkland Health's operating margin and operating cash flow margin for the month of November are (0.1%) and 3.4%, respectively. The operating margin was unfavorable compared to budget of 0.6% and the operating cash flow margin is also unfavorable compared to budget of 4.3%. Parkland Health's operating margin is unfavorable compared to the prior year operating margin of 2.4% and unfavorable to the operating cash flow margin of 5.8% from the prior year.

Parkland Health's patient cash collections in November were $81.2M which is above budget by $10.2 and $5.7 higher than the prior year. Parkland Health's days cash on hand

of 171 days for the month is a decrease of 16 days compared to prior month of 187 days and greater compared to the prior year November of 150 days, an increase of 21 days.

Rick Humphrey reviewed the income statement for November 2022. Parkland had a Total Net Income positive variance to budget of a little over $3 million. Negative variances to budget included Net Patient Revenues, Salaries and Benefits, and Purchased Medical Services. The negative variance from Salaries and Benefits was offset but a positive variance in Other expenses. Related to investments, Rick noted interest rates have started to stabilize which contributes to the positive variance for Nonoperating income. Combining all entities, Parkland is approximately $7.5 million favorable 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. Rick noted the negative variances to budget including Case Mix Index and Ambulatory Visits.

The Committee asked questions and received further information related to the Key Metrics. The Committee also asked how the hospital is planning for a potential COVID-19 resurgence this winter and any anticipated impact from the recent Dallas County Tax Collectors cybersecurity hack.

VI. Adjourn

With no further business to discuss, the Committee Chair adjourned the meeting at 12:26 p.m.

SO RECORDED:

RFMA
RFMA (Jan 30, 2023 20:50 EST)

Ramon Miguez, PE
Committee Chair

Steven J Roth
Steven J Roth (Feb 3, 2023 18:56 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
December 14, 2022													
NON-SOLE SOURCE CONTRACTS - Sorted by Size													
N1	5	Expense	Bank Depository Services	JP Morgan Chase Bank, NA	1/1/2023 - 12/31/2026	$2,512,326	$2,512,326	Request for Proposals (Best Value)	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Joe Mayer, Finance Administration	0%	N/A	N/A
N2	8	Capital and Expense	Cisco Catalyst Series	Netsync Network Solutions	Last Signature - 1 Year	$499,998	$499,998	TXMAS or DIR Purchase	Yes	Darren Jones and Jeff DeFord, Information Technology	100%	Hispanic	Female
N3	10	Expense	Mod #12 Hospital Wide Courier Services Funding Only	Eagle Express	1/1/2019 - 12/31/2023	$317,430	$1,686,410	Non-Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Tim Lenz, House Wide	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
SOLE SOURCE CONTRACTS - Sorted by Size													
S1	12	Expense	Mod #4 radial align, stems, and screws for orthopedic implants	Skeletal Dynamics	12/15/2018 - 1/31/2025	$375,000	$720,000	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 Administration	0%	N/A	N/A
S2	14	Expense	Mod to Add Funds Total Joints	Smith & Nephew Inc.	6/15/2018 - No Expiration	$45,000	$244,999	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 Admin	0%	N/A	N/A
D1	16	Expense-Approved Deviation	Mod #3 Outpatient Dialysis Center - Term extension plus additional funding	Bio-Medical Applications of Texas, Inc.	12/1/2021 - 11/30/2023	$5,150,000	$7,910,000	Contract Extension without Competition	Yes	Marilyn Callies, Care Management	0%	N/A	N/A
D2	18	Expense-Approved Deviation	Mod #2 1 Yr. term extension for outpatient dialysis clinic services	Dallas Nephrology Associates	12/1/2021 - 11/30/2023	$500,000	$620,000	Contract Extension without Competition	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Marilyn Callies, Care Management	0%	N/A	N/A