Minutes of the Board of Managers meeting of the Dallas County Hospital District, held Wednesday, December 14, 2022, scheduled for 12:50 p.m. or immediately following the HOMES meeting in the WISH Building 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

Chair Marjorie Petty, JD, noted that a quorum was physically present and called the meeting to order at 12:50 p.m.

Board Member attendees included: Chair Marjorie Petty, JD; Eric G. Bing, MD, PhD; Todd Furniss, JD; Reina Gonzalez, JD; Ramon Miguez, PE; Farida Minner, RN; Don O'Bannon, Esq; Elizabeth Palacios, MD; and Lisa Sutter. Jeff Tillotson, JD, joined at 1:01 pm.

Board member John Proctor was not present.

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

Donna Richardson, EVP & Chief Nursing Executive
Edmundo Castañeda, EVP & Chief Operating Officer (in-person)
Edna Ruano, Public Policy Advisor
Felicia Miller, EVP & Chief Talent Officer (in-person)
Forrest Stovall, Governance Program Manager (in-person)
Fred Cerise, President & Chief Executive Officer (in-person)
Joseph Chang, Chief Medical Officer
Kellee Boardingham, Executive Assistant (in-person)
Melanie Roberts, SVP Chief Compliance & Ethics Officer
Pamela Bryant, SVP Chief Supply Chain Officer
Paula Denney, Associate General Counsel
Rick Humphrey, EVP & Chief Financial Officer (in-person)
Saul Cordero, VP & Chief Governance Officer (in-person)
Steven Roth, EVP & Chief Legal Officer (in-person)
Vic Summers, SVP Chief Audit Executive

Other Attendees:
JD Davis, Milliman
Christian Goodman, Milliman
Jim Griffin, Solid Counsel
Rev. Dr. Elias Lopez, Southern Methodist University, Perkins School of Theology

II. Mission Statement

The Chair began the meeting by stating the mission statement:
Advance Wellness | Relieve Suffering | Develop and Educate

III. Invocation

Rev. Dr. Elias Lopez offered an invocation at the beginning of the meeting.

IV. Public Comments Regarding Agenda Items

No members of the public registered for comments regarding the agenda items.

V. Conflicts of Interest

The Chair called for any potential conflicts of interest for Board Members. Todd Furniss, JD, noted he would like to recuse himself from the vote on Mark Gehlbach's appointment to the Investment Committee due to a potential conflict of interest.

VI. Consent Agenda

Minutes 2022-11-09 Governance, Compliance and Ethics Committee

Minutes 2022-11-09 Talent Development and Executive Compensation Committee

Minutes 2022-11-15 Budget & Finance Committee

Minutes 2022-11-17 Quality of Care & Patient Safety Committee

Minutes 2022-11-17 Board of Managers

Minutes 2022-11-29 Facilities Committee

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

Approve Temporary Privileges – Requirement and Verifications Policy (MSPS-04)

Approve Flexible Benefits Plan Document

Approve Contracts over $200,000

Approve Contract Approval Policy

Approve Investment Committee Appointments

Approve Investment Officers for Retirement Income Plan

Approve DCHD Board Bylaws

Approve Medical Executive Committee Resolution for Appointments/Reappointments, Privileges and Staff Status Changes of the Medical Staff and Non-Physician Clinical Providers

Don O'Bannon, Esq, motioned to approve the Consent Agenda with the removal of the provider discussed at the Quality of Care and Patient Safety Committee on December 14, 2022. Lisa Sutter seconded the motion. The motion passed unanimously.

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

A. Recognitions

Chair Marjorie Petty, JD, recognized Steve Miff and Dr. Michael Horne for being recognized as a D Magazine Top 500 CEO.

B. Pension Plan: Plan Alternatives

Rick Humphrey introduced JD Davis and Christian Goodman from Milliman as presenters. JD Davis provided an overview of current retirement plans provided by Parkland: Retirement Income Plan (or Defined Benefits "DB" Plan) and Supplemental Retirement Plan "SRP." JD also provided an overview of the current Pension Plan participants. Next, JD reviewed the current assets, expense projections, and historical costs of the pension. JD highlighted the funding projections and overall funding status of the plan.

C. Questions & Discussion Related to Pension Plan: Plan Alternatives

The Board asked questions and received additional information related to the Pension Plan: Plan Alternatives presentation.

The Board also discussed various options to fund the pension plan and external factors impacting the pension plan performance including the investment market and legislative efforts.

VIII. Executive Session

At 1:30 p.m., the Board went into Executive Session as permitted by the closed meeting exceptions specified on the agenda.

A. Pension Plan: Plan Alternatives

The Board conducted an Executive Session Consultation with Attorney to discuss legal requirements for the Pension Plan.

Members of management in executive session attendance included:

Donna Richardson, Edmundo Castañeda, Felicia Miller, Forrest Stovall, Fred Cerise, Joseph Chang, Kellee Boardingham, Melanie Roberts, Paula Denney, Rick Humphrey, Saul Cordero, Steven Roth, and Vic Summers

Other attendees included:

JD Davis, Christian Goodman, and Jim Griffin

Chair adjourned Executive Session and moved into Open Session at 1:51 p.m.

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

A. Pension Plan: Plan Alternatives

JD Davis reviewed key terms and definitions with the Board, then provided a list of key questions that the Board should answer to determine next steps. Next, JD Davis reviewed potential pension plan alternatives: adjusting the current plan, a cash balance plan, a defined contribution plan, and social security. He also reviewed the anticipated associated costs with each plan alternative.

The Board asked questions and received additional information related to the Pension Plan Alternatives and what retirement options employees desire.

Felicia Miller provided insight on what the current Parkland employees desire and expect from their retirement plan options. Generally, more senior employees value the pension, but younger employees value versatility and the option to transfer their money. Ultimately, employees value a benefit that is similar to what is currently offered with the pension plan.

Next, JD Davis reviewed funding options for various alternatives. He reviewed projected associated costs for the short-term and long-term.

The Board asked questions and received additional information related to the amount of time expected to fully fund the plan with the provided projections.

JD Davis presented various projections based on age and years of service. Lastly, he provided a review of each plan and highlighted their strong points and their weak points.

Next, the Board discussed the Key Questions presented. The Board also discussed options to reduce the current unfunded liability of the pension plan such as reducing the benefit multiplier below 2.5% or funding the plan with cash.

After discussion and deliberation, the Board agreed to look at options consistent with the following:

- Maintaining the plan for current employees (“soft freeze”)
- Changing the plan for future employees to a defined contribution plan
- Management returning with options for funding the pension plan liability
- Maintaining a vesting period of five years
- Exploring contribution options for the new plan
    - 50% employer and 50% employee contribution
    - Explore smaller employer contribution in early years and a larger employer contribution in later years of employment

JD Davis concluded the presentation with a comparison of retirement plans of other health systems in Texas.

The Board asked questions and received additional information related to the anticipated timeline for opening the new plan.

B. CEO Update on System Operations
Dr. Cerise shared there are no pressing updates at this time.

C. Questions & Discussion Related to CEO Update on System Operations
The Board asked questions and received additional information related to the status of the demolition of the former campus across Harry Hines Blvd.

The Board asked questions and received additional information related to the status of the Security Assessment.

X. Adjourn

With no further business to discuss, Chair Marjorie Petty, JD, adjourned the meeting at 3:44 p.m.

SO RECORDED:

Marjorie Petty
Marjorie Petty (Jan 31, 2023 22:27 CST)

Marjorie D. Petty, JD
Chair

Steven J Roth
Steven J Roth (Feb 3, 2023 18:38 CST)

Steve Roth, JD, MPH
Assistant Secretary