Minutes of the Budget and Finance Committee meeting of the Board of Managers of the Dallas County Hospital District, held Tuesday, March 28, 2023, 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 11:35 a.m. Committee members Eric G. Bing, MD, PhD; Don O'Bannon, Esq; and John Proctor attended. Committee member Lisa Sutter attended via Webex.

Board Member attendees included: Chair Marjorie Petty, JD (via Webex); and Todd Furniss, JD.

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

Adriana Hinojosa, Supplier Diversity Program Manager
Andrew Devine, Associate General Counsel
April Audain, VP UT Contracts Administration
Bennie Miller, Manager Supplier Diversity
Donna Richardson, EVP & Chief Nursing Executive
Edmundo Castañeda, EVP & Chief Operating Officer (in-person)
Felicia Miller, EVP & 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-Supplier Diversity
Joe Longo, SVP Chief Information Officer
Joe Mayer, Treasury Director
John Raish, SVP Support Services (in-person)
John Wilson, Director Planning, Design & Construction Services
Joseph Abrahams, Supplier Diversity Program Manager
Keri Disney-Story, VP Clinical Finance
Mark Stewart, Manager Program & Planning
Melanie Roberts, SVP & Chief Compliance and 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 & Chief Legal Officer (in-person)
Tabitha Lee, VP Finance/Controller
Vic Summers, SVP & Chief Audit Executive

Other Attendees included:

Sharon Middlebrooks, NAACP President, Dallas

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, Page Southerland Page, is a consultant providing guidance on consolidating lab space. She also noted N8, Press Ganey, is a phased project which will require additional contracts or modifications to the existing contract. Felicia Miller provided a more detailed overview of the project. N10, Milliman, is an existing contract which is having funds added.

The Committee recommended sending out bids for contracts that have had multiple years with the same vendor.

Next, Pam reviewed the sole source contracts. She provided a brief overview of each contract and noted the first three are modifications to existing contracts.

Next, the Committee discussed contract I1, FedEx Corporate Services. The Committee discussed the Request for Proposal (RFP) process for this contract and the expected $250,000 per year savings the new vendor is projected to save Parkland. The Committee discussed several concerns related to the RFP process, the content of the RFP, and the recommendation to change vendors.

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

VI. Executive Session

At 12:29 p.m., the Board went into Executive Session as permitted by the closed meeting exceptions specified on the agenda.

Members of management were excused from the discussion of topics as necessary.

A. Former Campus Demolition Update

Members of management in executive session attendance included:

April Audain, Andrew Devine, Donna Richardson, Edmundo Castañeda, Felicia Miller, Forrest Stovall, Fred Cerise, Guy Toliver, John Raish, John Wilson, Mark Stewart, Melanie Roberts, Pam Bryant, Rick Humphrey, Roberto de la Cruz, Saul Cordero, Steven Roth, and Vic Summers

Chair adjourned Executive Session and moved into Open Session at 1:07 p.m.

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

A. Approve Contracts over $200,000

Lisa Sutter motioned to recommend Board approval of Contracts over $200,000 with the exception of the Former Campus Demolition Contract and the FedEx Contract. Don O'Bannon, Esq, seconded the motion. The motion passed unanimously.

Lisa Sutter motioned to recommend Board approval the Former Campus Demolition Contract. Eric G. Bing, MD, PhD, seconded the motion. All present Committee members voted in favor of the Former Campus Demolition Contract with the exception of Don O'Bannon, Esq, and John Proctor voting no.

Don O'Bannon, Esq, motioned to recommend Board approval of extending the current contract with Castle by 60 days pending responses to the questions asked at the meeting. John Proctor seconded the motion. All present Committee members voted in favor of extending the current contract with Castle with the exception of Lisa Sutter voting no.

B. Approve Capital Substitutions

Rick Humphrey presented two capital substitutions for approval. The first is $1,565,000 for the HOMES Relocation and the second is $734,450 for Ambulatory Surgery Center (ASC) Generator Replacement.

The Committee asked questions and received additional information related to Capital Substitutions.

Don O'Bannon, Esq, motioned to recommend Board approval of Capital Substitutions. Eric G. Bing, MD, PhD, seconded the motion. The motion passed unanimously.

C. Parkland Financial Performance Presentation

Rick Humphrey reviewed the financial results for February 2023 and discussed significant performance variances.

For the month of February, Parkland Health recognized a net income of $9.7M which is $6.6M favorable to the budgeted net income of $3.1M and ($0.1M) unfavorable compared to the prior year net income of $9.9M.

Parkland Health's operating margin and operating cash flow margin for the month of February are 2.6% and 6.2%, respectively. The operating margin was favorable compared to budget of 0.6% and the operating cash flow margin is also favorable compared to budget of 4.5%. Parkland Health's operating margin is unfavorable compared to the prior year operating margin of 6.0% and unfavorable to the operating cash flow margin of 9.4% from the prior year.

Parkland Health's patient cash collections in February were $81.4M which is above budget by $2.1M and $10.4M higher than the prior year. Parkland Health's days cash on hand of 220 days for the month is an increase of 26 days compared to prior month of 194 days and compared to the prior year February of 199 days, an increase of 21 days.

Rick Humphrey reviewed the income statement for February 2023. He noted the approximate $5.7 million variance to budget in Net Patient Revenues and $6.5 million variance to budget for Total Net Income (Loss). When adding the other entities, there is a $7.3 million variance to budget for Total Net Income (Loss).

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

Next, Rick reviewed the Key Metrics for the system. Rick noted the approximate $22.8 million variance to budget for Salaries and Benefits and the variance to budget for Total Net Income (Loss) primarily due to the health plan. For Key Metrics, the Case Mix Index and Ambulatory Visits remain below budget.

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

A. **Adjourn**

With no further business to discuss, the Committee Chair adjourned the meeting at 1:33 p.m.

SO RECORDED:

RFMA
RFMA (May 3, 2023 10:35 CDT)

Ramon Miguez, PE
Committee Chair

Steven J Roth
Steven J Roth (May 3, 2023 15:13 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
													March 29, 2023
NON-SOLE SOURCE CONTRACTS - Sorted by Size													
N1	5	Capital	Mod #2 Demolition of the Old Parkland Hospital	Beck-EJ Smith Joint Venture	1/26/2022 - 4/19/2024	$12,057,880	$37,357,880	Request for Qualifications	Yes	Paul Woodard, Planning, Design and Construction	30%	0	0%
N2	7	Expense	Mod #9 Tenant Improvement Supplement for 8435 Stemmons Lease Expansion (Floors 5,6 & 10)	Diversified Empire Center – Dallas, L.P.	9/1/2009 - 8/31/2024	$1,432,149	$34,186,285	Real Estate – Exemption	Yes	Beall Carothers, Planning Design & Construction	37%	N/A	N/A
N3	10	Capital	Advance CS2 Anesthesia Delivery System	GE Healthcare	Last Signature - 4/7/2024	$881,398	$881,398	GPO Purchase	Yes	Shika Shakelli, Clinical Engineering	0%	N/A	N/A
N4	12	Expense	Lab Consolidation Consultant	Page Southerland Page Inc	3/31/2023 - 3/30/2026	$651,800	$651,800	Request for Proposals (Best Value)	Yes	Scott Hampton/Tim Lenz, Laboratory Services	64%	Hispanic	Male
N5	15	Capital	IntelliVue patient monitors, MX750	Philips Healthcare	3/29/2023 - 3/29/2024	$560,882	$560,882	GSA Purchase	Yes	Buenvenida, Clinical	0%	N/A	N/A
N6	17	Capital	Air Handler Replacement	Texas Air Systems LLC	Last Signature - 1 Year	$484,650	$484,650	GPO Purchase	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Shabretta Manning, Engineering Services	12%	Caucasian	Female
N7	19	Capital	15th Floor Med Surg ICU Conversion	Phillips May Corporation	4/3/2023 - 4/2/2024	$433,333	$433,333		Yes	Mark Stewart, Planning, Design and Construction	37%	Hispanic	Male
N8	21	Expense	Service Excellence Model	Press Ganey	4/1/2023 - 3/31/2025	$397,400	$397,400	Request for Proposals (Best Value)	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Shauntee Mayfield, Office of Talent Management	0%	N/A	N/A
N9	24	Expense	Diverse Fiber Installation	Matrix Telecommunication Services, Inc.	4/1/2023 - 9/30/2023	$348,946	$348,946	Invitation for Bids	Yes	Darren Jones, Information Technology	100%	African American	Male
N10	27	Expense	Mod #6 Actuarial Valuation Services for Retirement Benefits Plans	Milliman, Inc.	4/1/2010 - 3/31/2024	$332,000	$936,500	Non-Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal	Joe Mayer, Treasury	0%	N/A	N/A
N11	29	Revenue	Mod #14 Work Orders for RADAR Contract	Denver Health and Hospital Authority	7/1/2007 - 12/31/2023	($127,823)	($938,203)	Non-Sole Source Modification	N/A-Revenue	Melody Gardner, North Texas Poison Center	N/A	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	31	Expense	Mod to Add Funds Endoprosthesis Vascular Stents and Implants Product Agreement	W. L. Gore & Associates, Inc	5/1/2021 - 4/30/2024	$1,743,000	$4,593,000	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	John Camacho, Interventional Radiology	0%	N/A	N/A
S2	33	Expense	Mod to Add Funds Organ Procurement (Expense)	Southwest Transplant Alliance	1/1/2020 - No Expiration	$1,400,000	$2,760,000	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Patricia Shirey, Transplant Services	0%	N/A	N/A
S3	35	Expense	Mod #6 FlowTriever and ClotTriever Devices	Inari Medical, Inc.	6/6/2020 - 6/5/2025	$807,000	$1,817,000	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	John Camacho, Interventional Radiology	0%	N/A	N/A
S4	37	Capital	Hemosphere Advance Monitoring System	Edwards Lifesciences	Last Signature - 4/7/2024	$516,000	$516,000	Sole Source	Yes	Marcus Cooper, Clinical Engineering	0%	N/A	N/A
S5	39	Capital	Prismax System, Renal Replacement Therapy	Baxter Healthcare Corporation	Last Signature - 3/31/2024	$333,740	$333,740	Sole Source	Yes	Marcus Cooper, Clinical Engineering	0%	N/A	N/A
S6	41	Expense	Mod #7 One-Time Project to relocate records	Iron Mountain	5/5/2018 - 4/28/2023	$232,429	$732,129	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Denise Pickett, Legal Affairs	0%	N/A	N/A
S7	43	Revenue	Mod to Add Funds Organ Procurement (Revenue)	Southwest Transplant Alliance	1/1/2020 - No Expiration	($381,344)	($741,344)	Sole Source Modification	N/A-Revenue	Patricia Shirey, Transplant Services	0%	N/A	N/A
DEVIATION/RATIFICATION													
D1	45	Capital and Expense-Approved Deviation	Ambulatory Surgery Center Generator Replacement	Cummings Electrical LP	Last Signature - 9/30/2023	$734,450	$734,450	Sole Source	Yes	Moussa Moussa, Engineering Services	35%	African American	Male
INFORMATION ONLY													
I1	47	Expense	Pharmacy prescription mail delivery services	FedEx Corporate Services, Inc.	4/1/2023 - 9/27/2025	$2,000,000	$2,000,000	GPO Purchase	Yes	Rusty Appleberry-Rucker, Pharmacy Administration	0%	N/A	N/A