Minutes of the Budget and Finance Committee meeting of the Board of Managers of the Dallas County Hospital District, held Tuesday, September 26, 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 11:30 a.m. Committee members Eric G. Bing, MD, PhD, and Byron Cryer, MD, attended in-person. Committee member Lisa Sutter attended via Webex.

Committee member John Proctor did not attend.

Board Member attendees included: Chair Marjorie Petty, JD; and Vincent Hall.

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

Adriana Hinojosa, Supplier Diversity Program Manager
Anthony Tarango, Manager Nursing
April Audain, VP UT Contracts Administration (in-person)
Bennie Miller, Manager Supplier Diversity
DeLancey Johnson, SVP Associate Chief Talent Officer
Donna Richardson, EVP & Chief Nursing Executive
Edmundo Castañeda, EVP Chief Operating 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
Jared Ginter, VP Institutional Risk Management
Jessica Hernandez, SVP Chief DEI Officer
Joe Mayer, Director Treasury
Joseph Longo, SVP Chief Information Officer
Keri Disney-Story, VP Clinical Finance
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 (in-person)
Saul Cordero, SVP & Chief Governance & Strategy Officer (in-person)
Steven Roth, EVP & Chief Legal Officer (in-person)
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. Contract N2, B.E. Smith, is 40% MWBE participation. Contract N3, Door Control Services, is 25% MWBE participation. Contract N4, Kleinfelder, is 30% MWBE participation.

Next, Pam presented the sole source contracts. She provided a brief overview of each contract and highlighted the MWBE participation.

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

Byron Cryer, MD, motioned to recommend Board approval of Contracts over $200,000. Eric G. Bing, MD, PhD, seconded the motion. The motion passed unanimously.

B. Approve Capital Substitutions

April Audain presented three capital substitutions for approval. The Capital Substitutions total $1,090,987.

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

Byron Cryer, MD, motioned to recommend Board approval of Capital Substitutions. Eric G. Bing, MD, PhD, seconded the motion. The motion passed unanimously.

VI. Executive Session

At 11:58 a.m., the Committee moved 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.

Members of management in executive session attendance included:

April Audain, DeLancey Johnson, Donna Richardson, Edmundo Castañeda, Forrest Stovall, Fred Cerise, Gerry Baker, Jessica Hernandez, Joseph Longo, Keri Disney-Story, Pamela Bryant, Rick Humphrey, Roberto de la Cruz, Saul Cordero, Steve Roth, and Vic Summers

A. Discussion of Master Service Agreement for Physician Services FY24 Contract

The Committee adjourned the executive session at 12:22 p.m.

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

C. Approve Master Service Agreement for Physician Services FY24 Contract

Byron Cryer, MD, motioned to recommend Board approval of Master Service Agreement for Physician Services FY24 Contract. Eric G. Bing, MD, PhD, seconded the motion. The motion passed unanimously.

D. Parkland Financial Performance Presentation

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

For the month of August, Parkland Health recognized a net income of $11.2M which is $9.0M favorable to the budgeted net income of $2.2M and $5.0M favorable compared to the prior year net income of $6.2M.

Parkland Health's operating margin and operating cash flow margin for the month of August are 1.4% and 4.9%, respectively. The operating margin was favorable compared to budget of 0.2% and the operating cash flow margin is also favorable compared to budget of 3.8%. Parkland Health's operating margin is unfavorable compared to the prior year operating margin of 2.5% and unfavorable to the operating cash flow margin of 5.5% from the prior year.

Parkland Health's patient cash collections in August were $101.6M which is above budget by $10.2M and $0.9M higher than the prior year. Parkland Health's days cash on hand of 201.2 days for the month is a decrease of (15.3) days compared to prior month of 216.5 days and compared to the prior year August of 184.4 days, an increase of 16.7 days.

Rick Humphrey reviewed the income statement for August 2023. He noted the variances to budget for revenues as well as for expenses. The variance to budget for Operating Revenues is $18,667,000. The variance to budget for Operating Expenses is $15,886,000. The variance to budget for Total Net Income (Loss) is approximately $8,971,000. The variances are all attributed to increased volumes.

Next, Rick reviewed the income statement including all Parkland entities. The variance to budget for Operating Revenues is $186,858,000. The variance to budget for Operating

Expenses is $254,813,000. The variance to budget for Total Net Income (Loss) is $1,345,000. Rick noted in September, Parkland should have a positive Operating Income.

The Committee asked questions and received further information related to the Income Statements.

Next, Rick reviewed the Key Statistics for the system. He noted those metrics with variances to budget.

The Committee asked questions and received further information related to the Key Metrics. The Committee also asked questions and received further information related to the forthcoming Investment Committee Overview and Investment Policy discussion.

A. **Adjourn**

With no further business to discuss, the Committee Chair adjourned the meeting at 12:46 p.m.

SO RECORDED:

RFMA
RFMA (Oct 30, 2023 16:57 CDT)

Ramon Miguez, PE
Committee Chair

Steven J Roth
Steven J Roth (Oct 27, 2023 16:51 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
													September 27, 2023
NON-SOLE SOURCE CONTRACTS - Sorted by Size													
N1		Capital	HexaVue, HarmonyAIR Equipment Column	Steris Corporation	Last Signature - 10/5/2024	$1,770,278	$1,770,278	GPO Purchase	Yes	Shika Shakelli, Clinical Engineering	0%	N/A	N/A
N2		Expense	Mod #1 Executive Recruiting Services	B.E Smith, DHG Search, Rudish Health, Strand TwoG LLC, & Curative Talent	8/1/2022 - 7/31/2027	$1,500,000	$2,750,000	Non-Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Stacy Dorsey, Office of Talent Management	40%	Caucasian	Female
N3		Expense	Automatic Door Maintenance, Repair & Installation	Door Control Services	10/1/2023 - 9/30/2028	$1,000,000	$1,000,000	Request for Proposals (Best Value)	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Roderick Stephens, Engineering Services	25%	See table	See table
N4		Expense	Geotechnical Testing & Inspection Services	Kleinfelder, Inc.	10/1/2023 - 9/30/2027	$800,000	$800,000	Request for Qualifications	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Asma Momin, Planning, Design and Construction	30%	See table	See table
N5		Capital	Endoscopy Tower Components	Karl Storz Endoscopy-America, Inc.	Last Signature - 10/3/2024	$419,997	$419,997	GPO Purchase	Yes	Shika Shakelli, Clinical Engineering	0%	N/A	N/A
N6		Revenue: Court Approval	Parking License Agreement – Hotel Lot	Children's Health System of Texas	5/1/2023 - 4/30/2026	($550,785)	($550,785)	Real Estate – Exemption	N/A-Revenue	Beall Carothers, Planning Design & Construction	N/A	N/A	N/A
N7		Revenue	Mod #5 Laundry Services	ImageFirst	7/1/2014 - 9/30/2025	($822,163)	($882,163)	Non-Sole Source Modification	N/A-Revenue	Jack Dyck, Linen Services	N/A	N/A	N/A
N8		Revenue	Reimbursement Agreement for Resident Stipends	Texas Scottish Rite Hospital for Children	8/1/2023 - 7/31/2027	($1,813,987)	($1,813,987)	N/A-Revenue	N/A-Revenue	Elizabeth Ponce, Graduate Medical Education	N/A	N/A	N/A

Appendix A (Continued)

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SOLE SOURCE CONTRACTS - Sorted by Size													
S1		Expense	FY24 Agreement of Cooperation for County to provide health care services reimbursable by Parkland	Dallas County	10/1/2023 - 9/30/2024	$11,793,787	$11,793,787	Sole Source	Yes	Tabitha Lee, Finance Administration	N/A	N/A	N/A
S2		Expense	Mod #2 Intraocular Lenses and Hydrus Microstent	Alcon Vision, LLC	11/14/2021 - 11/13/2025	$1,684,000	$3,046,180	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
S3		Expense	Mod #4 1 PMAS project to migrate the PostgreSQL database to Flat Files and end support.	Legacy Data Access, Inc.	5/8/2015 - 1 year from Last Signature	$1,461,776	$1,779,276	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Cynthia Hamilton / LeMar Oleson, Information Technologies	0%	N/A	N/A
S4		Expense	Mod #9 Clinical Services – Part A Expense	The University of Texas Southwestern Medical Center	10/1/2014 - 9/30/2024	$860,994	$7,527,946	Sole Source Modification	Yes	Niccole McKinley/ Wish Administration, Sheila Fisher/ Grants Management	N/A	N/A	N/A
S5		Expense	Epic Boost – Jail Health Community Connect Project	EPIC	Last Signature - 9/5/2025	$855,300	$855,300	Sole Source	Yes	LeMar Oleson, Information Technology	0%	N/A	N/A
S6		Expense	Mod #6 FACS Flow Cytometry Testing Reagents	BD Biosciences	9/25/2018 - 9/25/2024	$771,000	$2,076,557	Sole Source	Yes	Tim Lenz/ Sarah Muna, Pathology - Hematology	0%	N/A	N/A
S7		Capital	HOMES Mobile Clinic	Farber Specialty Vehicles Inc.	9/27/2023 - 9/30/2024	$561,374	$561,374	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Kyla Rankin, HOMES	0%	N/A	N/A
S8		Expense	Mod #2 Glaucoma Surgery Products and Accessories	Glaukos Corporation	4/30/2019 - 2 Years from Last Signature	$283,000	$565,950	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
S9		Expense	Mod to Add Funds Immunofluorescence Testing Reagents	Global Focus Marketing & Distribution, LTD	9/1/2020 - 8/31/2025	$54,000	$251,911	Sole Source Modification	Yes	Tim Lenz/Joan Chapman, Pathology - Hematology	0%	N/A	N/A

Appendix A (Continued)

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S10		Revenue	Mod #9 Clinical Services – Part B Revenue	The University of Texas Southwestern Medical Center	10/1/2014 - 9/30/2024	($2,796,232)	($18,119,360)	Sole Source Modification	N/A-Revenue	Niccole McKinley, Wish Administration	N/A	N/A	N/A