Minutes of the Budget and Finance Committee meeting of the Board of Managers of the Dallas County Hospital District, held Tuesday, November 14, 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; Byron Cryer, MD; and Lisa Sutter attended in-person. John Proctor joined via Webex. Vincent Hall was appointed for quorum.

Committee member Eric G. Bing, MD, PhD, did not attend.

Board Member attendees included: Chair Marjorie Petty, JD (joined at 11:40 p.m. via Webex); Reina Gonzalez, JD (via Webex).

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

April Audain, VP UT Contracts Administration (in-person)
Donna Richardson, EVP & Chief Nursing Executive (in-person)
Edmundo Castañeda, EVP Chief Operating Officer (in-person)
Felicia Miller, EVP & Chief Talent Officer (in-person)
Forrest Stovall, Governance Program Manager (in-person)
Fred Cerise, President & Chief Executive Officer (in-person)
Gerry Baker, SVP Revenue Cycle (in-person)
Jessica Hernandez, SVP Chief DEI Officer (in-person)
Joe Mayer, Director Treasury
Joseph Longo, SVP Chief Information Officer (in-person)
Kellee Boardingham, Executive Assistant (in-person)
Melanie Roberts, SVP Chief Compliance & 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 (in-person)
Saul Cordero, SVP & Chief Governance & Strategy Officer (in-person)
Steven Roth, EVP & Chief Legal Officer (in-person)
Tabitha Lee, VP Finance (in-person)
Vic Summers, SVP & Chief Audit Executive (in-person)

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 N4, HKS, Inc is 25.26 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. The Committee specifically asked questions regarding the Southeast COPC Concept Design.

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

B. Approve Capital Substitutions

April Audain presented two capital substitutions for approval. The Capital Substitutions total $258,596.

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

Lisa Sutter motioned to recommend Board approval of Capital Substitutions. John Proctor seconded the motion. The motion passed unanimously.

C. Approve 8311-1-04 Investment Policy-Operating Fund

Rick Humphrey reviewed the 8311-1-04 Investment Policy-Operating Fund.

The Committee asked questions and received additional information related to the 8311-1-04 Investment Policy-Operating Fund.

Vincent Hall motioned to recommend Board approval of 8311-1-04 Investment Policy-Operating Fund. Lisa Sutter seconded the motion. The motion passed unanimously.

D. Approve Investment Officers

Rick Humphrey presented the Investment Officers for approval.

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

Lisa Sutter motioned to recommend Board approval of the Investment Officers. Vincent Hall seconded the motion. The motion passed unanimously.

E. Parkland Financial Performance Presentation

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

For the month of October and YTD, Parkland Health recognized a net income of $1.4M which is ($7.1M) unfavorable to the budgeted net income of $8.5M and $2.7M favorable compared to the prior year net loss of ($1.3M).

Parkland Health's operating margin and operating cash flow margin for the month of October are (2.3%) and 1.0%, respectively. The operating margin was unfavorable compared to budget of 0.7% and the operating cash flow margin is also unfavorable compared to budget of 3.9%. Parkland Health's operating margin is favorable compared to the prior year operating margin of (2.6%) and favorable to the operating cash flow margin of 0.5% from the prior year.

Parkland Health's patient cash collections in October were $94.4M which is above budget by $4.0M and $23.6M higher than the prior year. Parkland Health's days cash on hand of 184.7 days for the month is an increase of 7.7 days compared to prior month of 177.0 days and compared to the prior year October of 187.3 days, a decrease of (2.6) days.

Rick Humphrey reviewed the income statement for October 2023. He noted October is the beginning of a new fiscal year. He stated that there was an operating loss of $5.2M but is not unusual in October as there was also a $5.2M loss in October 2022. Operating Revenues had a negative variance to budget of $36,000. Operating Expenses had a negative variance to budget of $6,675,000. The variance to budget for Total Net Income (Loss) was negative at approximately $7,074,000.

Next, Rick reviewed the income statement for the month of October and YTD including all Parkland entities. The variance to budget for Operating Revenues was positive at $3,946,000. The variance to budget for Operating Expenses was negative at $6,127,000. The variance to budget for Total Net Income (Loss) was negative at $465,000. The Operating Margin was negative 0.2% including all Parkland entities.

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. Discharges, Daily Census, Length of Stay, Emergency and Ambulatory Visits were unfavorable to budget.

The Committee asked questions and received further information related to the Key Metrics. The Committee specifically asked questions and received additional information related to Emergency Visits.

A. **Adjourn**

With no further business to discuss, Committee Chair Ramon Miguez, PE, adjourned the meeting at 12:38 p.m.

SO RECORDED:

Ramon F Miguez (Dec 21, 2023 11:15 CST)

Ramon Miguez, PE
Committee Chair

Steven J Roth (Dec 21, 2023 14:35 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 15, 2023
NON-SOLE SOURCE CONTRACTS - Sorted by Size													
N1	5	Capital and Expense	Point of Use, Inventory Management System, Hardware & Software	Tecsys Inc.	12/1/2023 - 11/30/2028	$1,943,950	$1,943,950	Request for Proposals (Best Value)	Yes	Pamela Bryant, Supply Chain	0%	N/A	N/A
N2	8	Expense	Mod #2 Out-stationed Eligibility Advisors	Texas Health & Human Services Commission	9/1/2018 - 11/30/2025	$902,832	$2,699,592	Interlocal agreement	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Gerry Baker, Revenue Cycle	N/A	N/A	N/A
N3	10	Expense	Noise Reduction Hardware for Automatic Doors	Door Control Services, a D.H. Pace Company, Inc.	11/20/2023 - 5/19/2024	$223,140	$223,140	Invitation for Bids	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Angelica Flores, Engineering Services	0%	N/A	N/A
N4	12	Capital	Southeast COPC Concept Design	HKS, Inc.	11/20/2023 - 11/19/2024	$200,918	$200,918	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	25.26%	See Chart	See Chart

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	15	Expense	Mod #24 Kyndryl Contract - 1 year extension and Modern Data Warehouse Expansion.	Kyndryl, Inc	5/17/2017 - 3/31/2025	$16,921,859	$90,474,890	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Jeff DeFord / Joe Longo Adam Taufique / James Gaston, Information Technology	10.34%	Female	Asian
S2	17	Expense	Mod #4 Outpatient Dialysis Center	Bio-Medical Applications of Texas, Inc.	12/1/2021 - 5/31/2024	$5,826,933	$13,736,933	Contract Extension without Competition	Yes	Diann Francis, Robert Zubrod, Care Management	0%	N/A	N/A
S3	19	Capital	Spectralis Tracking Optical Coherence Tomography (OCT) Systems	Heidelberg Engineering	Last Signature - 12/7/2024	$527,625	$527,625	Sole Source	Yes	Bernie Buenvenida , Clinical Engineering	0%	N/A	N/A
S4	21	Expense	Quality Assurance Barcoding Services	Global Media Group LLC	12/1/2023 - 11/30/2027	$303,120	$303,120	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Eric Walker, Operation Administration	0%	N/A	N/A
S5	23	Expense	Mod #3 Outpatient Dialysis Services – Physician Services	Dallas Nephrology Associates	12/1/2023-5/31/2024	$265,000	$885,000	Sole Source Modification	Yes	Robert Zubrod, Transitional Care	0%	N/A	N/A
INFORMATION ONLY													
I1	25	Expense	2024 DART Employee Preferred Annual Pass	Dallas Area Rapid Transit (DART)	1/2/2024 - 12/31/2024	$490,320	$490,320	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Tawana McCullough, Office of Talent Management/ Total Rewards	N/A	N/A	N/A
I2	28	Revenue	Mod #9 Clinical Services – Part B Revenue	The University of Texas Southwestern Medical Center	10/1/2014 - 9/30/2024	($2,023,992)	($17,347,120)	Sole Source Modification	N/A-Revenue	Niccole McKinley, WISH	N/A	N/A	N/A