Minutes of the Budget and Finance Committee meeting of the Board of Managers of the Dallas County Hospital District, held Tuesday, January 23, 2024, 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 11:32 a.m. Committee members Byron Cryer, MD, (arrived at 11:37 a.m.); and John Proctor attended in-person. Committee member Lisa Sutter attended via Webex. Board member Elizabeth Palacios, MD, was appointed for quorum prior to Dr. Cryer's arrival.

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

Board Member attendees included: Chair Marjorie Petty, JD; Todd Furniss, JD; Vincent Hall; Reina Gonzalez, JD (via Webex); and Elizabeth Palacios, MD.

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

April Audain, VP UT Contracts Administration
Ceazari Threadgill, VP Enterprise Service Management
Donna Richardson, EVP & Chief Nursing Executive
Edmundo Castañeda, EVP Chief Operating Officer
Felicia Miller, EVP & Chief Talent Officer
Forrest Stovall, Governance Program Manager
Fred Cerise, President & Chief Executive Officer
Guy Toliver, Director Inclusion-Supplier Diversity
Jessica Hernandez, SVP Chief DEI Officer
Joe Mayer, Director Treasury
Joseph Longo, SVP Chief Information Officer
Kellee Boardingham, Executive Assistant
Keri Disney-Story, VP Clinical Finance
Melanie Roberts, SVP Chief Compliance & Ethics Officer
Pam Bryant, SVP Chief Supply Chain Officer
Rick Humphrey, EVP & Chief Financial Officer
Roberto de la Cruz, EVP & Chief Clinical Officer
Ryan Bailey, Investment Committee Chair
Saul Cordero, SVP & Chief Governance & Strategy Officer
Steven Roth, EVP & Chief Legal Officer
Tabitha Lee, VP Finance
Vic Summers, SVP Internal Audit

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 noted a delay on the review of Contract N1. Pam Bryant provided a brief overview of each contract and highlighted the MWBE participation.

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

Lastly, Pam reviewed the deviation and ratification contracts.

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

Elizabeth Palacios, MD, motioned to recommend Board approval of Contracts over $200,000, excluding contract N1. John Proctor seconded the motion. The motion passed unanimously.

B. Parkland Financial Performance Presentation

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

For the month of December, Parkland Health recognized a net loss of ($8.0M) which is ($13.8M) unfavorable to the budgeted net income of $5.8M and ($6.5M) unfavorable compared to the prior year net loss of (1.5M).

Parkland Health's operating margin and operating cash flow margin for the month of December are 1.3% and 4.8%, respectively. The operating margin was favorable compared to budget of (0.4%) and the operating cash flow margin is also favorable compared to budget of 2.8%. Parkland Health's operating margin is favorable compared to the prior year operating margin of (3.2%) and favorable to the operating cash flow margin of 0.2% from the prior year.

Parkland Health's patient cash collections in December were $91.9M which is higher than budget by $0.8M and $9.8M above the prior year. Parkland Health's days cash on hand of 187.8 days for the month is an increase of 16.7 days compared to prior month of 171.1 days and compared to the prior year December of 185.0 days, an increase of 2.8 days.

Rick Humphrey reviewed the income statement for December 2023. He noted the variances to budget including Salaries and Benefits, Purchased Medical Services, and Supplies. He also noted the variance to budget related to Grants and Contributions as well as Nonoperating Income. Next, Rick reviewed the income statement for December 2023 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 month of December. Hospital Discharges and Average Length of Stay had positive variances to budget. He noted the cash balance consistently increases year over year.

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

VI. Executive Session

At 12:16 a.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. Discussion of Investment Consulting Services Contract (N1)

B. Discussion Regarding Contract for Retirement Plans Investment Consultant

Members of management in executive session attendance included:

April Audain, Ceazari Threadgill, Donna Richardson, Edmundo Castañeda, Felicia Miller, Forrest Stovall, Fred Cerise, Guy Toliver, Jessica Hernandez, Joe Mayer, Joseph Longo, Kellee Boardingham, Keri Disney-Story, Melanie Roberts, Pam Bryant, Rick Humphrey, Roberto de la Cruz, Ryan Bailey, Saul Cordero, Steven Roth, Tabitha Lee, and Vic Summers

Chair adjourned Executive Session and moved into Open Session at 12:28 p.m.

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

A. Approve Contracts over $200,000, Contract N1

John Proctor motioned to recommend Board approval of Contract N1. Elizabeth Palacios, MD seconded the motion. The motion passed unanimously.

B. Approve Replacement of Investment Managers

Joe Mayer & Ryan Bailey presented the Replacement of Investment Managers for approval.

The Committee asked questions and received additional information related to the approval for the Replacement of Investment Managers

Byron Cryer, MD, motioned to recommend Board approval of the Replacement of Investment Managers. Lisa Sutter seconded the motion. The motion passed unanimously.

C. Approve 8311-1-14 Investment Policy-Defined Benefit Plan

Rick Humphrey reviewed the 8311-1-14 Investment Policy-Defined Benefit Plan. Joe Mayor and Ryan Bailey presented on the process and recommendations that the investment committee provided.

The Committee asked questions and received additional information related to the 8311-1-14 Investment Policy-Defined Benefit Plan.

Elizabeth Palacios, MD, motioned to recommend Board approval of 8311-1-14 Investment Policy-Defined Benefit Plan. Byron Cryer, MD, seconded the motion. The motion passed unanimously.

D. **Adjourn**

With no further business to discuss, Committee Chair Ramon Miguez, PE, adjourned the meeting at 12:50 p.m.

SO RECORDED:

RFMA
RFMA (Mar 21, 2024 04:35 CDT)

Ramon Miguez, PE
Committee Chair

Steven J Roth
Steven J Roth (Mar 24, 2024 13:41 CDT)

Steven 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
													January 24, 2024
NON-SOLE SOURCE CONTRACTS - Sorted by Size													
N1		Expense	Investment Consulting Services	Meketa Investment Group	2/1/2024 - 1/31/2029	$1,800,000	$1,800,000	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, Treasury	0%	N/A	N/A
N2		Expense	Medical Equipment Planner	Introba, Inc.	1/29/2024 - 1/28/2029	$450,000	$450,000	Request for Proposals (Best Value)	Yes	Veronica Mendez, Planning, Design and Construction	25%	See Chart	See Chart
N3		Expense	Mod #2 Dark Fiber Connectivity Data Centers	Zayo Group	3/1/2018 - 1/24/2029	$221,880	$1,140,221	Request for Proposals (Low Price/Tech Accept)	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Darren Jones / Jeff DeFord, Information Technology	0%	N/A	N/A
N4		Capital	Central Fill Pharmacy Renovation	Falkenberg Construction Co. Inc.	1/29/2024 - 6/28/2024	$337,841	$337,841	Invitation for Bids	Yes	Paul Woodard, Planning, Design and Construction	79.61%	See Chart	See Chart
N5		Capital	Lumera 700 Ophthalmic Microscope	Carl Zeiss Meditec USA, Inc.	Last Signature - 2/2/2025	$329,231	$329,231	GPO Purchase	Yes	Shika Shakelli, Clinical Engineering	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		Expense	Correctional Health Rollout	EPIC	1/24/2024 - 5/31/2025	$6,870,124	$6,870,124	Sole Source	Yes	Cynthia Hamilton / LeMar Oleson, Information Technology	0%	N/A	N/A
S2		Expense	ROSA Robot Support & Maintenance	Zimmer Biomet US, Inc.	Last Signature - 3 Years	$219,000	$219,000	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Travis Kobernick, Clinical Engineering	0%	N/A	N/A
S3		Expense	Mod #1 Services for Physician Time Study	UT Southwestern Medical Center	1/1/2021 - 12/31/2025	$187,200	$374,400	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Jim Blasingame, Government Reimbursement	N/A	N/A	N/A
S4		Revenue	Generalizing an Artificial Intelligence/Machine Learning Model for Pediatric Asthma Care in Safety Net Health	Kaiser Foundation Research Institute	2/1/2024 - 1/31/2026	($749,929)	($749,929)	Sole Source	N/A-Revenue	Leticia Blea, Research Administration	N/A	See Chart	See Chart
DEVIATION/RATIFICATION													
R1		Expense-Ratification	Reimbursement Agreement for Resident Stipends (Expense)	Children's Health Clinical Operations	7/1/2023 - 6/30/2028	$5,758,283	$5,758,283	Contract Award without Competition	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Elizabeth Ponce, Graduate Medical Education	N/A	See Chart	See Chart
R2		Revenue-Ratification	Reimbursement Agreement for Resident Stipends (Revenue)	Children's Health Clinical Operations	7/1/2023 - 6/30/2028	($28,661,045)	($28,661,045)	N/A-Revenue	N/A-Revenue	Elizabeth Ponce, Graduate Medical Education	N/A	See Chart	See Chart